FRANCHISE DISCLOSURE DOCUMENT

Hardee's Restaurants LLC
A Delaware Limited Liability Company
6700 Tower Circle
Suite 1000
Franklin, Tennessee 37067
(615) 538-9400
hfslegal@ckr.com
www.hardees.com

The franchisee will operate a quick service restaurant under the name "Hardee's," offering a limited menu of breakfast, lunch and dinner products and featuring charbroiled 100% Black Angus Thickburger sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits, and other related quick serve menu items ("Hardee's Restaurant"). The franchise described in this disclosure document is offered only to existing Hardee's franchisees who meet the criteria described in Item 1.

The total investment necessary to begin the operation of a newly-developed Hardee's Restaurant ranges from approximately $1,375,000 to $2,637,395. This includes $57,000 to $97,000, which must be paid to us. The total investment range does not include the cost of buying or renting the business location.

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

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 Danell Caron at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, (615) 339-4794.

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 ("FTC"). You can contact the FTC by calling 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.

Issued: May 24, 2025

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 G & I.
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 J 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 Hardee's business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Hardee's franchisee?	Item 20 or Exhibits G & H 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 B.

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 Tennessee. 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 Tennessee than in your own state.

2. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at a price the franchisor or they set. The prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

NOTICE REQUIRED
BY
STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, "we," "us" and "HR" refer to Hardee's Restaurants LLC, the franchisor. "You" refers to the person or legal entity who buys the franchise. If you are a corporation, partnership, limited liability company or other business entity, certain provisions of this disclosure document also apply to your owners and will be noted.

HR is offering, in connection with this disclosure document, the opportunity to purchase a franchise to operate one or more Hardee's Restaurants from a Traditional Location (as defined below). The franchise described in this disclosure document is offered only to those of our existing franchisees who were franchisees of HR's predecessor as of February 6, 1998 and who satisfy the following criteria: **(1)** during the 12 months preceding receipt of a disclosure document by the franchisee, the franchisee has not been in default of any agreement with HR and currently is in good standing with HR; **(2)** the franchisee is not in a workout or restructuring relationship with HR; and **(3)** the franchisee has fully repaid to HR in cash all monies borrowed from or owed to HR. HR offers franchises to all others who do not satisfy the above criteria under separate disclosure documents. Those offers are on terms and conditions different from those described in this disclosure document. Unless otherwise noted, the disclosures in this disclosure document apply to Hardee's Restaurant franchises operated from a Traditional Location. For purposes of this disclosure document, a Traditional Location means and includes a Hardee's Restaurant operated from a single tenant building, not attached to any other structures.

In addition, HR may offer franchises to operate Hardee's Restaurants at nontraditional locations under one or more separate disclosure documents. That offer will be on terms and conditions different from those described in this disclosure document. Nontraditional locations include, but are not limited to, airports, train stations, bus stations, travel plazas, gas and convenience locations, toll plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos, "ghost" or "dark" kitchens or any similar captive market or non-traditional "brick and mortar" location.

Hardee's Restaurants are quick service restaurants offering a limited menu of breakfast, lunch and dinner products. The Hardee's Restaurants feature charbroiled 100% Black Angus Thickburger sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items.

The Franchise. You can buy a franchise to develop and operate one Hardee's Restaurant ("Franchised Restaurant") or, if you and the area in which you are interested meet certain qualifications, you can buy the rights to develop multiple (at a minimum, three) Franchised Restaurants under a Development Agreement (the current "St. Louis" form is attached as Exhibit C). Typically, following our acceptance of a site and your execution of a lease or sublease of the site, or the closing on your purchase of the site, you and we will sign a Franchise Agreement (the current "St. Louis" form is attached as Exhibit D), which will govern your development of the Franchised Restaurant, and you will pay the Initial Franchise Fee (or, if applicable, the balance of the Initial Franchise Fee). You may not commence construction until the Franchise Agreement is fully executed. You will execute the form of "St. Louis" Franchise Agreement in use at the time immediately prior to your commencing construction of the Franchised Restaurant.

You should not acquire any interest in a site for the Franchised Restaurant until you have received financial and operational approval from HR and not until HR has accepted the site in writing.

If you are interested in purchasing one or more company-operated Restaurants (at times referred to as a "Former Corporate Restaurant"), in lieu of the procedure described in the preceding paragraphs, you will first sign a letter of intent regarding the potential purchase. If you wish to review any of our confidential materials in connection with your potential purchase of company-operated Restaurants, you must sign a Confidentiality Agreement (Exhibit M). You and we will then execute an Asset Purchase Agreement, the general form of which is attached as Exhibit N. At the time of the closing of the transaction, you and we will execute, among other things and if appropriate, a Sublease for each Restaurant you purchase, the general form of which is attached as Exhibit O. At closing, you and we will also execute a Franchise Agreement (as well as applicable addenda thereto that reflect the terms of the Asset Purchase Agreement) for each Restaurant purchased and a Development Agreement pursuant to which you will develop an agreed-upon number of Franchised Restaurants.

Your receipt of this disclosure document does not mean that you will be approved for expansion or that you may develop or open another Franchised Restaurant. Before you may develop and open another Franchised Restaurant, HR must approve you for expansion, HR must accept the location of your proposed Franchised Restaurant, you and those of your employees whom you hire for certain designated positions must attend and successfully complete HR's training programs and HR and you must sign the Franchise Agreement. You should not acquire any interest in a site for a Franchised Restaurant until, at the earliest, you are approved by HR for expansion, and HR accepts the site for your Franchised Restaurant.

Development Incentive Program. Franchisees who sign a Development Agreement or a Franchise Agreement for a new-construction Hardee's Restaurant by no later than May 24, 2026, may qualify for our Hardee's Restaurant 2025 Development Incentive Program (the "HR 2025 Development Incentive Program"). Under the HR 2025 Development Incentive Program, we will reduce the royalty fee and APO fee as set forth in Item 6 for the first three years of the franchise term. The HR 2025 Development Incentive applies to the development of new Hardee's Restaurants only. The HR 2025 Development Incentive does not apply to: (i) relocated, remodeled, reimaged, or scrape and rebuild Hardee's Restaurants, (ii) Hardee's Restaurants opened and operated from non-traditional locations, and (iii) Hardee's Restaurants developed in high population density areas.

To be eligible for the HR 2025 Development Incentive Program, an existing franchise must meet the following requirements: (i) sign a Development Agreement or Franchise Agreement for the development of one or more newly-constructed Hardee's Restaurant(s) by no later than May 24, 2026, (ii) franchisee must open the newly-constructed Hardee's Restaurant(s) by the date(s) outlined in the corresponding Development Agreement or Franchise Agreement, (iii) franchisee may not be in default of its obligations under its existing franchise agreements or related agreements with HR or its affiliates, (iv) franchisee must be approved for growth by HR and its affiliates, (v) franchisee must satisfy HR's then-current financial and operational requirements for new restaurant development, and (vi) franchisee and the Hardee's Restaurant(s) otherwise meet the requirements of the HR 2025 Development Incentive Program. New franchisees are also eligible to participate in the HR Development Incentive Program provided they: (i) sign a Development Agreement or Franchise Agreement for the development of one or more newly-constructed Hardee's Restaurant(s) by no later than May 24, 2026, (ii) open the newly-constructed Hardee's

Restaurant(s) by the date(s) outlined in the corresponding Development Agreement or Franchise Agreement, and (iii) meet the requirements of the HR 2025 Development Incentive Program.

If you qualify for the HR 2025 Development Incentive Program, simultaneously with your execution of the qualifying Franchise Agreement, you will sign a HR 2025 Development Incentive Program Addendum to the Franchise Agreement (Exhibit K), which memorializes your right to receive the development incentives described above for the applicable Franchised Restaurant.

If you sign the HR 2025 Development Incentive Program Addendum to Franchise Agreement, you will not be entitled, with respect to the applicable Franchised Restaurant covered by the HR 2025 Development Incentive Program, to any other incentives that have been or may be offered by us.

Licenses; Permits; Applicable Laws; and Competition. It is your sole and absolute obligation to research all applicable federal, state and local laws and regulations governing the operation of your business and to ensure that such operation does not violate any federal, state or local law or regulation. For example, there are various federal laws that could affect your business and that you must comply with such as the American with Disabilities Act (ADA), the CAN-SPAM Act, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR), and other federal and state anti-solicitation laws regulating marketing phone calls; and federal and state laws that regulate data security and privacy (including but not limited to the use, storage, transmission, and disposal of data regardless of media type). You should investigate these laws to understand your potential legal obligations. Further, you must comply with all local, state and federal laws and regulations applicable to the operation of your Hardee's Restaurant, including health, sanitation, food handling, food preparation, waste disposal, smoking restrictions and advertising and point-of-sale disclosures, including statements concerning the nutritional and dietary characteristics of the food served at your Restaurant. You should consult with your attorney concerning all laws and regulations that may affect your Restaurant operations.

In addition, all newly-developed Hardee's Restaurants must contain a charbroiler. The charbroiler has been the subject of regulation in certain areas of the country, including California where, in some regions, chain-driven charbroilers must have catalytic converters. The possibility exists that other states may require that air pollution control equipment be installed in connection with the use of a charbroiler. You would be expected to comply with these regulations, if applicable to your Restaurant, and pay all costs of installation and maintenance of the control equipment.

The restaurant business, including the quick service segment, is highly competitive. You will be competing with other quick service restaurants, including national and regional restaurant chains, fast-casual restaurants, full-service casual-dining restaurants, budget restaurants, health and nutrition-oriented restaurants, delicatessens and prepared food restaurants, take-out food service companies, supermarkets, coffee shops and convenience stores. The ability of each Hardee's Restaurant to compete depends on its location, ingress and egress, signage, parking, service, employee attitudes, overhead, changing local market and economic conditions, and many other factors both within and outside your control.

The Franchisor and Its Predecessor. HR is a Delaware limited liability company organized on January 30, 2013. HR's principal place of business is 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067. HR's agents for service of process in various states are listed in Exhibit B. We do business under the name "Hardee's". We have operated, and offered franchises for, Hardee's Restaurants since April 1, 2013. As of January 27, 2025, there were 202 company-operated Hardee's restaurants, and there were 1,369 domestic franchised Hardee's restaurants, including 129 Dual Concept restaurants. Dual Concept Restaurants are quick service Hardee's Restaurants that also offer certain Red Burrito Mexican food products. In addition, as of January 27, 2025, there were the following international franchised Hardee's Restaurants: Bahrain – 17; Egypt – 41; Iraq – 12; Jordan – 4;

Kazakhstan – 19; Kenya – 1; Kuwait – 60; Oman – 13; Pakistan – 30; Palestine – 5; Qatar – 24; Saudi Arabia – 146; United Arab Emirates – 98; and Uzbekistan – 3. We do not engage in any other business or offer franchises in any other line of business.

Our predecessor is Hardee's Food Systems, Inc., a North Carolina corporation incorporated on December 7, 1960, whose principal place of business was 100 N. Broadway, Suite 1200, St. Louis, Missouri 63102-2706. On March 26, 2013, it was converted from a corporation to a limited liability company, Hardee's Food Systems LLC, a Delaware limited liability company formed on February 25, 2013. Effective October 7, 2013, Hardee's Food Systems LLC was converted to a North Carolina limited liability company. Hardee's Food Systems LLC has the same principal place of business as ours. (Hardee's Food Systems, Inc. and Hardee's Food Systems LLC will be collectively referred to in this disclosure document as "HFS.") HFS operated Hardee's Restaurants from 1960 until March 31, 2013. HFS also offered franchises for Hardee's Restaurants from 1961 until March 31, 2013. HFS sold franchises for Roy Rogers Restaurants for a portion of the period between April 13, 1990 and July 15, 1997 and operated Roy Rogers Restaurants from April 13, 1990 until March 31, 2013. HFS has not engaged in any other business or offered franchises in any other line of business.

The Financing Transaction and the Management Agreement. On April 1, 2013, in connection with a financing transaction, HFS assigned to us all existing franchise agreements ("Franchise Agreements") and development agreements ("Development Agreements") governing franchised Hardee's Restaurants so that we could expand and administer the Hardee's Systems (through new franchises and other means). Pursuant to a Contribution Agreement, HFS also contributed to us its ownership of the "Hardee's" trade names, service marks and other trademarks that are associated with the Hardee's System (collectively, "Proprietary Marks"). In addition, as part of that transaction, substantially all of the real estate assets associated with the operation of company-owned Hardee's Restaurants that were previously owned or leased by HFS (or its affiliates) and substantially all of the real estate leases and subleases between HFS (or its affiliates) and franchisees were assigned to us, and we assumed the operation of substantially all of the company-owned Hardee's Restaurants.

Under an April 1, 2013 management agreement ("Management Agreement") among our indirect corporate parent, CKE Restaurants Holdings, Inc., us and several other parties, CKE Restaurants Holdings, Inc. may – at all times acting on our behalf – fulfill all of our duties and obligations under all existing and future Franchise Agreements and Development Agreements, including: managing the Hardee's Systems; marketing and offering new and renewal Franchise Agreements and Development Agreements as our franchise broker; training franchisees and their employees; and providing the required support to franchisees. CKE Restaurants Holdings, Inc. will act in conjunction with HFS in fulfilling our duties and obligations under the Franchise Agreements and Development Agreements.

If CKE Restaurants Holdings, Inc. fails to perform its obligations under the Management Agreement, it may be replaced as the franchise service provider. However, as the franchisor, we will always be ultimately responsible for fulfilling all of our duties and obligations under your Franchise Agreements and Development Agreements.

Our Parent and Certain Affiliates. Our direct corporate parent is Hardee's Funding LLC ("HF"), and HF's direct corporate parent is Hardee's SPV Guarantor LLC ("SPV"). HF and SPV are Delaware limited liability companies organized on January 30, 2013, with the same principal place of business as ours. Neither HF nor SPV offers franchises in any line of business or provides products or services to Hardee's franchisees.

SPV's direct corporate parent is HFS, and HFS' direct corporate parent is CKE Restaurants Holdings, Inc., which is a wholly-owned subsidiary of CKE Inc. Prior to March 26, 2013, we were an

indirect wholly-owned subsidiary of CKE Restaurants, Inc., a Delaware corporation formed in March 1994, whose principal place of business was 6307 Carpinteria Avenue, Carpinteria, California 93013. On March 26, 2013, CKE Restaurants, Inc. was merged into CKE Restaurants Holdings, Inc., with CKE Restaurants Holdings, Inc. as the surviving entity. CKE Restaurants Holdings, Inc. is a Delaware corporation organized on February 22, 2013, whose principal place of business is the same as ours, and CKE Inc. is a Delaware corporation incorporated on April 15, 2010, whose principal place of business is the same as ours. On December 24, 2013, the substantial majority of all issued and outstanding shares of common stock of CKE Inc. was acquired by CKE Holding Corporation, a Georgia corporation incorporated on November 7, 2013, whose principal place of business is 1180 Peachtree Street, Suite 2500, Atlanta, Georgia 30309. Neither CKE Holding Corporation nor CKE Inc. or CKE Restaurants Holdings, Inc. offers franchises in any line of business, and neither CKE Holding Corporation nor CKE Inc. offers or provides products or services to Hardee's franchisees. (CKE Restaurants, Inc. and CKE Restaurants Holdings, Inc. will be collectively referred to in this disclosure document as "CKR.") Our direct affiliate that offers franchises or provide products or services to Hardee's franchisees, in addition to CKR, is CJR.

CJR is a Delaware limited liability company formed on January 30, 2013, whose principal place of business is the same as ours. As of January 27, 2025, there were 50 company-operated Carl's Jr. restaurants and there were 982 domestic franchised Carl's Jr. restaurants, including 218 Dual Concept restaurants. Dual Concept Restaurants are quick service Carl's Jr. Restaurants that also offer certain Green Burrito Mexican food products. In addition, as of January 27, 2025, there were the following international franchised Carl's Jr. Restaurants: American Samoa – 1; Australia – 28; Cambodia – 6; Canada – 18; Chile – 28; Denmark – 16; Dominican Republic – 1; Ecuador – 26; France – 6; Guatemala – 4; India – 3; Japan – 4; Malaysia – 5; Mexico – 408; New Zealand – 18; Nicaragua – 4; Panama – 12; People's Republic of China – 4; Puerto Rico – 2; Russia – 17; Singapore – 4; Spain – 44; Switzerland – 3; and Turkey – 22. (American Samoa and Puerto Rico are considered to be international locations even though they are U.S. territories.) CJR has operated, and offered franchises for, Carl's Jr. Restaurants since April 1, 2013. CJR has not engaged in any other business or offered franchises in any other line of business.

Affiliated Franchise Programs.

Through control with private equity funds managed by Roark Capital Management, LLC, we are affiliated with the following franchise programs (**"Affiliated Programs"**). None of these affiliates operate a Hardee's Restaurants franchise.

GoTo Foods Inc. ("**GoTo Foods**") is the indirect parent company to seven franchisors, including: Auntie Anne's Franchisor SPV LLC ("**Auntie Anne's**"), Carvel Franchisor SPV LLC ("**Carvel**"), Cinnabon Franchisor SPV LLC ("**Cinnabon**"), Jamba Juice Franchisor SPV LLC ("**Jamba**"), McAlister's Franchisor SPV LLC ("**McAlister's**"), Moe's Franchisor SPV LLC ("**Moe's**"), and Schlotzsky's Franchisor SPV LLC ("**Schlotzsky's**"). All seven GoTo Foods franchisors have a principal place of business at 5620 Glenridge Drive NE, Atlanta, GA 30342 and have not offered franchises in any other line of business.

Auntie Anne's franchises Auntie Anne's® shops that offer soft pretzels, lemonade, frozen drinks, and related foods and beverages. In November 2010, the Auntie Anne's system became affiliated with GoTo Foods through an acquisition. Auntie Anne's predecessor began offering franchises in January 1991. As of December 31, 2024, there were 1,182 franchised and 11 affiliate-

owned Auntie Anne's shops in the United States and 815 franchised Auntie Anne's shops outside the United States.

Carvel franchises Carvel® ice cream shoppes and is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. The Carvel system became an Affiliated Program in October 2001 and became affiliated with GoTo Foods in November 2004. Carvel's predecessor began franchising retail ice cream shoppes in 1947. As of December 31, 2024, there were 336 franchised Carvel shoppes in the United States and 39 franchised Carvel shoppes outside the United States.

Cinnabon franchises Cinnabon® bakeries that feature oven-hot cinnamon rolls, as well as other baked treats and specialty beverages. It also licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle's Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on products dissimilar to those offered in Cinnabon bakeries. In November 2004, the Cinnabon system became affiliated with GoTo Foods through an acquisition. Cinnabon's predecessor began franchising in 1990. As of December 31, 2024, there were 1,002 franchised and 28 affiliate-owned Cinnabon bakeries in the United States, 1,040 franchised Cinnabon bakeries outside the United States, and 193 franchised Seattle's Best Coffee units outside the United States.

Jamba franchises Jamba® stores that feature a wide variety of fresh blended-to-order smoothies and other cold or hot beverages and offer fresh squeezed juices and portable food items to customers who come for snacks and light meals. Jamba has offered JAMBA® franchises since October 2018. In October 2018, Jamba became affiliated with GoTo Foods through an acquisition. Jamba's predecessor began franchising in 1991. As of December 31, 2024, there were 726 franchised Jamba stores and one affiliate-owned Jamba store in the United States and 61 franchised Jamba stores outside the United States.

McAlister's franchises McAlister's Deli® restaurants that feature deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products. The McAlister's system became an Affiliated Program through an acquisition in July 2005 and became affiliated with GoTo Foods in October 2013. McAlister's or its predecessor have been franchising since 1999. As of December 31, 2024, there were 524 franchised and 36 affiliate-owned McAlister's restaurants in the United States.

Moe's franchises Moe's Southwest Grill® fast casual restaurants which feature fresh-mex and southwestern food. In August 2007, the Moe's system became affiliated with GoTo Foods through an acquisition. Moe's predecessor began offering Moe's Southwest Grill franchises in 2001. As of December 31, 2024, there were 591 franchised and five affiliate-owned Moe's Southwest Grill restaurants in the United States.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants that feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, the Schlotzsky's system became affiliated with GoTo Foods through an acquisition. Schlotzsky's restaurant franchises have

been offered since 1976. As of December 31, 2024, there were 280 franchised and 28 affiliate-owned Schlotzsky's restaurants in the United States.

Inspire Brands, Inc. ("**Inspire Brands**") is a global multi-brand restaurant company, launched in February 2018 upon completion of the merger of the Arby's and Buffalo Wild Wings brands. Inspire Brands is a parent company to six franchisors offering and selling franchises in the United States, including: Arby's Franchisor, LLC ("**Arby's**"), Baskin-Robbins Franchising LLC ("**Baskin-Robbins**"), Buffalo Wild Wings International, Inc. ("**Buffalo Wild Wings**"), Dunkin' Donuts Franchising LLC ("**Dunkin'**"), Jimmy John's Franchisor SPV, LLC ("**Jimmy John's**"), and Sonic Franchising LLC ("**Sonic**"). Inspire Brands is also a parent company to the following franchisors offering and selling franchises internationally: Inspire International, Inc. ("**Inspire International**"), DB Canadian Franchising ULC ("**DB Canada**"), DDBR International LLC ("**DB China**"), DD Brasil Franchising Ltda. ("**DB Brasil**"), DB Mexican Franchising LLC ("**DB Mexico**"), and BR UK Franchising LLC ("**BR UK**"). All of Inspire Brands' franchisors have a principal place of business at Three Glenlake Parkway NE, Atlanta, Georgia 30328 and, other than as described below for Arby's, have not offered franchises in any other line of business.

Arby's is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly sliced roasted beef and other deli-style sandwiches. In July 2011, Arby's became an Affiliated Program through an acquisition. Arby's has been franchising since 1965. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts including T.J. Cinnamons® stores that served gourmet baked goods. All of the T.J. Cinnamons locations have closed. As of December 29, 2024, there were 3,365 Arby's restaurants operating in the United States (2,286 franchised and 1,079 company-owned), including one multi-brand location. Additionally, as of December 29, 2024, there were 231 single-branded franchised Arby's restaurants operating internationally.

Baskin-Robbins is a franchisor of Baskin-Robbins® restaurants that offer ice cream, ice cream cakes and related frozen products, beverages and other products and services. Baskin-Robbins became an Affiliated Program through an acquisition in December 2020. Baskin-Robbins has offered franchises in the United States and certain international markets for Baskin-Robbins restaurants since March 2006. As of December 29, 2024, there were 2,245 franchised Baskin-Robbins restaurants operating in the United States. Of those 2,245 restaurants, 974 were single-branded Baskin-Robbins restaurants, two were Baskin-Robbins restaurants operating at a multi-brand location, and 1,269 were Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 29, 2024, there were 5,651 single-branded franchised Baskin-Robbins restaurants operating internationally and in Puerto Rico.

Buffalo Wild Wings is a franchisor of sports entertainment-oriented casual sports bars that feature chicken wings, sandwiches, and other products, alcoholic and other beverages, and related services under Buffalo Wild Wings® name ("**Buffalo Wild Wings Sports Bars**") and restaurants that feature chicken wings and other food and beverage products primarily for off-premises consumption under the Buffalo Wild Wings GO name ("**BWW-GO Restaurants**"). Buffalo Wild Wings has offered franchises for Buffalo Wild Wings Sports Bars since April 1991 and for BWW-GO Restaurants since December 2020. As of December 29, 2024, there were 1,183 Buffalo Wild Wings Sports Bars operating in the United States (538 franchised and 645 company-owned) and

65 franchised Buffalo Wild Wings or B-Dubs restaurants operating outside the United States. As of December 29, 2024, there were 140 BWW-GO Restaurants operating in the United States (90 franchised and 50 company-owned).

Dunkin' is a franchisor of Dunkin'® restaurants that offer doughnuts, coffee, espresso, breakfast sandwiches, bagels, muffins, compatible bakery products, croissants, snacks, sandwiches and beverages. Dunkin' became an Affiliated Program through an acquisition in December 2020. Dunkin' has offered franchises in the United States and certain international markets for Dunkin' restaurants since March 2006. As of December 29, 2024, there were 9,768 Dunkin' restaurants operating in the United States (9,734 franchised and 34 company-owned). Of those 9,768 restaurants, 8,480 were single-branded Dunkin' restaurants, 19 were Dunkin' restaurants operating at multi-brand locations, and 1,269 were franchised Dunkin' and Baskin-Robbins combo restaurants. Additionally, as of December 29, 2024, there were 4,328 single-branded franchised Dunkin' restaurants operating internationally.

Jimmy John's is a franchisor of restaurants operating under the Jimmy John's® trade name and business system that feature high-quality deli sandwiches, fresh baked breads, and other food and beverage products. Jimmy John's became an Affiliated Program through an acquisition in October 2016 and became part of Inspire Brands by merger in 2019. As of December 29, 2024, there were 2,689 Jimmy John's restaurants operating in the United States (2,647 franchised and 42 affiliate-owned). Of those 2,689 restaurants, 2,668 were singled-branded Jimmy John's restaurants and 21 were Jimmy John's restaurants operating at multi-brand locations. Additionally, as of December 29, 2024, there were five franchised Jimmy John's restaurants operating internationally.

Sonic is the franchisor of Sonic Drive-In® restaurants, which serve hot dogs, hamburgers and other sandwiches, tater tots and other sides, a full breakfast menu and frozen treats and other drinks. Sonic became an Affiliated Program through an acquisition in December 2018. Sonic has offered franchises for Sonic restaurants since May 2011. As of December 29, 2024, there were 3,461 Sonic Drive-Ins operating in the United States (3,144 franchised and 317 company-owned), including one multi-brand location.

Inspire International has, directly or through its predecessors, offered and sold franchises outside the United States for the following brands: Arby's restaurants (since May 2016), Buffalo Wild Wings sports bars (since October 2019), Jimmy John's restaurants (since November 2022), and Sonic restaurants (since November 2019). **DB Canada** was formed in May 2006 and has, directly or through its predecessors, offered and sold Baskin-Robbins franchises in Canada since January 1972. **DB China** has offered and sold Baskin-Robbins franchises in China since its formation in March 2006. **DB Brasil** has offered and sold Dunkin' and Baskin-Robbins franchises in Brazil since its formation in May 2014. **DB Mexico** has offered and sold Dunkin' franchises in Mexico since its formation in October 2006. **BR UK** has offered and sold Baskin-Robbins franchises in the UK since its formation in December 2014. The restaurants franchised by the international franchisors are included in the brand-specific disclosures above.

Primrose School Franchising SPE, LLC (**"Primrose"**) is a franchisor that offers franchises for the establishment, development and operation of educational childcare facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name.

Primrose's principal place of business is 3200 Windy Hill Road SE, Suite 1200E, Atlanta GA 30339. Primrose became an Affiliated Program through an acquisition in June 2008. Primrose and its affiliates have been franchising since 1988. As of December 31, 2024, there were 525 franchised Primrose facilities in the United States. Primrose has not offered franchises in any other line of business.

ME SPE Franchising, LLC (**"Massage Envy"**) is a franchisor of businesses that offer professional therapeutic massage services, facial services, and related goods and services under the name "Massage Envy®" since 2019. Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. Massage Envy's predecessor began operation in 2003, commenced franchising in 2010, and became an Affiliated Program through an acquisition in 2012. As of December 31, 2024, there were 1,009 Massage Envy locations operating in the United States, including 1,000 operated as total body care Massage Envy businesses and 9 operated as traditional Massage Envy businesses. Additionally, Massage Envy's predecessor previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2024, there were nine regional developers operating 11 regions in the United States. Massage Envy has not offered franchises in any other line of business.

Driven Holdings, LLC ("**Driven Holdings**") is the indirect parent company to nine franchisors, including Meineke Franchisor SPV LLC ("**Meineke**"), Maaco Franchisor SPV LLC ("**Maaco**"), Merlin Franchisor SPV LLC ("**Merlin**"), Econo Lube Franchisor SPV LLC ("**Econo Lube**"), 1-800-Radiator Franchisor SPV LLC ("**1-800-Radiator**"), CARSTAR Franchisor SPV LLC ("**CARSTAR**"), Take 5 Franchisor SPV LLC ("**Take 5**"), ABRA Franchisor SPV LLC ("**ABRA**") and FUSA Franchisor SPV LLC ("**FUSA**"). In April 2015, Driven Holdings and its franchised brands at the time (which included Meineke, Maaco, Merlin and Econo Lube) became Affiliated Programs through an acquisition. Subsequently, through acquisitions in June 2015, October 2015, March 2016, September 2019, and April 2020, respectively, the 1-800-Radiator, CARSTAR, Take 5, ABRA and FUSA brands became Affiliated Programs. The principal business address of Meineke, Maaco, Econo Lube, Merlin, CARSTAR, Take 5, Abra and FUSA is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. 1-800-Radiator's principal business address is 4401 Park Road, Benicia, California 94510. None of these franchise systems have offered franchises in any other line of business.

Meineke franchises automotive centers that offer to the general public automotive repair and maintenance services that it authorizes periodically. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune ups and related services, transmission fluid changes and batteries. Meineke and its predecessors have offered Meineke center franchises since September 1972, and Meineke's affiliate has owned and operated Meineke centers on and off since March 1991. As of December 28, 2024, there were 714 franchised Meineke centers, 18 franchised Meineke centers co-branded with Econo Lube, and no company-owned Meineke centers or company-owned Meineke centers co-branded with Econo Lube operating in the United States.

Maaco and its predecessors have offered Maaco center franchises since February 1972 providing automotive collision and paint refinishing. As of December 28, 2024, there were 363 franchised Maaco centers and no company-owned Maaco centers in the United States.

Merlin franchises shops that provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin Shops" since February 2006. As of December 28, 2024, there were 14 Merlin franchises and no company-owned Merlin shops located in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December 28, 2024, there were eight Econo Lube N' Tune franchises and nine Econo Lube N' Tune franchises co-branded with Meineke centers in the United States, which are predominately in the western part of the United States, including California, Arizona, and Texas, and no company-owned Econo Lube N' Tune locations in the United States.

1-800-Radiator franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 28, 2024, there were 193 1-800-Radiator franchises in operation in the United States. 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 28, 2024, owned and operated 1 1-800-Radiator warehouse in the United States.

CARSTAR offers franchises for full-service automobile collision repair facilities providing repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. CARSTAR and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 28, 2024, there were 471 franchised CARSTAR facilities and no company-owned facilities operating in the United States.

Take 5 franchises motor vehicle centers that offer quick service, customer-oriented oil changes, lubrication and related motor vehicle services and products. Take 5 commenced offering franchises in March 2017, although the Take 5 concept started in 1984 in Metairie, Louisiana. As of December 28, 2024, there were 432 franchised Take 5 outlets and 710 affiliate-owned Take 5 outlets operating in the United States.

Abra franchises repair and refinishing centers that offer high quality auto body repair and refinishing and auto glass repair and replacement services at competitive prices. Abra and its predecessor have offered Abra franchises since 1987. As of December 28, 2024, there were 55

franchised Abra repair centers and no company-owned repair centers operating in the United States.

FUSA franchises collision repair shops specializing in auto body repair work and after-collision services. FUSA has offered Fix Auto shop franchises since July 2020, although its predecessors have offered franchise and license arrangements for Fix Auto shops on and off from April 1998 to June 2020. As of December 28, 2024, there were 212 franchised Fix Auto repair shops operating in the United States.

Driven Holdings is also the indirect parent company to the following franchisors that offer franchises in Canada: (1) **Meineke Canada SPV LP** and its predecessors have offered Meineke center franchises in Canada since August 2004; (2) **Maaco Canada SPV LP** and its predecessors have offered Maaco center franchises in Canada since 1983; (3) **1-800-Radiator Canada, Co.** has offered 1-800-Radiator warehouse franchises in Canada since April 2007; (4) **Carstar Canada SPV LP** and its predecessors have offered CARSTAR franchises in Canada since September 2000; (5) **Take 5 Canada SPV LP** and its predecessor have offered Take 5 franchises in Canada since November 2019; (6) **Driven Brands Canada Funding Corporation** and its predecessors have offered UniglassPlus and Uniglass Express franchises in Canada since 1985 and 2015, respectively, Vitro Plus and Vitro Express franchises in Canada since 2002, and Docteur du Pare Brise franchises in Canada since 1998; (7) **Go Glass Franchisor SPV LP** and its predecessors have offered Go! Glass & Accessories franchises since 2006 and Go! Glass franchises since 2017 in Canada; and (8) **Star Auto Glass Franchisor SPV LP** and its predecessors have offered Star Auto Glass franchises in Canada since approximately 2012.

As of December 28, 2024, there were: (i) 14 franchised Meineke centers and no company-owned Meineke centers in Canada; (ii) 17 franchised Maaco centers and no company-owned Maaco centers in Canada; (iii) 10 1-800-Radiator franchises and no company-owned 1-800-Radiator locations in Canada; (iv) 317 franchised CARSTAR facilities and one company-owned CARSTAR facility in Canada; (v) 32 franchised Take 5 outlets and seven company-owned Take 5 outlets in Canada; (vi) 71 franchised UniglassPlus businesses, 27 franchised UniglassPlus/Ziebart businesses, and five franchised Uniglass Express businesses in Canada, and one company-owned UniglassPlus business and one company-owned UniglassPlus/Ziebart business in Canada; (vii) 10 franchised VitroPlus businesses, 56 franchised VitroPlus/Ziebart businesses and three franchised Vitro Express businesses in Canada, and one company-owned VitroPlus business and one company-owned VitroPlus/Ziebart business in Canada; (viii) 31 franchised Docteur du Pare Brise businesses and two company-owned Docteur du Pare Brise businesses in Canada; (ix) 11 franchised Go! Glass & Accessories businesses and no franchised Go! Glass business in Canada, and 8 company-owned Go! Glass & Accessories businesses and no company-owned Go! Glass businesses in Canada; and (x) 8 franchised Star Auto Glass businesses and no company-owned Star Auto Glass businesses in Canada.

In January 2022, Driven Brands acquired Auto Glass Now's repair locations. As of December 28, 2024, there were more than 224 repair locations operating under the AUTOGLASSNOW® name in the United States ("**AGN Repair Locations**"). AGN Repair Locations offer auto glass calibration and windshield repair and replacement services. In the future, AGN Repair Locations may offer products and services to Driven Brands' affiliates and

their franchisees in the United States, and/or Driven Brands may decide to offer franchises for AGN Repair Locations in the United States.

ServiceMaster Systems LLC is the direct parent company to three franchisors operating five franchise brands in the United States: Merry Maids SPE LLC ("**Merry Maids**"), ServiceMaster Clean/Restore SPE LLC ("**ServiceMaster**") and Two Men and a Truck SPE LLC ("**Two Men and a Truck**"). Merry Maids and ServiceMaster became Affiliated Programs through an acquisition in December 2020. Two Men and a Truck became an Affiliated Program through an acquisition on August 3, 2021.The three franchisors have a principal place of business at One Glenlake Parkway, Suite 1400, Atlanta, Georgia 30328 and have never offered franchises in any other line of business.

Merry Maids franchises residential house cleaning businesses under the Merry Maids® mark. Merry Maids' predecessor began business and started offering franchises in 1980. As of December 31, 2024, there were 796 Merry Maid franchises in the United States.

ServiceMaster franchises (i) businesses that provide disaster restoration and heavy-duty cleaning services to residential and commercial customers under the ServiceMaster Restore® mark and (ii) businesses that provide contracted janitorial services and other cleaning and maintenance services under the ServiceMaster Clean® mark. ServiceMaster's predecessor began offering franchises in 1952. As of December 31, 2024, there were 585 ServiceMaster Clean franchises, and 1,995 ServiceMaster Restore franchises in the United States.

Two Men and a Truck franchises (i) businesses that provide moving services and related products and services, including packing, unpacking and the sale of boxes and packing materials under the Two Men and a Truck® mark and (ii) businesses that provide junk removal services under the Two Men and a Junk Truck™ mark. Two Men and a Truck's predecessor began offering moving franchises in February 1989. Two Men and a Truck began offering Two Men and a Junk Truck franchises in 2023. As of December 31, 2024, there were 339 Two Men and a Truck franchises and three company-owned Two Men and a Truck businesses in the United States. As of December 31, 2024, there were 62 Two Men and a Junk Truck franchises in the United States.

Affiliates of ServiceMaster Systems LLC also offer franchises for operation outside the United States. Specifically, **ServiceMaster of Canada Limited** offers franchises in Canada, **ServiceMaster Limited** offers franchises in Great Britain, and **Two Men and a Truck** offers franchises in Canada and Ireland.

NBC Franchisor LLC ("**NBC**") franchises gourmet bakeries that offer and sell specialty bundt cakes, other food items and retail merchandise under the Nothing Bundt Cakes® mark. NBC's predecessor began offering franchises in May 2006. NBC became an Affiliated Program through an acquisition in May 2021. NBC has a principal place of business at 5005 Lyndon B. Johnson Pkwy, Suite 600, Dallas, Texas 75244. As of December 31, 2024, there were 644 Nothing Bundt Cake franchises and 17 company-owned locations operating in the United States. NBC has never offered franchises in any other line of business.

Mathnasium Franchisor LLC (**"Mathnasium"**) franchises learning centers that provide math instruction using the Mathnasium® system of learning. Mathnasium's predecessor began

offering franchises in late 2003. Mathnasium's predecessor became an Affiliated Program through an acquisition in November 2022. Mathnasium has a principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056. As of December 31, 2024, there were 995 franchised and four affiliate-owned Mathnasium centers operating in the United States. Mathnasium has never offered franchises in any other line of business. Affiliates of Mathnasium Franchisor LLC also offer franchises for operation outside the United States.

Mathnasium Center Licensing Canada, Inc. has offered franchises for Mathnasium centers in Canada since May 2014. As of December 31, 2024, there were 100 franchised Mathnasium centers in Canada. **Mathnasium International Franchising, LLC** has offered franchises outside the United States and Canada since May 2015. As of December 31, 2024, there were 91 franchised Mathnasium centers outside the United States and Canada. Mathnasium Center Licensing Canada, Inc. and Mathnasium International Franchising, LLC each have their principal place of business at 5120 West Goldleaf Circle, Suite 400, Los Angeles, California 90056 and none of them has ever offered franchises in any other line of business.

Youth Enrichment Brands, LLC is the direct parent company to three franchisors operating in the United States: i9 Sports, LLC (**"i9"**), SafeSplash Brands, LLC also known as "**Streamline Brands**"), and School of Rock Franchising LLC ("**School of Rock**"). i9 became an Affiliated Program through an acquisition in September 2021. Streamline Brands became an Affiliated Program through an acquisition in June 2022. School of Rock became an Affiliated Program through an acquisition in September 2023. The three franchisors have never offered franchises in any other line of business.

i9 franchises businesses that operate, market, sell, and provide amateur sports leagues, camps, tournaments, clinics, training, development, social activities, special events, products, and related services under the i9 Sports® mark. i9 began offering franchises in November 2003. i9 has its principal place of business at 9410 Camden Field Parkway, Riverview, Florida 33578. As of December 31, 2024, there were 264 i9 Sports franchises in the United States.

Streamline Brands offers franchises under the SafeSplash Swim School® brand and operates under the SwimLabs® and Swimtastic® brands, all of which provide "learn to swim" programs for children and adults, birthday parties, summer camps, and other swimming-related activities. Streamline Brands has offered swim school franchises under the SafeSplash Swim School brand since August 2014. Streamline Brands offered franchises under the Swimtastic brand since August 2015 through March 2023 and under the SwimLabs brand from February 2017 through March 2023. Streamline Brands became an Affiliated Program through an acquisition in June 2022 and has its principal place of business at 12240 Lioness Way, Parker, Colorado 80134. As of December 31, 2024, there were 102 franchised and 29 affiliate-owned SafeSplash Swim School outlets (including 12 outlets that are dual-branded with SwimLabs), 11 franchised and licensed SwimLabs swim schools, 11 franchised Swimtastic swim schools, and one dual-branded Swimtastic and SwimLabs swim school operating in the United States.

School of Rock franchises businesses that operate performance-based music schools with a rock music program under the School of Rock® mark. School of Rock began offering franchises in September 2005. School of Rock has a principal place of business at 1 Wattles Street, Canton, MA 02021. As of December 31, 2024, there were 254 franchised and 49 affiliate-owned School

of Rock schools in the United States and 92 franchised School of Rock schools outside the United States.

Doctor's Associates LLC ("**Subway**") franchises retail eating establishments which sell foot-long and other sandwiches, salads and other food items under the Subway® mark. Subway began offering franchises in 1974. Subway became an Affiliated Program through an acquisition in April 2024. Subway has its principal place of business at 1 Corporate Drive, Suite 1000, Shelton, Connecticut 06484. As of December 31, 2024, there were 19,502 Subway franchises and no company-owned locations operating in the United States and an estimated 16,120 franchises operating outside the United States. Subway has never offered franchises in any other line of business.

None of the affiliated franchisors listed above are obligated to provide products or services to you; however, you may purchase products or services from these franchisors if you choose to do so.

Except as described above, we have no other parents, predecessors or affiliates that must be included in this Item.

ITEM 2

BUSINESS EXPERIENCE

Independent Manager: Albert J. Fioravanti

Mr. Fioravanti has served as our Independent Manager since April 2014. He has been employed by Lord Securities Corporation ("Lord Securities"), which provides services to the securitization and structured finance market, located in New York, NY, since December 1999 and currently serves as Managing Director for Lord Securities.

Independent Manager: Leonard Padula

Mr. Padula has served as our Independent Manager since February 2017. He has been employed by Lord Securities since March 2004 and currently serves as a Vice President for Lord Securities.

Chief Executive Officer: Joe Guith

Mr. Guith has served as our Chief Executive Officer since March 2025. Mr. Guith holds this same position with CKE, CKR, CJR and SPV. From August 2022 to February 2025, he served as Chief Executive Officer and a Director of Cajun Global LLC d/b/a Church's Chicken located in Atlanta, Georgia. From April 2021 to July 2022, he served as Category President, Restaurant Brands for McAlister's, Moe's and Schlotzsky's at Focus Brands LLC in Atlanta, Georgia. From April 2018 to April 2021, he served as President of McAlister's Deli in Atlanta, Georgia.

Chief People and Legal Officer: Kerry Olson

Ms. Olson has held this position since March 2025 and holds the same position with CJF, CKE, CKR, CJR and SPV. She served as General Counsel and Chief Legal Officer of CJR, CJF,

CKE, CKR, HR and SPV from July 2018 to March 2025. From September 2017 to July 2018, she was a partner at the law firm of Faegre Baker Daniels LLP in Minneapolis, Minnesota. From October 2015 to June 2017, Ms. Olson was Executive Vice President and Global General Counsel of Carlson Hotels, Inc. in Minnetonka, Minnesota.

Chief Marketing Officer: Jennifer Tate

Ms. Tate has held this position since September 2023. She holds the same position with CJR, CKE, CKR, HR and SPV. From August 2020 to August 2023, she served as Chief Marketing Officer for Cracker Barrel Old Country Store, Inc. based in Lebanon, TN. From March 2010 to August 2020, she served as Executive Vice President of Marketing for Darden, Inc. located in Orlando, FL.

Chief Financial Officer: Michael Lenihan

Mr. Lenihan has held this position since September 2023. He holds the same position with CJF, CKE, CKR, CJR and SPV. In addition to serving as Chief Financial Officer, he also oversees CJR's and HR's domestic franchise development in the United States. From May 2021 until September 2023, he was Vice President, Financial Planning & Analysis and Treasury at Yum Brands, Inc based in Louisville, KY. Prior to this, he was Vice President, Financial Planning & Analysis and IT Shared Services at Yum Brands, Inc. He was also Vice President, Finance at Pizza Hut from November 2015 until January 2017, and Senior Director Business Development at Pizza Hut from August 2014 until November 2015. Prior to this, he held various other positions at Yum Brands, Inc. since 2003.

Chief Supply Chain Officer – Kelly Bengston

Ms. Kelly Bengston has held this position since February 2025. She holds the same position with CJF, CKE, CKR, CJR and SPV. From January 2024 to November 2024, she served as Senior Vice President, Supply Chain Operations for Starbucks Coffee Company located in Seattle, WA. From October 2018 to December 2023, she served as Senior Vice President, Chief Procurement Officer for Starbucks Coffee Company located in Seattle, WA.

Senior Vice President – Operations: Anthony T. D'Amico

Mr. D'Amico has held this position since December 2022. From January 2013 to April 2022, he was Senior Vice President for S&D Coffee, Inc. in Concord, North Carolina.

Vice President – Finance: Diane Simrall

Ms. Simrall has held this position since March 2025. She holds the same position with CJF, CKE, CKR, CJR and SPV. She served as Head of Non-Traditional Development and Franchise Finance (from February 2024 to March 2025) and as Director of Franchise Finance (from January 2023 to February 2024) for Pizza Hut, LLC located in Plano, Texas. She served as Director of Franchise Finance for KFC US, LLC from July 2018 to January 2023, located in Louisville, KY.

Vice President – Legal: Danell Caron

Ms. Caron has held this position since April 2023. Prior to joining CKE, Ms. Caron served as General Counsel (from August 2022 to March 2023) and Director of Legal and Franchise Administration

(March 2020 to July 2022) for Great Clips, Inc., in Bloomington, Minnesota. From January 2018 to February 2020, Ms. Caron served as General Counsel for Lift Brands, Inc., in Chanhassen, Minnesota.

Franchise Manager: CKE Restaurants Holdings, Inc. ("CKR")

As described in Item 1, under the Management Agreement, CKR will act as our franchise broker and will also, on our behalf, fulfill our duties under the Development Agreements and Franchise Agreements. In addition to those principal officers identified above for the franchisor, listed below are the principal officers and other individuals of CKR who have management responsibility relating to the sale or operation of Hardee's Restaurant franchises.

ITEM 3

LITIGATION

Franchisor Litigation – Pending Matters

(1) Paradigm Investment Group, LLC v. Hardee's Restaurants, LLC (United States District Court, Middle District of Tennessee Case No.: 3:25-cv-00419, filed April 15, 2025).

On April 14, 2025, Paradigm Investment Group, LLC ("Paradigm") filed an Application for Temporary Restraining Order to prevent HR from terminating its franchise agreements. On April 17, 2025, HR and Paradigm filed a Joint Notice Regarding Plaintiff's Temporary Restraining Order Application notifying the court that there is no immediate need for a Temporary Restraining Order hearing. On April 17, 2025, the Court issued an Order stating that it will take no action on the pending Temporary Restraining Order Application until it receives an update from the parties.

On April 15, 2025, Paradigm also filed a Complaint against HR seeking declaratory relief and alleging breach of contract / anticipatory repudiation and injunctive relief relating to a Notice of Default and Termination HR issued to Paradigm as a result of Paradigm's breaches of its franchise agreements. HR maintains that Paradigm is in breach of its franchise agreements and it has the right to enforce the termination of Paradigm's franchise agreements. This matter remains pending.

(2) Hardee's Restaurants LLC v. Arbor Capital Partners, LLC, et al., Case No.: 2024 12342 CICI (Circuit Court of the Seventh Judicial Circuit for Volusia County, Florida Circuit Civil Division, filed July 12, 2024).

On July 12, 2024, HR commenced an action against Arbor Capital Partners LLC, Aihab Gerges, Edward Gerges and Gerges Gerges (collectively, "Arbor Capital"). On December 16, 2024, HR filed a First Amended Complaint seeking to recover damages from Arbor Capital for breach of a sublease, conversion and breach of personal guarantees. On December 17, 2024, Arbor Capital filed its Answer, Affirmative Defenses and Counterclaim. In its Counterclaim, Arbor Capital alleges fraudulent concealment, breach of franchise agreement and demand for accounting, conversion and demand for accounting, negligence and breach of implied covenant of good faith and fair dealing.

On April 29, 2025, HR filed a Motion to Dismiss Arbor Capital's Counterclaim. A hearing on HR's Motion to Dismiss is scheduled for July 1, 2025. HR maintains that Arbor Capital is in breach of its obligations under the Sublease and denies all liability or wrongdoing with respect to Arbor Capital's Counterclaim. This matter remains pending.

Affiliate Litigation – Concluded Matters

(3) *6Points Food Services Ltd. v. Carl's Jr. Restaurants LLC, et al., N*o. 15-543370 *(Sup. Ct. of Justice, Ontario).* This proceeding was a consolidation of two actions commenced by 6Points Food Services Ltd. ("6Points"), a Canadian Carl's Jr. developer and franchisee, in the Sup. Ct. of Justice, Ontario (No. 15-453370 and No. 16-546487).

On December 23, 2015, 6Points filed an action in the Ontario Superior Court of Justice against CJR (court file no. 15-543370). The action seeks a declaration that 6Points' November 10, 2015 notice of rescission validly rescinded the development, franchise, and "related" agreements with CJR. 6Points' notice and its Statement of Claim invoke Ontario's Arthur Wishart Act to allege that CJR's franchise disclosures were deficient. 6Points further alleges that CJR failed to comply with certain representations and contractual obligations, and its obligation of fair dealing. In addition to the declaration, 6Points seeks CD $8,000,000 in damages, along with other incidental relief.

On February 11, 2016, 6Points filed an action in the Ontario Superior Court of Justice against CKR, Ned Lyerly, Jr., Michael Woida and Jeff Branton (court file no. 16-546487). The action reasserts the same claims as in the action described above. On August 8, 2016, the Court ordered that the two actions described above are consolidated into a single action under court file no. 15-543370.

On August 18, 2016, 6Points served an Amended Statement of Claim in the consolidated action, against the defendants in the actions above. The Amended Statement of Claim reasserts the same claims advanced by 6Points in the two actions described above.

On August 30, 2016, the defendants served the Statement of Defence of all defendants and CJR's Counterclaim. The Statement of Defence denies all liability and requests that the action be dismissed. CJR's Counterclaim names 6Points, Michael Meekins and Michael Levine as defendants ("Franchisee Parties"). The Counterclaim asserts claims against 6Points for breach of its development, franchise, and letter of credit agreements, and for anticipatorily repudiating the development and franchise agreements, as well as for breach of its obligation of fair dealing. The Counterclaim asserts claims against Michael Meekins and Michael Levine for breach of a contract to provide a letter of credit, and asserts that they are liable for payment of all amounts owing by 6Points pursuant to a personal guarantee. The Counterclaim claims damages in an amount to be proven at trial.

On November 16, 2016, 6Points, Michael Meekins and Michael Levine served a Reply and Defence to Counterclaim. The Defence to Counterclaim denies all liability of 6Points, Michael Meekins and Michael Levine and requests that the Counterclaim be dismissed. On December 5, 2016, CJR served a Reply to Defence to Counterclaim. On December 19, 2018, the Court ordered, 6Points to deliver documents to CJR in preparation for further discoveries. On or about October 12, 2022, the parties reached an agreement to settle the litigation with the following terms: (a) defendants agreed to pay Franchisee Parties $5,500,000 US dollars, (b) the parties agreed to mutual releases of any and all claims, including claims arising from this litigation, all without any admission of liability on any party. The Court granted the parties' stipulated motion to dismiss the case on October 14, 2022.

(4) *Ashlie Harris v. CJ Star, LLC, Carl's Jr. Restaurants LLC, and DOES 1-10, (United States District Court, Eastern District of Washington, Spokane Division, Case No 2:18-cv-00247, filed August 3, 2018)*.

On August 3, 2018, Ashlie Harris, a former employee of a Carl's Jr. franchisee, filed a lawsuit in the federal district court for the Eastern District of Washington. The plaintiff alleged that certain provisions in the applicable franchise agreement between us and our franchisees violate federal and state anti-trust statutes as they allegedly restrict the ability of our franchisees or company-owned stores from soliciting or hiring the employees of other of our franchisees or company-owned stores. The complaint sought to certify a class of franchisee employees in the state of Washington and recover treble damages stemming from alleged underpayment of wages for current and former employees located in the state of Washington from July 12, 2014 to present. We denied that the provisions violate any law and filed a Motion to Dismiss the case. On or about April 1, 2019, the parties reached an agreement to settle the litigation with the following terms: (a) Defendants will pay Harris $5,000 and attorneys' fees in the aggregate amount of $20,000, (b) CJR has obtained amendments of the existing franchise agreements with Washington franchisees to remove non-solicitation/no-hire provisions, to the extent such provisions existed in the first place, and (c) CJR agreed not to enforce the disputed provision in existing agreements with Washington franchisees. The Court granted the parties' stipulated motion to dismiss the case on April 23, 2019.

(5) *Larry Rice v. By The Rio, LLC, Carl's Jr. Restaurants LLC, and DOES 1-10, (United States District Court, District of Colorado, Case No 1:19-cv-00129-STV, filed January 15, 2019)*.

On January 15, 2019, Larry Rice, a former employee of a Carl's Jr. franchisee, filed a lawsuit in the federal district court for the District of Colorado. The plaintiff alleged that certain provisions in the applicable franchise agreement between us and our franchisees violate federal and state anti-trust statutes as they allegedly restrict the ability of our franchisees or company-owned stores from soliciting or hiring the employees of other of our franchisees or company-owned stores. The complaint sought to certify a class of franchisee employees in the state of Colorado and recover treble damages stemming from alleged underpayment of wages for current and former employees located in the state of Colorado from July 12, 2014 to present. On or about April 1, 2019, the parties reached an agreement to settle the litigation with the following terms: (a) Defendants will pay Rice $2,500 and attorneys' fees in the aggregate amount of $7,500, (b) CJR will amend its franchise agreements with the Colorado franchisee named in the lawsuit to remove non-solicitation/no-hire provisions, and (c) CJR agreed not to enforce the disputed provision in existing agreements with Colorado franchisees. The Court granted the parties' stipulated motion to dismiss the case on April 23, 2019.

Disclosures Regarding Item 2 Individuals

The following pending action names one of our Item 2 individuals personally but relates to this individual's prior employment with a different franchisor and brand. This action does not have any impact on us or our brand nor does it allege any unlawful conduct by us.

(6) EYM Pizza of Georgia, LLC et al. v. Pizza Hut, LLC (United States District Court for the Northern District of Texas as Civil Action No. 3:24-cv-16770). On July 1, 2024, plaintiffs EYM Pizza of Georgia, LLC, EYM Pizza of Illinois, LLC, EYM Pizza of SC, LLC, and EYM Pizza of Wisconsin, LLC (collectively, "EYM"), former franchisees of Pizza Hut LLC ("PHLLC") filed a second Petition and Emergency Application for Temporary and Permanent Injunctive Relief. In addition to filing suit against PHLLC, EYM also individually named PHLLC's Chief Legal Officer and PHLLC's former Director of Franchise Finance & Non-Traditional Development, Diane Simrall (Ms. Simrall currently serves as our Vice President, Finance). The claims alleged are tortious interference and conspiracy. EYM alleges that PHLLC personnel improperly spoke to potential buyers and disclosed confidential information. EYM also alleges that PHLLC personnel contacted EYM's lender causing business interruption and disclosure of trade secrets. PHLLC promptly removed the case to the United States District Court for the Northern District of Texas, Civil Action No. 3:24-cv-1677. On July 16, 2024, EYM filed a Motion for Temporary Restraining Order, which the Court denied on July 22, 2024. EYM filed for bankruptcy protection on July 22, 2024, in Case No. 24í41669-11 pending in the bankruptcy court in the Eastern District of Texas. The case is currently stayed through March 31, 2025, based on EYM's bankruptcy, at which time the parties will file a joint status report.

Disclosures Regarding Affiliated Programs

The following affiliates who offer franchises resolved actions brought against them with settlements that involved their becoming subject to currently effective injunctive or restrictive orders or decrees. None of these actions have any impact on us or our brand nor allege any unlawful conduct by us.

(7) The People of the State of California v. Arby's Restaurant Group, Inc. (California Superior Court, Los Angeles County, Case No. 19STCV09397, filed March 19, 2019). On March 11, 2019, our affiliate, Arby's Restaurant Group, Inc. ("**ARG**"), entered into a settlement agreement with the states of California, Illinois, Iowa, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon and Pennsylvania. The Attorneys General in these states sought information from ARG on its use of franchise agreement provisions prohibiting the franchisor and franchisees from soliciting or employing each other's employees. The states alleged that the use of these provisions violated the states' antitrust, unfair competition, unfair or deceptive acts or practices, consumer protection and other state laws. ARG expressly denies these conclusions but decided to enter into the settlement agreement to avoid litigation with the states. Under the settlement agreement, ARG paid no money but agreed (a) to remove the disputed provision from its franchise agreements (which it had already done); (b) not to enforce the disputed provision in existing agreements or to intervene in any action by the Attorneys General if a franchisee seeks to enforce the provision; (c) to seek amendments of the existing franchise agreements in the applicable states to remove the disputed provision from the agreements; and (d) to post a notice and ask franchisees to post a notice to employees about the disputed provision. The applicable states instituted actions in their courts to enforce the settlement agreement through Final Judgments and Orders, Assurances of Discontinuance, Assurances of Voluntary Compliance, and similar methods.

(8) The People of the State of California v. Dunkin' Brands, Inc., (California Superior Court, Los Angeles County, Case No. 19STCV09597, filed on March 19, 2019.) On March 14, 2019,

our affiliate, Dunkin Brands, Inc. ("**DBI**"), entered into a settlement agreement with the Attorneys General of 13 states and jurisdictions concerning the inclusion of "no-poaching" provisions in Dunkin' restaurant franchise agreements. The settling states and jurisdictions included California, Illinois, Iowa, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and the District of Columbia. A small number of franchise agreements in the Dunkin' system prohibit Dunkin' franchisees from hiring the employees of other Dunkin' franchisees and/or DBI's employees. A larger number of franchise agreements in the Dunkin' system contain a no-poaching provision that prevents Dunkin' franchisees and DBI from hiring each other's employees. Under the terms of the settlement, DBI agreed not to enforce either version of the no-poaching provision or assist Dunkin's franchisees in enforcing that provision. In addition, DBI agreed to seek the amendment of 128 franchise agreements that contain a no-poaching provision that bars a franchisee from hiring the employees of another Dunkin' franchisee. The effect of the amendment would be to remove the no-poaching provision. DBI expressly denied in the settlement agreement that it had engaged in any conduct that had violated state or federal law, and, furthermore, the settlement agreement stated that such agreement should not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of DBI. The Attorney General of the State of California filed the above-reference lawsuit in order to place the settlement agreement in the public record, and the action was closed after the court approved the parties' stipulation of judgment.

(9) New York v. Dunkin' Brands, Inc. (N.Y. Supreme Court for New York County, Case No. 451787/2019, filed September 26, 2019). In this matter, the N.Y. Attorney General ("**NYAG**") filed a lawsuit against our affiliate, DBI, related to credential-stuffing cyberattacks during 2015 and 2018. The NYAG alleged that the cyber attackers used individuals' credentials obtained from elsewhere on the Internet to gain access to certain information for DD Perks customers and others who had registered a Dunkin' gift card. The NYAG further alleged that DBI failed to adequately notify customers and to adequately investigate and disclose the security breaches, which the NYAG alleged violated the New York laws concerning data privacy as well as unfair trade practices. On September 21, 2020, without admitting or denying the NYAG's allegations, DBI and the NYAG entered into a consent agreement to resolve the State's complaint. Under the consent order, DBI agreed to pay $650,000 in penalties and costs, issue certain notices and other types of communications to New York customers, and maintain a comprehensive information security program through September 2026, including precautions and response measures for credential-stuffing attacks.

* * *

Other than these nine (9) actions, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Development Fee

If you enter into a Development Agreement, you must pay HR a Development Fee of $10,000 for each Franchised Restaurant you agree to develop at the time you sign the Development Agreement. The Development Fee is not refundable. If you execute a Franchise Agreement for a new Franchised Restaurant pursuant to the Development Agreement, the $10,000 Development Fee associated with this new Franchised Restaurant will be credited against the Initial Franchise Fee for such Franchised Restaurant. With respect to each Franchised Restaurant developed under the Development Agreement, you will execute the form of "St. Louis" Franchise Agreement in use at the time you enter into a lease or sublease for, or take fee title to, the real property upon which the Franchised Restaurant will be developed.

Initial Franchise Fee

The Initial Franchise Fee is $25,000, although the balance of the Initial Franchise Fee is reduced to $15,000 for a Restaurant developed pursuant to the terms of the Development Agreement. You must pay HR the Initial Franchise Fee, less any Development Fee already paid, when you execute the Franchise Agreement. The Initial Franchise Fee is fully earned by HR when paid, and it is not refundable.

Purchase of Existing Restaurant

If you are purchasing an existing company-operated Hardee's Restaurant, the Initial Franchise Fee is included in the purchase price. The amount of the purchase price will vary by Restaurant based on a wide range of factors, including the assets being acquired, their location, their book value, their fair market value and other factors. The purchase price will be separately negotiated for each Restaurant. If you enter into a Development Agreement as part of the purchase of existing company-operated Hardee's Restaurants, you must pay HR a Development Fee of $10,000 for each Franchised Restaurant you agree to develop at the time you sign the Agreement.

Training Fees

Additional Franchise Management Training Program ("FMTP")

HR's Global Learning and Development Team currently provides the FMTP to you, your Operating Principal (if not previously trained), your General Manager and 6 other employees whom you have hired as Shift Leaders, at no additional cost to you, provided that the training takes place within 2 years of your signing of the Franchise Agreement. We reserve, however, the right to modify or waive the training required based on an individual's or your experience. If HR's Global Learning and Development Team has provided the FMTP to those individuals, and you desire that additional employees attend the FMTP, they may do so, subject to space availability and your payment of a nonrefundable Training Fee. The Training Fee for each additional employee is $500 per person per week. Notwithstanding the foregoing, you will not be required to pay HR a Training Fee for any person attending the FMTP unless, in any 12-month period, the number of personnel with a designated position title whom you send to the FMTP exceeds the average attrition rate (for quick service restaurants) for that designated position title. In that instance, we may charge you a Training Fee for each person with that designated position title attending the FMTP until the number of personnel with that designated position title whom you send to the FMTP in a 12-month period is no more than the average attrition rate (for quick service restaurants) for that designated position

title. You must pay all travel, living and other expenses incurred by you and your employees while attending the FMTP.

All-Star Opening Training Support Team ("Opening Training Support Team")

You may be required to pay us, at our discretion, a nonrefundable Opening Training Support Team Fee of up to $10,000 in connection with the opening of your first Franchised Restaurant. The Opening Training Support Team Fee must be paid in full at least 7 days prior to the opening of the Franchised Restaurant. The Opening Training Support Team Fee entitles you to opening assistance support by the Opening Training Support Team. We will determine, in our sole discretion, the level of support for your Franchised Restaurant. We reserve the right, in our sole discretion, to modify the level of assistance provided by the Opening Training Support Team.

* * *

The preceding fees are uniform. HR, in its sole discretion, may offer incentives to a specific franchisee under certain circumstances, which may include circumstances where a franchisee agrees to develop a significant number of Franchised Restaurants, a franchisee agrees to significantly accelerate his historical development patterns, a franchisee agrees to develop Franchised Restaurants in a new territory, a franchisee proposes to develop unique sites or a franchisee desires to rebuild its franchised restaurant at the current site. In those circumstances, among others as determined by us, HR may, among other things, waive some or all of the Initial Franchise Fee, decrease the royalty fee for a period of time (as noted in Item 6) and/or extend the time for a franchisee to comply with its remodel obligations for some or all of its existing Franchised Restaurants. In 2025 we waived the Initial Franchise Fee in certain instances where a new franchisee was taking over operation of a Franchised Restaurant that was closed or otherwise may have closed.

ITEM 6

OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty	For newly-developed Franchised Restaurants, 3.5% of Gross Sales for the first 5 years and 4% of Gross Sales for the balance of the initial term. For all other Franchised Restaurants, 4% of Gross Sales. **(2) (3)**	Within 15 calendar days after the end of each calendar month in which the sales were made	Gross Sales include all revenue from the sale of all services and products (except HR-approved promotional items) and all other income of every kind and nature (excluding revenue from the sale of stored value gift cards or gift certificates but including revenue when gift certificates are redeemed or stored value gift cards are debited) related to the Franchised Restaurant, whether for cash or credit and regardless of collection in the case of credit; provided, however, that Gross Sales do not include any sales taxes or other taxes collected from customers by you for transmittal to the appropriate taxing authority.
Taxes	You must reimburse us for any taxes imposed on us for acting as	Within 30 days of receipt of invoice, except if the invoice is	

Type of Fee (1)	Amount	Due Date	Remarks
	franchisor or licensing the Proprietary Marks.	associated with taxes tied to rent then due upon receipt of invoice.	
Hardee's Advertising (2)	An advertising and promotional obligation ("APO") in an amount set forth in your Franchise Agreement. Your APO will be up to 7% of Hardee's Gross Sales. Currently, your APO is 5.5% of Hardee's Gross Sales. **(4)**		Divided between HNAF, Regional Co-op and LSM (each as defined below)
Hardee's National Advertising Fund ("HNAF")	Currently, 4.25% of Hardee's Gross Sales	On the 10th day of each month	HNAF contributions are due on the 10th day of each month and are based on Gross Sales in the prior month.
Hardee's Regional Cooperative ("Regional Co-op")	If your Franchised Restaurant is in an area covered by a Regional Co-op, currently, minimum of 0.5% of Hardee's Gross Sales; however, your Regional Co-op can vote to increase each member's contribution.	Same as royalty	We have the right, in our reasonable discretion, to establish a regional advertising and sales promotion cooperative in the regional area in which your Franchised Restaurant is located ("DMA") to which you will be required to contribute.
Hardee's Local Store Marketing ("LSM")	Difference between your APO and the amount you contribute to HNAF and a Regional Co-op	Not paid to HR	You may develop advertising materials for your own use; however, we must approve these advertising materials in advance of use. LSM monies may be spent only for approved advertising. **(5)**
Secret Shopper, and other Quality Assurance (QA) Programs	All costs associated with the 800 number, Secret Shopper programs or other QA programs as CJR may require	As incurred	You must participate in programs initiated to verify customer satisfaction and/or your compliance with all operational and other aspects of the System. (Currently, there is no charge for an initial QA audit; the cost of a second audit due to a deficiency is currently $211.00 per Restaurant which may be increased every year, although we do not anticipate the annual increase to exceed 30%.)
Interest	Interest on the amount owed from the date due until paid	When any payment is overdue	The interest rate is the lesser of the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Restaurant is located or 1.5% per fiscal period (or portion of a fiscal period).

Type of Fee (1)	Amount	Due Date	Remarks
Non-Cash Payment Systems	All costs associated with non-cash payment systems	As incurred	You must accept debit cards, credit cards, stored value gift cards or other non-cash payment systems specified by CJR to enable customers to purchase authorized products.
Other Training	Fees are based upon, but not limited to, actual materials, vendor charges and facility costs and likely will range from $300 to $1,000.	Before the commencement of training	You will be required to pay all travel, living and other expenses incurred by you and your employees while attending training.
Other Training Materials	Varies	As incurred	We have developed materials, including audio visual aids, that you may purchase at your option for use in your Franchised Restaurant.
Financial Audit and Inspection Costs	Deficiency in royalty fees and advertising contributions, plus interest	Within 10 days after receipt of the audit or inspection report	The interest rate is the same as the interest rate for late payments. If an inspection or audit is made necessary by your failure to furnish reports or supporting records, or your failure to furnish these reports, records or information on a timely basis, or if there is an understatement of Gross Sales of greater than 2%, you also must pay the reasonable costs of the audit or inspection.
Star University Access Fee	Currently, $14 per Fiscal Period (currently a 4-week accounting period)	Within 21 days after receipt of invoice	This fee will provide you access to Star University, a required training tool for your Franchised Restaurant; Star University Learning Management System (LMS) for the administration, tracking and reporting of learning programs. You will be required to sign the Star University License Agreement (the current form is attached as Exhibit E-2). The fee is paid to us but we pass this entire fee to a third-party vendor to help facilitate the training environment. We reserve the right to increase the fee in the future, although we do not anticipate any annual increase to exceed 30%.
Food and Safety Training Program	Varies	Prior to start of training	You and certain of your employees will be required from time to time to complete an online training program on food and safety topics. You also will be required to pay all expenses incurred by you and your employees while participating in this training. This training includes, but is not limited to, training provided by us or by third parties for certification of food safety requirements.

Type of Fee (1)	Amount	Due Date	Remarks
Transfer	$2,500; if more than one Hardee's Restaurant is involved in the transfer, the fee will be $2,500 for the first Hardee's Restaurant and $500 for each additional Hardee's Restaurant	Before consummation of transfer	There is no fee if you transfer to a corporation or limited liability company which you control. All transfers are subject to our prior written consent.
Indemnification	The losses and expenses incurred by HR and its parents and affiliates	As incurred	You must indemnify, defend and hold HR and its parents and affiliates harmless in all actions arising out of the development or operation of your Franchised Restaurant, excluding the gross negligence or willful misconduct of HR.
New Product and Supplier Testing	Reasonable cost of inspection and actual cost of testing; $1,500 fee for inspection must be paid as a deposit	As incurred	If you propose to purchase any items from an unapproved supplier, you must submit to us a written request for approval, or request that the supplier do so itself. HR's approval will not be unreasonably withheld, but may be conditioned on the supplier meeting certain requirements (and HR may limit the number of suppliers). We have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or an independent, certified laboratory designated by us for testing before granting approval. You must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the test.
Supply Chain Fee	We reserve the right to, directly or through our vendor and distribution partners, assess a per case fee on certain products or services franchisees purchase from approved suppliers	As incurred	We and/or our affiliates collect this fee from certain approved suppliers from which you may purchase products and services to offset expenses related to managing the supply chain. This fee is subject to change from time to time.
Software Support Fee (PAR Brink and CrunchTime)	Currently, $118 per Franchised Restaurant per fiscal period (4 week accounting period) (for L/1 and L/2 Help Desk Support for PAR Brink & CrunchTime); in addition, $825 per Franchised Restaurant bi-annually (every 26 week accounting	As incurred	$118 of this amount is paid to our affiliate, CKR, and the amount or related fees are subject to change, although we do not anticipate any annual increase to exceed 30% unless new technology components are added. Applicable only if you choose to use the PAR Brink/CrunchTime service (described in Item 11). You are not required to use this software. If you use PAR Brink you are also required to use CrunchTime for back office support and pay to CrunchTime $825 per Franchised

Type of Fee (1)	Amount	Due Date	Remarks
	period) for back office support fee payable to CrunchTime. Additionally, there is an optional BizIQ cost, per user: Power User $3,800, Analyst $1,800, and Consumer $600. If you use Brink, you must also pay the Brink Hosting Fee of $6.50 per fiscal period (4 week accounting period) plus the CrunchTime hosting fee of $1.50 per fiscal period. If you don't use Brink, but use CrunchTime for back office, the CrunchTime Hosting Fee of $1.50 only will be charged per fiscal period.		Restaurant bi-annually (every 26 week accounting period) for back office support fee. PAR Brink and CrunchTime require the payment of additional license fees as explained in Item 11. . The breakdown of this support fee is: RTSC Help Desk – Cognizant - $55 RTSC Help Desk – Network/Telco $25 RTSC Help Desk – Kaseya/Ninja - $14 Black Hills InfoSec (BHIS) - $13 RTSC Help Desk – Service Now - $8 Sentinel 1 - $3 The BizIQ cost is billed annually by BizIQ and paid directly to BizIQ. The CrunchTime and Brink Hosting Fees are billed by us and paid to our affiliate, CKR, to reimburse CKR for these hosting fees billed to CKR by CrunchTime and Brink.
PAR Brink and CrunchTime Training Fee	Currently, one-time fee of $1,250 per franchisee.	At the time the Software Support Agreement is signed	This amount is currently paid to our affiliate, CKR, and is subject to change although we do not anticipate any annual increase to exceed 30% unless new technology components are added. Applicable only if you choose to use the PAR Brink/CrunchTime service (described in Item 11). You are not required to use the PAR Brink/Crunch Time software. If you use PAR Brink you are also required to use CrunchTime for back office support. PAR Brink and CrunchTime require the payment of additional license fees as explained in Item 11.
Digital Tech Fee	Currently, $160 per fiscal period (4 week accounting period)	Billed each fiscal period and due upon invoicing	You must participate in our online ordering/ delivery and loyalty programs we may from time to time establish and use the related software and technology that we may from time to time specify. Currently, the Digital Tech Fee will provide you with access to the following software and technology: OLO, Data Menu Management, Data Management (customer data processing) and Future (enterprise data management and content management system). You must execute the OLO Authorized Operator Agreement (the current form is attached as Exhibit E-3) and

Type of Fee (1)	Amount	Due Date	Remarks
			we may require you to execute other related software agreements in the future. The Digital Tech Fee may also be used to offset and/or recoup costs and expenses we have incurred related to building and managing the digital initiatives and platforms We may change the required software/technology from time to time. We may increase or modify this fee upon prior notice to you, although we do not anticipate any annual increase to exceed 30% unless new technology components are added
Renewal Fee	$5,000 for a 5-year renewal term; $10,000 for a renewal term of 10 years	At the time the new franchise agreement is signed	We reserve the right to prorate the Renewal Fee to align with a renewal term with a corresponding lease expiration date.
Liquidated Damages	As calculated (see Remarks)	As incurred	If the Franchise Agreement is terminated following your default, since it would be difficult, if not impossible, to determine the amount of damages that we will suffer as a result of your breach, unless waived by us in our sole discretion, you must immediately pay us, as damages and not as a penalty, the amount of the royalty fee that you would have paid during the period ("Damages Period") from the effective date of termination to the earlier of: **(a)** the 3-year anniversary of the effective date of termination; or **(b)** the date on which the initial term of the Franchise Agreement was scheduled to expire. The amount of such royalty fee during the Damages Period will be calculated by multiplying the average weekly royalty fee that you owed for the 52-week period prior to the effective date of termination by the number of weeks in the Damages Period.
Collection Costs and Expenses	Our costs and expenses	On demand, if required	These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.
Relocation	Our reasonable expenses	On demand, if required	You may not relocate the Franchised Restaurant without our prior written consent, which will not be unreasonably withheld. If we approve a relocation of your Franchised Restaurant, we have the right to charge you for all reasonable

Type of Fee (1)	Amount	Due Date	Remarks
			expenses actually incurred in connection with consideration of the request.
Reimbursement of Insurance Costs	Cost of obtaining coverage	Immediately upon receipt of invoice	If you fail to procure or maintain the required insurance, we may procure the insurance and charge its cost along with our out-of-pocket expenses to you. We collect the cost of the insurance coverage for the insurance company with which we place the coverage.
Web Site Fee	Actual cost of developing, reviewing, securing, protecting and/or hosting the web site	As incurred	We have the right to charge you a fee for developing, reviewing and approving your web site and/or securing, protecting and hosting the web site.
Lease Admin Fee	Currently, $2,500 per year	As incurred	We or our affiliate reserve the right to charge you a Lease Admin Fee in connection with any lease or sublease renewal or extension (including the exercise of any lease option terms) or any amendment or modification to any lease or sublease between us (or our affiliates) and you (or your affiliates).
Reimbursement of Fees under Lease or Sublease	Actual amount incurred	As incurred	You must reimburse us for any actual out-of-pocket costs, expenses and fees we or our affiliates incur (including any attorney or accountant fees) in connection with any lease or sublease between us (or our affiliates) and you (or your affiliates). Without limiting the foregoing, this includes all costs and expenses we incur to repair and maintain the premises, to remove property from the premises, as a result of your failure to surrender the premises as required by the terms of the lease or sublease, or as a result of your default of the lease or sublease.
Rent for a Former Corporate Restaurant	Varies **(6)**	Payable on the 1st day of the month	Where we lease the building and sublease to you, we will pass thru any rent escalations which occur throughout the lease term.

NOTES

(1) Unless otherwise noted, all fees are imposed by and payable to us, are non-refundable and are uniformly imposed on our franchisees who receive this disclosure document.

(2) If you default in paying HR any monies under the Franchise Agreement and fail to cure that default within 10 days after receipt of a written notice of default, you will then be required to pay HR all royalty fees and advertising fees within 10 calendar days after the end of each fiscal week.

If you purchase a Restaurant from us, we may charge a higher royalty fee, not to exceed 6% of Gross Sales. We will advise you of the applicable royalty fee before you purchase the Restaurant. On occasion, we may consider reducing the royalty fee to fit a particular concern, taking into account a variety of factors, including, but not limited to, where a franchisee agrees to develop a significant number of Franchised Restaurants, a franchisee agrees to significantly accelerate his historical development patterns, a franchisee agrees to develop Franchised Restaurants in a new territory, a franchisee proposes to develop unique sites or a franchisee desires to rebuild its franchised restaurant at the current site. If we agree to a reduction in the royalty fee, the reduction likely would be between 1% and 4% of the Gross Sales of the Franchised Restaurant for up to the first 3 years of operation of the Franchised Restaurant.

Under the HR 2025 Development Incentive Program Addendum described in Item 1 (Exhibit K), with respect to Gross Sales accruing during the applicable Franchised Restaurant's first year of operation under the Franchise Agreement, for Franchised Restaurants that open on or ahead of schedule pursuant to an executed Development Agreement and Franchised Agreement, we will reduce each of the royalty fee and APO by (i) 3% of Gross Sales accruing during the Restaurant's first year of operation; (ii) 2% of Gross Sales accruing during the Restaurant's second year of operation; and (iii) 1% of Gross Sales accruing during the Restaurant's third year of operation. After the third year of operation, the royalty fee reverts back to royalty set out in the Franchise agreement and the APO fee reverts back to 5.5% of Gross Sales. If you or any of your affiliates receives, during the first three years of operation of the Franchised Restaurant under the Franchise Agreement, a written notice of default under any agreement between you or any of your affiliates and HR or any affiliate of HR and fails to cure the default within the applicable cure period, the Addendum will be terminated and the royalty fee and APO for the Franchised Restaurant will immediately revert to the applicable amounts set forth in the Franchise Agreement.

(3) On occasion, we may consider reducing the royalty fee to fit a particular concern, taking into account a variety of factors, including, but not limited to, where a franchisee agrees to develop a significant number of Franchised Restaurants, a franchisee agrees to significantly accelerate his historical development patterns, a franchisee proposes to develop unique sites or a franchisee desires to rebuild its franchised restaurant at the current site. If we agree to a reduction in the royalty fee, the reduction likely would be between 1% and 4% of the Gross Sales of the Franchised Restaurant for up to the first 3 years of operation of the Franchised Restaurant.

(4) We have the right, following written notice to you, to reallocate your advertising contributions (including the allocation to HNAF and/or a Regional Co-op) and to increase your advertising contributions, but not by more than ½% of Gross Sales in any 12-month period. In addition, we may not increase the APO above 7% of Gross Sales; however, this limitation does not prevent the Franchised Restaurant's Regional Co-op from requiring a contribution that, when added to your HNAF contribution, results in a total APO in excess of 7% of Gross Sales. We may, in our sole discretion, temporarily or permanently adjust the advertising contribution for certain locations or markets due to unique or unusual circumstances.

(5) We may eliminate the LSM obligation. The following expenditures will not be credited against your LSM obligation: free or discounted food; employee incentive programs; charitable contributions; payments in connection with permanent on-premises menu boards; lighting; yellow pages; entertainment discount books; the purchase or maintenance of vehicles; and other similar payments. Within 30 days after the end of each fiscal quarter, you must provide us or our designee with copies of all documentation demonstrating the amount and types of LSM expenditures made by you in the prior fiscal quarter.

(6) The following is the rent structure for a Former Corporate Restaurant: Rent which includes when due, all base rent, minimum rent, fixed rent, additional rent, and any and all other charges and amounts however called or termed required under the prime lease (as will be further set forth in the Asset Purchase Agreement the parties will sign as part of the sale.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT TO DEVELOP A HARDEE'S RESTAURANT (1)

Type of Expenditure	Low Amount	High Amount	Method of Payment (2)	When Due	To Whom Payment Is To Be Made
Fees to HR:					
Initial Franchise Fee **(3)**	$25,000	$25,000	Lump sum or installments	See Item 5	HR
Opening Training Support Team Fee **(3)**	$32,000	$72,000	As incurred	See Item 5	Vendors, HR
Total Fees to HR	**$57,000**	**$97,000**			
Build-Out Costs:					
Real Property **(4)**	Variable	Variable			
Building **(5)**	$525,000	$735,395	Progress payments	As arranged	Contractors
Site Improvements **(6)**	$100,000	$550,000	As arranged	As arranged	Contractors
Soft Costs **(7)**	$50,000	$215,000	As arranged	As incurred	Vendors and third parties
Equipment **(8)**	$350,000	$540,000	As arranged	As incurred	Vendors, HR
Signage **(9)**	$50,000	$95,000	As arranged	As incurred	Vendors and third parties
Point of Sale System **(8)**	$55,000	$72,000	As arranged	As incurred	Vendors, CKR
Total Build-Out Costs	**$1,130,000**	**$2,207,395**			
Preliminary Operating Expenses:					
Initial Training **(10)**	$20,000	$60,000	As arranged	As incurred	Third parties
Pre-Opening Costs **(11)**	$8,000	$23,000	As arranged	As incurred	Vendors, HR
Additional Funds - 3 months **(12)**	$160,000	$250,000	As arranged	As incurred	Vendors, HR
Total Preliminary Operating Expenses	**$188,000**	**$333,000**			
TOTAL ESTIMATED INITIAL INVESTMENT (13) (14)	**$1,375,000**	**$2,637,395**			

NOTES

(1) This table reflects a low-high range of costs for each of the major cost categories of the initial investment. The costs and expenditures listed are for a new Franchised Restaurant operated from

a Traditional Location in a freestanding building that is approximately 2,200 square feet with twenty-four (24) seats, a drive thru, and full menu kitchen. The ranges listed are our best information to date but may vary depending on changes in market conditions, including availability of building materials, and the geographic area in which the Franchised Restaurant will be located.

(2) Costs paid to HR are not refundable. Whether any costs paid to third parties are refundable will vary based on the practice in the area where your Franchised Restaurant is located.

(3) For your first 2 Franchised Restaurants, you are required to have an All-Star Team, a certified training team, participate in the pre-opening and post-opening of the Franchised Restaurants. You will be responsible to pay us the Opening Training Support Fee, which will reimburse us for the All-Star Team's trainers' salaries, administrative fees, travel, lodging and meal expenses for the time they teach and train at your Franchised Restaurants, which is usually four days before opening and a minimum of seven days after opening, for a total of up to two weeks.

(4) We expect that you will buy or lease unimproved property and construct the Franchised Restaurant. Typically, 22,000 to 43,000 square feet of land is needed for the Franchised Restaurant and adjacent parking facilities. If there are governmental requirements relating to site retention, increased drive through stacking or excessive landscape buffering, you may need to increase the size of the parcel required to accommodate our prototype building with adequate parking. Local building codes also may require that the Franchised Restaurant be placed on a larger lot. The cost of commercial land, whether you lease or buy, may vary considerably depending upon the location and conditions affecting the market for commercial property. The purchase of unimproved property of the size required may range from $650,000 to $1,100,000 or more. The rent for unimproved property may range from $4,000 to $15,000 or more per month. You may be required to pay the first and last months' lease payments upon signing your lease agreement.

Lease payments made by you to third party lessors may vary greatly depending on the property size, type of transaction and location. Lease agreements for the land may include the following expenses: taxes, insurance, maintenance, fixed rent (with escalations), percentage rent, and other charges related to the operation of the Franchised Restaurant.

(5) These figures are for a free-standing building and include site preparation for the building only. HVAC installation only is included in the building cost. These figures do not include the extra cost for the addition of a cash window in conjunction with a single or double drive-thru lane, which would add from $65,000 to $115,000 in costs.

(6) Site improvement costs include all required work to provide fill and compaction, curb cuts, parking lot, curbs and gutters, sidewalks, drive-thru lanes, landscaping and irrigation, site electrical and lighting, grease interceptor and utility runs. See Note 7 below regarding off-site costs.

(7) You should check with the relevant regulatory agencies to identify costs for required building permits, impact fees, taxes, bonds, licenses and other fees, which can vary dramatically depending on the location. There may also be off-site costs, such as intersection improvements or street widening that, when required, can have a major impact on cost.

(8) You must purchase certain items of furniture, fixtures and equipment, the point of sale system, and smallwares. You may be able to lease from or finance through a third party a portion of these purchases, but you should expect to make a down-payment of up to 25%. The high end of these figures also includes the cost of a catalytic converter for the charbroiler. If required, the cost of the catalytic converter is approximately $1,558.

(9) The type of signage installed is governed by local ordinances regarding height and size restrictions. The typical sign package includes exterior building signs and a 25-foot pole or monument sign. A typical unit with a drive-thru has 2-4 illuminated directional signs.

(10) You must pay the costs of travel, living and other expenses for you and your employees during training. The cost of these expenses will depend on the distance you must travel, type of accommodations, the number of your employees attending training and their wages.

(11) These costs include uniforms, office supplies and other prepaid expenses. This range also includes, for a Hardee's Restaurant, $18,000 to $21,000 for the initial inventory of food and paper products. These costs do not include utility deposits, installation of telephones, business licenses or cleaning supplies, which are not substantial.

(12) These figures are an estimate of your operating expenses for the initial 3 months of business. They include payroll, taxes, insurance, food, paper, supplies, utilities, licenses and permits, bank charges and repair and maintenance expenses. They do not include advertising contributions or royalty fees paid to HR. These figures are estimates, and HR cannot guarantee that you will not incur additional expenses in connection with starting the business. Your costs will depend on factors including: the size of your Franchised Restaurant; how closely you follow HR's methods and procedures; your management skill, experience and business acumen; financing costs; local economic conditions; the local market for restaurants; the prevailing wage rate; competition; and the sales level reached during the initial period.

(13) You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer any direct financing for any part of the initial investment.

(14) If you are purchasing an existing company-operated Restaurant, the estimated initial investment (excluding the purchase price) will be lower than the applicable estimated initial investment detailed above since there will be no costs associated with initial building and site improvement and equipment and signage. You will, however, likely incur costs for business licenses, utility deposits, insurance, and, depending on the condition of the Restaurant and the equipment included in the purchase, you may incur additional costs in connection with, among other things, remodeling the Restaurant or repairs to the Restaurant. These costs will vary by city and by restaurant.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Where we have issued standards and specifications, you must use only ingredients, food products, spices, seasonings, mixes, beverages, materials, supplies used in the preparation of food products, furniture, fixtures, equipment, smallwares, forms, paper and plastic products and packaging, cleaning supplies, and other materials that meet those standards and specifications. Our standards and specifications are contained in the Operation Procedures Manual ("OPM"). Periodically, we will provide you a list of approved suppliers. Most food items and other goods that you are required to purchase will be purchased from a master distributor. The master distributor will carry items such as meats, cheese, grocery, bread products, paper and cleaning supplies. As of the date of this Disclosure Document, our master distributor is McLane Company, Inc. We reserve the right to change the master distributors. Other master distributors may be approved from time to time.

You must purchase improvements, inventory, advertising materials and other products and materials required for the operation of your Franchised Restaurant solely from approved suppliers that

demonstrate, to our continuing reasonable satisfaction: the ability to meet our reasonable standards and specifications for these items; possess adequate quality controls and capacity to supply your needs promptly and reliably; and have been approved in writing by us and not later disapproved. We may establish commissaries and distribution facilities owned and operated by us or an affiliate that we will designate as an approved supplier. Although you are not required to lease a location from us or an affiliate, we must consent to your selection of the site for your Hardee's Restaurant. If you lease the Restaurant premises from a third party landlord, you must sign the Franchise Lease Addendum attached as Appendix G to the Franchise Agreement.

One or more of our officers may own nominal interests in certain of our approved suppliers which are publicly traded companies or through investment funds.

We and our affiliates may receive fees, payments, commissions, field-of-use license royalties or other consideration from approved suppliers based on sales to franchisees, from promotional allowances and volume discounts. We and our affiliates may use all amounts received from approved suppliers, distributors or third parties, whether or not based on your and/or other franchisees' actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate. Finally, we and our affiliates provide supply chain, quality assurance, distribution and logistics services for the franchise system. These services include negotiating with suppliers and distributors who will sell and distribute goods to our franchisees, designating one or more distributors to service our franchisees, and managing distribution logistics. As a result, we and our affiliates reserve the right to recover our costs related to performing these services by collecting a per-case distribution fee for all cases sold by an approved supplier to our franchisees and from other logistics-related programs.

We may charge non-approved suppliers reasonable testing and/or inspection fees.

If you desire to purchase any items from an unapproved supplier, you must submit a written request for our approval of the supplier or you must request that the supplier do so. HR's approval will not be unreasonably withheld. Approval of a supplier, however, may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, sanitation standards, insurance and other quality assurance requirements or other criteria (including the number of suppliers already approved), and concentration of purchases, and may be temporary pending a further evaluation of the supplier by HR. We have the right to require that our representative be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, at our option, either to us or to an independent, certified laboratory designated by us for testing. A fee not to exceed the reasonable cost of the inspection and the actual cost of the test may be charged by us or by an independent testing laboratory designated by us and must be paid for by you. We will notify you within 60 days as to whether you are authorized to purchase these products from that supplier. In the event we tentatively approve a request for an alternative supplier, you must submit a check for $1,500 to us as a deposit against the cost we incur in inspecting the supplier's facility. You will be responsible for additional costs and expenses associated with the inspection of the facility, which must occur before final approval. Approval of a supplier also may be subject to the frequency of delivery, reporting capabilities, standards of service (including prompt attention to complaints) or other criteria (including the number of suppliers already approved), and may be temporary pending further evaluation of such supplier. We may periodically require that the testing be performed again at your expense to ensure that the supplier continues to meet our specifications. We will advise you in writing if we revoke any approvals.

You also must obtain and install the data processing equipment, computer hardware, required dedicated telephone and power lines, modems, printers and other computer-related accessory or peripheral equipment necessary to permit us to receive from you, within the required time periods, that information and in that format/medium that we reasonably specify and require ("Computer/POS System") as further

explained in Item 11. Current approved vendors for technology components of the Computer/POS System are PAR Tech, Inc., CrunchTime, QSR Automations, Xenial Xpient (5.0 or higher) and Meracki. Currently, you must use either the PAR Brink (and CrunchTime) POS software or the Xenial Xpient (5.0 or higher) POS software in operating your Franchised Restaurant. You must determine the hardware and software that you must install or purchase, and other activities that it must accomplish, to communicate that information to and with us. To ensure full operational efficiency and communication capability between our computers and those of all Hardee's Restaurants, you must, at your expense, keep your computer system in good maintenance and repair, make additions, changes, modifications, substitutions and replacements to your computer hardware, software, telephone and power lines and other computer-related facilities as may be necessary to accomplish the same. Except as described in Items 6 and 11 with respect to the Digital Tech Fee, Star University Access Fee and Software Support Fee, currently, there are no payments to be made to us in connection with these items. In addition, you must comply with Point to Point Credit Encryption Standards ("P2PE") and the Payment Card Industry Data Security Standard ("PCI DSS") at all times and engage any vendor that we designate to ensure the security of your data and compliance with P2PE and PCI DSS. You must maintain continuous PCI compliance and must attest this to us annually by providing us with a completed and signed PCI Attestation of Compliance.

You must also participate in any online ordering/delivery and loyalty programs that we may establish from time to time with approved vendors and you must comply with the rules and participation criteria applicable to these programs, including our loyalty program. We have currently designated OLO as the sole software platform provider for our online ordering program, Punchh as the sole software platform for our loyalty program, and have partnered with designated service providers for our delivery program. Under our online ordering/delivery programs, we require you to accept and process specific customer delivery orders and we require you to use all approved third-party delivery service providers, currently Uber Eats, Door Dash and GrubHub if those delivery service providers operate in your restaurant's serviceable area. We must pre-approve all delivery service providers not already designated as approved under our delivery program. In addition, we must pre-approve all sales recording processes that originate from the delivery service providers. We have the right to modify the participation criteria or discontinue these initiates at any time upon written notice to you. See also Item 11.

We negotiate system-wide contracts with a number of suppliers under which Hardee's Restaurants may purchase products at negotiated prices and terms. Franchisees are entitled to purchase products at the prices and terms negotiated by us; however, we reserve the right to limit the number of suppliers who deliver the products at those prices and terms. With respect to equipment, smallwares and supplies, to obtain the negotiated price and to be eligible for certain revenue sharing incentives, you must purchase the equipment, smallwares and supplies from our third-party vendor Wasserstrom Holdings, Inc. and its subsidiaries ("Wasserstrom"). There currently are no purchasing or distribution cooperatives. We do not provide material benefits to a franchisee based on the franchisee's purchase of particular products or services or the use of particular suppliers.

With respect to equipment you purchase for the Franchised Restaurant at our direction to offer a new menu item, if HR requires that you remove a piece of equipment less than 5 years after its installation, you will receive from HR a credit against the purchase price of the piece of equipment purchased from Wasserstrom that replaces the piece of equipment being removed or, if you are not required to replace the piece of equipment, a credit against another piece of equipment to be purchased by you from Wasserstrom. The amount of the credit will be equal to your undepreciated book value for the piece of equipment (based on a 5-year straight line depreciation) at the later of the time HR requires you to remove that piece of equipment or the date that piece of equipment is removed.

Approximately 90% of your purchases or leases of fixtures, furnishings, equipment, décor, signs, food items, ingredients, supplies and other products in connection with the establishment of the Franchised

Restaurant must be purchased in accordance with our specifications or from approved suppliers. We estimate that these items represent approximately 65% of your controllable purchases, excluding labor and general administrative costs in connection with the ongoing operation of the Franchised Restaurant. We do not provide material benefits (e.g., renewal or additional franchises) to you based on use of designated or approved suppliers.

Occasionally, during major promotions, suppliers will sell items to us at a discount. At our discretion, we will either pass the savings directly to you or contribute any amounts collected in excess of the discount to HNAF (*see* Item 11). Currently, certain of our soft drink suppliers offer rebates to both you and us based on volume purchases.

During our fiscal year ended January 27, 2025, the following suppliers made contributions to HNAF: KDM ($59,823); Dr. Pepper ($61,562); CDM ($50,000). The funds contributed were used primarily to offset the cost of point of purchase and other advertising production costs. Additionally, during our fiscal year ended January 27, 2025, we and our affiliates' revenue from all sales and leases to Hardee's franchisees was approximately $33 million, which represented approximately 4.9% of the total revenue of the Securitization Entities of approximately $671.4 million. In certain instances, we simply pass through the franchisee payments to the designated vendor, supplier or landlord.

You must, at your sole expense, maintain in full force and effect throughout the term of each agreement that insurance that you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Restaurant, which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by us. (Franchise Agreement, § 15.B.; Development Agreement, § 6.B.). We may regulate the types, amounts, terms and conditions of insurance coverage required for the Franchised Restaurant, and standards for underwriters of policies providing required insurance coverage. You will receive written notice of these modifications and must take prompt action to comply. We, and any entity with an insurable interest designated by us, shall be an additional insured in such liability policies, except for workers' compensation/employer's liability, and loss payee for property to the extent each has an insurable interest. All insurance policies must be written by an insurance company (or companies) satisfactory to us in compliance with the standards, specifications, coverages and limits set forth in the OPM or otherwise provided to you in writing.

These required insurance policies include, at a minimum, the following: (1) Commercial General Liability insurance with policy limits not less than $5,000,000 per occurrence and in the aggregate. Coverage shall apply per location, including coverage for contractual liability, broad form property damage, personal and advertising injury, product liability and completed operations, not to exclude food-borne illness, as well as Damage to Rented Premises coverage with limits not less than $100,000. (2) Automobile Liability coverage, including owned, leased, non-owned and hired vehicles, with a combined single limit not less than $1,000,000 per accident and additional liability coverage as needed for delivery services. This may be included as part of a package policy; (3) Workers' Compensation, statutory as required by law, and Employer's Liability insurance with limits not less than $500,000, and such other insurance as may be required by the state or locality in which the Franchised Restaurant is operated. This coverage shall also be in effect for all of Franchisee's employees who participate in any of the training programs described in the Franchise Agreement. The required limits above may be satisfied through a combination of Primary and Umbrella/Excess Liability coverage. If satisfied through an Umbrella/Excess Liability coverage, the Umbrella/Excess Liability must be "following form" of the underlying Commercial General Liability, Automobile Liability and Employer's Liability coverages; (4) Commercial Property insurance that extends coverage on a replacement cost basis for the Franchised Restaurant, business personal property (including electronic equipment, tenant improvements & betterments), and business income and extra expense for a minimum of 12 months or actual loss sustained to cover loss of profits, continuing expenses and loss of rents. Covered causes of loss should be "Special Form" or "All Risk" with coinsurance conditions not less

than 80%. Flood insurance is also required for locations that reside in FEMA Flood Zones beginning with the letters "A" or "V." Earthquake insurance is also required for locations that reside in FEMA Seismic Design Categories “E” or “D”; (5) Cyber Liability (network security/data privacy) with policy limits not less than $1,000,000 per occurrence; and (6) In connection with any construction, leasehold improvements, renovation, refurbishment, or remodeling of the Franchised Restaurant, your general contractor shall maintain Commercial General Liability insurance (with products liability and independent contractors coverage), Automobile Liability coverage for owned, leased, hired and non-owned vehicles, and Builder’s Risk with limits no less than $1,000,000, with HR named as an additional insured, as well as Workers’ Compensation and Employer’s Liability as required by state law.

ITEM 9

FRANCHISEE’S OBLIGATIONS

This table lists your principal obligations under the Franchise and Development 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 Franchise Agreement (FA) and Development Agreement (DA)	Disclosure Document Item
a.	Site selection and acquisition/lease	FA: Section 3 DA: Sections 3-5	Items 7 & 11
b.	Pre-opening purchases/leases	FA: Sections 3-5 DA: Section 3-6	Items 7 & 8
c.	Site development and other pre-opening requirements	FA: Sections 3 - 7 DA: Sections 3 & 5-6	Items 6, 7 & 11
d.	Initial and ongoing training	FA: Section 11 DA: Section 5	Items 5, 6, 7 & 11
e.	Opening	FA: Section 5 DA: Not Applicable	Item 11
f.	Fees	FA: Sections 3, 5, 8 & Appendix A-C DA: Section 4	Items 5 & 6
g.	Compliance with standards and policies/Operating Manual	FA: Sections 7, 9 & 13 DA: Section 6	Items 8 & 11
h.	Trademarks and proprietary information	FA: Section 14 DA: Not Applicable	Items 13 & 14
i.	Restrictions on products/services offered	FA: Section 13 DA: Not Applicable	Item 16
j.	Warranty and customer service requirements	FA: Section 13 DA: Not Applicable	Item 11
k.	Territorial development and sales quotas	FA: Not Applicable DA: Sections 1-3 & Appendix A-B	Item 12
l.	Ongoing product/service purchases	FA: Section 13.B. DA: Not Applicable	Item 8
m.	Maintenance, appearance and remodeling requirements	FA: Sections 4 & 10 DA: Not Applicable	Item 11

Obligation		Section in Franchise Agreement (FA) and Development Agreement (DA)	Disclosure Document Item
n.	Insurance	FA: Section 15 DA: Section 7	Items 6, 7 & 8
o.	Advertising	FA: Section 8 & Appendix C DA: Not Applicable	Items 6 & 11
p.	Indemnification	FA: Section 24 DA: Section 16	Item 6
q.	Owner's participation/ management/staffing	FA: Sections 13.G & 16.G & 16.H DA: Section 8	Items 11 & 15
r.	Records and reports	FA: Section 7 DA: Not Applicable	Item 6
s.	Inspections and audits	FA: Sections 4, 7.F & 12.D DA: Not Applicable	Items 6 & 11
t.	Transfer	FA: Sections 17 & 18 DA: Sections 9 & 10	Items 6 & 17
u.	Renewal	FA: Section 2 DA: Not Applicable	Items 6 & 17
v.	Post-termination obligations	FA: Section 21 DA: Section 14	Item 17
w.	Noncompetition covenants	FA: Section 19 DA: Section 12	Item 17
x.	Dispute resolution	FA: Section 29 DA: Section 22	Item 17

ITEM 10

FINANCING

Neither we nor any of our agents or affiliates offer direct or indirect financing to you or guarantee any of your notes, leases or obligations. If you are purchasing one or more company-operated Restaurants, we will issue a Sublease for each site leased by us. The Sublease is a standard commercial lease under which you pay rent to us for use of the premises. The Sublease does not contain any financing terms. At the time of the closing of the transaction, you and we will execute, among other things and if appropriate, a Sublease for each Restaurant you purchase, the general form of which is attached as Exhibit O.

ITEM 11

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

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

HR's Pre-Opening Obligations

Before you open your Franchised Restaurant, we will:

1. Provide you with the following site selection assistance: **(a)** HR's site selection guidelines and, as

you may request, a reasonable amount of consultation with respect to site selection; and **(b)** on-site evaluation that we may deem advisable as part of our evaluation of your request for site acceptance. (Development Agreement, § 5.B.)

2. We will advise you in writing, within 30 days after our receipt of all information that we require to review the proposed site, whether we have accepted a particular site; however, we have no obligation to review any development proposal if you or your affiliates are not in full compliance with all agreements with us or our affiliates. If we do not respond within 30 days, we will be deemed not to have accepted the site. (Development Agreement, § 5.D.)

3. Provide you electronic access to, the OPM, which contains information and knowledge that is unique, necessary and material to the Hardee's System. The OPM remains our property. We may revise the contents of the OPM, and you agree to comply with each new or changed section. (Franchise Agreement, § 9). The Table of Contents of the OPM as of the date of this Disclosure Document is attached as Exhibit F. As of that date, the OPM contained approximately 224 pages.

4. Provide our FMTP to up to 8 individuals. The details of the FMTP are described later in this Item. (Franchise Agreement, § 11.A)

5. Provide you with any development training that we may require. (Development Agreement, § 5.F.)

6. Provide you electronic access to, the Development Guide, which contains mandatory specifications and standards relating to construction of Hardee's Restaurants and information relating to your other obligations under the Development Agreement. (Development Agreement, § 6)

7. Provide you with consultation and advice with regard to construction or renovation and operation of the Franchised Restaurant, building layout, furnishings, fixtures and equipment plans and specifications, employee selection and training, purchasing and inventory control and those other matters as we deem appropriate at no additional cost. (Franchise Agreement, § 12.A.)

8. Furnish you with prototypical plans and specifications for a Franchised Restaurant, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront and color scheme. It will be your responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Franchised Location, and you must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You must use only registered architects, registered engineers and professional and licensed contractors. We will review your proposed construction plans for the proposed Hardee's Restaurant and notify you within 30 days (or such longer period as we require) after we receive the plans whether the plans are approved. (Franchise Agreement § 4.A.)

9. Provide you with a final inspection of the Franchised Restaurant, if we choose to conduct one, and provide you with express written authorization to open the Franchised Restaurant if you have complied with all conditions. (Franchise Agreement, § 5.J.)

10. Provide you with assistance, upon your request, or at our discretion, in opening the Franchised Restaurant and in training your employees as we deem appropriate in light of your needs and the availability of our personnel. We have the right to charge you a fee for the opening training support team, depending on the level of support needed to open the Franchised Restaurant (as determined

by us). (Franchise Agreement, § 11.A. & .B.)

HR's Obligations During Operation of the Franchise

During the operation of your Franchised Restaurant, we will:

1. Collect, administer and spend for advertising and promotion purposes monies paid by franchised and company-operated Hardee's Restaurants into HNAF and the RB Production Fund and any RB Advertising Funds, if applicable. (Franchise Agreement, § 8.B.)

2. Provide you with guidelines for local advertising and promotion periodically. You must submit to us for our approval any local advertising and promotional materials purchased from a source other than us. We will be deemed to have approved these advertising materials if we do not otherwise advise you within 15 days after our receipt of the materials. (Franchise Agreement, § 8.D.)

3. We may change or modify the Hardee's System, including modifications to the OPM, required training program, the menu and menu formats, the required equipment, the signage, the building and premises of Franchised Restaurants (including the trade dress, décor and color schemes), the presentation of the Proprietary Marks, the adoption of new administrative forms and means of reporting and of payment of any monies owed to HR (including electronic means of reporting and payment) and the adoption and use of new or modified Proprietary Marks or copyrighted materials. (Franchise Agreement, § 10.A.)

4. Provide other training to you, if we decide to offer any other training. We reserve the right to require you to pay a tuition fee for these additional training programs, and you will be required to pay all travel, living and other expenses incurred by you and your employees while attending the training. (Franchise Agreement, § 11.B.)

5. Provide periodic advice and consultation to you in connection with the operation of the Franchised Restaurant as we deem appropriate or necessary. We will provide to you our knowledge and expertise regarding the Hardee's System, pertinent new developments, techniques and improvements in the areas of restaurant design, management, systems and tools, food and beverage preparation, sales promotion, service concepts, overall restaurant operations, financial metrics and other areas. We may provide these services through visits by our representatives to the Franchised Restaurant or your offices, the distribution of printed or filmed material, meetings or seminars, telephone communications and other communications. (Franchise Agreement, § 12.C.)

6. Conduct inspections of the Franchised Restaurant and evaluations of the products sold and services rendered as we deem appropriate or necessary. (Franchise Agreement, § 12.D.)

Advertising

We have established, and will maintain and administer, HNAF for the creation and development of advertising, marketing and public relations, research and related programs, gift card and loyalty programs, activities and materials that we, in our reasonable discretion, deem appropriate. During the term of the Franchise Agreement, you will have a monthly advertising and promotion obligation ("APO") in the amount set forth in an appendix to the Franchise Agreement. You will pay that portion of the APO as we direct (which, as of the date of this disclosure document, is 4.25% of Hardee's Gross Sales) to HNAF as described in the next paragraph. HNAF contributions are due on the tenth day of each month. The remainder of the APO is paid to a Regional Co-op and/or will be spent by you for LSM. There is no franchisee advertising council that advises HR on advertising policy. Hardee's Restaurants operated by us

contribute to HNAF on the same basis as comparable franchisees. Vendors and other suppliers also may contribute to HNAF.

We or our designee direct all advertising, marketing and public relations programs and activities financed by HNAF with reasonable discretion over the creative concepts, materials and endorsements used in those programs and activities and the geographic, market and media placement and allocation of advertising and marketing materials. We may work with an advertising agency in developing advertising for print, radio, Internet and television and also often leverage internal and contract creative services.

During our last fiscal year ended January 27, 2025, HNAF monies were spent as follows: approximately 76% on media and public relations; approximately 7% on television, radio, outdoor and print production; approximately 1% on point of purchase items, artwork and packaging; approximately 2% on research and development; approximately 3% on digital creative production; and 11% on other (which includes agencies fees, contract services, administration expenses and other miscellaneous advertising production expenses). No funds were used to solicit franchisees.

We also have the right to establish a Regional Co-op in the DMA in which your Franchised Restaurant is located. Hardee's Restaurants operated by us in an area covered by a Regional Co-op will contribute on the same basis as comparable franchisees. Only company-operated and franchised Hardee's Restaurants located in the DMA covered by a Regional Co-op contribute to the Regional Co-op. If your Franchised Restaurant is in an area covered by a Regional Co-op, currently, you are required to contribute a minimum of 0.5% of Hardee's Gross Sales to the Regional Co-op; however, the Regional Co-op can vote to increase each member's contribution.

HR or its designee will administer HNAF. HR has the right to terminate HNAF and establish, if HR so elects, a different advertising fund. HR also has the right to terminate (and subsequently restart) any Regional Co-op. HR may incorporate any fund and, with respect to HNAF, HR may have a separate entity manage the fund. Unaudited reports of the operations of HNAF and the Regional Co-ops are prepared annually and are available to you upon written request.

You must spend for approved LSM, on a monthly basis, the difference between your APO and the amount you contribute to HNAF and the Regional Co-op. You may develop advertising materials or purchase advertising materials from sources other than HR or its affiliates for your own local use; however, we must approve these advertising materials before first use. These advertising materials should be submitted to HR for review and approval at least 30 days in advance of first use. You must pay 100% of the cost of the point of purchase advertising materials that we require you to purchase from our designated vendor. In fiscal year ended January 27, 2025, HNAF funded certain point of sale kits for both franchised and company-operated Hardee's Restaurants. HR or its designee periodically will advise you of the advertising and sales promotions approved by HR.

Local advertising and promotion materials may be purchased from any HR-approved source. If purchased from a source other than HR or its affiliates or created or developed by you, these materials must comply with federal and local laws and regulations and with the guidelines for advertising and promotions promulgated from time to time by HR or its designee and must be submitted to HR or its designee at least 30 days prior to first use for approval, which HR may grant or withhold in its sole discretion. In no event may your advertising contain any statement or material which, in the sole discretion of HR, may be considered: **(1)** in bad taste or offensive to the public or to any group of persons; **(2)** defamatory of any person or an attack on any competitor; **(3)** to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; or **(4)** inconsistent with the public image of HR or the System.

We have the right, following written notice to you, to reallocate the APO and to increase the APO; however, we will not increase the APO by more than ½% of Gross Sales in any 12-month period. In addition, we may not increase the APO above 7% of Gross Sales; however, this limitation does not prevent the Franchised Restaurant's Regional Co-op from requiring a contribution, that when added to your HNAF contribution, results in a total APO in excess of 7% of Gross Sales.

In spending advertising monies, HR is not obligated to make expenditures for any franchisee that are equivalent or proportionate to that franchisee's contribution or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditure of the funds.

Generally, HR believes that it will spend all advertising payments during the taxable year in which the contribution and earnings are received. If we do not spend the advertising payments in one year, we will spend them in the following year. Except with respect to administrative and legal expenses, neither HR nor any affiliate receives payment for providing goods or services to advertising funds or regional co-ops.

Electronic Cash Register/Point of Sale System

A Hardee's Restaurant typically requires a Computer/POS System consisting of 4 POS terminals and 6 kitchen display monitors. You must purchase or lease PAR ES600 or PAR ES8500 terminals. These systems record customer transactions and collect and generate gross sales reports (including sales by categories) for the Franchised Restaurant. In addition, (i) you must purchase or lease Brink Kitchen Display Systems and a back-office workstation as recommended by the software provider, and (ii) you must meet our required connectivity standards (currently, (a) Cisco Meraki Firewall/Router with Advanced Security License, (b) Cisco Meraki Wireless Access Point(s), Cisco Meraki 48 port switch, (c) highly reliable internet with auto-failover to LTE backup, and (d) Wi-Fi for guests (if Internet speeds are fast enough to support it) and back of house operations. The hardware for the connectivity currently includes security appliance – Meraki MX68 with Advanced Security License, Wireless Access Points – Meraki MR33, and managed switch – Meraki MS120. You are required to upgrade or update these systems and add or replace components during the term of the Franchise Agreement, and there is no contractual limitation on the frequency or cost of the obligation.

You also must use an approved software program for the Computer/POS System. You must choose either PAR Brink or Xenial Xpient (5.0 or higher) for your Computer/POS System. The cost of PAR Brink includes an initial setup fee of $2,200 per Franchised Restaurant and $576 annual license fee per Franchised Restaurant which will cover 4 terminals and 6 KDS systems, both fees payable directly to the third-party vendor. You may add additional terminals or KDS systems for $7 per month for each additional service. If you choose PAR Brink, you must also use CrunchTime as your back-office software solution. If you choose to use PAR Brink, you may sign a Software Support Agreement with CKR (the current form is attached as Exhibit E-1) and pay to CKR a software support fee of $118 for each Franchised Restaurant for each fiscal period (as defined by CKR) which will give you access to CKR's Level 1 and Level 2 Help Desk Support and also pay to CrunchTime $825 per Franchised Restaurant bi-annually (every 26 week accounting period) for swivel seat support which includes hardware and network issues, phone and internet issues and access to CrunchTime back-office software solution. If you obtain support for PAR Brink/CrunchTime from a third party, we estimate the cost to be on average $250 per month. In addition, for PAR Brink, you must enter into a written agreement with Par Tech, Inc. ("Par Tech"), Lucas POS Systems, or POS Technical to provide on-site support. Par Tech, Lucas POS Systems, or POS Technical will bill you directly for these services. If you choose Xenial Xpient IRIS 5.0 (or higher) as your POS software, you will need to obtain a license directly from Xenial and on-site support from a vendor approved by Xenial. The purchase price of the required hardware, software and support ranges from approximately $35,000 to $45,000, depending on the vendor selected.

You must maintain your point of sale system and keep it in good repair. We do not have independent access to the information stored in the system. We estimate the cost of maintaining, updating or upgrading your Computer/POS System or its components will range from $1,800 to $3,000 annually, although the cost will depend on your repair history, local costs of computer maintenance services in your area and technological advances, which we cannot predict at this time, and this annual estimate is separate and independent from any requirement to install a new cash register/point of sale system.

You must participate in any online ordering and delivery programs that we may establish with approved supplier(s) (currently Uber Eats, Door Dash, and GrubHub) and you must comply with any participation criteria and other rules applicable to such programs. You must also participate in our loyalty and gift card programs and any other marketing and promotional initiatives that we may from time to time establish with approved vendors and comply with any participation criteria and other rules applicable to such programs. We have the right to modify the participation criteria or discontinue such initiates at any time upon written notice to you. We will provide you access to the online ordering/delivery and loyalty program software and technology (which currently includes OLO, Data Menu Management, Punchh Loyalty, Data Management (customer data processing) and Future (enterprise data management and content management system) and you must pay us the Digital Tech Fee identified in Item 6 (currently $160 per 4-week fiscal period). You must execute the OLO Authorized Operator Agreement (current form is attached as Exhibit E-3) and we may require you to execute additional or different software agreements regarding your use of such technology in the future. (Franchise Agreement, Section 10.D and Appendix A).

Selecting the Location for Your Franchised Restaurant

We do not select the site for your Franchised Restaurant. You select the site for your Franchised Restaurant, subject to our acceptance. As noted in Item 1, you should not acquire any interest in a site for your Franchised Restaurant until we have accepted the site in writing. We generally do not own the Franchised Restaurant premises and lease them to franchisees.

For each proposed site for a Franchised Restaurant, you will, if requested by us, submit a Franchise Site Application to us. In addition, you may have to submit a complete real estate package (containing that information as we may reasonably require) for a proposed site that you reasonably believe conforms to our then-current site selection criteria for demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses (including restaurants operated or franchised by HR or its affiliates), the nature of other businesses in proximity to the site and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics and a site plan of the premises.

You also must furnish us with financial statements and other information regarding you and the development and operation of the proposed Franchised Restaurant, including investment and financing plans for the proposed Franchised Restaurant, as we reasonably may require.

Within 30 days after our receipt of all information that we require to review a proposed site, we will advise you in writing whether we have accepted a particular site; however, HR has no obligation to review any development proposal if you or your affiliates are not in full compliance with all agreements with HR or its affiliates. If we do not respond within that time period, we will be deemed not to have accepted the site. Our acceptance or refusal to accept a site may be subject to reasonable conditions as determined in our sole discretion.

Our acceptance of one or more sites is not a representation or a promise by HR that a Franchised Restaurant at an accepted site will achieve a certain sales volume or a certain level of profitability.

Similarly, our acceptance of one or more sites and our 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 we did not accept. Our acceptance only indicates our willingness to be represented by you at that site.

Following our acceptance of a site, you must secure the site by entering into a lease or sublease for the site or purchasing the real property. This must be finalized no later than 6 to 9 months after our site acceptance (the date the lease or sublease is executed is the "Property Control Date"). If you do not do so within the required timeframe, the site acceptance will be deemed withdrawn without providing you notice. You must commence construction of the Franchised Restaurant within 6 months after the Property Control Date. If you fail to commence construction of the Franchised Restaurant as required, our site acceptance will be deemed withdrawn without providing you notice, and we will have the right to terminate the Franchise Agreement, if executed. You may not commence construction until we have a fully-executed Franchise Agreement with you and you have paid us the Initial Franchise Fees. You must open the Franchised Restaurant within 18 months after the Property Control Date. If you fail to open the Franchised Restaurant within 18 months after the Property Control Date, we will have the right to terminate the Franchise Agreement.

Time Between Agreement Signing and Opening

The typical length of time between the Property Control Date and the opening of the Franchised Restaurant is between 12 and 18 months. Factors affecting this length of time usually include your ability to obtain adequate financing, weather, local requirements and procedures for necessary permits and zoning, shortages or delayed installation of equipment, signs and fixtures, and special circumstances affecting construction in a particular area, none of which are within our control.

Training

We currently provide the FMTP to you, your Operating Principal (if not previously trained), your General Manager and 6 other employees whom you have hired as Shift Leaders, at no additional cost to you, provided that the training takes place within 2 years of your signing the Franchise Agreement. We reserve, however, the right to modify or waive the training required based on an individual's or your experience. We will provide the FMTP at those times and places designated by us. As described in Item 5, a Training Fee is charged to provide the FMTP to additional individuals. The FMTP will include restaurant training at a Hardee's Restaurant designated by us and training on Star University (StarU), our online Learning Management System.

In addition, we also provide you with access to our Learning Management System called Star University (StarU). Star University is a learning management platform which is used for the administration, tracking and reporting of learning and development programs. Currently, the fee associated with the use of this program is $14 per fiscal period (as defined by us, currently a 4-week accounting period), but we reserve the right to increase the fee in the future. In addition, you will be required to sign the Star University License Agreement (the current form is attached as Exhibit E-2). The fee is paid to us but we pass this entire fee to a third-party vendor to help facilitate the training environment. The use of Star University requires certain high-speed internet and hardware and such costs will be solely your responsibility. Star University is a required training tool for your Franchised Restaurant. You will be required to pay all travel, living and other expenses incurred by you and your employees while attending the training programs. We reserve the right to dismiss from the FMTP any person whom we do not believe will perform acceptably in the position for which they have been hired by you and you will provide a qualified replacement within one month of that dismissal.

The minimum length of the FMTP is 8 consecutive weeks; however, depending on the prior experience of the trainee, the FMTP could be shorter or longer. The FMTP trainers are experienced Hardee's Restaurant Managers who conduct the training under the supervision of CKR's Director of Global Learning & Organizational Development, Lisa Holloway. See Note (2) below regarding Lisa Holloway's experience.

Any training that we may provide to any of your employees will be limited to training or guiding the employees regarding the delivery of approved products to customers in a manner that reflects the customer service standards of the Hardee's System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You are solely responsible for ensuring that your employees receive adequate training.

TRAINING PROGRAM

The following chart summarizes the subjects taught during the FMTP in the operation of a Hardee's Restaurant:

HARDEE'S RESTAURANT
FMTP

General Manager Training:

Subject	Hours of Classroom Training (in mins.)	Hours of On the Job Training	Location
RGM LIT Hype Video	:07		Designated Training Facility
RGM LIT Program Introductions	:08		Designated Training Facility
Chapter 1 Intro Knowledge Check	:35		Designated Training Facility
Leadership Essential: Plans and Aligns	:13		Designated Training Facility
RGM Chapter 1 Exam 1	:15		Designated Training Facility
RGM Chapter 1 Exam 2	:15		Designated Training Facility
RGM Chapter 1 Exam 3	:15		Designated Training Facility
RGM OJT Skill Sign Off		1:00	Designated Training Facility
Chapter 1 Hands on Practice		30:00	
Chapter 2 Intro Knowledge Check	:35		Designated Training Facility
Leadership Essential: Optimizes Work Processes	:13		Designated Training Facility
RGM Chapter 2 Exam 1	:15		Designated Training Facility
RGM Chapter 2 Exam 2	:15		Designated Training Facility
RGM Chapter 2 Exam 3	:15		Designated Training Facility
RGM OJT Skill Sign Off		1:00	

Subject	Hours of Classroom Training (in mins.)	Hours of On the Job Training	Location
Chapter 2 Hands on Practice		30:00	
Chapter 3 Intro Knowledge Check	:35		Designated Training Facility
Leadership Essential: Interpersonal Savvy	:15		Designated Training Facility
RGM Chapter 3 Exam 1	:15		Designated Training Facility
RGM Chapter 3 Exam 2	:15		Designated Training Facility
RGM Chapter 3 Exam 3	:15		Designated Training Facility
RGM OJT Skill Sign Off		1:00	
Chapter 3 Hands on Practice		30:00	
Chapter 4 Intro Knowledge Check	:35		Designated Training Facility
Leadership Essential: Develops Talent	:16		Designated Training Facility
RGM Chapter 4 Exam 1	:15		Designated Training Facility
RGM Chapter 4 Exam 2	:15		Designated Training Facility
RGM Chapter 4 Exam 3	:15		Designated Training Facility
RGM OJT Skill Sign Off		1:00	
Chapter 4 Hands on Practice		30:00	
Chapter 5 Intro Knowledge Check	:35		Designated Training Facility
Leadership Essential: Business Insights	:12		Designated Training Facility
RGM Chapter 5 Exam 1	:15		Designated Training Facility
RGM Chapter 5 Exam 2	:15		Designated Training Facility
RGM Chapter 5 Exam 3	:15		Designated Training Facility
RGM OJT Skill Sign Off		1:00	
Chapter 5 Hands on Practice		30:00	
RGM Program Evaluation	:15		Designated Training Facility
Workbook Practice Activities	32:00		Designated Training Facility
	40:32 (hrs.)	**155 (hrs.)**	Designated Training Facility
Total			**About 24.42 Days (195.32 hrs)**

Shift Leader and General Manager Training:

Subject	Hours of Classroom Training (in mins.)	Hours of On the Job Training	Location
MIT 1.01 Intro	:02		Star University; Designated Training Facility

Subject	Hours of Classroom Training (in mins.)	Hours of On the Job Training	Location
MIT 1.02 Learning Leadership	:12		Star University; Designated Training Facility
MIT 1.03 Leadership Essentials Communication	:12		Star University; Designated Training Facility
MIT 1.04 Leading Stations - Backline	:20		Star University; Designated Training Facility
MIT 1.05 Leading Stations - Frontline	:20		Star University; Designated Training Facility
MIT 1.06 Training Team Members	:10		Star University; Designated Training Facility
MIT 1.07 Coaching Others - QSC	:15		Virtual; Certified Training Restaurant (“CTR”) or Designated Training Facility
MIT 1.08 Leading Others	:05		Virtual; CTR location or Designated Training Facility
MIT Exam 1	:30		Virtual; CTR location or Designated Training Facility
Chapter 1 Hands on Practice		64:00	
MIT Observation 1		:45	Star University; Designated Training Facility
MIT 2.01 Delivering Results	:05		Star University; Designated Training Facility
MIT 2.02 Shift Strategy	:05		Star University; Designated Training Facility
MIT 2.03 Pathing	:10		Star University; Designated Training Facility
MIT 2.04 Asset Protection	:15		Star University; Designated Training Facility
MIT 2.05 Business Leadership	:08		Star University; Designated Training Facility
MIT 2.06 Decision Making	:05		Star University; Designated Training Facility
MIT 2.07 Guest Focus	:10		Star University; Designated Training Facility
MIT 2.08 Teamwork	:05		Virtual; CTR location or Designated Training Facility
MIT Exam 2	:30		Virtual; CTR location or Designated Training Facility
Chapter 2 Hands on Practice		64:00	
MIT Observation 2	:15	:45	Star University; Designated Training Facility
MIT 3.01 Accountability	:15		Star University; Designated Training Facility

Subject	Hours of Classroom Training (in mins.)	Hours of On the Job Training	Location
MIT 3.02 Audits and Inspections	:15		Star University; Designated Training Facility
MIT 3.03 Resilience	:10		Star University; Designated Training Facility
MIT 3.04 Food and Labor Basics	:20		Star University; Designated Training Facility
MIT 3.05 Centerpost Success	:15		Star University; Designated Training Facility
MIT 3.06 Opening and Closing	:15		Star University; Designated Training Facility
2025 New Hire - MIT 3.07 Banking	:15		Star University; Designated Training Facility
2025 New Hire - MIT 3.08 Emergencies	:05		Star University; Designated Training Facility
2025 New Hire - MIT Exam 3	:30		Star University; Designated Training Facility
Chapter 3 Hands on Practice		64:00	
2025 New Hire - MIT Observation 3		:45	Star University; Designated Training Facility
	6.23 (hrs.)	**97:25 (hrs.)**	
Total			**About 12.93 Days (103.48 hrs.)**

General Manager, Shift Leader and Crew Person Training:

Subject	Hours of Classroom Training (in mins.)	Hours of On the Job Training	Location
Crew Onboarding (Crew Person, Shift Leader, Restaurant General Manager (RGM))			
Welcome Hardees)	2:05		Star University; Designated Training Facility
Shift Leader/RGM Onboarding			
Biscuit Station	:17	3	Star University; Designated Training Facility
Biscuit Station Exam	:15		

Subject	Hours of Classroom Training (in mins.)	Hours of On the Job Training	Location
Biscuit Station Observation		:45	
Feeder Station	:11	3	Star University; Designated Training Facility
Feeder Station Exam	:11		
Feeder Station Observation		:30	
Fry Station	:10	3	Star University; Designated Training Facility
Fry Station Exam	:11		
Fry Station Observation		:30	
Cook Station	:09	3	Star University; Designated Training Facility
Cook Station Exam	:11		
Cook Station Observation		:30	
Grill Station	:11	3	Star University; Designated Training Facility
Grill Station Exam	:11		
Grill Station Observation		:30	
Hand Breaded Chicken Tender Station	:11	3	Star University; Designated Training Facility
Hand Bread Chicken Station Exam	:12		
Hand Breaded Chicken Tender Station Observation		:30	
Dining Room Station	:11	3	Star University; Designated Training Facility
Dining Room Station Exam	:11		
Dining Room Station Observation		:30	
Cashier Station	:11	3	Star University; Designated Training Facility
Cashier Station Exam	:11		
Cashier Station Observation		:30	
Drive Thru Station	:15	3	Star University; Designated Training Facility
Drive Thru Station Exam	:11		
Drive Thru Station Observation		:30	
Prep Station	:08	3	Star University; Designated Training Facility
Prep Station Exam	:20		
Prep Station Observation		:30	
	238 mins	**2100 mins**	

Subject	Hours of Classroom Training (in mins.)	Hours of On the Job Training	Location
Total			**4.87 Days (38.97 hrs./2338 mins)**
Additional Crew Trainings (Shift Leader, RGM)			
QSC Team Member	:03		Star University; Designated Training Facility
QSC Cleanliness	:20		Star University; Designated Training Facility
Perfect Biscuit	:12		Star University; Designated Training Facility
Handling Guest Concerns	-	-	Star University; Designated Training Facility
	:35		
Total			**About :30 (half an hour)**

NOTES

(1) The instruction materials for the FMTP include the Basic Management Training (BMT), Shift Leader and Restaurant General Manager (RGM) workbooks.

(2) Lisa Holloway is our Director of Global Learning and Organizational Development. She has more than 20 years of experience leading training and performance initiatives in guest-facing organizations. FMTP trainers include: General Managers, District Managers, and Certified Training Managers.

Other Training

We have the right to require that you, your owners, your Operating Principal, your General Manager and any other employees hired by you to fill certain designated positions take and successfully complete additional training programs. We reserve the right to require you to pay a tuition fee for these additional training programs as periodically established by us. You will be required to pay all travel, living and other expenses incurred by you and your employees while attending this training.

All-Star Team Opening Training Support

We may provide you the assistance of our All-Star Team in the pre-opening and opening of your Franchised Restaurant. The All-Star Team may consist of our corporate staff and/or it may include one or more of our franchisees, as we may determine. The All-Star Team's primary responsibility is to assist with restaurant set-up, restaurant crew station training and guest experience during your Franchise Restaurant pre-opening and opening. If we provide you the assistance of our All-Star Team, you will be responsible for the salaries, administrative fees, meals, travel and lodging expenses of the All-Star Team members while

they are trainers at your Franchised Restaurant, in an amount of up to $10,000. For additional details, see Items 5 and 7.

Training by You

You must conduct those initial and continuing training programs for your employees as we periodically require. You must ensure that all of your employees have been trained in the proper operation of the Franchised Restaurant. In addition, if you operate three or more Franchised Restaurants, we may require, in our sole discretion, that (A) you obtain and maintain a certification from us for one or more of your Franchised Restaurants to be an authorized training restaurant (a "Certified Franchisee Training Restaurant") and (B) one or more of your General Managers obtain and maintain a certification from us as a trainer authorized to provide our FMTP to your new trainees (a "Certified Franchisee Training Manager"). Your Certified Franchisee Training Manager may provide our FMTP at a Certified Franchisee Training Restaurant in accordance with our System standards for such training. To become a Certified Franchisee Training Manager, a General Manager must (i) complete our FMTP, (ii) maintain specific food safety programs, (iii) attend any required additional training program as specified by us from time to time, and (iv) meet other qualifications that we may specify from time to time. To be designated as a Certified Training Restaurant, your Franchised Restaurant must (a) meet compliance scores that we specify, (b) fully comply with our then-current System standards, (c) maintain established personnel requirements, in addition to a Certified Franchisee Training Manager, (d) remain compliant with all health department or other regulatory requirements; and (e) meet any other requirements that we may specify from time to time. We may, in our sole discretion, revoke certification for a Certified Franchisee Training Restaurant or a Certified Franchisee Training Manager. If we revoke certification, we may require your trainees to attend the FMTP at another location that we designate.

Conventions

We may, from time to time, conduct conferences, conventions, programs, webinars, teleconferences, or training sessions on any matters related to the System. Your Operating Principal or your General Manager and other personnel we designate must attend each such meeting, program, or session that we require. We may charge you a reasonable fee to attend any such meeting, program, or session. We may require you to purchase or license from us, our affiliates, or third-party suppliers any training platform and equipment necessary to use or access the training materials. (Franchise Agreement, Section 11.B).

ITEM 12

TERRITORY

Development Agreement

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

If you sign a Development Agreement, you will receive a Development Territory that will be mutually agreed upon by HR and you, taking into consideration the density of the area and the number of Franchised Restaurants you agree to develop. A description of the Development Territory will be attached as an appendix to the Development Agreement. The perimeters of the Development Territory may be described by specific street boundaries, county lines, state lines, municipal boundaries, railroad tracks or other similar boundary descriptions, and the size may range from a portion of a metropolitan area to a county or a state in less densely populated areas. You must obtain our prior written acceptance of each site

for a Franchised Restaurant, which will be based on our then-current standards for sites for Hardee's Restaurants.

The Hardee's System (including the products sold under the Proprietary Marks) has been developed, and is designed, to function effectively in a wide variety of retail environments, many of which are not practically available to you. Accordingly, under the Development Agreement, we reserve to ourselves the right to: **(A)** operate, and license others to operate, Hardee's Restaurants and/or Carl's Jr. Restaurants in the Development Territory that are located in travel plazas, gas stations or convenience stores; **(B)** award national or regional licenses to third parties to sell products under the Proprietary Marks in foodservice facilities primarily identified by the third party's trademark; **(C)** develop and operate, and license others to develop and operate, restaurants other than Hardee's Restaurants and/or Carl's Jr. Restaurants in the Development Territory; **(D)** merchandise and distribute products identified by the Proprietary Marks in the Development Territory through any other method or channel of distribution; **(E)** sell and distribute products identified by the Proprietary Marks in the Development Territory to restaurants other than Hardee's Restaurants and/or Carl's Jr. Restaurants, provided those restaurants are not licensed to use the Proprietary Marks in connection with their retail sales; and **(F)** operate, and license others to operate, Hardee's Restaurants and/or Carl's Jr. Restaurants in the Development Territory that are located in airports, train stations, bus stations, toll plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos, "ghost" or "dark" kitchens or any similar captive market or non-traditional "brick and mortar" location (collectively "**Captive Market Locations**"). (With respect to a Captive Market Location in the Development Territory at which HR proposes to license a Hardee's Restaurant, if the foodservice operator at the Captive Market Location desires to have a third party operate the Hardee's Restaurant, HR will so advise you and you may discuss with the foodservice operator operation of the Hardee's Restaurant at the Captive Market Location by you. This notification to you will not, however, obligate HR to license you to operate a Hardee's Restaurant at the Captive Market Location, nor will it bar HR from operating, or licensing a third party to operate, a Hardee's Restaurant at the Captive Market Location.)

Except as described in the preceding paragraph, we will not, during the term of the Development Agreement, operate, or license others to operate, Hardee's Restaurants and/or Carl's Jr. Restaurants in the Development Territory, provided you are in compliance with the terms of the Development Agreement and any other agreements between you and HR and/or our affiliates, and you are current on all obligations due HR and its affiliates. This does not prohibit us or our affiliates from: **(1)** operating, and licensing others to operate, during the term of the Development Agreement, Hardee's Restaurants and/or Carl's Jr. Restaurants at any location outside of the Development Territory; and **(2)** operating, and licensing others to operate, after the Development Agreement terminates or expires, Hardee's Restaurants and/or Carl's Jr. Restaurants at any location except as otherwise provided in an effective Franchise Agreement. In addition, the continued operation of any Hardee's Restaurants and/or Carl's Jr. Restaurants in the Development Territory that are open for business as of the date of the Development Agreement will not violate your limited rights in the Development Territory. Your limited rights in the Development Territory are granted only by HR and do not pertain to or affect any affiliate of HR; however, these limited rights extend to Carl's Jr. Restaurants operated or franchised by an affiliate of HR.

Continuation of your limited rights in the Development Territory does not depend on your achieving a certain sales volume, market penetration or other contingency. However, if you are in default under the Development Agreement or any Franchise Agreement, we may terminate the Development Agreement and your limited rights in the Development Territory. There are no other circumstances in which we can unilaterally modify your limited rights in the Development Territory.

There are no restrictions on the areas in which you may advertise or solicit customers for your Franchised Restaurants; however, see Item 13 for Internet restrictions. We reserve all rights to use and license the Hardee's System and the Proprietary Marks other than those that we expressly grant you. There are no restrictions on the areas in which we may advertise or solicit customers, nor must we compensate you for soliciting or accepting orders from inside the Development Territory. The rights we reserve include the right to use any other channel of distribution, including the Internet, to make sales in the Development Territory using the Proprietary Marks or different proprietary marks.

Franchise Agreement

You will not receive an exclusive territory under the Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. If your right to possession of the Franchise Restaurant premises is lost through no act or failure to act on your part, you may relocate the Franchised Restaurant if: (1) we accept the new location; (2) you construct and equip a Franchised Restaurant at the new location in accordance with the then-current System standards and specifications; (3) a Franchised Restaurant at the new location is open to the public for business within 6 months after the loss of possession of the original franchised location; and (4) you reimburse us for all reasonable expenses actually incurred by us in connection with the acceptance of the new location.

Under the Franchise Agreement, you will be licensed to develop and operate a Franchised Restaurant at a designated location. If you comply with the Franchise Agreement, HR will not operate, or license others to operate, a Hardee's Restaurant, a Carl's Jr. Restaurant and/or a fast service restaurant that sells hamburgers or any food menu item that comprises at least 10% of sales at Hardee's Restaurants operated by HR ("**Hamburger Restaurant**") within a radius of 1½ miles of the Franchised Location ("**Protected Area**") during the term of each agreement. Your limited rights in the Protected Area are granted only by HR and do not pertain to or affect any affiliate of HR; however, these limited rights extend to Carl's Jr. Restaurants operated or franchised by an affiliate of HR. In addition, the continued operation of a Hardee's Restaurant, a Carl's Jr. Restaurant and/or a Hamburger Restaurant in the Protected Area that are open for business as of the date of the Franchise Agreement will not violate your limited rights in the Protected Area.

Under the Franchise Agreement, we reserve to ourselves the right to: **(A)** operate, or license others to operate, any restaurant, other than a Hardee's Restaurant, a Carl's Jr. Restaurant and/or a Hamburger Restaurant, or any other business in the Protected Area; **(B)** operate, or license others to operate, after the Franchise Agreement terminates or expires, Hardee's Restaurants, Carl's Jr. Restaurants, Hamburger Restaurants and/or any other restaurants or any other businesses in the Protected Area; and **(C)** operate, or license others to operate, restaurants, including Hardee's Restaurants, Carl's Jr. Restaurants and/or Hamburger Restaurants, in the Protected Area that are located in a Captive Market Location. (With respect to a Captive Market Location in the Protected Area at which HR proposes to license a Hardee's Restaurant, if the foodservice operator at the Captive Market Location desires to have a third party operate the Hardee's Restaurant, HR will so advise you and you may discuss with the foodservice operator your operation of the restaurant at the Captive Market Location. This notice to you will not, however, obligate HR to license you to operate a Hardee's Restaurant at the Captive Market Location, nor will it bar HR from operating or licensing a third party to operate a Hardee's Restaurant at the Captive Market Location.) In addition, we reserve the right to merchandise and distribute products identified by the Proprietary Marks in the Protected Area through any other method or channel of distribution, including the Internet.

Continuation of your limited rights in the Protected Area does not depend on your achieving a certain sales volume, market penetration or other contingency. However, if you are in default under the Franchise Agreement, we may terminate the Franchise Agreement and your limited rights in the Protected

Area. There are no other circumstances in which we can modify the Protected Area. You do not receive any right under the Franchise Agreements to develop any additional Franchised Restaurants.

You may only sell or distribute products identified by some or all of the Proprietary Marks from the Franchised Location; you may not use any other method or channel of distribution. There are no restrictions on the areas in which you or we may advertise or solicit customers; however, see Item 13 for Internet restrictions. In addition, you must participate in any online ordering and delivery programs that we may designate from time to time and comply with the terms and conditions of such programs, including any geographic or other delivery restrictions. We are not required to pay any compensation to you for soliciting or accepting orders.

We reserve all rights to use and license the Hardee's System and the Proprietary Marks other than those that we expressly grant to you. The rights we reserve include the right to use any other channel of distribution, including the Internet, to make sales in the Protected Area using the Proprietary Marks and to use any channel of distribution to make sales in the Protected Area using different Proprietary Marks.

As noted in Item 1, pursuant to the Management Agreement, CKR, at all times acting on our behalf, may fulfill all of our duties and obligations under all existing and future Franchise Agreements and Development Agreements, including managing the Hardee's System; marketing and offering new and renewal Franchise Agreements and Development Agreements as our franchise broker; training franchisees and their employees; and providing the required support to franchisees. Pursuant to the same Management Agreement, CKR also fulfills all of CJR's duties and obligations under all existing and future franchise agreements and development agreements for Carl's Jr. Restaurants, which are quick service restaurants identified in whole or in part by the name "Carl's Jr." Except in limited circumstances, Hardee's Restaurants are not located in same geographic area as Carl's Jr. Restaurants. In the limited circumstances where there is overlap, CJR and its franchisees may solicit or accept orders within the areas where Hardee's franchisees operate restaurants, and any potential conflict between the franchisees of each system will be resolved on a case by case basis. As noted in Item 1, the principal place of business CKR and CJR is the same as ours.

Except as described in Item 1, we do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, our affiliates, including the Affiliated Programs described in Item 1 and other portfolio companies that currently are or in the future may be owned by private equity funds managed by Roark Capital Management, LLC, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell. Item 1 describes our current Affiliated Programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. All of these other brands (with limited exceptions) maintain offices and training facilities that are physically separate from the offices and training facilities of our franchise network. Most of the Affiliated Programs are not direct competitors of our franchise network given the products or services they sell, although some are, as described in Item 1. All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers near your business. Because they are separate companies, we do not expect any conflicts between our franchisees and our affiliates' franchisees regarding territory, customers and support, and we have no obligation to resolve any perceived conflicts that might arise.

ITEM 13

TRADEMARKS

For Hardee's Restaurant franchisees, we grant you the right to operate a restaurant under the name "Hardee's" and to use our other current or future trademarks that we designate in the operation of your Franchised Restaurant. By trademarks, we mean trade names, trade dress, trademarks, service marks, logos, insignias, slogans, emblems, symbols, designs and any combination of these or any other indicia of source used to identify and distinguish the Hardee's brand (our "Proprietary Marks"). CJR and HR are parties to an agreement having a perpetual term, which, among other things, permits CJR and HR to use and license the use of the other's trademarks. We own all right, title and interest in and to the Proprietary Marks and you will only have such rights to use the Proprietary Marks as granted to you in the Franchise Agreement.

Our Proprietary Marks include both registered and unregistered marks. Registered marks are marks that have been registered with the United States Patent and Trademark Office ("USPTO") and enjoy the protections of federal registration. Unregistered marks may include short term product marks (LTOs and similar promotions), trade dress or other marks that, while not registered, are protected by common law based upon our use of the marks. In addition to other registered trademarks, we own the following principal trademarks ("Principal Trademarks") that have been registered with the USPTO on the Principal Register, and any applicable required affidavits of continued use have been filed and accepted:

Trademark	Registration No.	Registration Date
HARDEE'S	741,048 1,729,627 1,825,221	November 20, 1962 (Renewed) November 3, 1992 (Renewed) March 8, 1994 (Renewed)

In addition to other registered trademarks, CJR owns the following principal trademarks that have been registered with the USPTO on the Principal Register, and all required affidavits of continued use have been filed and accepted:

Trademark	Registration No.	Registration Date
HAPPY STAR	1,084,351	January 31, 1978 (Renewed)
	1,151,330 1,297,845 1,383,339 1,631,819	April 14, 1981 (Renewed) September 25, 1984 (Renewed) February 18, 1986 (Renewed) January 15, 1991 (Renewed)
	5,651,207	January 8, 2019 (Renewed)
STAR PALS	6760794	June 14, 2022
STAR PALS	5932708	December 10, 2019
FAMOUS STAR	3612923	April 29, 2009 (Renewed)
SUPER STAR	1099039 6701966 6001520	August 8, 1978 (Renewed) April 12, 2022 March 3, 2020
WESTERN BACON CHEESEBURGER	1456922 1481762	September 8, 1987 (Renewed) March 22, 1988 (Renewed)

In addition to other registered trademarks, CJR and HR jointly own the following principal trademarks registered with the USPTO on the Principal Register, and all required affidavits of continued use have been filed and accepted:

Trademark	Registration No.	Registration Date
	5,660,007	January 22, 2019 (Renewed)

You must follow our rules when you use the Proprietary Marks. You cannot use the Proprietary Marks as part of a corporate, limited liability company, partnership or other business entity name or with modifying words, designs or symbols. You may not use the Proprietary Marks in connection with the sale of any unauthorized products or services or in any manner not authorized in writing by us. You may not seek registration of a Proprietary Mark or any mark that contains, includes or is similar to a Proprietary Mark.

There are no presently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court relating to the Principal Trademarks. There are no pending infringement, opposition or cancellation proceedings or material litigation involving the Principal Trademarks. There are no agreements currently in effect that significantly limit our right to use or license the use of the Principal Trademarks in any manner material to you. We do not know of either superior prior rights or infringing uses that could materially affect your use of the Principal Trademarks in any state.

You must promptly inform us in writing regarding any infringement of the Proprietary Marks of which you are aware. You may not make any demand or serve any notice, orally or in writing, or institute any legal action or negotiate, compromise or settle any controversy with respect to any such infringement without first obtaining our written approval. We have the right, but not the obligation, to bring an action or take such steps that we consider advisable to prevent any infringement and to join you as a party to any action in which we or our affiliates are or may be a party and as to which you are or would be a necessary or proper party. The Franchise Agreement does not contain any provisions under which we are required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Proprietary Marks. The Franchise Agreement does require that you notify us immediately of any litigation involving the Proprietary Marks that is instituted or threatened against you. You also must fully cooperate in defending or settling the litigation. You may not directly or indirectly contest the validity or our ownership of the Proprietary Marks.

You may not use our Proprietary Marks in any Internet domain name or e-mail address, in the operation of any Internet web site or on a social media platform including any social networking site, Facebook, Twitter, Instagram, Pinterest, YouTube, Snapchat, Vine, blogs, podcasts and wikis or other future social media platforms and/or technological avenues (collectively, "Social Media"); not an exclusive list and term applies to any social networking website, mobile application, blog or microblog, public and private message boards, comment sections, etc.) without our prior written consent. We may grant or withhold our consent in our sole discretion and may condition our consent on the requirements we deem appropriate, including the requirement that you obtain our written approval of: **(1)** any and all Internet domain names and home page addresses related to the Franchised Restaurant; **(2)** the proposed form and content of any web site related to the Franchised Restaurant; **(3)** your use of any hyperlinks or other links;

(4) your use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has an ownership interest; and **(5)** any proposed modification of your web site. We may designate the form and content of your web site and/or require that the web site be hosted by us or a third party who we designate, using one or more web sites that we own and/or control. We may charge you a fee for developing, reviewing and approving your web site and/or for hosting the web site. We have established a Social Media policy for franchisees, and you must comply with the Social Media policy, as modified periodically, and any additional policies that we issue. Any copyright in your sites or pages on any Social Media are owned by us, and you must sign any documents that we reasonably deem necessary to affirm our ownership of the copyright.

If we, in the exercise of our reasonable business judgment, should elect to modify the principal name under which Hardee's Restaurants operate (or adopt a different principal name to identify Hardee's Restaurants) generally or in the DMA in which your Franchised Restaurant is located, we may select a modified name or another name, and the Hardee's System and the Franchise Agreement will be deemed amended to substitute that name, and you will be required to incur the necessary costs to adopt the new name provided that HR has committed to adopt that name and make the necessary changes in at least 60% of the Hardee's Restaurants operated by HR or its affiliates (if the change affects all Hardee's Restaurants) or, in all other circumstances, in at least 60% of the Hardee's Restaurants operated by HR or its affiliates in the DMA in which your Restaurant is located.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents that are material to your Franchised Restaurant or the Hardee's System. We own the copyright in all of our advertising and marketing materials including, but not limited to, images, copy, radio and television commercials, and social media posts, the OPM and for certain forms, architectural, engineering, and construction plans, advertising materials, product specifications, computer programs, newsletters, training materials, and operation and accounting manuals. While we do not commonly register our materials protected by copyright with the United States Registrar of Copyrights, we may seek registration for these materials at any time.

During the term of the Franchise Agreement, you will have access to trade secret information that is confidential and proprietary to us such as manuals, formulas, methods, Customer Information, vendor and pricing lists and policies. For example, the OPM and other materials contain our detailed standards and specifications for managing and operating your Franchised Restaurant and other proprietary information may discuss the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of the products and beverages you will sell at your Franchised Restaurant. The OPM also contains information on management and employee training, marketing, advertising and sales promotions, signs, fixtures and furnishings, employee dress attire and appearance standards, menu concepts and business practices and procedures, including bookkeeping, accounting, records retention and other business systems.

You acknowledge that the trade secrets derive independent economic value from not being generally known to and not readily ascertainable to others. You agree to hold in confidence and agree not to disclose or in any way make available to any unauthorized person any trade secret or any information regarding any trade secret or any proprietary information made available to you by us. You may disclose trade secrets only to your employees and agents with a legitimate need to know, each of whom you will warrant will be subject to this confidentiality requirement. You also agree not to contest our interest in the trade secrets and confidential and proprietary information that comprise the Hardee's System.

We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so as appropriate.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are not obligated to participate personally in the direct operation of the Franchised Restaurant; however, you must designate, and we must approve, a qualified individual to serve as the "Operating Principal" of your Franchised Restaurant. If you sign a Development Agreement, you must designate, and we must approve, a qualified individual to serve as your "Development Principal."

The Operating Principal must have, at all times, an equity ownership interest in you and be a person acceptable to both us and you. (This requirement does not apply if you were a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement between you and us or our affiliates.) The Operating Principal must be a member of the Continuity Group and have full control over the day-to-day activities of the Franchised Restaurant and those other restaurants (that are franchised by us or our affiliates) operated by you in the same geographic market as the Franchised Restaurant, including control over the standards of operation and financial performance. Unless you have named, and we have approved, a Multi-Unit Manager (discussed below), the Operating Principal must: **(1)** devote full time and best efforts to supervising and conducting the Franchised Restaurant and those other restaurants that are franchised by us or our affiliates operated by you in the same geographic market as the Franchised Restaurant; and **(2)** maintain his primary residence within a reasonable driving distance of the Franchised Restaurant, unless waived in writing by us. The Operating Principal will be required to successfully complete the FMTP and any additional training required by us. If you operate restaurants in multiple markets that are franchised by us or our affiliates, an individual meeting the above qualifications will serve as the Operating Principal in at least one market.

If you operate restaurants that are franchised by us or our affiliates in multiple geographic markets, for all markets in which the Operating Principal fails to satisfy our requirements, you must designate and retain an individual to serve as Multi-Unit Manager. The Multi-Unit Manager will be under the supervision of the Operating Principal. The Multi-Unit Manager must devote full time and best efforts to supervising the operation of the Franchised Restaurant and those other restaurants (that are franchised by us or our affiliates) operated by you in the same geographic market, successfully complete the FMTP and any additional training required by us, and be approved by us. In addition, the Multi-Unit Manager must maintain his primary residence within a reasonable driving distance of the Franchised Restaurant, unless waived in writing by us.

The Development Principal must, at all times, have an equity ownership interest in you. (This requirement does not apply if you were a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement between you and us or our affiliates.) The Development Principal must be a member of the Continuity Group and have full control over the day-to-day development of the Franchised Restaurants. Unless you have named, and we have approved, a Multi-Unit Development Manager (discussed below), the Development Principal must: **(1)** devote full time and best efforts to supervising the development of the Franchised Restaurants; and **(2)** maintain his primary residence within a reasonable driving distance of the Development Territory, unless waived in writing by us. If requested by us, the Development Principal must successfully complete the FMTP and any additional training required by us. If you are developing restaurants in multiple markets that are franchised by us or our affiliates, an individual meeting the above qualifications will serve as the Development Principal in at least one market.

If you are developing Franchised Restaurants in multiple geographic markets, for all markets in which the Development Principal fails to satisfy our requirements, you must designate and retain an individual to serve as Multi-Unit Development Manager. The Multi-Unit Development Manager will be under the supervision of the Development Principal. The Multi-Unit Development Manager must devote full time and best efforts to supervising the development of the Franchised Restaurants and other restaurants that are to be operated by you that are franchised by us or our affiliates in a geographic market, successfully complete our development training, the FMTP and any additional training required by us, and be approved by us. In addition, the Multi-Unit Development Manager must maintain his primary residence within a reasonable driving distance of the Development Territory, unless waived in writing by us.

The Franchised Restaurant must at all times be under the on-site supervision of one of the following designated individuals who must meet our applicable training qualifications for their designated position: the Operating Principal, a Multi-Unit Manager, a restaurant manager, or for specific, limited periods of time as authorized by us, a Shift Leader, or a Site Manager. You must, at all times, employ at the Franchised Restaurant at least one General Manager and a sufficient number of employees who have successfully completed the FMTP to ensure that the Franchised Restaurant operates in accordance with the System. If the Franchised Restaurant employs at any time fewer than the required number of trained personnel who have successfully completed the FMTP, you have 30 days to hire and enroll the required number of personnel in the FMTP. Your managers are not required to own an equity interest in you.

If you are any type of business entity, HR and you will identify a "Continuity Group." The members of the Continuity Group will be listed in an appendix to the Franchise Agreement, and you must advise HR of any change to the Continuity Group. If you are a business entity, the Continuity Group must at all times own at least 51% of the ownership interests in you. As stated above, the Development Principal and the Operating Principal must, at all times, be members of the Continuity Group.

If requested by HR, in the exercise of its reasonable business judgment, those members of the Continuity Group and their spouses designated by us must sign a guarantee assuming and agreeing to discharge all of your obligations to HR and agreeing to be bound by the confidentiality and noncompetition restrictions described in Item 17. Those individuals who initially signed the Franchise Agreement as "Franchisee" are not required to sign a guarantee if: **(1)** those individuals continue to be "Franchisee"; or **(2)** those individuals have assigned the Franchise Agreement to a corporation, limited liability company, partnership or other entity they control, but have not been released from their obligations under the Franchise Agreement, those individuals covenant to remain primarily liable under the Franchise Agreement, and those individuals covenant to HR that the assignee entity must at all times maintain a minimum net worth as reasonably determined by HR.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Franchised Restaurant solely for the operation of the Hardee's Restaurant and must maintain sufficient inventories, adequately staff each shift with qualified employees and continuously operate the Franchised Restaurant as we specify in the OPM or otherwise in writing.

You must meet and maintain the highest applicable public health standard and rating. You must adhere to the terms outlined in the Red Audit Policy for third-party food safety audits. You must operate the Franchised Restaurant in strict conformity with the methods, standards and specifications as we prescribe in the OPM or otherwise in writing.

You must offer for sale and sell at the Franchised Restaurant all and only those products and services as are expressly authorized by us in the OPM or otherwise in writing. We have the right to change the menu items, ingredients, products, materials, supplies and paper goods or the standards and specifications of each and there are no limits on our ability to do so. You must promptly comply with the new requirements. We do not limit the customers to whom you may sell goods or services. You must offer to customers online ordering and delivery services pursuant to online ordering/delivery programs that we may from time to time establish with approved vendors and comply with our specifications regarding same.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

DEVELOPMENT AGREEMENT

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section 1.A.	The term is from the date of signing of the Development Agreement to the first to occur of: (1) the date that the last Franchised Restaurant required by the Development Schedule opens for business; or (2) the date the last Franchised Restaurant is required to be opened under the Development Schedule.
b. Renewal or extension of the term	Not Applicable	
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	Section 12	We may terminate upon default, which includes, but is not limited to, remaining in default beyond any applicable cure period under any agreement with us or our affiliates, including any Franchise Agreement.
g. "Cause" defined-curable defaults	Section 12.A.(12)	You have 30 days to cure defaults other than those discussed in paragraph h.
h. "Cause" defined – non-curable defaults	Sections 11.A. (1)-(12)	Non-curable defaults include: failure to obtain written site acceptance on schedule; failure to open and operate the scheduled number of Franchised Restaurants; begin construction before receipt of fully-signed Franchise Agreement; insolvency; bankruptcy; execution levied against business or property; material breach of covenants; transfer without our prior written consent; material misrepresentation; falsification of reports; felony convictions; default beyond cure period under other agreements with HR or its affiliates, under any real estate or equipment lease or financing instrument relating to a Franchised Restaurant or with any vendor or supplier to a Franchised Restaurant; and default after receipt of 2 or more notices of default within 12 months.

Provision	Section in Development Agreement	Summary
i. Your obligations on termination/non-renewal	Section 13	Obligations include: forfeiture of right to develop; termination of limited exclusive rights; return of materials to HR; continued observance of covenants; payment of amounts due to HR; forfeiture of Development Fee; no operation of business under any name or in any manner that suggests connection to HR; and cease use of HR's materials.
j. Assignment of contract by us	Section 8	There are no restrictions on our right to assign.
k. "Transfer" by you – defined	Section 9.A.	Includes sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance of any direct or indirect interest in you, the Development Agreement or any other assets pertaining to your operations under the Development Agreement.
l. Our approval of transfer by you	Section 9.B.	You must obtain our prior written consent for any transfer (as described in the Development Agreement).
m. Conditions for our approval of transfer	Section 9.B.	Conditions include: payment of amounts due; signed release; continued observance of covenants; payment of transfer fee; covenant to remain primarily liable under Development Agreement; qualified transferee; agreements signed; and compliance by transferee and its affiliates with all development and franchise agreements with us or our affiliates.
n. Our right of first refusal to acquire your business	Section 9.G.	HR can match any offer for your business.
o. Our option to purchase your business	Not Applicable	
p. Your death or disability	Section 9.E.	Transfer to person, persons, partnership or corporation designated by your legal representative is allowed; provided that the requirements of paragraph m. above are met; timely application; and physician's certification (if permanent incapacity).
q. Noncompetition covenants during the term of the franchise	Section 11.C.(2)	No interest in any restaurant business that sells hamburgers or any menu item which comprises at least 10% of our sales at Hardee's Restaurants operated by HR or its affiliates or whose method of operation or trade dress is similar to that used in the Hardee's System.
r. Noncompetition covenants after the franchise is terminated or expires	Section 11.C.(2)	No activity as described in paragraph q. above for 1 year within your Development Territory, within 2 miles of its border and within 2 miles of any then-existing Hardee's Restaurant.
s. Modification of the agreement	Section 19	No modification generally without signed agreement, but we may modify the Hardee's Restaurant System.
t. Integration/merger clause	Section 19	Only terms of the Development Agreement, the documents referred to in and the attachments to the Development Agreement are binding. Any other oral or written promises related to the subject matter of the Development Agreement may not be enforceable. This is not intended to disclaim any representation made in this disclosure document.

Provision	Section in Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 21.B.	Except with respect to claims for injunctive relief, restraining orders and orders of specific performance, any claim, controversy or dispute arising out of or relating to the Development Agreement or with respect to a breach of the terms of the Development Agreement and any other claims, controversy or dispute between the parties must be submitted to final and binding arbitration before the American Arbitration Association ("AAA") as the sole and exclusive remedy.
v. Choice of forum	Section 21.B.	Subject to applicable state law, the arbitration must be administered by the AAA office nearest our principal office at the time the demand for arbitration is filed.
w. Choice of law	Section 21.A.	Subject to applicable state law, Tennessee law applies. For Illinois franchisees, as provided in the Illinois Franchise Disclosure Act, Illinois law governs your agreement.

FRANCHISE AGREEMENT

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.A.	20 years from the date the Franchised Restaurant opens
b. Renewal or extension of the term	Section 2.B.	You can renew for 10 years or 5 years at your option.
c. Requirements for you to renew or extend	Section 2.B.	Requirements include: give timely notice; sign general release; satisfy all monetary obligations owed to HR and its affiliates; demonstrate right to remain in possession of Franchised Location; not be in default under any agreement between you and HR and its affiliates; remodel; and pay a renewal fee. You also must sign our then-current form of Franchise Agreement, the provisions of which will likely differ from your original Franchise Agreement, including, but not limited to, those relating to royalty fees, advertising contributions and scope of the Protected Area.
d. Termination by you	Not Applicable	
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	Section 20	We may terminate upon default, which includes, but is not limited to, remaining in default beyond any applicable cure period under any agreement with us or our affiliates, including any Development Agreement.
g. "Cause" defined – curable defaults	Section 20.B.	You have 30 days to cure defaults other than those discussed in paragraph h.
h. "Cause" defined – non-curable defaults	Sections 20.A., 20.B.(2) & 20.C.	Non-curable defaults include: closure of the Franchised Restaurant for more than 5 days; insolvency; bankruptcy; execution levied against your business or property; breach of covenants; transfer without our prior written consent; material misrepresentation; falsification

Provision	Section in Franchise Agreement	Summary
		of reports; failure to open the Restaurant within 60 days after opening is authorized; imminent danger to public health or safety; loss of possession of the Franchised Location; felony conviction; default beyond cure period under other agreements with HR or its affiliates, under any real estate lease, equipment lease or financing instrument relating to the Franchised Restaurant or with any vendor or supplier to the Franchised Restaurant; default after receipt of 2 or more notices of default within previous 12 months; and receipt of second inspection report noting failure to achieve a passing score.
i. Your obligations on termination/ nonrenewal	Section 21	Obligations include: payment of amounts due; return OPM; delete all electronic copies of the OPM and all other materials and information furnished by us that are in your possession; continued observance of covenants; discontinue use of Proprietary Marks; complete de-identification of the Franchised Restaurant; and, upon termination based on your default, payment of future lost royalties.
j. Assignment of contract by us	Section 17	There are no restrictions on our right to assign.
k. "Transfer" by you – defined	Section 18	Includes sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance of any direct or indirect interest in you, the Franchise Agreement, the Franchise, the Franchised Restaurant, any assets of the Franchised Restaurant, the Franchised Location or any other assets pertaining to your operations under the Franchise Agreement.
l. Our approval of transfer by you	Section 18.B.	You must obtain our prior written consent for any transfer (as described in the Franchise Agreement).
m. Conditions for our approval of transfer	Sections 18.B.-C.	Conditions include: all monetary obligations satisfied; signed release; continued observance of covenants; payment of transfer fee; covenant to remain primarily liable under Franchise Agreement; transferee meets then-current criteria for new franchisees; agreements signed; remodeling, maintenance and facility upgrades to modernize Franchised Restaurant to current image; and compliance by transferee and its affiliates with all development and franchise agreements with us or our affiliates.
n. Our right of first refusal to acquire your business	Sections 18.G. & 22	We can match any offer for your business, during the term of the Franchise Agreement and for a period of 1 year following the termination or earlier expiration of the Franchise Agreement.
o. Our option to purchase your business	Not Applicable	

Provision	Section in Franchise Agreement	Summary
p. Your death or disability	Section 18.E.	Transfer to any person, persons, partnership or corporation designated by your legal representative is allowed provided the requirements of paragraph m. above are met; timely application; and physician's certification (if permanent incapacity).
q. Noncompetition covenants during the term of the franchise	Section 19.C.	No diversion of any business or customer to any competitor; no interest in any restaurant business that sells hamburgers or any menu item that comprises 10% of our sales at Hardee's Restaurants operated by HR or its affiliates or whose method of operation or trade dress is similar to that used in the Hardee's System.
r. Noncompetition covenants after the franchise is terminated or expires	Section 19.C.	No activity as described in paragraph q. above for 1 year within 2 miles of the Franchised Location and within 2 miles of any then-existing Hardee's Restaurant.
s. Modification of the agreement	Section 27	No modification generally without signed agreement, but HR may modify the Hardee's System and the OPM.
t. Integration/merger clause	Section 27	Only the terms of the Franchise Agreement, the OPM, the documents referred to in and the attachments to the Franchise Agreement are binding. Any other oral or written promises related to the subject matter of the Franchise Agreement may not be enforceable. This is not intended to disclaim any representation made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 29.B.	Except with respect to claims for injunctive relief, restraining orders and orders of specific performance, any claim, controversy or dispute arising out of or relating to the Franchise Agreement or with respect to a breach of the terms of the Franchise Agreement and any other claims, controversy or dispute between the parties must be submitted to final and binding arbitration before the AAA as the sole and exclusive remedy.
v. Choice of forum	Section 29.B.	Subject to applicable state law, the arbitration must be administered by the AAA office nearest our principal office at the time the demand for arbitration is filed.
w. Choice of law	Section 29.A.	Subject to applicable state law, Tennessee law applies. For Illinois franchisees, as provided in the Illinois Franchise Disclosure Act, Illinois law governs your agreement.

NOTES

Certain states require franchisors to make additional disclosures related to the information contained in this disclosure document. These disclosures are contained in Exhibit I to this disclosure document.

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-operated 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 this 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.

The financial performance representation included below shows the average revenue for 1,398 freestanding Hardee's Restaurants that were operated by our franchisees and us (as company-operated restaurants) during the entire 53 week time period of January 30, 2024 to January 27, 2025 (the "FY25 Period"). Of the 1,398 freestanding Hardee's Restaurants included in this financial performance representation, 190 restaurants are company-operated restaurants, and 1,208 restaurants are franchised restaurants.

At the end of FY25 we had 1,571 franchised and company-operated restaurants open and operating in the United States. Of the 173 restaurants excluded from this financial performance representation: (i) 130 restaurants operate from a travel plaza, gas and convenience store, college, university, toll plaza, or airport – meaning, they do not operate from a freestanding location, and (ii) 43 restaurants did not provide us with complete revenue data for the entire FY25 time period.

Average Revenue FY25
Franchised Hardee's Freestanding Restaurants[1]

Average Revenue[2]	$1,288,025
Median Revenue	$1,238,549
# Met / Exceeded Average	542
% Met / Exceeded Average	44.9%
Lowest	$399,797
Highest	$3,604,413

Average Revenue FY25
Company-Owned Hardee's Freestanding Restaurants[1]

Average Revenue[2]	$1,343,292
Median Revenue	$1,256,683

# Met / Exceeded Average	85
% Met / Exceeded Average	44.7%
Lowest	$559,632
Highest	$2,421,185

Table Notes

1. Freestanding Restaurants. The restaurants included in this financial performance representation are all freestanding Hardee's Restaurants located in the United States. A Hardee's restaurant is considered "freestanding" if it is located in a single tenant building, not attached to any other structures. This financial performance representation does not include information for Hardee's restaurants operated from travel plazas, gas and convenience stores, colleges and universities, and airports. Further, Hardee's restaurants located outside the United States are not included in this financial performance representation.

2. Revenue. Revenue includes all revenue from the sale of all services and products (except HR-approved promotional items) and all other income of every kind and nature (excluding revenue from the sale of stored value gift cards or gift certificates but including revenue when gift certificates are redeemed or stored value gift cards are debited), whether for cash or credit and regardless of collection in the case of credit; provided, however, that Revenue does not include sales taxes or other taxes collected from customers by you for transmittal to the appropriate taxing authority.

* * *

Some restaurants have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

Written substantiation of the financial performance representation will be made available to you upon reasonable request. However, we will disclose the identity, revenue or other items of income or expense of any particular Company-Operated Restaurant only in connection with the sale of that Company-Operated Restaurant.

You are responsible for developing your own business plan for your franchised restaurant, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. We encourage you to consult with your own accounting, business and legal advisors and to make necessary allowances for changes in financial results to income, expenses or both. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised restaurant. Franchisees or former franchisees listed in the disclosure document may be one source of this information.

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 the franchisor's management by contacting Kerry Olson, Chief People and Legal Officer, 6700 Tower Circle, Suite 1000, Franklin, TN 37067, (615) 538-9260, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Restaurant Summary
For Fiscal Years 2023-2025[(1)]

Restaurant Type	Year	Restaurants at Start of the Year	Restaurants at End of the Year	Net Change
Franchised	2023	1552	1512	-40
	2024	1512	1394	-119
	2025	1394	1,369	-24
Company-Operated	2023	202	195	-7
	2024	195	204	+9
	2025	204	202	-2
Total Restaurants	2023	1754	1707	-47
	2024	1707	1598	-110
	2025	1598	1,571	-26

Systemwide Dual Concept Restaurant Summary*
For Fiscal Years 2023-2025[(1)] [(2)]

Restaurant Type	Year	Restaurants at Start of the Year	Restaurants at End of the Year	Net Change
Franchised	2023	167	160	-7
	2024	160	134	-26
	2025	134	129	-5
Company-Operated	2023	12	4	-8
	2024	4	0	-4
	2025	0	0	0

Restaurant Type	Year	Restaurants at Start of the Year	Restaurants at End of the Year	Net Change
Total Restaurants	2023	179	164	-15
	2024	164	134	-30
	2025	134	129	-5

*The Restaurants included in this table are also included in the preceding table.

Table No. 2
Transfers of Restaurants
from Franchisees to New Owners
(Other than to HR or Its Affiliates)
For Fiscal Years 2023 to 2025[(1)]

State	Year	Number of Transfers
AL	2023	0
	2024	1
	2025	0
AR	2023	0
	2024	2
	2025	0
DE	2023	0
	2024	0
	2025	1
FL	2023	2
	2024	4
	2025	1
GA	2023	0
	2024	37
	2025	0
IL	2023	0
	2024	35
	2025	0
IN	2023	0
	2024	11
	2025	0

State	Year	Number of Transfers
IA	2023	0
	2024	10
	2025	1
KS	2023	0
	2024	6
	2025	0
KY	2023	0
	2024	19
	2025	1
MD	2023	0
	2024	0
	2025	1
MI	2023	0
	2024	0
	2025	1
MN	2023	0
	2024	10
	2025	0
MO	2023	0
	2024	24
	2025	0
MT	2023	0
	2024	4
	2025	0
NE	2023	0
	2024	1
	2025	0
NC	2023	3
	2024	1
	2025	0

State	Year	Number of Transfers
ND	2023	0
	2024	3
	2025	0
OH	2023	0
	2024	6
	2025	0
SC	2023	0
	2024	10
	2025	0
SD	2023	0
	2024	1
	2025	0
TN	2023	0
	2024	4
	2025	0
WI	2023	0
	2024	0
	2025	4
WY	2023	0
	2024	2
	2025	0
TOTAL	2023	7
	2024	191
	2025	10

Transfers of Dual Concept Restaurants from Franchisees to New Owners
(Other than to HR or Its Affiliates)
For Fiscal Years 2023-2025[(1) (2) *]

State	Year	Number of Transfers
GA	2023	0
	2024	4
	2025	0

State	Year	Number of Transfers
IL	2023	2
	2024	6
	2025	0
KY	2023	0
	2024	1
	2025	0
MI	2023	0
	2024	0
	2025	1
MO	2023	0
	2024	1
	2025	0
OH	2023	0
	2024	3
	2025	0
TOTAL	2023	2
	2024	15
	2025	1

* The Restaurants included in this table are also included in the preceding table.

Table No. 3
Status of Franchised Restaurants
For Fiscal Years 2023 to 2025[(1) (2) (3)]

State	Year	Restaurants at Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons (4)	Restaurants at End of the Year (5)
AL	2023	90	0	0	0	0	3	87
	2024	87	0	0	0	5	1	81
	2025	81	0	0	0	0	1	80
AR	2023	25	0	0	1	0	1	23
	2024	23	0	0	0	0	1	22
	2025	22	0	0	0	0	0	22

State	Year	Restaurants at Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons (4)	Restaurants at End of the Year (5)
DE	2023	11	0	0	0	0	0	11
	2024	11	0	0	1	0	0	10
	2025	10	0	0	0	0	1	9
FL	2023	100	1	0	2	0	4	95
	2024	95	2	0	1	0	2	94
	2025	94	2	3	0	0	1	92
GA	2023	120	0	0	1	0	5	114
	2024	114	1	0	0	11	24	80
	2025	80	0	1	0	0	1	78
IL	2023	99	1	0	0	0	1	99
	2024	99	0	0	0	0	8	91
	2025	91	0	0	0	0	1	90
IN	2023	79	3	0	0	0	2	80
	2024	80	1	0	0	0	6	75
	2025	75	0	1	0	0	0	74
IA	2023	57	0	0	0	0	1	56
	2024	56	0	0	0	0	3	53
	2025	53	0	0	1	0	0	52
KS	2023	20	0	0	0	0	1	19
	2024	19	0	0	0	0	10	9
	2025	9	0	0	0	0	0	9
KY	2023	81	0	0	0	0	0	81
	2024	81	1	0	0	0	2	80
	2025	80	0	0	1	0	0	79
LA	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
MD	2023	15	0	0	0	0	1	14
	2024	14	0	0	0	0	0	14
	2025	14	0	0	0	0	0	14

State	Year	Restaurants at Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons (4)	Restaurants at End of the Year (5)
MI	2023	14	0	0	0	0	0	14
	2024	14	0	0	0	0	0	14
	2025	14	0	0	0	0	0	14
MN	2023	34	2	0	0	0	1	35
	2024	35	0	0	0	0	1	34
	2025	34	0	0	0	0	1	33
MS	2023	39	0	0	0	0	0	39
	2024	39	0	0	0	0	1	38
	2025	38	0	0	0	0	2	36
MO	2023	87	0	0	0	0	7	80
	2024	80	0	0	0	0	14	66
	2025	66	0	0	0	0	3	63
MT	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	2	6
	2025	6	0	0	0	0	0	6
NE	2023	10	0	0	0	0	0	10
	2024	10	0	0	0	0	1	9
	2025	9	0	0	1	0	0	8
NY	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NC	2023	196	1	0	1	0	7	189
	2024	189	2	0	1	0	7	183
	2025	183	0	0	2	0	3	178
ND	2023	13	0	0	0	0	0	13
	2024	13	0	0	0	0	2	11
	2025	11	0	0	0	0	0	11
OH	2023	31	5	0	0	0	1	35
	2024	35	1	1	0	0	1	34
	2025	34	2	1	0	0	0	36

State	Year	Restaurants at Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons (4)	Restaurants at End of the Year (5)
OK	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
PA	2023	16	0	0	0	0	0	16
	2024	16	0	0	0	0	1	15
	2025	15	0	0	0	0	0	15
SC	2023	62	1	0	0	0	1	62
	2024	62	2	0	0	3	5	56
	2025	56	0	0	0	0	1	55
SD	2023	13	0	0	0	0	0	13
	2024	13	0	0	0	0	4	9
	2025	9	0	0	0	0	0	9
TN	2023	75	1	0	1	0	2	73
	2024	73	1	0	0	0	3	71
	2025	71	1	0	1	0	0	71
VA	2023	180	0	0	0	0	6	174
	2024	174	0	0	0	0	2	172
	2025	172	2	0	2	0	1	171
WV	2023	27	0	0	0	0	1	26
	2024	26	0	0	0	0	2	24
	2025	24	0	0	1	0	0	23
WI	2023	42	0	0	0	0	2	40
	2024	40	0	3	0	0	2	35
	2025	35	1	1	0	0	1	34
WY	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	2	2
	2025	2	0	0	0	0	0	2
TOTALS	2023	1552	16	0	6	0	47	1512
	2024	1512	13	4	6	19	103	1393
	2025	1393	8	7	9	0	17	1369

Status of Franchised Dual Concept Restaurants
For Fiscal Years 2023 to 2025[(1) (2) (3) *]

State	Year	Restaurants at Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Restaurants at End of the Year (4)
AL	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
AR	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
DE	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
FL	2023	14	0	0	0	0	1	13
	2024	13	0	0	0	0	13	0
	2025	0	0	0	0	0	0	0
GA	2023	12	0	0	0	0	0	12
	2024	12	0	0	0	0	5	7
	2025	7	0	0	0	0	0	7
IL	2023	33	0	0	0	0	0	33
	2024	33	0	0	0	0	0	32
	2025	32	0	0	0	0	1	31
IN	2023	30	0	0	0	0	1	29
	2024	29	0	0	0	0	4	25
	2025	25	0	0	0	0	1	24
KY	2023	14	0	0	0	0	0	14
	2024	14	0	0	0	0	0	14
	2025	14	0	0	0	0	12	2
LA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
MD	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
MI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

State	Year	Restaurants at Start of the Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Restaurants at End of the Year (4)
MS	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
	2025	1	0	0	0	0	0	1
MO	2023	31	0	0	0	0	4	27
	2024	27	0	0	0	0	2	25
	2025	25	0	0	0	0	3	22
NC	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
OH	2023	6	0	0	0	0	1	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	4
PA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
SC	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	1	3
	2025	3	0	0	0	0	0	3
TN	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	0	7
VA	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
WV	2023	10	0	0	0	0	0	10
	2024	10	0	0	0	0	0	10
	2025	10	0	0	0	0	0	10
TOTAL	2023	167	0	0	0	0	7	160
	2024	160	0	0	0	0	26	134
	2025	134	0	0	0	0	18	116

*****The Restaurants included in this table are also included in the preceding table.

Table No. 4
Status of Company-Operated Restaurants
For Years 2023 to 2025[1] [2]

State	Year	Restaurants at Start of the Year	Restaurants Opened	Restaurants Reacquired from Franchisees	Restaurants Closed	Restaurants Sold to Franchisees	Restaurants at End of the Year
AL	2023	13	0	0	0	0	13
	2024	13	0	5	2	0	16
	2025	16	0	0	0	0	16
GA	2023	3	0	0	0	0	3
	2024	3	0	11	0	0	14
	2025	14	0	0	0	0	14
IN	2023	1	0	0	0	0	1
	2024	1	0	0	0	1	0
	2025	0	0	0	0	0	0
KY	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
MI	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
MS	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
	2025	4	0	0	0	0	4
NC	2023	33	0	0	3	0	30
	2024	30	0	0	0	0	30
	2025	30	0	0	1	0	29
OH	2023	2	0	0	2	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
SC	2023	64	0	0	1	0	63
	2024	63	0	3	4	0	62
	2025	62	0	0	1	0	61

State	Year	Restaurants at Start of the Year	Restaurants Opened	Restaurants Reacquired from Franchisees	Restaurants Closed	Restaurants Sold to Franchisees	Restaurants at End of the Year
TN	2023	73	0	0	2	0	78
	2024	78	0	0	3	0	75
	2025	75	0	0	0	0	75
TOTALS	2023	202	1	1	9	0	195
	2024	195	0	19	9	1	204
	2025	204	0	0	2	0	202

Status of Company-Operated Dual Concept Restaurants
For Years 2023 to 2025 (1) (2)*

State	Year	Restaurants at Start of the Year	Restaurants Opened	Restaurants Reacquired from Franchisees	Restaurants Closed	Restaurants Sold to Franchises	Restaurants at End of the Year (3)
AL	2023	3	0	0	0	0	3
	2024	3	0	0	3	0	0
	2025	0	0	0	0	0	0
MS	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
NC	2023	4	0	0	0	0	4
	2024	4	0	0	4	0	0
	2025	0	0	0	0	0	0
OH	2023	1	0	0	0	0	1
	2024	1	0	0	1	0	0
	2025	0	0	0	0	0	0
TN	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
TOTALS	2023	8	0	0	0	0	8
	2024	8	0	0	8	0	0
	2025	0	0	0	0	0	0

*****The Restaurants included in this table are also included in the preceding table.

Table No. 5
Projected Openings of Hardee's Restaurants
As of January 29, 2025

State	Franchise Agreements Signed but Restaurant Not Opened	Projected New Franchised Restaurants in Next Fiscal Year	Projected New Company-Operated Restaurants in Next Fiscal Year
Florida	0	0	0
Georgia	1	1	0
Illinois	1	1	0
Louisiana	1	0	0
North Carolina	0	0	2
Ohio	2	2	0
Tennessee	0	0	0
Total	5	5	2

NOTES

(1) The numbers for 2023-2025 are as of our fiscal year end. Our fiscal year runs from the Tuesday subsequent to the last Monday in January through the last Monday in January of the next calendar year.

(2) If multiple events occurred affecting a Hardee's Restaurant, this table shows the event that occurred last in time.

(3) During the last three fiscal years, we have signed confidentiality agreements with current or former franchisees that may restrict them from speaking openly with you about their experiences with us or our predecessor.

(4) Attached as Exhibit H is the name, city and state, and current business telephone number (or if unknown, the last known home telephone number) of the Hardee's franchisees that had a franchised restaurant terminated, canceled or not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement, including in connection with a transfer, during fiscal year ended January 27, 2025; or that failed to communicate with us within 10 weeks of the application date of this disclosure document. Franchised Dual Concept Restaurants are indicated in Exhibit I. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

(5) Attached as Exhibit I is a list of the addresses and telephone numbers of all Hardee's and Dual Concept franchised locations and the name of the franchisee for each franchised location as of the end of fiscal year ended January 27, 2025.

* * *

The Independent Hardee's Franchisee Association ("IHFA") is an independent organization currently comprised of approximately 50 Hardee's franchisees, representing approximately 1,300 franchised Hardee's Restaurants. IHFA's contact information is as follows: 4919 Lamar Avenue, Mission, KS 66202; telephone number (913) 387-5624; and email address ihfa@ihfa.com. IHFA's website is www.ihfa.com.

ITEM 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit K are the audited combined consolidated financial statements of the CKE Securitization Entities (Carl's Jr. Restaurants LLC, Carl's Jr. SPV Guarantor LLC, Carl's Jr. Funding LLC, Hardee's Restaurants LLC, Hardee's SPV Guarantor LLC and Hardee's Funding LLC), which comprise (1) the combined consolidated balance sheets as of January 27, 2025 and January 29, 2024, and the related combined consolidated statements of income, members' deficit, and cash flows for the fiscal years then ended, and the related notes to the combined consolidated financial statements; and (2) the combined consolidated balance sheets as of January 29, 2024 and January 30, 2023, and the related combined consolidated statements of income, members' deficit, and cash flows for the fiscal years then ended, and the related notes to the combined consolidated financial statements. Each of the CKE Securitization Entities (other than HR) has agreed absolutely and unconditionally to guarantee to assume our duties and obligations under the franchise agreements entered into by us, should we become unable to perform our duties and obligations. A copy of those guarantees are attached as part of Exhibit J to this disclosure document.

Also attached as Exhibit K are the audited consolidated financial statements for HR's indirect corporate parent, CKE Restaurants Holdings, Inc. ("CKR") (formerly known as CKE Restaurants, Inc.), which comprise (1) consolidated balance sheets as of January 27, 2025 and January 29, 2024, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements; and (2) consolidated balance sheets as of January 29, 2024 and January 30, 2023, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements. As noted in Item 1, CKR will be providing required support and services to franchisees under a Management Agreement with us. CKR's financial statements are being provided for disclosure purposes only. CKR is not a party to any Development Agreement or Franchise Agreement that we sign with franchisees, nor does CKR guarantee our obligations under any Development Agreement or Franchise Agreement that we sign with franchisees.

ITEM 22

CONTRACTS

The following agreements related to a Franchised Restaurant are attached as Exhibits to this disclosure document:

Exhibit C	Development Agreement

Exhibit D	Franchise Agreement (including Guarantee and Assumption, Franchise Information (Appendix A), Weekly Royalty Fee (Appendix B), Franchisee's Advertising and Promotion Obligation (Appendix C), Ownership Interests (Appendix D), Acknowledgement Addendum (Appendix E), Commencement Date Addendum (Appendix F), and Hardee's Lease Addendum (Appendix G)
Exhibit E-1	Software Support Agreement for PAR Brink and CrunchTime
Exhibit E-2	Star University License Agreement
Exhibit E-3	OLO Authorized Operator Agreement
Exhibit K	Development Incentive Program Addendum to Franchise Agreement
Exhibit L	Renewal Addendum (SLA Renewal, 1975 to SLA Renewal)
Exhibit M	Confidentiality Agreement
Exhibit N	Asset Purchase Agreement
Exhibit O	Sublease

ITEM 23

RECEIPTS

The last two pages of this disclosure document are detachable receipt pages. Please sign and date each of them as of the date you received this disclosure document and return one copy to us.

EXHIBIT A

LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

California:

Commissioner
Department of Financial Protection & Innovation
1-866-275-2677

Los Angeles

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento

2101 Arena Blvd.
Sacramento, CA 95834
(916) 445-7205

San Diego

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

San Francisco

One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972-8559

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

Illinois:

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana:

Securities Commissioner
Securities Division
Room E-111
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

Maryland:

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan:

Attn: Franchise Section
Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48909
(517) 373-7117

Minnesota:

Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

New York:

First Assistant Attorney General
New York State
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8235

North Dakota:

Examiner/Budget Administrator
North Dakota Securities Department
State Capitol, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-4712

Oregon:

Administrator
Div. of Finance & Corp. Securities
Department of Consumer & Business Services, Room 410
350 Winter Street, NE
Salem, OR 97301-3881
(503) 378-4140

Rhode Island:

Deputy Director and Superintendent of Securities
Department of Business Regulation
Division of Banking and Securities
1511 Pontiac Avenue
John O. Pastore Complex–Bldg. 68-2
Cranston, RI 02920
(401) 462-9585

South Dakota:

Franchise Administrator
Labor and Regulation Department Division of Insurance Securities Regulation
124 S. Euclid, 2nd Floor
Pierre, SD 57501
(605) 773-3563

Virginia:

State Corporation Commission
Division of Securities & Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

Washington:

Director of Securities
Securities Division Department of Financial Institutions
150 Israel Road, SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin:

Operations Program Associate
Division of Securities
Bureau of Regulation & Enforcement
Department of Financial Institutions, Suite 300
201 W. Washington Avenue
Madison, WI 53703
(608) 266-8557

EXHIBIT B

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

Alabama:

Corporation Service Company, Inc.
641 South Lawrence Street
Montgomery, AL 36104

California:

California Commissioner of Financial Protection & Innovation
Department of Financial Protection & Innovation
2101 Arena Blvd.
Sacramento, CA 95834

Delaware:

Corporation Service Company
251 Little Falls Drive
Wilmington, DE 19808

Florida:

Corporation Service Company
1201 Hays Street
Tallahassee, FL 32301

Georgia:

Corporation Service Company
2 Sun Court
Peachtree Corners, GA 30092

Illinois:

Illinois Attorney General
Office of Attorney General
500 South Second Street
Springfield, IL 62706

Illinois Corporation Service Company
801 Adlai Stevenson Drive
Springfield, IL 62703

Indiana:

Indiana Secretary of State
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Corporation Service Company
135 North Pennsylvania Street, Suite 1610
Indianapolis, IN 46204

Kentucky:

Corporation Service Company
421 West Main Street
Frankfort, KY 40601

Maryland:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202

Michigan:

Michigan Department of Commerce
Corporations and Securities Bureau
525 W. Allegan Street
Lansing, MI 48913

CSC – Lawyers Incorporating Service (Company)
2900 West Road, Suite 500
East Lansing, MI 48823

Minnesota:

Commissioner of Commerce
MN Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101

Mississippi:

Corporation Service Company
109 Executive Drive, Suite 3
Madison, MS 39110

Missouri:

CSC – Lawyers Incorporating Service
Company 221 Bolivar Street
Jefferson City, MO 65101

New York:

Secretary of State
New York State Department of State
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231

North Carolina:

Corporation Service Company
2626 Glenwood Avenue, Suite 550
Raleigh, NC 27608

North Dakota:

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505

Ohio:

Corporation Service Company
50 West Broad Street, Suite 1330
Columbus, OH 43215

Rhode Island:

Director, Division of Banking and Securities
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 68-2
Cranston, RI 02920

South Carolina:

Corporation Service Company
508 Meeting Street
West Columbia, SC 29169

South Dakota:

Director
Labor and Regulation Department Division
of Insurance
124 S. Euclid, Suite 104
Pierre, SD 57501

Corporation Service Company
503 South Pierre Street
Pierre, SD 57501

Tennessee:

Corporation Service Company
2908 Poston Avenue
Nashville, TN 37203

Virginia:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

Corporation Service Company
100 Shockoe Slip, 2nd Floor
Richmond, VA 23219

West Virginia:

Corporation Service Company
209 West Washington Street
Charleston, WV 25302

EXHIBIT C

DEVELOPMENT AGREEMENT

HARDEE'S RESTAURANT DEVELOPMENT AGREEMENT

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HARDEE'S RESTAURANT DEVELOPMENT AGREEMENT

THIS AGREEMENT is made as of _____, by and between Hardee's Restaurants LLC ("HR"), a Delaware limited liability company, and _____ ("Developer").

RECITALS:

A. As a result of the expenditure of time, skill, effort and money, HR and its predecessor have developed, and HR owns, a unique and distinctive system ("System") relating to the development, establishment and operation of quick service restaurants ("System Restaurants").

B. The distinguishing characteristics of the System include, without limitation, uniform and distinctive exterior and interior design, layout and trade dress, including specially designed decor and furnishings; an efficient kitchen and equipment layout featuring an automatic charbroiling cooking process; special recipes and menu items; procedures and techniques for food and beverage storage, preparation, service and sanitation; technical assistance and training through course instruction and manuals; and advertising and promotional programs. The System and its components may be changed, improved, and further developed by HR and/or HR Affiliates (defined below) from time to time.

C. HR identifies the System by means of certain trade names, service marks, trademarks, logos, insignias, slogans, emblems, symbols and designs (collectively "Proprietary Marks") which HR has designated or may in the future designate for use with the System. The Proprietary Marks used to identify the System, including the principal Proprietary Marks, may be modified by HR and/or HR Affiliates (defined below) from time to time.

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

E. Certain other HR Affiliates also operate fast service restaurants. (As used in this Agreement, the term "HR Affiliates" includes those entities identified in Item 1 of the Hardee's Franchise Disclosure Document delivered to Developer in connection with this Agreement and as subsequently changed from time to time.)

F. Developer desires to obtain a license, subject to the terms and conditions of this Agreement, to develop franchised System Restaurants in the limited geographic area described in Appendix A ("Development Territory").

G. Developer understands and acknowledges the importance of HR's high and uniform standards of quality, operations and service and the necessity of developing System Restaurants in strict conformity with this Agreement and the manuals designated for use with the System, including the Operation Procedures Manual ("OPM").

H. HR is willing to grant Developer a license to develop System Restaurants in the Development Territory, subject to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of HR granting Developer the right to develop System Restaurants in the Development Territory during the term of this Agreement ("Development Term"), as well as the mutual covenants, agreements and obligations set forth below, the parties agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

A. Grant

HR hereby grants to Developer, subject to the terms, conditions, provisions and limitations of this Agreement, the right to develop System Restaurants in the Development Territory during the Development Term. The Development Term begins on the date this Agreement is signed by HR and terminates on the first to occur of: **(1)** the date that the last System Restaurant required by the Development Schedule in attached Appendix B opened for business; or **(2)** the date the last System Restaurant was required to be opened pursuant to the Development Schedule. There is no renewal term for this Agreement. Each System Restaurant shall be located in the Development Territory at a specific location accepted by HR.

B. Development Rights Only

This Agreement is not a license or a franchise agreement. It does not give Developer the right to operate System Restaurants or use the System, nor does this Agreement give Developer any right to license others to operate System Restaurants or use the System. This Agreement only gives Developer the opportunity to enter into Franchise Agreements for the operation of System Restaurants at locations in the Development Territory accepted by HR. Each System Restaurant developed pursuant to this Agreement shall be established and operated only in strict accordance with a separate Franchise Agreement.

C. Forms of Agreement

Developer acknowledges that, over time, HR has entered, and will continue to enter, into franchise-related agreements with other developers and franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that HR and other developers and franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

2. LIMITED EXCLUSIVE RIGHTS

The System (including the products sold under the Proprietary Marks) has been developed, and is designed, to function effectively in a wide variety of retail environments, many of which are not practically available to Developer. Accordingly, HR reserves to itself the rights to: **(A)** operate and license others to operate System Restaurants and/or Carl's Jr. restaurants in the Development Territory that are located in travel plazas, gas stations or convenience stores; **(B)** award national or regional licenses to third parties to sell products under the Proprietary Marks in foodservice facilities primarily identified by the third party's trademark; **(C)** develop and operate, and license others to develop and operate, restaurants, other than System Restaurants and/or Carl's Jr. restaurants, in the Development Territory; **(D)** merchandise and distribute products identified by the Proprietary Marks in the Development Territory through any other channel of distribution; **(E)** sell and distribute products identified by the Proprietary Marks in the Development Territory to restaurants other than System Restaurants and/or Carl's Jr. restaurants, provided those restaurants are not licensed to use the Proprietary Marks in connection with their retail sales; and

(F) operate and license others to operate System Restaurants and/or Carl's Jr. restaurants in the Development Territory that are located in airports, train stations, bus stations, toll plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos, "ghost" or "dark" kitchens or any similar captive or non-traditional "brick and mortar" locations (collectively "Captive Market Locations"). With respect to a Captive Market Location in the Development Territory at which HR proposes to license a System Restaurant, if the foodservice operator at the Captive Market Location desires to have a third party operate the System Restaurant, HR shall so advise Developer who may discuss with the foodservice operator operation of the System Restaurant at the Captive Market Location by Developer. This notification to Developer shall not, however, obligate HR to license Developer to operate a System Restaurant at the Captive Market Location, nor shall it bar HR from operating or licensing a third party to operate a System Restaurant at the Captive Market Location.

Except as reserved in the preceding paragraph, HR will not, during the Development Term, operate or license others to operate System Restaurants and/or Carl's Jr. restaurants in the Development Territory, provided Developer is in compliance with the terms of this Agreement and any other agreements between Developer and HR and/or HR Affiliates and is current on all obligations due HR and/or HR Affiliates. This Section 2 does not prohibit HR from: **(1)** operating and licensing others to operate, during the Development Term, System Restaurants and/or Carl's Jr. restaurants at any location outside of the Development Territory; and **(2)** operating and licensing others to operate, after this Agreement terminates or expires, System Restaurants and/or Carl's Jr. restaurants at any location, except as otherwise provided in an effective franchise agreement.

The restrictions contained in this Section 2 apply only to HR and to Carl's Jr. restaurants operated or franchised by an HR Affiliate. Except as otherwise provided in this paragraph, nothing shall prohibit an HR Affiliate from operating or licensing a restaurant at any location in or outside the Development Territory, other than a restaurant in the Development Territory that primarily is identified by the name and mark "Hardee's" or a Carl's Jr. restaurant. In addition, the continued operation of any System Restaurants or Carl's Jr. restaurants in the Development Territory that are open for business as of the date of this Agreement shall not violate the limited exclusive rights granted Developer in this Section 2.

3. DEVELOPMENT SCHEDULE

A. During the Development Term, Developer shall develop, open and continuously operate in the Development Territory the number of System Restaurants specified in the Development Schedule. For each System Restaurant to be developed during the Development Term, Developer shall first obtain HR's written acceptance of the site. No later than 9 months after HR's written acceptance of the site, Developer shall deliver to HR a fully-signed lease or sublease for the Authorized Site (defined below) or proof of Developer's purchase of such site. The effective date of the lease or sublease, or the closing day of the purchase of the real property, shall be the "Property Control Date". Developer shall open the Franchised Restaurant no later than the Opening Date set forth in Appendix B. Strict compliance with the Development Schedule is essential to this Agreement. Any failure by Developer in fulfilling its obligations to develop and open any System Restaurant when required by the Development Schedule or to obtain site acceptance by the date specified in the Development Schedule shall constitute a material, non-curable breach of this

Agreement permitting HR immediately to terminate this Agreement by giving written notice of termination to Developer. **Time is of the essence.**

B. The Initial Franchise Fee for each System Restaurant to be developed under this Agreement will be $25,000.

C. If, during the Development Term, Developer sells a System Restaurant that was developed pursuant to this Agreement, that System Restaurant will continue to be counted for the purpose of meeting Developer's obligations under the Development Schedule, provided that the sale has been consented to by HR and only so long as that restaurant continues to be operated as a System Restaurant.

D. At Developer's request, HR will permit the Franchise Agreement for any System Restaurant in the Development Territory to be executed by a business entity formed by Developer to develop and operate the System Restaurant ("Affiliated Entity"), provided all of the following conditions are met: **(1)** Developer, the Development Principal (defined in Section 7.F.) or Developer's Continuity Group (defined in Section 7.D.) owns at least 51% of all ownership interests in the Affiliated Entity; **(2)** the Affiliated Entity conducts no business other than the operation of the System Restaurant; **(3)** Developer and the Development Principal and all members of Developer's Continuity Group (if the Development Principal and the members of the Continuity Group have guaranteed Developer's obligations under this Agreement) agree to assume full and unconditional liability for, and agree to perform all obligations, covenants and agreements contained in the Franchise Agreement; and **(4)** all owners of the Affiliated Entity possess a good moral character and meet HR's standards, as determined by HR in its reasonable discretion, and Developer provides HR all reasonably requested information to permit HR to make such a determination.

4. DEVELOPMENT FEE

Developer shall pay HR, at the time this Agreement is signed, a development fee equal to $10,000 for each System Restaurant Developer has agreed to develop in the Development Territory during the Development Term ("Development Fee"). The total amount of the Development Fee paid by Developer is set forth in Appendix B. Developer acknowledges and agrees that the Development Fee is fully earned by HR when paid and it is not refundable. Upon the execution of each Franchise Agreement for each Franchised Restaurant Developer has agreed to develop pursuant to this Agreement, $10,000 of the applicable Development Fee will be credited against the full Initial Franchise Fee due HR upon the execution of such Franchise Agreement.

5. DEVELOPMENT PROCEDURES

A. Developer's Responsibility

Developer assumes all cost, liability and expense for locating, obtaining and developing sites for System Restaurants and constructing and equipping System Restaurants in accordance with HR's standards at accepted sites. Developer shall not make any binding commitments to purchase or lease a site until the site has been accepted by HR.

B. Site Selection Assistance

HR will provide Developer with the following site selection assistance: **(1)** HR's site selection guidelines and, as Developer may request, a reasonable amount of consultation with respect thereto; and **(2)** such site evaluation as HR may deem advisable as part of its evaluation of Developer's request for site acceptance. Developer agrees that HR will incur no liability to Developer for site selection assistance

provided by HR, except for gross negligence or willful misconduct. Developer is solely responsible for conducting all such due diligence, investigation and validation with its own third party advisors with respect to a proposed site. HR's consent to a proposed site is simply for purposes of confirming that the site meets HR's then-current site selection criteria.

C. Site Information

For each proposed site for a System Restaurant, Developer shall, if requested by HR, submit to HR a Franchise Application. In addition, Developer shall submit a development proposal (containing that information as HR may reasonably require) for a proposed site which Developer reasonably believes to conform to site selection criteria HR establishes from time to time for demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses (including other System Restaurants), the nature of other businesses in proximity to the site and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics, and a site plan of the premises.

Developer acknowledges that, in order to preserve and enhance the reputation and goodwill of all System Restaurants and the goodwill of the Proprietary Marks, all System Restaurants must be properly developed, operated and maintained. Accordingly, Developer agrees that HR may refuse to accept a site for a proposed System Restaurant unless Developer demonstrates sufficient financial capabilities, in HR's reasonable judgment, applying standards consistent with criteria HR uses to establish System Restaurants in other comparable market areas, to properly develop, operate and maintain the proposed System Restaurant. To this end, Developer shall furnish HR with such financial statements and other information regarding Developer (or its Affiliated Entity, as defined in Section 3.D.) and the development and operation of the proposed System Restaurant, including, without limitation, investment and financing plans for the proposed System Restaurant, as HR reasonably may require.

D. Site Acceptance

Within 45 days after HR's receipt of all documents referenced in this section and any additional information that HR may require, HR shall advise Developer in writing whether it has accepted a particular site; however, HR has no obligation to review any development proposal if Developer or its affiliates are not in full compliance with all agreements with HR or HR Affiliates and not approved for growth by HR. If HR does not respond within that time period, HR shall be deemed not to have accepted the site for a System Restaurant. HR's acceptance or refusal to accept a site for a System Restaurant may be subject to reasonable conditions as determined in its sole discretion. (A site which HR has accepted shall be referred to as an "Authorized Site.")

HR's acceptance of one or more sites is not a representation or a promise by HR that a Franchised Restaurant at an Authorized Site will achieve a certain sales volume or a certain level of profitability. Similarly, HR's acceptance of one or more sites and its refusal to accept other sites is not a representation or a promise that an Authorized Site will have a higher sales volume or be more profitable than a site that HR did not accept. Acceptance by HR merely means that the minimum criteria which HR has established for identifying suitable sites for proposed Hardee's Restaurants have been met. Because real estate development is an art and not a precise science, Developer agrees that acceptance, or refusal to accept a proposed site by HR, whether or not a site report is completed and/or submitted to HR shall not impose any liability or obligation on HR. The decision to accept or reject a particular site is Developer's, subject to

acceptance by HR. Preliminary acceptance of a proposed site by any representative of HR is not conclusive or binding, because his or her recommendation may be rejected by HR.

HR assumes no liability or responsibility for: (1) evaluation of an Authorized Site's soil for hazardous substances; (2) inspection of any structure on the Authorized Site for asbestos or other toxic or hazardous materials; (3) compliance with the Americans with Disabilities Act ("ADA"); or (4) compliance with any other applicable law. It is Developer's sole responsibility to obtain satisfactory evidence and/or assurances that the Authorized Site (and any structures thereon) is free from environmental contamination and in compliance with the requirements of the ADA.

E. Lease Provisions

If Developer proposes to lease or sublease the Authorized Site, Franchisee shall provide HR with a copy of the proposed lease or sublease prior to its execution. The proposed lease or sublease shall not contain any covenants or other obligations that would prevent Franchisee from performing its obligations under the Franchise Agreement or any provisions that restrict HR from entering onto the Authorized Site as permitted by the Franchise Agreement. The lease or sublease shall include, during the entire term of the lease or sublease including any renewal terms, the terms of the Hardee's Lease Addendum, attached as Exhibit 1.

Neither HR's receipt of the lease or sublease nor any requirement that Franchisee enter into a written modification to the lease or sublease constitutes a warranty or representation by HR of any kind, express or implied, as to the lease or sublease's fairness or suitability or as to Franchisee's ability to comply with its terms, and HR does not assume any liability or responsibility to Franchisee or to any third parties due to its receipt and review of the lease or sublease.

Franchisee shall provide HR with a copy of the fully-executed lease or sublease, including the Hardee's Lease Addendum, (for a term, including renewal terms, for at least the Initial Term of this Agreement), or proof Franchisee has purchased the real property, for the Authorized Site no later than 6 months after the written acceptance of the Authorized Site by HR, but, in any event, prior to the commencement of construction at the Authorized Site.

F. Execution of Agreements

Following HR's acceptance of each proposed site, and Developer's submission to HR of a signed lease or sublease for the proposed site, or evidence that Developer has completed its purchase of the proposed site, HR will prepare and forward to Developer a Franchise Agreement for the Authorized Site. The form of Franchise Agreement for each System Restaurant to be developed by Developer pursuant to this Agreement shall be the standard "St. Louis" form in use immediately prior to the time that Developer commences construction at the applicable Authorized Site. Developer shall execute and return the Franchise Agreement to HR, along with the Initial Franchise Fee, within 10 days after receipt by Developer, and, following receipt by HR, HR shall execute the Franchise Agreement and return a fully-executed original of the Franchise Agreement to Developer. Developer may not commence construction at the Authorized Site prior to its receipt of a fully-executed Franchise Agreement and its payment to HR of the Initial Franchise Fee.

G. Delegation

HR has the right, from time to time, to delegate the performance of any portion or all of its obligations and duties under this Agreement to designees, which may be HR's corporate parents, affiliates or agents or independent contractors with which HR has contracted to provide this service.

6. INSURANCE

A. Developer shall be responsible for all loss or damage arising from or related to Developer's development and operation of the System Restaurant, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the System Restaurant. Developer shall, at its sole expense, maintain in full force and effect throughout the term of this Agreement that insurance which Developer determines is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the System Restaurant which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by Section 12.B. HR, and any entity with an insurable interest designated by HR, shall be an additional insured in such liability policies, except for workers' compensation/employer's liability, and loss payee for property to the extent each has an insurable interest.

B. All insurance policies shall be written by an insurance company or companies satisfactory to HR, in compliance with the standards, specifications, coverages and limits set forth in the OPM or otherwise provided to Developer in writing. These policies shall include, at a minimum, the following:

(1) Commercial General Liability insurance with policy limits not less than $5,000,000 per occurrence and in the aggregate. Coverage shall apply per location, including coverage for contractual liability, broad form property damage, personal and advertising injury, product liability and completed operations, not to exclude food-borne illness, as well as Damage to Rented Premises coverage with limits not less than $100,000.

(2) Automobile Liability coverage, including owned, leased, non-owned and hired vehicles, with a combined single limit not less than $1,000,000 per accident and additional liability coverage as needed for delivery services. This may be included as part of a package policy.

(3) Workers' Compensation, statutory as required by law, and Employer's Liability insurance with limits not less than $500,000, and such other insurance as may be required by the state or locality in which the System Restaurant is operated. This coverage shall also be in effect for all of Developer's employees who participate in any of HR's development training programs.

The required limits set forth in Section 6(1)-(3) above may be satisfied through a combination of Primary and Umbrella/Excess Liability coverage. If satisfied through an Umbrella/Excess Liability coverage, the Umbrella/Excess Liability must be "following form" of the underlying Commercial General Liability, Automobile Liability and Employer's Liability coverages.

(4) Commercial Property insurance that extends coverage on a replacement cost basis for the System Restaurant, business personal property (including electronic equipment, tenant improvements & betterments), and business income and extra expense for a minimum of 12 months or actual loss sustained to cover loss of profits, continuing expenses and loss of rents. Covered causes of loss should be "Special Form" or "All Risk" with coinsurance conditions not less than 80%. Flood insurance is also required for locations that reside in FEMA Flood Zones beginning with the letters "A" or "V."

Earthquake insurance is also required for locations that reside in FEMA Seismic Design Categories "E" or "D."

(5) Cyber Liability (network security/data privacy) with policy limits not less than $1,000,000 per occurrence.

(6) In connection with any construction, leasehold improvements, renovation, refurbishment, or remodeling of the System Restaurant, Developer's general contractor shall maintain Commercial General Liability insurance (with products liability and independent contractors coverage), Automobile Liability coverage for owned, leased, hired and non-owned vehicles, and Builder's Risk with limits no less than $1,000,000, with HR named as an additional insured, as well as Workers' Compensation and Employer's Liability as required by state law.

HR may regulate the types, amounts, terms and conditions of insurance coverage required for the System Restaurant, and standards for underwriters of policies providing required insurance coverage, including: **(a)** HR's protection and rights under these policies as an additional insured or loss payee; **(b)** required or permissible insurance contract provisions; **(c)** assignment of policy rights to HR; **(d)** periodic verification of insurance coverage that must be furnished to HR and; **(e)** similar matters related to insured and uninsured claims. Developer shall receive written notice of such modifications and shall take prompt action to comply.

C. The following general requirements shall apply to each insurance policy that Developer is required to maintain under this Agreement:

(1) Each insurance policy shall be specifically endorsed to provide that the coverages shall be primary and that any insurance carried by any additional insured or loss payee shall be excess and non-contributory.

(2) No insurance policy shall contain a provision that in any way limits or reduces coverage for Developer in the event of a claim by HR or HR Affiliates.

(3) Each insurance policy shall extend to, and provide indemnity for, all obligations and liabilities of Developer to third parties and all other items for which Developer is required to indemnify HR under this Agreement.

(4) Each insurance policy shall be written by an insurance company that has received and maintains an "A- VIII" or better rating by A.M. Best Company (or another rating service designated by HR) and that is otherwise satisfactory to HR.

(5) No insurance policy shall provide for a deductible amount that exceeds $100,000, unless otherwise approved in writing by HR.

(6) Each insurance policy shall include a waiver of subrogation endorsement in favor of HR and its affiliates.

(7) With respect to the Commercial General Liability, Automobile Liability and Umbrella/Excess Liability policies, HR and its affiliates shall be named as Additional Insured on a primary and non-contributory basis. With respect to the Commercial Property coverage, HR and its affiliates shall be named as Loss Payee.

D. All required insurance policies shall be in full force and effect and Developer shall submit to HR evidence of satisfactory insurance and proof of payment therefore no later than the date the first of the following occurs: **(1)** 30 days prior to the scheduled opening date of the System Restaurant; **(2)** the date Developer takes possession of the Authorized Site, or **(3)** the date construction commences at the Authorized Site, if Developer is contractually obligated for the construction. On each policy renewal date thereafter, Developer shall again submit evidence of satisfactory insurance and proof of payment therefor to HR. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days' prior written notice to HR. Upon request, Developer also shall provide to HR copies of all or any policies, and policy amendments and endorsements.

E. Developer acknowledges that no requirement for insurance contained in this Agreement constitutes advice or a representation by HR that only such policies, in such amounts, are necessary to protect Developer from losses in connection with its business under this Agreement. Maintenance of this insurance, and the performance by Developer of its obligations under this Section, shall not relieve Developer of liability under the indemnification provisions of this Agreement.

F. Should Developer, for any reason, fail to procure or maintain at least the insurance required by this Section 6, as revised from time to time pursuant to the OPM or otherwise in writing, HR shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to Developer. All out-of-pocket costs incurred by HR in obtaining such insurance on behalf of Developer shall be reimbursed to HR by Developer immediately upon Developer's receipt of an invoice therefor.

7. ORGANIZATION OF DEVELOPER

A. Representations

If Developer is a corporation, a limited liability company, a partnership or any other type of organization (collectively, "business entity"), Developer makes the following representations and warranties: **(1)** it is duly organized and validly existing under the laws of the state of its formation; **(2)** it is qualified to do business in the state or states in which the Development Territory is located; **(3)** execution of this Agreement and the development and operation of System Restaurants is permitted by its governing documents; and **(4)** agreements exist among Developer's shareholders, members or partners which provide a mechanism to avoid an impasse among the shareholders, members or partners in the event of a dispute and to provide for the disposition of ownership interests following the death or permanent disability of a shareholder, member or partner; and **(5)** Developer's governing documents shall at all times provide that the activities of Developer are limited to the development and operation of System Restaurants, other restaurants that are franchised by HR or HR Affiliates and those existing restaurant or foodservice operations, if any, which are identified in Appendix B and that no transfer (as referred to in Section 9.A.) of an ownership interest may be made except in accordance with Section 9.

B. Governing Documents

If Developer is a business entity, Developer shall furnish HR with copies of Developer's governing documents and any other corporate documents, books or records that HR may request. When any of these governing documents are modified or changed, Developer promptly shall provide copies to HR. Developer's governing documents must provide that no transfer (as referred to in Section 9.A.) may be made except in accordance with Section 9.

C. Ownership Interests

If Developer is a business entity, Developer must furnish HR with a list of all holders of a direct or indirect ownership interest in Developer and their respective percentage interests. As of the date of this Agreement, all interests in Developer are owned as set forth in attached Appendix C. Developer shall comply with Section 9 prior to any change in ownership interests and shall update Appendix C as changes occur in order to ensure the information contained in Appendix C is true, accurate and complete at all times.

The requirements of this Section 7.C. shall apply only to Developer's Continuity Group (defined in Section 7.D.) if, as of the date of the first franchise-related agreement between Developer and HR or an HR Affiliate, Developer was a publicly-held entity (*i.e.,* an entity that has a class of securities traded on a recognized securities exchange or quoted on the inter-dealer quotation sheets known as the "pink sheets"). If Developer becomes a publicly-held entity after that date, it shall thereafter be required to update Appendix C only with respect to changes in ownership interests of members of the Continuity Group.

D. Continuity Group

If Developer is a business entity, Appendix C lists those persons who HR and Developer have designated as Developer's "Continuity Group." In the event of any change in the Continuity Group or in the ownership interests of any member of the Continuity Group, Developer shall update Appendix C to reflect the change. If Developer is a business entity, the Continuity Group shall at all times own at least 51% of the ownership interests in Developer.

E. Guarantees

The provisions of this Section 7.E. shall not be applicable if this Agreement was initially executed solely by individuals as "Developer" and: **(1)** those individuals continue to be "Developer"; or **(2)** those individuals have assigned this Agreement to a business entity that they control, but have not been released from their obligations under this Agreement, those individuals covenant to remain primarily liable under this Agreement, and those individuals covenant to HR that such assignee entity shall at all times maintain a minimum net worth as reasonably determined by HR.

If requested by HR, in the exercise of its reasonable business judgment, those members of the Continuity Group and their spouses designated by HR shall jointly and severally guarantee Developer's payment and performance under this Agreement and shall bind themselves to the terms of this Agreement pursuant to the attached Guarantee and Assumption of Developer's Obligations. HR reserves the right to require any guarantor to provide personal financial statements to HR from time to time.

If Developer, any guarantor or any parent, subsidiary or affiliate of Developer holds any interest in other restaurants that are franchised by HR or HR Affiliates, the party who owns that interest shall execute (if requested by HR, in the exercise of its reasonable business judgment), concurrently with this Agreement, a form of cross-guarantee to HR and HR Affiliates for the payment of all obligations for such restaurants. For purposes of this Agreement, an affiliate of Developer is any company controlled, directly or indirectly, by Developer or Developer's parent or subsidiary.

F. Development Principal

Developer shall designate and retain an individual to serve as the Development Principal. (If Developer is owned by one individual, that individual may serve as the Development Principal if the individual meets HR's requirements for a Development Principal.) The Development Principal as of the

date of this Agreement is identified in Appendix C. The Development Principal shall meet all of the following qualifications:

(1) The Development Principal, at all times, shall have an equity ownership interest in Developer. This Section 7.F.(1) shall not apply if Developer was a publicly-held entity or a wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement between Developer and HR or an HR Affiliate.

(2) The Development Principal, at all times, shall be a member of the Continuity Group and, at a minimum, have full control over the day-to-day development of Developer's System Restaurants.

(3) Unless Developer has named, and HR has approved, a Multi-Unit Development Manager:

(a) The Development Principal shall devote full-time and best efforts to supervising the development of Developer's System Restaurants and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(b) Unless waived in writing by HR, the Development Principal shall maintain his primary residence within a reasonable driving distance of the Development Territory.

(4) If requested by HR, the Development Principal shall successfully complete HR's Franchise Management Training Program and any additional training required by HR.

(5) HR shall have approved the Development Principal, and not have later withdrawn that approval.

If the Development Principal no longer qualifies as such, Developer shall designate another person to act as Development Principal within 30 days of the date of failing to remain qualified.

If Developer is developing restaurants in multiple markets that are franchised by HR or HR Affiliates, an individual meeting the qualifications of this Section will serve as Development Principal in at least one market.

G. Multi-Unit Development Manager

If Developer is developing System Restaurants in multiple geographic markets, for all markets in which the Development Principal fails to satisfy the requirements of Section 7.F., Developer shall designate and retain an individual to serve as Multi-Unit Development Manager. The Multi-Unit Development Manager shall be under the supervision of the Development Principal. The Multi-Unit Development Manager shall meet all of the following qualifications:

(1) The Multi-Unit Development Manager shall devote full time and best efforts to the development of the System Restaurants and other restaurants operated by Developer that are franchised by HR or HR Affiliates in a geographic market and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(2) Unless waived in writing by HR, the Multi-Unit Development Manager shall maintain his primary residence within a reasonable driving distance of the Development Territory.

(3) The Multi-Unit Development Manager shall successfully complete the Franchise Management Training Program and any additional training required by HR.

(4) HR shall have approved the Multi-Unit Development Manager, and not have later withdrawn that approval.

If the Multi-Unit Development Manager no longer qualifies as such, Developer shall designate another person to act as Multi-Unit Development Manager within 30 days of the date of failing to remain qualified.

8. TRANSFERS BY HR

This Agreement shall inure to the benefit of the successors and assigns of HR. HR shall have the right to transfer or assign its interest in this Agreement to any person, persons, partnerships, association or corporation. If HR's assignee assumes all obligations of HR under this Agreement and sends written notice of the assignment so attesting, Developer agrees promptly to execute a release of HR except for any known liabilities incurred by HR prior to the date of such notice, and HR shall not thereafter be under further obligation under this Agreement. Developer agrees that HR will have no liability after the effective date of transfer or assignment for performance of, or any failure to perform, any obligations transferred.

9. TRANSFERS BY DEVELOPER

A. Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, and that HR has granted Developer the right to develop System Restaurants in the Development Territory during the Development Term in reliance on Developer's (and Developer's direct and indirect owners') business skill and financial capacity. Developer shall not, without HR's prior written consent, by operation of law or otherwise, sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in Developer, this Agreement or any other assets pertaining to Developer's operations under this Agreement, nor offer, permit or suffer the same. Unless otherwise specified, as used in this Section 9, if Developer is a business entity, the term "Developer" shall include, collectively and individually, all officers, directors and holders of a beneficial ownership interest of 5% or more of Developer, and of any business entity directly or indirectly controlling Developer. Any purported assignment or transfer not having the written consent of HR shall be null and void and shall constitute a material breach of this Agreement, for which HR may terminate this Agreement without providing Developer an opportunity to cure the breach.

B. HR shall not unreasonably withhold its consent to any transfer referred to in Section 9.A.; provided, however, that prior to the time of transfer:

(1) All of Developer's accrued monetary obligations to HR and HR Affiliates shall have been satisfied.

(2) Developer and all guarantors of Developer's obligations, if any, shall have executed a general release and a covenant not to sue, in a form satisfactory to HR, of any and all claims against HR and HR Affiliates and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and claims arising out of, or relating to, this Agreement and any other agreements between Developer and HR or HR Affiliates and Developer's operation of all restaurants that are franchised by HR or HR Affiliates. The

release to be executed by Developer, with respect to this Agreement, shall include a release of all known and unknown (excluding claims which Developer proves in the applicable forum that HR fraudulently concealed from Developer). With respect to other agreements between Developer and HR or HR Affiliates or Developer's operation of restaurants franchised by HR or HR Affiliates, the release shall be a release of all known claims (excluding claims which Developer proves in the applicable forum that HR fraudulently concealed from Developer).

(3) Developer shall have agreed to remain obligated pursuant to the provisions of Section 11 as if this Agreement had terminated as of the date of the transfer.

(4) Developer shall have paid HR a nonrefundable transfer fee of $2,500 to cover its administrative expenses in connection with the transfer; however, if the transfer involves System Restaurants in addition to this Agreement, the transfer fee shall be $2,500 for this Agreement and $500 for each System Restaurant being transferred in the same transaction.

(5) Developer shall have executed a written agreement, under seal, in a form satisfactory to HR, in which Developer covenants to remain primarily liable under this Agreement and to waive notice of demand, presentment, protest and dishonor, which liability shall not be affected by any extension of time, credit or other indulgence granted to any transferee.

(6) The transferee shall have met HR's then-current criteria for new developers.

(7) Developer and the proposed transferee shall have executed, as directed by HR, in accordance with the next sentence, either an assignment agreement and any amendments to this Agreement deemed necessary or desirable by HR to reflect the transfer or the proposed transferee shall have executed HR's then-current standard form of development agreement for a term ending on the expiration date of this Agreement. The then-current standard form of development agreement shall be executed in all instances, except where the proposed transferee satisfies all of the following: **(A)** the proposed transferee was a franchisee of System Restaurants as of February 6, 1998; **(B)** during the preceding 12 months, the proposed transferee has not been in default of any agreement with HR; **(C)** at the time of the proposed transfer, the transferee is not in a workout or restructuring relationship with HR; and **(D)** at the time of the proposed transfer, the proposed transferee has fully repaid to HR in cash all monies borrowed from HR. If the proposed transferee satisfies all of preceding criteria, in lieu of an assignment agreement and any amendments to this Agreement, HR may require that the proposed transferee execute HR's then-current form of "St. Louis" development agreement, if such form of agreement is offered by HR as of the date of the proposed transfer.

(8) The transferee and each of the transferee's affiliates that have entered into a development or franchise agreement with HR or HR Affiliates shall be, as of the date of the request for HR's consent to the transfer, in compliance with all obligations to HR or HR Affiliates under those agreements.

C. If a transfer, alone or together with other related previous, simultaneous or proposed transfers, would have the effect of transferring control of this Agreement to a transferee, in addition to the requirements of Section 9.B., HR's consent to the transfer shall be conditioned on the following additional requirements:

(1) The proposed transferee shall be of good moral character and reputation.

(2) The proposed transferee shall have demonstrated to HR's satisfaction, by meeting with HR or otherwise, at HR's option, that the transferee's qualifications meet HR's then current criteria for new developers and franchisees, that it has prior experience in operating a restaurant business and that it has the aptitude and ability to develop and operate and to own or control System Restaurants. For the purposes of determining whether these conditions have been met, the persons and entities included in the term "Developer" as defined for use in this Section 9 shall be considered collectively.

(3) The proposed transferee shall have successfully completed any development and management training required by HR.

(4) If the proposed transferee is a corporation, limited liability company or partnership, HR must receive a copy of the documents specified in Section 7.B. and the proposed transferee shall comply with the other requirements of Section 7.

D. If Developer is an individual or a partnership and desires to transfer this Agreement to a corporation (or limited liability company) formed for the convenience of ownership, the requirements of Section 9.B. shall apply to such a transfer, however, Developer will not be required to pay a transfer fee. Consent by HR also will be conditioned on the following: **(1)** the corporation (or limited liability company) must be newly organized; **(2)** prior to the transfer, HR must receive a copy of the documents specified in Section 7.B. and the transferee shall comply with the remaining provisions of Section 7; and **(3)** Developer must own all voting securities of the corporation (or membership interests of the limited liability company) or, if Developer is more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as prior to the transfer.

E. In the event of the death or permanent incapacity of any person with an ownership interest in Developer, HR shall not unreasonably withhold its consent to a transfer to any person, persons, partnership or corporation designated by his legal representative, provided, however, that:

(1) The requirements of Section 9.B. and 9.C. shall have been met.

(2) The proposed transfer is applied for in writing within 2 months of the date of death or permanent incapacity by the legal representative of such individual, and is effected within 6 months thereafter.

(3) In the case of permanent incapacity, the legal representative shall have furnished a certification of a physician designated by HR that Developer has been or will be unable to develop or operate any System Restaurants for a period of 6 months or longer.

F. HR's consent to any transfer shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of HR's right to demand exact compliance with any of the terms of this Agreement by the transferee, nor shall it be deemed a waiver of HR's right to give or withhold consent to future transfers.

G. If any person holding a direct or indirect interest in Developer or this Agreement receives a bona fide offer (as determined by HR in its reasonable discretion) from a third party to purchase Developer or this Agreement, Developer shall notify HR in writing, and provide HR a copy, of the offer. HR shall have the right and option, exercisable within 20 days after actual receipt of such written notification and a copy of the offer or receipt of evidence of merchantable title, whichever is later, to give notice to Developer that HR intends to purchase the seller's interest therein on the same terms and conditions offered by the

third party, and closing shall be within 60 days of HR's notice of the exercise of its option. In exercising its option, HR shall be entitled to set off any monies owed to HR or HR Affiliates by Developer. Should HR fail to exercise this option and the terms of this offer go unaccepted and thereafter be altered, or should the transaction not be consummated and closed within 6 months with the same third party, HR shall, in each instance, be notified in writing of terms of the offer and shall again have 20 days from the date of actual receipt thereof, or from receipt of evidence of merchantable title, whichever is later to notify Developer that it intends to purchase on such terms. Should HR fail to exercise this option, the terms of this Section 9 shall govern any transfer which may be contemplated.

10. GENERAL RELEASE

Except as set forth at the end of this Section 10, Developer (on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities) and all individuals who execute this Agreement (each a "Releasor" and collectively, "Releasors"), freely and without any influence, forever release and covenant not to sue HR and its parents, subsidiaries, affiliates, predecessors and successors and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities (collectively, "HR Releasees"), from: **(A)** any and all claims of any nature, whether known or unknown, arising out of, or relating to this Agreement, including claims arising under federal, state and local laws, rules and ordinances; and **(B)** any and all known claims arising out of or relating to all other agreements between any Releasor and any HR Releasee, the operation of System Restaurants by any Releasor and the operation of all other restaurants operated by any Releasor that are or were franchised by HR or its parents, subsidiaries, affiliates or predecessors, including claims arising under federal, state and local laws, rules and ordinances. The foregoing release does not include a release of claims that Developer proves in the applicable forum that HR fraudulently concealed from Developer or claims arising from representations in the Hardee's Franchise Disclosure Document provided to Developer in connection with this Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for this Agreement as of the date of this Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436).

11. COVENANTS

A. Best Efforts

During the Development Term, Developer and the Development Principal shall devote their best efforts to the development, management and operation of the System Restaurants in the Development Territory.

B. Confidentiality

Developer acknowledges and agrees that HR owns all right, title and interest in and to the System. Developer further acknowledges that: **(1)** the System consists of trade secrets and confidential and proprietary information and know-how that gives HR a competitive advantage; **(2)** HR has taken all measures necessary to protect the trade secrets and the confidentiality of the proprietary information and know-how comprising the System; **(3)** all material or other information now or hereafter provided or disclosed to Developer regarding the System is disclosed in confidence; **(4)** Developer has no right to disclose any part of the System to anyone who is not an employee of Developer; **(5)** Developer will disclose to its employees only those parts of the System that an employee needs to know; **(6)** Developer will have a system in place to ensure its employees keep confidential HR's trade secrets and confidential and

proprietary information and, if requested by HR, Developer shall obtain from those of its employees designated by HR an executed Confidential Disclosure Agreement in the form prescribed by HR; **(7)** Developer will not acquire any interest in the System; and **(8)** the use or duplication of any material aspect of the System (as reasonably determined by HR) in any other business would constitute an unfair method of competition, for which HR would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

Developer shall not, during the Development Term or at any time thereafter, communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to the Proprietary Marks or the System. Any and all information, knowledge, know-how and techniques, including all drawings, materials, equipment, specifications, recipes, techniques and other data that HR designates as confidential shall be deemed confidential for purposes of this Agreement.

If Developer develops any new concepts, processes or improvements relating to the System, Developer promptly shall notify HR and provide HR with all information regarding the new concept, process or improvement, all of which shall become the property of HR and which may be incorporated into the System without any payment to Developer. Developer promptly shall take all actions deemed necessary or desirable by HR to vest in HR ownership of such concepts, processes or improvements.

C. Restrictions

(1) Developer acknowledges and agrees that: **(a)** pursuant to this Agreement, Developer will have access to valuable trade secrets, specialized training and confidential information from HR regarding the development, operation, purchasing, sales and marketing methods and techniques of HR and the System; **(b)** the System and the opportunities, associations and experience established and acquired by Developer under this Agreement are of substantial and material value; **(c)** in developing the System, HR has made and continues to make substantial investments of time, technical and commercial research and money; **(d)** HR would be unable adequately to protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information among System Restaurants if franchisees or developers were permitted to hold interests in competitive businesses; and **(e)** restrictions on Developer's right to hold interests in, or perform services for, competitive businesses will not hinder its activities.

(2) Accordingly, Developer covenants and agrees that during the Development Term, and for a period of 1 year following its expiration or earlier termination, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, or other entity:

(a) Divert or attempt to divert any business or customer, or potential business or customer, of any System Restaurant to any competitor, by direct or indirect inducement or otherwise. Developer's advertising for, and operation of, its existing restaurant or foodservice operations, if any, which are identified in Appendix B shall be deemed to not violate the preceding restriction.

(b) Own, maintain, operate, engage in, advise, help, make loans to, or have any interest in, either directly or indirectly, any restaurant business: **(i)** that sells hamburgers or any menu item that comprises at least 10% of sales at System Restaurants operated by HR or HR Affiliates; or **(ii)** whose method of operation or trade dress is similar to that employed in the System. During the Development Term, there is no geographical limitation on this restriction. Following the expiration or

earlier termination of the Development Term, this restriction shall apply within the Development Territory, within 2 miles of the border of the Development Territory and within 2 miles of any then-existing System Restaurant, except as otherwise approved in writing by HR. This restriction shall not apply to Developer's existing restaurant or foodservice operations, if any, which are identified in Appendix B, nor shall it apply to other restaurants operated by Developer that are franchised by HR or HR Affiliates.

If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If HR files suit to enforce the post-termination portion of these restrictions, the 1-year period shall begin running upon the entry of a final, non-appealable judgment.

D. Modification

HR shall have the right, in its sole discretion, to reduce the scope of any covenant in this Section 11 effective immediately upon Developer's receipt of written notice, and Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 19.

E. Applicability

The restrictions contained in this Section 11 shall apply to Developer and all guarantors of Developer's obligations. In addition, these restrictions shall apply for a 1-year period after any guarantor of Developer's obligations (or, if applicable, their spouses) ceases to be a member of the Continuity Group. The restrictions contained in this Section 11 shall not apply to ownership of less than a 5% legal or beneficial ownership in the outstanding equity securities of any publicly held corporation by Developer or any guarantor of Developer's obligations. The existence of any claim Developer or any guarantor of Developer's obligations may have against HR or HR Affiliates, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by HR of the covenants in this Section 11.

12. TERMINATION

A. Grounds for Termination

In addition to the grounds for termination stated elsewhere in this Agreement, HR may terminate this Agreement, and the rights granted by this Agreement, upon written notice to Developer without an opportunity to cure upon the occurrence of any of the following events:

(1) Developer fails to provide HR with a fully-executed lease or sublease, or proof of purchase of the real property, for a proposed site by the applicable Property Control Dated listed in Appendix B.

(2) Developer fails to open an Authorized Site by the Opening Date listed in Appendix B.

(23) At any time during the Development Term, Developer fails to have open and operating the minimum number of System Restaurants required by the Development Schedule.

(4) Developer begins construction of a System Restaurant at a site before Developer has received a fully-executed Franchise Agreement and paid HR the Initial Franchise Fee.

(5) Developer is insolvent or unable to pay its creditors (including HR); files a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization; there is filed against Developer a petition in bankruptcy, an arrangement for the benefit of creditors or petition for reorganization, which is not dismissed within 60 days of the filing; Developer makes an assignment for the benefit of creditors; or a receiver or trustee is appointed for Developer and not dismissed within 60 days of the appointment.

(6) If execution is levied against Developer's business or property, suit to foreclose any lien or mortgage against the premises or equipment of any System Restaurant developed hereunder is instituted against Developer and is not dismissed within 60 days, or the real or personal property of any System Restaurant developed hereunder shall be sold after levy thereupon by any sheriff, marshal or constable, HR may terminate this Agreement prior to the actual taking of the property.

(7) There is a material breach of any obligation under Section 11.B. or Section 11.C.(2)(c).

(8) Any transfer that requires HR's prior written consent occurs without Developer having obtained that prior written consent.

(9) HR discovers that Developer made a material misrepresentation or omitted a material fact in the information that was furnished to HR in connection with its decision to enter into this Agreement.

(10) Developer knowingly falsifies any report required to be furnished HR or makes any material misrepresentation in its dealings with HR or fails to disclose any material facts to HR.

(11) Developer, the Development Principal, any stockholder, member, partner, director or officer of Developer or any member of the Continuity Group is convicted of, or pleads no contest to, a felony charge; a crime involving moral turpitude; or any other crime or offense that is reasonably likely, in the reasonable opinion of HR, to adversely affect HR, HR Affiliates or the System.

(12) Developer, the Development Principal, any member of the Continuity Group, any holder of a legal or beneficial interest in Developer of 10% or more or any affiliate of Developer remains in default beyond the applicable cure period under any other agreement with HR or HR Affiliates, or Developer remains in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to any System Restaurant, or Developer remains in default beyond the applicable cure period with any vendor or supplier to any System Restaurant, or Developer fails to pay when due any taxes or assessments relating to any System Restaurant or its employees, unless Developer is actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization.

(13) Developer fails or refuses to comply with any other provision of this Agreement or the System and does not correct the failure or refusal within 30 days after receiving written notice of default. If a non-monetary default cannot be corrected within 30 days, Developer shall have that additional time to correct the default as reasonably required (not to exceed 90 days) provided that Developer begins taking the actions necessary to correct the default during the 30-day cure period and diligently and in good faith pursues those actions to completion. Developer will be in default under this Section 12.A.(13) for any

failure to materially comply with any of the requirements imposed by this Agreement, the OPM or otherwise in writing, or to carry out the terms of this Agreement in good faith.

If Developer has received 2 or more notices of default pursuant to this Section 12.A.(13) within the previous 12 months, HR shall be entitled to send Developer a notice of termination upon Developer's next default under this Section 12.A.(13) in that 12-month period without providing Developer an opportunity to remedy that default, if another default has occurred.

B. Statutory Limitations

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

13. OBLIGATIONS ON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement:

A. Developer shall have no further right to develop or open System Restaurants in the Development Territory, except that Developer shall be entitled to complete and open a System Restaurant for which a Franchise Agreement has been fully executed. Termination or expiration of this Agreement shall not affect Developer's right to continue to operate System Restaurants that were open and operating as of the date this Agreement terminated or expired.

B. The limited exclusive rights granted Developer in the Development Territory shall terminate and HR shall have the right to operate or license others to operate System Restaurants anywhere in the Development Territory, except as otherwise provided in an effective franchise agreement.

C. Developer promptly shall return to HR all materials and information furnished by HR or HR Affiliates, except materials and information furnished with respect to a System Restaurant under construction for which there is an effective franchise agreement or a System Restaurant which is open and operating pursuant to an effective franchise agreement.

D. Developer and all persons subject to the covenants contained in Section 11 shall continue to abide by those covenants and shall not, directly or indirectly, take any action that violates those covenants.

E. Developer immediately shall pay HR and HR Affiliates all sums due and owing HR or HR Affiliates pursuant to this Agreement.

F. HR shall retain the Development Fee, including any remaining (unused) balance on account with HR.

G. Developer shall furnish HR, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by an authorized officer of Developer) satisfactory to HR of Developer's compliance with Sections 13.A. through 13.E.

H. Developer shall not, except with respect to a restaurant franchised by HR or HR Affiliates which is then open and operating pursuant to an effective franchise agreement or a restaurant under

construction that is franchised by HR or HR Affiliates for which there is an effective franchise agreement: **(1)** operate or do business under any name or in any manner that might tend to give the public the impression that Developer is connected in any way with HR or HR Affiliates or has any right to use the System or the Proprietary Marks; **(2)** make use or avail itself of any of the materials or information furnished or disclosed by HR or HR Affiliates under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else; or **(3)** assist anyone not licensed by HR or HR Affiliates to construct or equip a foodservice outlet substantially similar to a System Restaurant.

14. RELATIONSHIP OF THE PARTIES

This Agreement does not create a fiduciary or other special relationship between the parties. Developer is an independent contractor with entire control and direction of the development and operation of the System Restaurant, subject only to the conditions and covenants established by this Agreement. No agency, employment, or partnership is created or implied by the terms of this Agreement, and Developer is not and shall not hold itself out as agent, legal representative, partner, subsidiary, joint venturer or employee of HR or HR Affiliates or a joint employer with HR or HR Affiliates. Developer shall have no right or power to, and shall not, bind or obligate HR or HR Affiliates in any way or manner, nor represent that Developer has any right to do so. Developer shall not issue any press releases without the prior written approval of HR.

Developer is an independent contractor and is solely responsible for all aspects of the development and operation of the Franchised Restaurants, subject only to the conditions and covenants established by this Agreement and the Franchise Agreements. Without limiting the generality of the foregoing, Developer acknowledges that HR has no responsibility to ensure that the Franchised Restaurants are developed and operated in compliance with all applicable laws, ordinances and regulations and that HR shall have no liability in the event the development or operation of the Franchised Restaurants violates any law, ordinance or regulation.

The sole relationship between Developer and HR is a commercial, arms' length business relationship and, except as provided in Section 15, there are no third party beneficiaries to this Agreement. Developer's business is, and shall be kept, totally separate and apart from any that may be operated by HR. In all public records, in relationships with other persons, and on letterheads and business forms, Developer shall indicate its independent ownership of the System Restaurants and that Developer is solely a franchisee of HR.

15. INDEMNIFICATION

A. Developer and all guarantors of Developer's obligations under this Agreement shall, at all times, indemnify, defend (with counsel reasonably acceptable to HR), and hold harmless (to the fullest extent permitted by law) HR and its parents and affiliates, and their respective predecessors, successors, assigns, past and present stockholders, directors, managers, officers, members, employees, agents and representatives (collectively "Indemnitees") from and against all "losses and expenses" (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), judgment or appeal thereof by or against Indemnitees or any settlement thereof (whether or not a formal proceeding or action had been instituted), arising out of or resulting from or connected with Developer's activities under this Agreement. The foregoing indemnification shall not include losses and expenses arising from the gross negligence and/or willful misconduct of Indemnitees or arising from Developer's actions in full compliance with a directive from HR. Developer promptly shall give HR written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation filed or instituted against

Developer and, upon request, shall furnish HR with copies of any documents from such matters as HR may request.

At Developer's expense and risk, HR may elect to assume (but under no circumstances will HR be obligated to undertake), the defense and/or settlement of any action, suit, proceeding, claim, demand, investigation, inquiry, judgment or appeal thereof subject to this indemnification. Such an undertaking shall, in no manner or form, diminish Developer's obligation to indemnify and hold harmless Indemnitees. HR shall not be obligated to seek recoveries from third parties or otherwise mitigate losses.

B. As used in this Section, the phrase "losses and expenses" shall include, but not be limited to, all losses; compensatory, exemplary and punitive damages; fines; charges; costs; expenses; lost profits; reasonable attorneys' fees; expert witness fees; court costs; settlement amounts; and judgments.

16. CONSENTS, APPROVALS AND WAIVERS

A. Whenever this Agreement requires the prior approval or consent of HR, Developer shall make a timely written request to HR therefor; and any approval or consent received, in order to be effective and binding upon HR, must be obtained in writing and be signed by an authorized officer of HR.

B. HR makes no warranties or guarantees upon which Developer may rely by providing any waiver, approval, consent or suggestion to Developer in connection with this Agreement, and assumes no liability or obligation to Developer therefor, or by reason of any neglect, delay, or denial of any request therefor. HR shall not, by virtue of any approvals, advice or services provided to Developer, assume responsibility or liability to Developer or to any third parties to which HR would not otherwise be subject.

C. No failure of HR to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of HR's right to demand exact compliance with any of the terms of this Agreement. A waiver by HR of any particular default by Developer shall not affect or impair HR's rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of HR to exercise any power or right arising out of any breach or default by Developer of any of the terms, provisions or covenants of this Agreement affect or impair HR's right to exercise the same, nor shall such constitute a waiver by HR of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of the Development Term. Subsequent acceptance by HR of any payments due to it hereunder shall not be deemed to be a waiver by HR of any preceding breach by Developer of any terms, covenants or conditions of this Agreement. HR has entered, and will continue to enter, into agreements with other developers and franchisees. The manner in which HR enforces its rights, and the developers' or franchisees' obligations, under any of those other agreements shall not affect the ability of HR to enforce its rights or Developer's obligations under this Agreement.

17. NOTICES

No notice, demand, request or other communication to the parties shall be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and is addressed to: **(A)** if to Developer, addressed to Developer at the notice address set forth in Appendix B; and **(B)** if to HR, addressed to HR at its principal offices, current address: 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067 (marked Attn: Kerry Olson, General Counsel) (Email: kolson@ckr.com), with a copy to the Franchise Legal Team (Email: legal@ckr.com). Any party may designate a new address for notices by giving written notice of

the new address pursuant to this Section. Notices shall be effective upon receipt (or first rejection) and may be: **(1)** delivered personally; **(2)** transmitted by electronic mail to the addresses set forth above (or in Appendix B) with electronic confirmation of receipt; **(3)** mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or **(4)** mailed via overnight courier.

18. FORCE MAJEURE

As used in this Agreement, the term "Force Majeure" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby. Developer's inability to obtain financing (regardless of the reason) shall not constitute Force Majeure. If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure event to the other party by setting forth the nature thereof and an estimate as to its duration.

19. ENTIRE AGREEMENT

HR and Developer acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, the parties shall deal with each other in good faith. This Agreement, the documents referred to herein, and the attachments hereto, constitute the entire, full and complete agreement between the parties concerning Developer's rights in the Development Territory and HR's acceptance of sites for System Restaurants, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth herein, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in the Hardee's Franchise Disclosure Document provided to Developer.

20. SEVERABILITY AND CONSTRUCTION

A. Each article, paragraph, subparagraph, term and condition of this Agreement, and any portions thereof, will be considered severable. If, for any reason, any portion of this Agreement is determined to be invalid, contrary to, or in conflict with, any applicable present or future law, rule or regulation in a final, unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which HR is a party, that ruling will not impair the operation of, or have any other effect upon, any other portions of this Agreement; all of which will remain binding on the parties and continue to be given full force and effect.

B. Except as otherwise provided in Section 15, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer and HR and HR Affiliates and such of their heirs, successors and assigns, any rights or remedies under or by reason of this Agreement.

C. Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that 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 of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which HR is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

D. No provision of this Agreement shall be interpreted in favor of, or against, any party because of the party that drafted this Agreement.

E. Developer agrees that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of HR will have any liability for: (1) any obligations or liabilities of HR relating to or arising from this Agreement; (2) any claim against HR based on, in respect of, or by reason of the relationship between Developer and HR; or (3) any claim against HR based on any alleged unlawful act or omission of HR. This provision does not include a release of claims arising from representations in the Hardee's Franchise Disclosure Document provided to Franchisee in connection with this Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for this Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436)).

21. GOVERNING LAW, FORUM AND LIMITATIONS

A. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to conflicts of laws principles. Nothing in this Section is intended, or shall be deemed, to make any Tennessee law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable.

B. Except as provided in Section 21.C., any claim, controversy or dispute arising out of or relating to this Agreement or with respect to a breach of the terms of this Agreement and any other claim, controversy or dispute between the parties shall be submitted to final and binding arbitration before the American Arbitration Association ("AAA") as the sole and exclusive remedy. The arbitration will be governed by the AAA commercial arbitration rules in effect on the date the demand for arbitration is filed and shall be conducted before a panel of one neutral arbitrator with restaurant and franchise experience selected in accordance with the AAA commercial arbitration rules from the AAA's national or regional arbitration lists. The arbitration shall be administered by the AAA office nearest to HR's principal offices at the time the demand for arbitration is filed and all hearings shall take place at that office unless otherwise agreed to by the parties. Any demand for arbitration shall specify the amount of damages sought.

The arbitrators shall have no authority to amend or modify the provisions of this Agreement. The award and decision of the arbitrators shall be conclusive and binding upon all parties thereto and judgment upon the award may be entered in any court of competent jurisdiction, and HR and Developer waive any right to contest the validity or enforceability of the award. HR and Developer agree that each party will provide discovery to the other in the form of document production and up to 2 depositions of the other party (if the other party is any type of entity other than a sole proprietorship, the person(s) with the most knowledge regarding the matters to be arbitrated shall be the deponent(s)) in accordance with the Federal Rules of Civil Procedure. HR and Developer also will obtain the agreement of the arbitrators that: **(1)** the

arbitrators shall provide a written ruling, stating in separate sections the findings of fact and conclusions of law on which their ruling is based; and **(2)** their ruling is due not later than 60 days after the final hearing.

C. Notwithstanding anything to the contrary contained in Section 21.B., either party is entitled to file suit in a court of competent jurisdiction for the entry of temporary or preliminary injunctive relief, restraining orders and orders of specific performance, including, without limitation, injunctive relief pertaining to Developer's use of the System and the Proprietary Marks.

D. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding (including the offer and sale of a franchise to Developer) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of 2 years from the date of discovery of the conduct or event that is the basis of the legal action or proceeding.

E. Developer and HR waive, to the fullest extent permitted by law, any right or claim of any punitive or exemplary damages against each other and agree that, in the event of a dispute between them, each shall be limited to the recovery of actual damages sustained by it. Developer and HR also waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits or arbitration proceedings.

F. No right or remedy conferred upon or reserved to HR 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. The provisions of this Section 21 shall survive the expiration or earlier termination of this Agreement.

22. MISCELLANEOUS

A. Gender and Number

All references to gender and number shall be construed to include such other gender and number as the context may require.

B. Captions

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 of this Agreement.

C. Counterparts

This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original. This Agreement may be signed using electronic signatures, and such signatures will have full legal force and effect.

D. Time

Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically shall be extended to the next day that is not a Saturday, Sunday or national holiday.

E. Injunctive Relief

Developer recognizes that its failure to comply with the terms of this Agreement, including, but not limited to, the failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to HR, HR Affiliates and the System. Therefore, Developer agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Developer, HR shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance, without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by HR shall be in addition to, and not in lieu of, all remedies and rights that HR otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

F. Variations

HR shall have the right, in its sole discretion, to waive, defer, or permit variations from the standards of the System or this Agreement to any developer or prospective developer based on the peculiarities of a particular site, existing building configuration or circumstance, density of population, business potential, trade area population or any other condition or circumstances. HR shall have the right, in its sole discretion, to deny any such request HR believes would not be in the best interests of the System.

I. FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

If Developer is a resident of one of the states listed in the heading of this Section 22.I (the "Applicable Franchise Registration State") or a non-resident who is acquiring franchise rights permitting the location of a Franchised Restaurant in the Applicable Franchise Registration State, then the following applies:

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

[*Signatures on following page.*]

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: _____

Title: _____

Date: _____

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Date: _____

GUARANTEE AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS
(TO BE EXECUTED ONLY IF SECTION 7.E. IS APPLICABLE)

In consideration of, and as an inducement to, the execution of the Hardee's Restaurant Development Agreement dated as of _____ ("Agreement") by Hardee's Restaurants LLC ("HR"), entered into with _____ ("Developer"), the undersigned ("Guarantors"), each of whom is a member of Developer's Continuity Group (collectively "Owners") or the spouse of an Owner ("Spouse"), hereby personally and unconditionally: **(1)** guarantee to HR and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and **(2)** agree personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement, including, without limitation, the provisions of Sections 11 and 15.

Owners and Spouses previously have provided HR personal financial information and Owners and Spouses acknowledge that Spouses are executing this Guarantee in order that Owners will meet the financial standards required by HR. Owners and Spouses also waive any rights granted under The Equal Credit Opportunity Act, 15 U.S.C. §§ 1691, *et seq,* or similar applicable state law.

Except as set forth at the end of this Section, each Guarantor (if an individual, on behalf of him/herself and his/her heirs, representatives, successors and assigns, and if a business entity, on behalf of itself and its parent, subsidiaries and affiliates) (each a "Releasor" and collectively, "Releasors"), freely and without any influence, forever releases and covenants not to sue HR, its parents, subsidiaries, affiliates, predecessors and successors and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities (collectively, "HR Releasees"), from any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "claims"), that any Releasor now owns or holds or may in the future own or hold, based on, arising out of or relating to, in whole or in part, any fact, event, conduct or omission occurring on or before the date of this Guarantee, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation, and claims arising out of, or relating to the Agreement and all other agreements between any Releasor and any HR Releasee, the sale of a franchise to any Releasor, the development of System Restaurants and the development and operation of all other restaurants operated by any Releasor that are or were franchised by HR or its parents, subsidiaries, affiliates or predecessors. Each Guarantor (on behalf of the applicable Releasors) expressly agrees that fair consideration has been given by HR for this release and fully understands that this is a negotiated, complete and final release of all claims. This release does not include a release of claims arising from representations in the Hardee's Franchise Disclosure Document provided to any Releasor in connection with the Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for the Agreement as of the date of the Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436).

Each of the undersigned waives: **(a)** acceptance and notice of acceptance by HR of the foregoing undertakings; **(b)** notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; **(c)** protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; **(d)** any right he may have to require that an action be brought against Developer or any other person as a condition of liability; **(e)** all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the execution of and performance under this Guarantee by the undersigned; **(f)** any law or

statute which requires that HR make demand upon, assert claims against or collect from Developer or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Developer or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; and **(g)** any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: **(i)** his direct and immediate liability under this Guarantee shall be joint and several; **(ii)** he shall render any payment or performance required under the Agreement if Developer fails or refuses punctually to do so; **(iii)** such liability shall not be contingent or conditioned upon pursuit by HR of any remedies against Developer or any other person; **(iv)** such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which HR may from time to time grant to Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Developer to HR or HR Affiliates under the Agreement; and **(v)** monies received from any source by HR for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by HR. In addition, if any of the undersigned ceases to be a member of Developer's Continuity Group prior to termination or expiration of the Agreement, that person (and, if applicable, his/her spouse) agrees that his obligations under this Guarantee shall continue to remain in force and effect unless HR in its sole discretion, in writing, releases that person from this Guarantee. Notwithstanding the provisions of the previous sentence, the obligations contained in Section 11.C. shall remain in force and effect for a period of 1 year after any such release by HR. A release by HR of any of the undersigned shall not affect the obligations of any other Guarantor.

If any of the following events occur, a default ("Default") under this Guarantee shall exist: **(a)** failure of timely payment or performance of the obligations under this Guarantee; **(b)** breach of any agreement or representation contained or referred to in this Guarantee; **(c)** the death of, appointment of a guardian for, dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any of the undersigned; and/or **(d)** the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, the obligations of the undersigned shall be due immediately and payable without notice.

This Guarantee shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. HR's interests in and rights under this Guarantee are freely assignable, in whole or in part, by HR. Any assignment shall not release the undersigned from this Guarantee.

Sections 21.A. through 21.E. of the Agreement are incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee shall have the meaning given them in the Agreement.

[*Signatures on following page.*]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal.

GUARANTOR(S):

Date: _____ _____

Print Name: _____

Address: _____

Date: _____ _____

Print Name: _____

Address: _____

Date: _____ _____

Print Name: _____

Address: _____

Date: _____ _____

Print Name: _____

Address: _____

APPENDIX A

DEVELOPMENT TERRITORY

The Development Territory shall be:

Developer's rights in the Development Territory shall be subject to the limitations described in Section 2. Any political boundaries contained in the description of the Development Territory shall be considered fixed as of the date of this Agreement and shall not change notwithstanding a political reorganization or a change in those boundaries. Unless otherwise specified, all street, road and highway boundaries shall be deemed to include only the inside portion of the stated boundary.

APPENDIX B

DEVELOPMENT INFORMATION

1. **Development Fee.** The Development Fee paid by Developer is $ _____.

2. **Development Schedule.** As of the date of the Development Agreement, Developer and its affiliates operate _____ System Restaurants in the Development Territory ("Existing Restaurants"). During the Development Term, Developer shall develop _____ new System Restaurants in the Development Territory ("New Restaurants"), so that, as of each Opening Date listed below, Developer (and its affiliates) are operating at least the following cumulative number of Existing and New Restaurants:

Number of New Restaurants	Property Control Date	Opening Date	Cumulative Number of Existing and New Restaurants To Be Open and Operating in the Development Territory by the Opening Date, Including the New Restaurant To Be Established

3. **Interests in Other Restaurants.** _____

4. **Developer's Notice Address**. _____

5. **[HR's Repurchase Option.** In the event the Development Agreement is entered into as part of an Asset Purchase Agreement where Developer is acquiring company-operated Existing Restaurants from HR, the following shall apply:

   HR shall have the right to repurchase the Existing Restaurants and any New Restaurants in the event that Developer is in Material Noncompliance (as defined below) with its obligation with respect to the timely development of any of the first _____ (__) New Restaurants to be developed under the Development Agreement (the "Repurchase Option"), under the terms set forth in Section __ of the Asset Purchase Agreement, which are incorporate herein by reference, including without limitation the purchase price . Material Noncompliance shall mean Developer's failure to obtain site approval for a New Restaurant or open a New Restaurant within one (1) year after the site approval or opening date set forth in Development Schedule under the Development Agreement, or Developer's admission that it will not be able to develop one or more of the New Restaurants within one (1) year of the scheduled opening date under the Development Agreement. Such one (1) year period shall be extended upon the occurrence of a Force Majeure event as defined in the Development Agreement, but only to the extent such event prevents, hinders or delays Developer's performance in excess of such one (1) year period. HR shall not be required to provide Developer a notice and cure period prior to exercising the Repurchase Option, and HR's right to exercise its Repurchase Option shall continue for so long as the Development Agreement remains in Material Noncompliance. Upon the opening of Developer's _____ (___) New Restaurant, HR's Repurchase Option shall terminate.]

APPENDIX C

OWNERSHIP INTERESTS

If Developer is a business entity, the following is a list of all holders of a direct or indirect equity interest in Developer and their percentage interests:

Name	Address	Ownership Interest

Type of Business Entity: _____

CONTINUITY GROUP AND DEVELOPMENT PRINCIPAL

Developer's Continuity Group shall be comprised of the following persons:

_____

Developer's Development Principal is:

_____

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT D

FRANCHISE AGREEMENT

HARDEE'S RESTAURANT FRANCHISE AGREEMENT

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HARDEE'S RESTAURANT FRANCHISE AGREEMENT

THIS AGREEMENT is made as of _____, by and between Hardee's Restaurants LLC ("HR"), a Delaware limited liability company, and _____
_____ ("Franchisee").

RECITALS:

A. As a result of the expenditure of time, skill, effort and money, HR and its predecessor have developed, and HR owns, a unique and distinctive system ("System") relating to the establishment and operation of quick service restaurants ("System Restaurants").

B. The distinguishing characteristics of the System include, without limitation, uniform and distinctive exterior and interior design, layout and trade dress, including specially designed decor and furnishings; an efficient kitchen and equipment layout featuring an automatic charbroiling cooking process; special recipes and menu items; procedures and techniques for food and beverage storage, preparation, service and sanitation; technical assistance and training through course instruction and manuals; and advertising and promotional programs. The System and its components may be changed, improved, and further developed by HR and/or HR Affiliates (as defined below) from time to time.

C. HR identifies the System by means of certain trade names, service marks, trademarks, logos, insignias, slogans, emblems, symbols and designs (collectively "Proprietary Marks") which HR has designated or may in the future designate for use with the System. The Proprietary Marks used to identify the System, including the principal Proprietary Marks, may be modified by HR and/or HR Affiliates (defined below) from time to time.

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

E. Certain other HR Affiliates also operate fast service restaurants. (As used in this Agreement, the term "HR Affiliates" includes those entities identified in Item 1 of the Hardee's Franchise Disclosure Document delivered to Franchisee in connection with this Agreement and as subsequently changed from time to time.)

F. Franchisee desires to obtain a license to use the System and to continuously operate one System Restaurant ("Franchised Restaurant") at the location specified in attached Appendix A ("Franchised Location"), subject to the terms and conditions of this Agreement and in strict compliance with the standards and specifications established by HR and/or HR Affiliates.

G. Franchisee understands and acknowledges the importance of HR's high and uniform standards of quality, operations and service and the necessity of developing and operating the Franchised Restaurant in strict conformity with this Agreement and the Operation Procedures Manual designated for use with the System ("OPM").

H. HR is willing to grant Franchisee a license to develop and operate the Franchised Restaurant at the Franchised Location, subject to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of HR granting Franchisee the right to operate a Franchised Restaurant at the Franchised Location during the term of this Agreement, as well as the mutual covenants, agreements and obligations set forth below, the parties agree as follows:

1. GRANT OF FRANCHISE

A. Grant

Subject to the provisions of this Agreement, HR hereby grants to Franchisee the nonexclusive right ("Franchise") to use the System and the Proprietary Marks in the development and continuous operation of the Franchised Restaurant at the Franchised Location. Franchisee may not operate the Franchised Restaurant at any site other than the Franchised Location or offer and sell products through any other method or channel of distribution. Further, Franchisee may not relocate the Franchised Restaurant without the prior written consent of HR, which may be withheld by HR in its reasonable discretion. If HR approves a relocation of the Franchised Restaurant, it shall have the right to charge Franchisee for all reasonable expenses actually incurred in connection with consideration of the relocation request.

Franchisee agrees that it will at all times faithfully, honestly and diligently perform its obligations under this Agreement, that it will continuously exert its best efforts to promote and enhance the business of the Franchised Restaurant and that it will not engage in any other business or activity that may conflict with its obligations under this Agreement, except the operation of other System Restaurants or other restaurants operated by Franchisee that are franchised by HR or HR Affiliates.

B. Limited Exclusivity

During the term of this Agreement, HR will not operate or license others to operate, within a radius of 1½ miles of the Franchised Location ("Protected Area"), a fast service restaurant that is identified by the name and mark "Hardee's" ("Hardee's Restaurant") and/or a fast service restaurant that is identified by the name and mark "Carl's Jr." ("Carl's Jr. Restaurant") and/or a fast service restaurant that sells hamburgers or any menu item that comprises at least 10% of sales at System Restaurants operated by HR ("Hamburger Restaurant"). This Section 1.B. does not prohibit HR from: **(1)** operating or licensing others to operate any restaurant, other than a Hardee's Restaurant, Carl's Jr. Restaurant and/or a Hamburger Restaurant, or any other business in the Protected Area; and **(2)** operating or licensing others to operate, after this Agreement terminates or expires, Hardee's Restaurants, Carl's Jr. Restaurants, Hamburger Restaurants, any other restaurants and/or any other businesses in the Protected Area. In addition, the continued operation of any System Restaurants, Carl's Jr. Restaurants and/or Hamburger Restaurants in the Protected Area that are open for business as of the date of this Agreement shall not violate the limited exclusive rights granted Franchisee in this Section 1.B.

Notwithstanding the limited exclusivity granted pursuant to this Section 1.B., HR reserves to itself the right to operate and license others to operate restaurants, including Hardee's Restaurants, Carl's Jr. Restaurants and/or Hamburger Restaurants, in the Protected Area that are located in airports, train stations, bus stations, travel plazas, toll plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider,

Indian reservations, casinos or any similar captive market location not reasonably available to Franchisee (collectively "Captive Market Locations"). With respect to a Captive Market Location in the Protected Area at which HR proposes to license a Hardee's Restaurant, if the foodservice operator at the Captive Market Location desires to have a third party operate the Hardee's Restaurant, HR shall so advise Franchisee who may discuss with the foodservice operator operation of the Hardee's Restaurant at the Captive Market Location by Franchisee. This notification to Franchisee shall not, however, obligate HR to license Franchisee to operate a Hardee's Restaurant at the Captive Market Location, nor shall it bar HR from operating or licensing a third party to operate a Hardee's Restaurant at the Captive Market Location.

HR reserves to itself all rights to use and license the System and the Proprietary Marks other than those expressly granted under this Agreement. The limited exclusivity in this Section 1.B. is granted only by HR and does not pertain to or affect any HR Affiliate.

C. Forms of Agreement

Franchisee acknowledges that, over time, HR has entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that HR and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

2. TERM

A. Initial Term

The Initial Term of this Agreement and the Franchise granted by this Agreement shall begin on the date of this Agreement and terminate at midnight on the day preceding the 20th anniversary of the date the Franchised Restaurant first opened for business, unless this Agreement is terminated at an earlier date pursuant to Section 20. HR shall complete and forward to Franchisee a Commencement Date Addendum to memorialize the date the Franchised Restaurant first opened for business in the form attached as Appendix F. Franchisee agrees to operate the Franchised Restaurant continuously during the Initial Term, and, in the event of casualty to the Franchised Restaurant that requires its closure, Franchisee must reopen the Franchised Restaurant for business within six months following the event of casualty unless a different time period is agreed to in writing by HR.

Notwithstanding the foregoing, if, during the term of this Agreement, Franchisee, through no act or failure to act on its part (except the failure to extend the lease for the Franchised Location through the Initial Term of this Agreement), loses the right to possession of the Franchised Location, the Initial Term shall expire as of the date of the loss of the right to possession. However, if the right to possession is lost through no act or failure to act on Franchisee's part, Franchisee may relocate the Franchised Restaurant (without paying any additional initial franchise fee or transfer fee) at its expense and the Initial Term shall not expire if: **(1)** HR accepts the new location; **(2)** Franchisee constructs and equips a Franchised Restaurant at the new location in accordance with the then-current System standards and specifications; **(3)** a Franchised Restaurant at the new location is open to the public for business within 6 months after the loss of possession of the Franchised Location; and **(4)** Franchisee reimburses HR for all reasonable expenses actually incurred by HR in connection with the acceptance of the new location. Franchisee shall provide HR written notice of any potential or actual taking of the Franchised Location or any of the property used in the operation of the Franchised Restaurant prior to any taking with sufficient time to allow HR to determine how it should proceed in light of such event.

B. Renewal Term

(1) At the expiration of the Initial Term, Franchisee shall have an option to remain a franchisee at the Franchised Location for a Renewal Term of 10 years or, at Franchisee's option, 5 years. Franchisee must give HR written notice of whether or not it intends to exercise its renewal option and the length of the proposed Renewal Term not less than 3 months, nor more than 6 months, before the expiration of the Initial Term. Notwithstanding the foregoing, if Franchisee subleases the Franchised Location from HR, Franchisee must give HR the notice described in the preceding sentence not less than 3 months, nor more than 6 months, before notice of renewal is required to be provided to the landlord under the master lease. Failure by Franchisee to timely provide HR the required notice constitutes a waiver by Franchisee of its option to remain a franchisee beyond the expiration of the Initial Term.

(2) If Franchisee desires to continue as a franchisee for the Renewal Term, Franchisee must comply with all of the following conditions prior to and at the end of the Initial Term:

(a) Franchisee shall not be in default under this Agreement or any other agreements between Franchisee and HR or HR Affiliates and shall have substantially complied with the terms and conditions of this Agreement and those other agreements.

(b) All monetary obligations owed by Franchisee to HR and HR Affiliates shall have been satisfied prior to renewal and shall have been timely met substantially throughout the Initial Term.

(c) Franchisee shall have made or provided for that renovation and modernization of the Franchised Restaurant as reasonably required by HR, including, without limitation, signs, equipment, furnishings and decor so as to reflect the image of the System for new System Restaurants.

(d) Franchisee shall have demonstrated to HR's reasonable satisfaction that Franchisee has the right to remain in possession of the Franchised Location for the Renewal Term.

(e) Franchisee, all individuals who executed this Agreement and all guarantors of Franchisee's obligations shall have executed a general release and a covenant not to sue, in a form satisfactory to HR, of any and all claims against HR and HR Affiliates and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and claims arising out of, or relating to, this Agreement, any other agreements between Franchisee and HR or HR Affiliates and Franchisee's operation of the Franchised Restaurant and all other restaurants operated by Franchisee that are franchised by HR or HR Affiliates. The release to be executed by Franchisee shall include a release of all known and unknown claims except: **(i)** those claims which Franchisee proves in the applicable forum that HR fraudulently concealed from Franchisee; and **(ii)** those claims expressly identified and reserved by Franchisee in a written notice submitted to HR simultaneously with Franchisee's notice of its election to remain a franchisee for the Renewal Term (or within 10 days after the claim arises, if that is later).

(f) Franchisee shall have executed a new franchise agreement for the Renewal Term. The form of renewal franchise agreement shall be the form in general use by HR for System Restaurants (or, if HR is not then granting franchises for System Restaurants, that form of agreement as reasonably specified by HR) and likely will differ from this Agreement, including, but not limited to, provisions relating to the royalty fee, advertising contributions and scope of the Protected Area.

(g) Franchisee shall pay HR a renewal fee in the amount of $5,000 for a Renewal Term of 5 years or $10,000 for a Renewal Term of 10 years.

(3) Franchisee shall execute the renewal franchise agreement for the Renewal Term and return the signed agreement to HR, along with the renewal fee, at least one month prior to the expiration of the Initial Term. Failure by Franchisee to sign the renewal franchise agreement and return it to HR (along with the renewal fee) within this time shall, at HR's option, be deemed an election by Franchisee not to renew the Franchise and shall result in termination of this Agreement and the Franchise granted by this Agreement at the expiration of the Initial Term. Provided Franchisee has timely complied with all of the conditions set forth in this Section 2.B., HR shall execute the new franchise agreement and promptly return a fully-executed copy to Franchisee.

C. Holdover

If Franchisee continues to accept the benefits of this Agreement after the expiration of the initial term but does not satisfy the renewal conditions outlined in Section 2.C above then, at HR's sole option, this Agreement may be treated as: (a) expired as of the date of the expiration and Franchisee will be operating without a franchise or license to do so and in violation of HR's rights to the Marks, brand and System; or (b) continued on a month-to-month basis (an "Interim Period") and all of Franchisee's obligations will remain in full force and effect during the Interim Period as if the Agreement had not expired. Each Interim Period expires at the end of each calendar month unless this Agreement is renewed as provided for this Agreement. The Interim Period does not create any new franchise rights and upon expiration of the final Interim Period; provided Franchisee does not renew the rights licensed in this Agreement as specified in this Agreement, Franchisee will be bound by all post-term obligations as provided in this Agreement.

3. LEASE TERMS

If Franchisee has not previously provided HR with a fully-signed copy of its lease or sublease for the Franchised Location, or proof that Franchisee has purchased the real estate for the Franchised Location, Franchisee shall immediately upon execution of this Agreement provide HR with a copy of the fully-signed lease or sublease, together with the executed Hardee's Lease Addendum in the form attached as Appendix G. For purposes of this Agreement, the effective date of the lease or sublease, or the closing date of the purchase of the real property, shall be the "Property Control Date".

4. CONSTRUCTION OF THE FRANCHISED RESTAURANT

A. Restaurant Development

Franchisee assumes all cost, liability and expense for developing, constructing and equipping the Franchised Restaurant. HR will furnish to Franchisee prototypical plans and specifications for a Hardee's Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, storefront and color scheme. It shall be Franchisee's responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Franchised Location and Franchisee must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. Franchisee shall use only registered architects, registered engineers, and professional and licensed contractors.

Franchisee shall submit proposed construction plans, specifications and drawings for the Franchised Restaurant ("Plans") to HR and shall, upon HR's request, submit all revised or "as built" Plans during the course of such construction. HR will review the Plans and notify Franchisee within 30 days after HR receives the Plans, or such longer period as HR requires, whether the Plans are approved. HR's approval shall not be unreasonably withheld. Once HR has approved the Plans and Franchisee has signed each page of the Plans acknowledging the approval and Franchisee's obligations for compliance, no substantial change shall be made to the Plans without the prior approval of HR, which shall not be unreasonably withheld. If, in the course of construction, any such change in the Plans is contemplated, HR's approval must first be obtained before proceeding. HR shall approve or disapprove Plan changes within 10 business days after receipt.

Franchisee is prohibited from beginning site preparation or construction prior to receiving written notification from HR that it has approved the Plans. All construction must be in accordance with Plans approved by HR and must comply in all respects with applicable laws, ordinances and local rules and regulations. The Franchised Restaurant may not open if construction has not been performed in substantial compliance with Plans approved by HR, and this Agreement may be terminated if such non-compliance is not cured within a commercially reasonable amount of time. HR may furnish guidance to Franchisee in developing the Franchised Restaurant and may periodically inspect the premises during its development.

B. Commencement and Completion of Construction

Construction of the Franchised Restaurant shall commence within 6 months after the Property Control Date ("Construction Commencement Date"). Site acceptance will be deemed to have been withdrawn, without notice to Franchisee, if Franchisee fails to commence construction within that time period.

Prior to the Construction Commencement Date, Franchisee shall have: **(1)** eliminated or otherwise satisfied all of the conditions set forth in this Agreement; **(2)** paid HR the balance, if any, of the Initial Franchise Fees required by this Agreement; **(3)** if not previously signed, executed this Franchise Agreement; **(4)** provided HR a copy of the fully-executed lease for the Franchised Location (containing those provisions specified by HR in accordance with Section 3) or, if Franchisee owns the Franchised Location, proof of Franchisee's ownership interest. As used in this Agreement, construction shall have commenced only after Franchisee has obtained all required permits and: **(a)** with respect to a free-standing Franchised Restaurant, Franchisee has begun the installation of building footings with the intent to maintain continuous construction thereafter; or **(b)** with respect to a non free-standing Restaurant or a Restaurant being converted from a prior use, Franchisee has begun the installation of sub-floor plumbing with the intent to maintain continuous construction thereafter.

Once construction has commenced, it shall continue uninterrupted (except for interruption by reason of events constituting Force Majeure as defined in Section 30) until completed. If events constituting Force Majeure cause a delay in the commencement of construction of the Franchised Restaurant, HR shall proportionately extend the Opening Date for the Franchised Restaurant. Notwithstanding the occurrence of any events, except events constituting Force Majeure, construction shall be completed and the Franchised Restaurant shall be furnished, equipped and shall otherwise be ready to open for business in accordance with this Agreement not later than 18 months after the date of the Property Control Date ("Opening Date").

Franchisee agrees, at its sole expense, to do or cause to be done the following, by the Opening Date:

(1) Obtain and maintain all required building, utility, sign, health, sanitation, business and other permits and licenses applicable to the Franchised Restaurant.

(2) Construct all required improvements to the Franchised Location and decorate the exterior and interior of the Franchised Restaurant in compliance with the Plans approved by HR.

(3) Purchase or lease and install all specified and required fixtures, equipment, furnishings and interior and exterior signs required for the Franchised Restaurant.

(4) Purchase an opening inventory for the Franchised Restaurant of only authorized and approved products and other materials and supplies.

C. Acquisition of Necessary Furnishings, Fixtures and Equipment

Franchisee agrees to use in the development and operation of the Franchised Restaurant only those fixtures, furnishings, equipment and signs that HR has approved for Hardee's Restaurants as meeting its specifications and standards for quality, design, appearance, function and performance. Franchisee further agrees to place or display at the Franchised Restaurant (interior and exterior) only those signs, emblems, lettering, logos and display materials that HR approves in writing from time to time.

Franchisee shall purchase or lease approved brands, types or models of fixtures, furnishings, equipment and signs only from suppliers designated or approved by HR, which may include HR. If Franchisee proposes to purchase, lease or otherwise use any fixtures, furnishings, equipment or signs which have not been approved by HR, Franchisee shall first notify HR in writing and shall, at its sole expense, submit to HR upon its request, sufficient specifications, photographs, drawings and/or other information or samples for a determination as to whether those fixtures, furnishings, equipment and/or signs comply with HR's specifications and standards. HR will, in its sole discretion, approve or disapprove the items and notify Franchisee within 30 days after HR receives the request, or such longer period as HR requires.

If Franchisee builds any portion of the Franchised Restaurant outside of HR's specifications without receiving HR's prior written consent, HR shall have the right to delay the opening of the Franchised Restaurant until Franchisee, at its sole expense, brings the Franchised Restaurant's development within full compliance of HR's specifications.

D. Hardware and Software

Prior to the opening of the Franchised Restaurant, Franchisee agrees to procure and install such data processing equipment, computer hardware and software, required dedicated telephone and power lines, modems, printers and other computer-related accessory or peripheral equipment as HR specifies in Section 13.E. of this Agreement, the Development Guide or otherwise. Franchisee shall provide all assistance required by HR to bring Franchisee's computer system on-line with the computer system designated by HR and maintained by HR or its affiliates at the earliest possible time. Franchisee agrees that HR shall have the free and unfettered right to retrieve any data and information from Franchisee's computers as HR, in its sole discretion, deems appropriate, including electronically polling the daily sales, menu mix and other data of the Franchised Restaurant. All of the hardware and software specified to be installed or purchased, or activities Franchisee is to accomplish, and the delivery cost of all hardware and software, shall be at Franchisee's expense.

E. Inspection, Cooperation

During the course of construction and/or renovation, Franchisee shall (and shall cause Franchisee's architect, engineer, contractors, and subcontractors to) cooperate fully with HR and its designees for the purpose of permitting HR and its designees to inspect the Franchised Location and the course of construction of the Franchised Restaurant in order to determine whether construction is proceeding according to the Plans. Without limiting the generality of the foregoing, Franchisee, and Franchisee's architect, engineer, contractors and subcontractors shall: **(1)** supply HR or its designees with samples of construction materials, test borings, corings, due diligence environmental studies, supplies, equipment and other material and reports, if any such tests, studies or reports indicate there may be material problems or as HR or its designees may request; and **(2)** afford HR's representatives and its designees access to the Franchised Location and to the construction work in order to permit HR and its designees to carry out their inspections.

F. Reports

From the Construction Commencement Date to the Opening Date, Franchisee shall submit to HR, on or before the first day of each month (or more frequently if HR requests), a report showing progress made toward completing the construction of the Franchised Restaurant and being prepared to open the Franchised Restaurant by the Opening Date.

G. Limitation of HR's Liability

Notwithstanding the right of HR to approve the Plans and to inspect the construction work at the Franchised Restaurant, HR and its designees shall have no liability or obligation with respect to the Franchised Location, the design or construction of the Franchised Restaurant or the furnishings, fixtures and equipment to be acquired; HR's rights being exercised solely for the purpose of ensuring compliance with the terms and conditions of this Agreement.

H. Financing

Without the prior written approval of HR, which shall not be unreasonably withheld, the construction, renovation and/or operation of the Franchised Restaurant shall not be financed by a public or private offering of any right, title or interest in the Franchised Restaurant, the property upon which it is built or the receipts from its operation.

I. Franchise Management Training Program

Prior to the opening of the Franchised Restaurant, those employees hired by Franchisee to fill certain designated positions shall attend and successfully complete, to the satisfaction of HR, the Franchise Management Training Program in accordance with Section 11.A. of this Agreement.

J. Final Inspection and Opening Date

Franchisee shall notify HR in writing at least 30 days prior to the date Franchisee expects construction and/or renovation to be completed and a certificate of occupancy to be issued. If requested by HR, Franchisee shall submit a copy of the certificate of occupancy to HR. HR reserves the right, after receiving Franchisee's notice, to conduct a final inspection of the Franchised Restaurant and its premises to determine if Franchisee has complied with this Agreement. HR shall not be liable for delays or loss

occasioned by its inability to complete its investigation and to make a determination within this period. Franchisee shall not open the Franchised Restaurant for business without HR's express written authorization, which will not be granted unless Franchisee has satisfied the conditions contained in Section 5.

5. RIGHT TO OPEN THE FRANCHISED RESTAURANT

HR will not authorize the opening of the Franchised Restaurant unless all of HR's pre-opening requirements have been fully satisfied, including, but not limited to, the following:

A. Neither Franchisee nor any of its affiliates is in default under this Agreement or any other agreements with HR or its affiliates, Franchisee is not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Restaurant, Franchisee is not in default beyond the applicable cure period with any vendor or supplier to the Franchised Restaurant and, for the previous 6 months, neither Franchisee nor any of its affiliates has been in default beyond the applicable cure period under any agreement with HR or its affiliates.

B. Franchisee and its affiliates are current on all obligations due HR and its affiliates.

C. HR is satisfied that the Franchised Restaurant was constructed and/or renovated and equipped substantially in accordance with the Plans approved by HR and state and local codes and with the requirements of the System.

D. If the Franchised Location is leased, HR has received a copy of the fully-executed lease or sublease which contains those provisions specified by HR in accordance with Section 3 of this Agreement.

E. Franchisee has obtained a certificate of occupancy and any other required health, safety or fire department certificates.

F. Franchisee has certified to HR in writing that the installation of all items of furnishings, fixtures, equipment, signs, computer terminals and related equipment, supplies and other items has been accomplished.

G. HR has determined that: **(1)** HR's Franchise Management Training Program has been successfully completed by the minimum number of Franchisee's employees required by HR; and **(2)** Franchisee has hired and trained a sufficient number of staff in accordance with HR's standards and the requirements of the System and this Agreement.

H. HR has been furnished with copies of all insurance policies required by Section 15 or such other evidence of insurance coverage and payment of premiums as HR reasonably may request.

I. If not previously paid, Franchisee has paid HR the balance of the Initial Franchise Fees required by this Agreement and the opening training support team fee as required by HR.

J. Provided all of the preceding conditions have been met, HR will notify Franchisee of its approval to open the Franchised Restaurant. Notwithstanding the foregoing, HR has the right to waive any of the foregoing conditions.

6. FEES

A. Initial Franchise Fee

Franchisee agrees to pay to HR an Initial Franchise Fee in the amount specified in Appendix A. Any Development Fee previously paid by Franchisee to HR with respect to the Franchised Restaurant shall be credited against the Initial Franchise Fee. Franchisee acknowledges and agrees that the Initial Franchise Fee was paid in consideration of HR initially granting this Franchise, it was fully earned at the time paid, and it is not refundable for any reason whatsoever.

B. Royalty Fee

In addition to all other amounts to be paid by Franchisee to HR, Franchisee shall pay HR a nonrefundable and continuing royalty fee in an amount set forth in attached Appendix B for the right to use the System and the Proprietary Marks at the Franchised Location. If any taxes are imposed on HR by reason of its acting as franchisor or licensing the Proprietary Marks under this Agreement, Franchisee shall reimburse HR the amount of those taxes within 30 days after receipt of an invoice from HR.

Gross Sales shall include all revenue from the sale of all services and products (except HR approved promotional items) and all other income of every kind and nature (excluding revenue from the sale of stored value gift cards or gift certificates but including revenue when gift certificates are redeemed or stored value gift cards are debited) related to the Franchised Restaurant, whether for cash or credit and regardless of collection in the case of credit; provided, however, that Gross Sales shall not include any sales taxes or other taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority.

C. Advertising Fees

Franchisee also shall spend and/or contribute for advertising approved by HR or its designee up to 7% of the Gross Sales of the Franchised Restaurant. The exact amount of the advertising fees to be spent and/or contributed by Franchisee, and the allocation of the advertising fees, as of the date of this Agreement, is set forth in Section 8 and attached Appendix C.

D. Remittance Reports

Franchisee shall submit to HR in writing (or by email, polling by computer or such other form or method as HR may designate), no later than the date specified in Section 6.E., the amount of Gross Sales from the Franchised Restaurant during the preceding period and such other data or information as HR reasonably may require.

E. Payment of Fees

Within 15 calendar days after the end of each calendar month, Franchisee shall pay HR the royalty fee, and the advertising fees required by Section 8, applicable to the Gross Sales for the previous calendar month.

F. Interest

If any payments by Franchisee due to HR are not received by HR by the date due, Franchisee, in addition to paying the amount owed, shall pay HR interest on the amount owed from the date due until paid

at the lesser of the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Restaurant is located or 1.5% per fiscal period (as defined by HR from time to time) or portion of a fiscal period. Payment of interest by Franchisee on past due obligations is in addition to all other remedies and rights available to HR pursuant to this Agreement or under applicable law.

G. Partial Payments

No payment by Franchisee or acceptance by HR of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Franchisee's payment of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect and HR may accept the partial payment without prejudice to any rights or remedies it may have against Franchisee. Acceptance of payments by HR other than as set forth in this Agreement shall not constitute a waiver of the right of HR to demand payment in accordance with the requirements of this Agreement or a waiver by HR of any other remedies or rights available to it pursuant to this Agreement or under applicable law. Notwithstanding any designation by Franchisee, HR shall have sole discretion to apply any payments by Franchisee to any of its past due indebtedness for royalty fees, advertising contributions, purchases from HR or HR Affiliates, interest or any other indebtedness. HR has the right to accept payment from any other entity as payment by Franchisee. Acceptance of that payment by HR will not result in that other entity being substituted for Franchisee.

H. Collection Costs and Expenses

Franchisee agrees to pay to HR on demand any and all costs and expenses incurred by HR or HR Affiliates in enforcing the terms of this Agreement, including, without limitation, collecting any monies owed by Franchisee to HR or HR Affiliates. These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees (including attorneys' fees for in-house counsel employed by HR or HR Affiliates and any attorneys' fees incurred by HR in bankruptcy proceedings), court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

I. Alternate Dates for Payment of Fees

Section 6.E. shall not be applicable if: **(1)** Franchisee defaults in the payment of monies owed to HR under this Agreement; **(2)** HR sends Franchisee a written notice of default for nonpayment; and **(3)** Franchisee fails to cure the default within 10 days after its receipt of the notice of default. In that instance, the provisions of this Section 6.I. automatically shall become operative and Franchisee shall pay HR the royalty fees and advertising fees required by Section 8 as provided below.

Within 10 calendar days after the end of each fiscal week, Franchisee shall pay HR (by check or by such other form or method of cash as HR may designate) the royalty fee, and the advertising fees required by Section 8, applicable to the Gross Sales for the previous fiscal week. Franchisee hereby grants HR a security interest in the assets of the Franchised Restaurant to secure the payment of obligations owed to HR and HR Affiliates in connection with operation of the Franchised Restaurant. If requested by HR, Franchisee shall execute UCC-1 financing statements which HR and/or HR Affiliates may file to perfect this security interest.

Upon receipt of written notice from HR, Franchisee shall pay HR the royalty fee applicable to the Gross Sales and other amounts under this Agreement, including advertising fees and interest charges, by

electronic funds transfer. In connection with payment of these fees by electronic funds transfer, HR may designate a day for payment ("Due Date") different than that provided in the preceding paragraph. On each Due Date, HR will transfer from the Franchised Restaurant's bank operating account ("Account") the amount reported to HR in Franchisee's remittance report or determined by HR by the records contained in the cash registers/computer terminals of the Franchised Restaurant. If Franchisee has not reported Gross Sales to HR for any fiscal period, HR will transfer from the Account an amount calculated in accordance with its estimate of the Gross Sales during the fiscal period. If, at any time, HR determines that Franchisee has underreported the Gross Sales of the Franchised Restaurant, or underpaid the royalty fee or other amounts due to HR under this Agreement, or any other agreement, HR shall initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited to the Account effective as of the first reporting date after HR and Franchisee determine that such credit is due.

In connection with payment of the royalty fee by electronic funds transfer, Franchisee shall: **(1)** comply with procedures specified by HR in the OPM; **(2)** perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section 6.I.; **(3)** give HR an authorization in the form designated by HR to initiate debit entries and/or credit correction entries to the Account for payments of the royalty fee and other amounts payable under this Agreement, including any interest charges; and **(4)** make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof.

Failure by Franchisee to have sufficient funds in the Account shall constitute a default of this Agreement pursuant to Section 20.B.(1). Franchisee shall not be entitled to set off, deduct or otherwise withhold any royalty fees, advertising contributions, interest charges or any other monies payable by Franchisee under this Agreement on grounds of any alleged non-performance by HR of any of its obligations or for any other reason.

If the provisions of this Section 6.I. become operative and, thereafter, Franchisee enters into a workout or restructuring relationship with HR, notwithstanding anything to the contrary contained in this Agreement, this Agreement shall be replaced by that form of franchise agreement then in general use by HR for new franchisees for System Restaurants, which agreement Franchisee shall execute as directed by HR.

7. RECORDKEEPING AND REPORTS

A. Recordkeeping

Franchisee agrees to use computerized cash and data capture and retrieval systems that satisfy the requirements of Section 13.D. and record sales of the Franchised Restaurant electronically or on tape for all sales at or from the Franchised Location. Franchisee shall keep and maintain, in accordance with any procedures set forth in the OPM, complete and accurate books and records pertaining to the Franchised Restaurant sufficient to fully report to HR. Franchisee's books and records shall be kept and maintained using generally accepted accounting principles ("GAAP"), if Franchisee uses GAAP in any of its other operations, or using other recognized accounting principles applied on a consistent basis which accurately and completely reflect the financial condition of Franchisee. Franchisee will preserve all of its books, records and state and federal tax returns for at least 5 years after the later of preparation or filing (or such longer period as may be required by any governmental entity) and make them available to HR within 5 days after written request by HR.

B. Periodic Reports

Franchisee shall, at Franchisee's expense, submit to HR, in the form and manner (which may be through an online portal or website) prescribed by HR: (i) a monthly profit and loss statement and balance sheet for the Franchised Business (both of which may be unaudited) within 30 days after the end of each month, and (ii) a quarterly profit and loss statement and balance sheet for Franchisee (both of which may be unaudited) within 30 days after the end of each fiscal quarter (as defined by HR from time to time) during each fiscal year (as defined by HR from time to time). HR shall have the right, to be exercised in its reasonable discretion, to require that Franchisee provide HR profit and loss statements and balance sheets at other times requested by HR. Each statement and balance sheet shall be signed by Franchisee or by Franchisee's treasurer or chief financial officer attesting that it is true, correct and complete and uses accounting principles applied on a consistent basis which accurately and completely reflect the financial condition of Franchisee.

C. Annual Reports

At HR's request, Franchisee shall, at its expense, provide to HR a reviewed profit and loss statement and balance sheet within 90 days after the end of each fiscal year to be signed by Franchisee or by Franchisee's treasurer or chief financial officer attesting that the financial statements present fairly the financial position of Franchisee and the results of operations of the Franchised Restaurant during the period covered. Notwithstanding the foregoing, if Franchisee has audited financial statements prepared, Franchisee shall provide those audited statements to HR in lieu of reviewed statements. HR shall have the right to require that Franchisee, at Franchisee's expense, submit audited financial statements prepared by a certified public accounting firm acceptable to HR for any fiscal year if HR reasonably believes that Gross Sales at the Franchised Restaurant may not have been fully reported.

D. Other Reports

Franchisee shall submit to HR such other forms, reports, records, information and data as HR may reasonably designate, in the form and at the times and places reasonably required by HR, upon request and as specified from time to time in the OPM or otherwise in writing.

E. Public Filings

If Franchisee is or becomes a publicly-held entity in accordance with other provisions of this Agreement, Franchisee shall send to HR copies of all reports (including responses to comment letters) or schedules Franchisee may file with the U.S. Securities and Exchange Commission (certified by Franchisee's chief executive officer to be true, correct, complete and accurate) and copies of any press releases it may issue, within 3 days of the filing of those reports or schedules or the issuance of those releases.

F. Audit Rights

HR and its designees shall have the right at all reasonable times, both during and after the term of this Agreement, to inspect, copy and audit Franchisee's books, records and federal, state and local tax returns, and such other forms, reports, information and data as HR reasonably may designate, applicable to the operation of the Franchised Restaurant. If an inspection or audit discloses an understatement of Gross Sales, Franchisee shall pay HR, within 10 days after receipt of the inspection or audit report, the deficiency in the royalty fees and advertising contributions plus interest (at the rate and on the terms provided in

Section 6.F.) from the date originally due until the date of payment. If an inspection or audit is made necessary by Franchisee's failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records or information on a timely basis, or if an understatement of Gross Sales for the period of any audit is determined by any audit or inspection to be greater than 2%, Franchisee also shall reimburse HR for the reasonable cost of the audit or inspection including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, room and board and compensation of its employees or designees involved in the audit or inspection. The foregoing remedies shall be in addition to all other remedies and rights available to HR under this Agreement or applicable law.

If Franchisee fails to provide HR on a timely basis with the records, reports and other information required by this Agreement or, upon request of HR, with copies of same, HR and its designees shall have access at all reasonable times (and as often as necessary) to Franchisee's books and records for the purpose, among other things, of preparing the required records, reports and other information. Franchisee promptly shall reimburse HR and its designees for all costs and expenses associated with HR obtaining such records, reports or other information. Franchisee also acknowledges that HR has the right at any time to communicate directly with Franchisee's lenders, any other creditors, any suppliers and all regulatory authorities regarding Franchisee, Franchisee's business or any aspect of the Franchised Restaurant.

8. ADVERTISING AND PROMOTION

A. Contributions/Expenditures by Franchisee

During the term of this Agreement, Franchisee shall have an advertising and promotion obligation ("APO") in the amount set forth in Section 8.C. and Appendix C. Following written notice to Franchisee, HR may modify the amount and allocation of the APO subject to the provisions of Section 8.E. Franchisee shall pay, at the same time and in the same manner as the royalty fee, that portion of the APO as HR may direct to the Hardee's National Advertising Fund ("HNAF") in accordance with Section 8.B. The remainder of the APO shall be paid as directed by HR at the same time and in the same manner as the royalty fee and may be paid, as directed by HR, to a Regional Co-op in accordance with Section 8.C., and/or spent by Franchisee for local store marketing ("LSM") in accordance with Section 8.D.

B. Hardee's National Advertising Fund

HR has established, and will maintain and administer, the HNAF for the creation and development of advertising, marketing, social media and public relations, research and related programs, gift card and loyalty programs, activities and materials that HR, in its reasonable discretion, deems appropriate. Franchisee shall contribute to HNAF the amount set forth in Appendix C, as subsequently modified pursuant to Section 8.A. System Restaurants operated by HR and HR Affiliates shall contribute to HNAF on the same basis as comparable franchisees. Unless modified in writing by HR, HNAF contributions are due on the tenth (10^{th}) day of each month.

HR or its designee shall direct all advertising, marketing, and public relations programs and activities financed by HNAF, with reasonable discretion over the creative concepts, materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. Franchisee agrees that HNAF may be used among other things to pay the costs of preparing and producing such associated materials and programs as HR or its designee may determine, including but not limited to video, audio and written advertising materials; employing advertising agencies; sponsorship of sporting, charitable or similar events; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail, in-

App support for third party delivery platforms like Doordash, and other media advertising and employing advertising agencies to assist with these efforts; and supporting public relations, market research and other advertising, promotional and marketing activities. From time to time, HR or its designee may furnish Franchisee with marketing, advertising and promotional materials at the cost of producing them, plus any related shipping, handling and storage charges.

HR shall separately account for payments to HNAF but it shall not be required to segregate HNAF funds from its other monies. HR shall not use HNAF funds to defray any of its general operating expenses. HNAF may hire employees, either full-time or part-time, for its administration. HR and HR Affiliates may be reimbursed by HNAF for expenses related to its marketing programs for System Restaurants including, without limitation, conducting market research, preparing advertising and marketing materials, and collecting and accounting for contributions. HR may spend in any fiscal year an amount greater or less than the aggregate contribution of all System Restaurants to HNAF during that year or cause HNAF to invest any surplus for its future use. A statement of monies collected and costs incurred by HNAF shall be prepared annually and shall be furnished to Franchisee within a reasonable period of time following a written request. HR or its designee will have the right to cause HNAF to be incorporated or operated through an entity separate from HR at such time as HR or its designee deems appropriate, and such successor entity shall have all rights and duties of HR pursuant to this Section 8.

Franchisee understands and acknowledges that HNAF is intended to enhance recognition of the Proprietary Marks and patronage of System Restaurants. HR will endeavor to utilize HNAF to develop advertising and marketing materials and programs, and to place advertising that will benefit the System and all System Restaurants contributing to HNAF. However, Franchisee agrees that HR is not liable to Franchisee and Franchisee forever covenants not to sue and holds HR harmless of any liability or obligation to ensure that expenditures by HNAF in or affecting any geographic area (including the Franchised Location) are proportionate or equivalent to the contributions to HNAF by System Restaurants operating in that geographic area, or that any System Restaurant will benefit directly or in proportion to its contribution to HNAF from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Section 8, neither HR nor its designee assumes any direct or indirect liability to Franchisee with respect to the maintenance, direction or administration of HNAF.

HR reserves the right, in its reasonable discretion, to: **(1)** suspend contributions to and operations of HNAF for one or more periods that it determines to be appropriate; **(2)** terminate HNAF upon 30 days' written notice to Franchisee and establish, if HR so elects, a different advertising fund; and **(3)** upon the written request of any franchised or company restaurants, defer or waive, in whole or in part, any advertising fees required by this Section if, in HR's reasonable judgment, there has been demonstrated unique, objective circumstances justifying any such waiver or deferral. On termination, all monies in HNAF shall be spent for advertising and/or promotional purposes. HR has the right to reinstate HNAF upon the same terms and conditions set forth in this Agreement upon 30 days' prior written notice to Franchisee.

C. Regional Co-op

HR, in its reasonable discretion, may establish a regional advertising and sales promotion cooperative ("Regional Co-op") in the regional area in which the Franchised Restaurant is located ("Designated Market Area" or "DMA"). Franchisee shall be a member of and contribute to the Regional Co-op such amount as is determined from time to time by HR and/or the Regional Co-op, which, as of the date of this Agreement, is the amount specified in Appendix C. The Regional Co-op may be incorporated

by HR and will be operated in accordance with its charter, which HR shall have the right to modify from time to time in its reasonable discretion.

HR or its designee shall have the right to terminate (and subsequently restart) the Regional Co-op. Upon termination, all monies in the Regional Co-op shall be spent for advertising and/or promotional purposes. HR or its designee shall have the sole right, but not the obligation, to enforce the obligations of franchisees who are members of the Regional Co-op to contribute to the Regional Co-op and neither Franchisee nor any other franchisees who contribute to the Regional Co-op shall be deemed a third party beneficiary with respect to the Regional Co-op obligations of other franchisees or have any right to enforce the obligation of any franchisee to contribute to the Regional Co-op.

D. Local Store Marketing

Franchisee shall spend for approved LSM, on a monthly basis, the difference between Franchisee's APO and the amount Franchisee contributes to HNAF, a Regional Co-op or some other advertising fund as HR may direct Franchisee to pay. As of the date of this Agreement, that amount is specified in Appendix C. Within 30 days after request by HR, Franchisee shall provide HR copies of all documentation demonstrating the amount and types of LSM expenditures made by Franchisee in the prior fiscal quarter. Franchisee may not market or advertise in violation of federal laws regulating advertising, such as the CAN-SPAM Act and the TCPA, and applicable state advertising laws.

HR periodically shall advise Franchisee of the advertising and sales promotions authorized by HR. Franchisee's LSM expenditures shall not include payments for items that HR, in its reasonable discretion, deems inappropriate to meet the minimum advertising requirements. As of the date of this Agreement, inappropriate expenditures for which Franchisee cannot spend LSM monies include, without limitation, free or discounted food (unless expressly authorized by HR in connection with a System or brand promotion), employee incentive programs, charitable contributions, payments in connection with permanent on-premises menu boards, lighting, yellow pages, entertainment discount books, the purchase or maintenance of vehicles and other similar payments.

Local advertising and promotion materials may be purchased from any approved source. If purchased from a source other than HR or HR Affiliates or created or developed by Franchisee, these materials shall comply with federal and local laws and regulations and with the guidelines for advertising and promotions promulgated from time to time by HR or its designee and shall be submitted to HR or its designee at least 30 days in advance of first use for approval. HR shall be deemed to have approved such advertising materials if it does not otherwise advise Franchisee within 15 days after its receipt of the advertising. In no event shall Franchisee's advertising contain any statement or material which, in the reasonable discretion of HR, may be considered: **(1)** in bad taste or offensive to the public or to any group of persons; **(2)** defamatory of any person or an attack on any competitor; **(3)** to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification; or **(4)** inconsistent with the public image of HR, HR Affiliates or the System.

E. Changes in the APO

HR has the right, following written notice to Franchisee, to reallocate the APO and to increase the APO; however, HR will not increase the APO by more than ½% of Gross Sales in any 12-month period. In addition, HR may not increase the APO above 7% of Gross Sales; however, this limitation on HR does not prevent the Franchised Restaurant's Regional Co-op from requiring a contribution, that when added to Franchisee's HNAF contribution, results in a total APO in excess of 7% of Gross Sales.

9. OPERATION PROCEDURES MANUAL

HR shall during the term of this Agreement, provide Franchisee electronic access to, HR's confidential and proprietary OPM that contains information and knowledge that is unique, necessary and material to the System. (As used in this Agreement, the term "OPM" also includes all written and electronic correspondence from HR regarding the System, other publications, materials, drawings, memoranda and electronic media that HR from time to time may provide to Franchisee.) The OPM may be supplemented or amended from time to time by letter, email, bulletin, software or other communications concerning the System to reflect changes in the image, specifications and standards relating to equipping, furnishing and operating a System Restaurant. HR reserves the right to furnish all or part of the OPM to Franchisee in electronic form or online (including by Intranet) and establish terms of use for access to any restricted portion of HR's web site. Franchisee shall keep its copy (whether a hardcopy of in electronic form) of the OPM current and up-to-date with all additions and deletions provided by or on behalf of HR and shall purchase whatever equipment (including, without limitation, a video cassette recorder, computer system, dedicated phone line, etc.) as may be necessary to receive these communications. If a dispute relating to the contents of the OPM develops, the master copy maintained by HR at its principal offices shall control.

The OPM contains detailed standards, specifications, instructions, requirements, methods and procedures for management and operation of the Franchised Restaurant. The OPM also may relate to the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of all products and beverages sold at the Franchised Restaurant; management and employee training; marketing, advertising and sales promotions; maintenance and repair of the Franchised Restaurant building, grounds, equipment, graphics, signs, interior and exterior decor items, fixtures and furnishings; employee dress attire and appearance standards; menu concept and graphics; and accounting, bookkeeping, records retention and other business systems, procedures, operations and brand standards. Franchisee agrees at all times to operate the Franchised Restaurant in strict conformity with the OPM; agrees to maintain the OPM at the Franchised Restaurant; agrees not to reproduce the OPM or any part of it; and agrees to treat the OPM as confidential and proprietary and to disclose the contents of the OPM only to those employees of Franchisee who have a need to know.

Even though this Agreement contains provisions requiring Franchisee to operate the Franchised Restaurant in compliance with the System: (1) HR and its affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of Franchisee's business or employment decisions; and (2) Franchisee and HR do not intend for HR or its affiliates to incur any liability in connection with or arising from any aspect of the System or Franchisee's use of the System, whether or not in accordance with the requirements of the OPM.

10. MODIFICATIONS OF THE SYSTEM

A. HR, in its reasonable discretion, shall be entitled from time to time to change or modify the System, including modifications to the OPM, required training program, the menu and menu formats, the required equipment, the signage, the building and premises of the Franchised Restaurant (including the trade dress, decor and color schemes), the presentation of the Proprietary Marks, the adoption of new administrative forms and methods of reporting and of payment of any monies owed to HR (including electronic means of reporting and payment) and the adoption and use of new or modified Proprietary Marks or copyrighted materials. Franchisee shall accept and use or display in the Franchised Restaurant any such changes or modifications in the System as if they were a part of the System at the time this Agreement was executed, and Franchisee will make such expenditures as the changes or modifications in the System may reasonably require.

B. Within 30 days after receipt of written notice from HR, Franchisee shall begin selling any newly authorized menu items and cease selling any menu items that are no longer authorized. All food, beverage and merchandise items authorized for sale at the Franchised Restaurant shall be offered for sale under the specific name designated by HR. Franchisee shall establish menu prices in its sole and absolute discretion. If Franchisee has a suggestion for a new menu item or for a change to an authorized menu item or Franchisee desires to participate in a test market program, Franchisee shall provide HR written notice prior to implementation in the form and method defined by HR. Franchisee shall not add or modify any menu item or participate in a test market program without first having obtained HR's prior written approval and executed a test agreement acceptable to HR. Franchisee shall acquire any additional equipment and smallwares as HR deems reasonably necessary in connection with new menu items. If HR requires Franchisee to begin offering a new menu item which requires the purchase of additional equipment, a reasonable period of time, as determined in the reasonable discretion of HR, shall be provided for the financing, purchase and installation of any such equipment before such new menu items must be offered for sale at the Franchised Restaurant.

With respect to equipment purchased by Franchisee at the direction of HR to offer a new menu item, if HR requires that Franchisee remove such a piece of equipment less than 5 years after its installation, Franchisee shall receive from HR a credit against the purchase price of the piece of equipment that replaces the piece of equipment being removed or, if Franchisee is not required to replace the piece of equipment, a credit against another piece of equipment to be purchased by Franchisee. The amount of the credit shall be equal to Franchisee's undepreciated book value for the piece of equipment (based on a 5 year straight line depreciation) at the time that piece of equipment is removed.

C. Extensive structural changes, major remodeling and renovations and substantial modifications to existing equipment and improvements to modernize and conform the Franchised Restaurant to the image of the System for new franchised and company restaurants shall be required: (i) as a condition of renewal, (ii) as a condition of HR issuing its consent to a proposed transfer as defined further in Section 18 below, or (iii) at HR's request (but not more often than every 5 years). Capital expenses necessary for the repair and maintenance of the Franchised Location and modifications required by applicable law or required to abate a hazardous situation are not subject to the time limitations described in the preceding sentence. Within 60 days after receipt of HR's written notice regarding the required modernization, Franchisee shall prepare and complete drawings and plans, along with a project timeline, for the required modernization. These drawings and plans must be submitted to, and their use approved by, HR prior to the commencement of work. Franchisee shall complete the required modernization within the time reasonably specified by HR in its written notice.

D. HR shall have the right, in its reasonable discretion, to waive, defer or permit variations from the standards of the System or the applicable franchise agreement to any franchisee or prospective franchisee based on the peculiarities of a particular site, existing building configuration or circumstance, density of population, business potential, trade area population or any other condition or circumstances. HR shall have the right, in its reasonable discretion, to deny any such request HR believes would not be in the best interests of the System.

E. If Franchisee develops any new concepts, processes or improvements relating to the System, whether or not pursuant to a HR authorized test, Franchisee promptly shall notify HR and provide HR with all information regarding the new concept, process or improvement, all of which shall become the property of HR and which may be incorporated into the System without any payment to Franchisee. Franchisee promptly shall take all reasonable actions deemed necessary or desirable by HR to vest in HR ownership of such concepts, processes or improvements.

11. TRAINING

A. Franchise Management Training Program

HR shall provide Franchisee and those employees hired by Franchisee to fill certain designated positions a Franchise Management Training Program in the operation of a System Restaurant at those times and those places designated by HR. The Franchise Management Training Program will include training at a Hardee's Restaurant designated by HR and training on Star University (StarI) our online Learning Management System. Franchisee, the General Manager, a minimum of 6 Shift Leaders and any other employees hired by Franchisee to fill certain designated positions shall attend and satisfactorily complete each element of the Franchise Management Training Program. Franchisee's Operating Principal (as defined in Section 16.G.) also shall attend and satisfactorily complete each element of the Franchise Management Training Program if not previously completed. HR reserves the right to modify or waive the training required based on an individual's or Franchisee's experience.

Franchisee shall not be required to pay HR a tuition fee for any person attending the Franchise Management Training Program unless, in any 12 month period, the number of personnel with a designated position title Franchisee sends to the Franchise Management Training Program exceeds the average attrition rate (for fast service restaurants) for that designated position title. In that instance, HR may charge Franchisee a tuition fee (as established by HR from time to time) for each person with that designated position title attending the Franchise Management Training Program until the number of personnel with that designated position title Franchisee sends to the Franchise Management Training Program in a 12 month period is no more than the average attrition rate (for fast service restaurants) for that designated position title. Franchisee will be required to pay all travel, living and other expenses incurred by Franchisee's employees while attending the training. HR reserves the right to dismiss from the Franchise Management Training Program any person whom HR does not believe will perform acceptably in the position for which he has been hired by Franchisee and Franchisee shall provide a suitable replacement within one month of such dismissal.

Franchisee may establish its own training facility (which may be a System Restaurant) to conduct the Franchise Management Training Program; however, Franchisee may offer the Franchise Management Training Program at its training facility only after the facility has been certified by HR. HR may periodically visit the training facility to ensure that it continues to meet HR's standards and HR may revoke its certification if the training facility ceases to meet those standards.

B. Other Training

HR shall have the right (which may be exercised at any time and in HR's reasonable discretion) to require that Franchisee, Franchisee's owners, the Operating Principal, the General Manager and any other employees hired by Franchisee to fill certain designated positions take and successfully complete other training courses in addition to the Franchise Management Training Program. HR reserves the right to require Franchisee to pay a tuition fee for these additional training programs as established by HR from time to time. Franchisee will be required to pay all travel, living and other expenses incurred by Franchisee's employees while attending the training.

These other training courses include, but are not limited to, food safety certification programs. Franchisee shall maintain at the Franchised Restaurant all certificates of completion for these food safety certification programs and, if required by applicable law, display the certificates at the Franchised Restaurant.

C. Training by Franchisee

Franchisee shall conduct such initial and continuing training programs for its employees as HR may require, and Franchisee shall ensure that all of its employees have been trained in the proper operation of the Franchised Restaurant.

12. ADDITIONAL SERVICES BY HR

In addition to the services described elsewhere in this Agreement, during the term of this Agreement, HR shall make the following services available to Franchisee:

A. Pre-Opening Assistance

HR shall provide consultation and advice to Franchisee as HR deems appropriate at no additional cost with regard to construction or renovation and operation of the Franchised Restaurant, building layout, furnishings, fixtures and equipment plans and specifications, employee staffing and training, purchasing and inventory control and those other matters as HR deems appropriate.

B. Opening of the Franchised Restaurant

Upon Franchisee's reasonable request, or at HR's discretion, HR shall provide assistance in opening the Franchised Restaurant and in training Franchisee's employees as HR deems appropriate in light of Franchisee's needs and the availability of HR personnel. HR has the right to charge Franchisee all reasonable expenses incurred in support of the restaurant opening, including, but not limited to, any travel hotel, meals, employee mages, materials and supplies (as determined by HR).

C. Post-Opening Assistance

HR periodically, as it deems appropriate, shall advise and consult with Franchisee in connection with the operation of the Franchised Restaurant. HR, as it deems appropriate, shall provide to Franchisee its knowledge and expertise regarding the System and pertinent new developments, techniques and improvements in the areas of restaurant design, management, systems and tools, food and beverage preparation, sales promotion, service concepts, overall restaurant operations, financial metrics, and other areas. HR may provide these services through visits by HR representatives to the Franchised Restaurant or Franchisee's offices, the distribution of printed or filmed material, meetings or seminars, telephone communications or other communications.

Even though this Agreement contains provisions requiring Franchisee to operate the Franchised Restaurant in compliance with the System: **(1)** HR and HR Affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of Franchisee's business or employment decisions; **(2)** Franchisee and HR do not intend for HR or HR Affiliates to incur any liability in connection with or arising from any aspect of the System or Franchisee's use of the System, whether or not in accordance with the requirements of the OPM, except where Franchisee is acting in full compliance with a directive from HR; and **(3)** Franchisee will be solely responsible for: **(a)** hiring, training and supervising efficient, competent and courteous employees of good character for the operation of the Franchised Restaurant; **(b)** the terms of their employment and compensation; and **(c)** the proper training of the employees in the operation of the Franchised Restaurant.

D. HR Right to Inspect the Franchised Restaurant

To determine whether Franchisee and the Franchised Restaurant are in compliance with this Agreement and with all specifications, quality standards, operating procedures and brand standards prescribed by HR for the operation of System Restaurants, HR or its designees shall have the right at any reasonable time and without prior notice to Franchisee to: **(1)** inspect the Franchised Location; **(2)** observe, photograph and videotape the operations of the Franchised Restaurant for such consecutive or intermittent periods as HR deems necessary; **(3)** remove samples of any food and beverage product, material or other products for testing and analysis (without paying for the samples); **(4)** discuss operations of the Franchised Restaurant with personnel of the Franchised Restaurant; **(5)** interview customers of the Franchised Restaurant; and **(6)** inspect and copy any books, records and documents relating to the operation of the Franchised Restaurant or, upon the request of HR or its designee, require Franchisee to send copies thereof to HR or its designee. Franchisee agrees to cooperate fully with HR or its designee in connection with any such inspections, observations, videotaping, product removal and interviews. Franchisee shall take all necessary steps to immediately correct any deficiencies detected during these inspections, including without limitation ceasing further sale of unauthorized menu items, correcting any critical food safety issues, correcting any identified deficiencies that adversely impact guest safety or the ability to operate the restaurant in conformance with OPM procedures or brand standards, and ceasing further use of any equipment, advertising materials or supplies that do not conform with HR's standards and requirements. If HR deems such deficiencies to create an imminent health hazard to Franchisee's customers, it may direct Franchisee to temporarily close the Franchised Restaurant until all hazards are corrected to HR's satisfaction pursuant to HR's Closure Policy, as amended from time to time. Franchisee shall present to its customers such evaluation forms as are periodically prescribed by HR and shall participate and/or request its customers to participate in any surveys performed by or on behalf of HR as HR may direct. Franchisee will reimburse HR for all costs related to the Franchised Restaurant associated with any and all of these inspections and related activities set forth above.

E. Delegation

HR has the right, from time to time, to delegate the performance of any portion or all of its obligations and duties under this Agreement to designees, which may be HR's corporate parents, affiliates or agents or independent contractors with which HR has contracted to provide this service.

13. PERFORMANCE STANDARDS AND UNIFORMITY OF OPERATION

Products sold and services performed under the Proprietary Marks have a reputation for quality. This reputation has been developed and maintained by HR, and it is of the utmost importance to HR, Franchisee and all other franchisees of HR that this reputation be maintained. In recognition of the mutual benefits that come from maintaining the reputation for quality enjoyed by the System, Franchisee covenants and agrees, with respect to the operation of the Franchised Restaurant, that Franchisee and its employees shall comply with all of the requirements of the System as set forth in the OPM or otherwise, and Franchisee additionally shall comply with the following:

A. Standards, Specifications and Procedures

Franchisee acknowledges that each and every detail of the appearance, layout, decor, services and operation of the Franchised Restaurant is important to HR and other System Restaurants. Franchisee agrees to cooperate with HR by maintaining these high standards in the operation of the Franchised Restaurant. Franchisee further agrees to comply with all System specifications, recipes, standards and operating

procedures (whether contained in the OPM or any other written communication to Franchisee) relating to the interior and exterior appearance, function, cleanliness and operation of a System Restaurant, including, but not limited to: **(1)** type, quality, taste, weight, dimensions, ingredients, uniformity, manner of preparation, and sale of all food products and beverages sold at the Franchised Restaurant and all other products used in the packaging and sale of those products and beverages; **(2)** sales and marketing procedures and customer service; **(3)** advertising and promotional programs; **(4)** layout, decor and color scheme of the Franchised Restaurant; **(5)** appearance and dress of employees; **(6)** safety, maintenance, appearance, cleanliness, sanitation, standards of service, and operation of the Franchised Restaurant; **(7)** submission of requests for approval of brands of products, supplies and suppliers; **(8)** use and illumination of signs, posters, displays, standard formats and similar items; **(9)** identification of Franchisee as the owner of the Franchised Restaurant; **(10)** types of fixtures, furnishings, equipment, smallwares and packaging; and **(11)** the make, type, location and decibel level of any game, entertainment or vending machine. Mandatory specifications, brand standards and operating procedures that HR prescribes from time to time in the OPM or otherwise communicates to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth in this Agreement.

B. Approved Products, Distributors and Suppliers

Franchisee acknowledges that the reputation and goodwill of System Restaurants are based upon, and can only be maintained by, the sale of distinctive, high quality food products and beverages, and the presentation, packaging and service of such products and beverages in an efficient and appealing manner. Franchisee shall at all times maintain an inventory of, and sell in the ordinary course of business, approved food products, beverages, ingredients and other products sufficient in quality and variety to realize the full potential of the Franchised Restaurant. HR may develop certain proprietary food products that will be prepared by or for HR according to HR's proprietary special recipes and formulas. HR also has developed standards and specifications for other food products, ingredients, seasonings, mixes, beverages, materials and supplies incorporated or used in the preparation, cooking, serving, packaging and delivery of prepared food products authorized for sale at System Restaurants.

Franchisee agrees to purchase those food products developed by HR pursuant to a special recipe or formula only from HR, an HR Affiliate or a third party designated and licensed by HR to prepare and sell such products. Franchisee agrees to purchase inventory, advertising materials, and other products and materials required for the operation of the Franchised Restaurant solely from manufacturers, distributors, vendors and suppliers (collectively "suppliers") who demonstrate, to the continuing reasonable satisfaction of HR, the ability to meet HR's reasonable standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved in writing by HR and not thereafter disapproved. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee shall submit to HR a written request for such approval, or shall request that the supplier do so. HR's approval shall not be unreasonably withheld. Approval of a supplier, however, may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, and may be temporary pending a further evaluation of such supplier by HR. HR shall have the right to require, as a condition of its approval, that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at HR's option, either to HR or to an independent, certified laboratory designated by HR for testing prior to granting approval. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee. HR reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval upon its failure to continue to meet any of the foregoing criteria. HR also reserves the right to

reasonably limit the number of approved suppliers so as to obtain lower prices and/or the best advertising support and/or service.

HR may negotiate contracts with suppliers pursuant to which System Restaurants may purchase products and materials used in the operation of System Restaurants.

C. Health Standards

Franchisee must meet and maintain the highest public health standards and ratings applicable to the operation of the Franchised Restaurant. Franchisee must participate in all food safety and brand standards audit programs specified by HR from time to time. The Franchised Restaurant must undergo the then current number of audits per year as required by HR, which may be at Franchisee's expense, at HR's sole discretion. The Franchised Restaurant must adhere to the terms outlined in the Red Audit Policy for third-party food safety audits. Franchisee must furnish to HR, within five days after its receipt, 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 Franchised Restaurant. HR's System Standards for health and safety are set forth in the OPM and other written materials. To the extent that any federal, state, or municipal agency's health and safety standards exceed those set forth in HR's System Standards, the Franchised Restaurant must meet the federal, state, or municipal agency's standards to be in compliance with HR's standards. Without limiting the foregoing, Franchisee and all required employees of Franchisee must obtain and maintain all necessary and required licenses and certificates for food service and food handling as may be required by applicable local rules and regulations or the OPM.

D. Menu Boards and Formats

HR shall have the right to prescribe, and subsequently vary (but not more than every 3 years), one or more menu boards and formats to be utilized in the Franchised Restaurant. The menu boards and formats may include requirements concerning organization, graphics, product descriptions, illustrations and other matters (except prices) related to the menu. Prescribed menu boards and formats may vary depending on region, market size or other factors deemed relevant by HR. If any menu board and format utilized by Franchisee ceases to be an authorized menu board and format, Franchisee shall have a reasonable period of time (not to exceed 6 months) to discontinue use of the old menu board and format and begin using an authorized menu board and format.

E. Hardware, Software, and Security

Franchisee agrees to procure and install such data processing equipment, computer hardware, required dedicated telephone and power lines, modems, printers and other computer-related accessory or peripheral equipment necessary to permit HR to receive from Franchisee, within the time periods required by this Agreement or otherwise by HR, that information and in that format/medium as reasonably specified and required by HR. Franchisee shall determine the hardware and software that Franchisee must install or purchase, and other activities that it must accomplish, to timely, fully and accurately communicate such information to and with HR. To ensure full operational efficiency and communication capability between HR's computers and those of all System Restaurants, Franchisee agrees, at its expense, to keep its computer system in good maintenance and repair, make additions, changes, modifications, substitutions and replacements to its computer hardware, software, telephone and power lines and other computer-related facilities as may be necessary to accomplish the same. In addition, Franchisee shall comply with Point to Point Credit Encryption Standards ("P2PE") and the Payment Card Industry Data Security Standard ("PCI DSS") at all times and engage any vendor that HR designates to ensure the security of Franchisee's data

and compliance with P2PE and PCI DSS. Franchisee must maintain continuous compliance and attest annually by providing a completed and signed PCI Attestation of Compliance (AOC) to HR.

Franchisee agrees to utilize administrative, physical, and technical safeguards designed to protect systems and data from unauthorized access, disclosure, acquisition, destruction, use, or modification that are consistent with industry standards and best practices. Franchisee further agrees to adhere to any applicable law relating to data security. In the event of a suspected or actual data breach, Franchisee will notify HR within 24 hours of becoming aware of the actual or suspected data breach and provide timely updates and information when requested by HR. Franchisee will comply with industry standards and best practices regarding breach reporting and notification obligations and take all necessary and appropriate corrective action to remedy the data breach, prevent a recurrence of such a breach, and avoid and/or prevent any further loss or damage arising from the data breach.

F. Upkeep of the Franchised Restaurant

Franchisee shall constantly maintain and continuously operate the Franchised Restaurant and all furniture, fixtures, equipment, furnishings, floor coverings, interior and exterior signage, the building interior and exterior, interior and exterior lighting, landscaping and parking lot surfaces in first-class condition and repair in accordance with the requirements of the System, including all ongoing necessary redecorating, refurbishing and repairs. In addition, Franchisee shall promptly and diligently perform all necessary maintenance, repairs and replacements to the Franchised Restaurant as HR may prescribe from time to time including periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and decor.

Franchisee shall not make any material alterations to the Franchised Restaurant that affect operations or the image of the System without HR's prior written approval. Franchisee acknowledges and agrees that the requirements of this Section are both reasonable and necessary to ensure continued public acceptance and patronage of System Restaurants, to assist the Franchised Restaurant to compete effectively in the marketplace and to avoid deterioration or obsolescence of the operation of the Franchised Restaurant.

If the Franchised Restaurant is leased or subleased and the lease/sublease is renewed or extended (or a new lease/sublease is executed) during the Initial Term of this Agreement, Franchisee shall exercise good faith efforts to obtain the landlord's consent to inclusion of the lease provisions set forth in HR's Lease Addendum pursuant to Section 3 of this Agreement.

G. Maximum Operation of the Franchised Restaurant

During the term of this Agreement, Franchisee shall use the Franchised Location solely for the operation of the Franchised Restaurant and shall maintain sufficient inventories, adequately staff each shift with qualified employees and continuously operate the Franchised Restaurant at its maximum capacity and efficiency for the minimum number of days and hours set forth in the OPM (subject to the requirements of local laws and licensing requirements).

Franchisee shall immediately resolve any customer complaints regarding the quality of food or beverages, service and/or cleanliness of the Franchised Restaurant or any similar complaints. When any customer complaints cannot be immediately resolved, Franchisee shall use best efforts to resolve the customer complaints as soon as practical and shall, whenever feasible, give the customer the benefit of the doubt. If HR, in its reasonable discretion, determines that its intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if HR, in its reasonable discretion, believes that

Franchisee has failed adequately to address or resolve any customer complaints, HR may, without Franchisee's consent, resolve any complaints and charge Franchisee an amount sufficient to cover HR's reasonable costs and expenses in resolving the customer complaints, which amount Franchisee shall pay HR immediately on demand.

H. Franchised Restaurant Management and Personnel

The Franchised Restaurant shall at all times be under the on-site supervision of one of the following designated individuals, who must meet, to the satisfaction of HR, HR's applicable training qualifications for their designated position: the Operating Principal, a Multi-Unit Manager, a restaurant manager, or, for specific, limited periods of time as authorized by HR, a Shift Leader. Franchisee must, at all times, employ for the Franchised Restaurant at least one General Manager and a sufficient number of employees who have successfully completed the Franchise Management Training Program or HR's then-current training as designated by HR to ensure that the Franchised Restaurant operates in accordance with the System. If at any time Franchisee ceases to employ the required number of trained personnel, Franchisee has 30 days (from the date on which Franchisee has less than the required number of trained personnel) to hire and enroll replacement personnel in the Franchise Management Training Program or other designated training requirements, and 90 days to ensure that such replacement personnel has completed the required training requirements.

Franchisee, Franchisee's Operating Principal or, if applicable, the Multi-Unit Manager shall remain active in overseeing the operations of the Franchised Restaurant, including without limitation regular, periodic visits to the Franchised Restaurant and sufficient communications with HR to ensure that the Franchised Restaurant's operations comply with HR's operating standards as defined in the OPM or otherwise in writing.

Franchisee shall hire, and at all times employ, a sufficient number of trained employees for the Franchised Restaurant and be exclusively responsible for the terms of their employment and compensation, and for the proper training of such employees in the operation of the Franchised Restaurant, in human resources and customer relations. Franchisee shall establish at the Franchised Restaurant a training program for all employees that meets the standards prescribed by HR.

Franchisee shall employ only suitable persons who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of HR, HR Affiliates and the System and, while on duty, comply with the dress attire, personal appearance and hygiene standards set forth in the OPM. Franchisee shall use its best efforts to ensure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to all customers and fellow employees of the Franchised Restaurant.

I. Signs and Logos

Subject to local ordinances, Franchisee shall prominently display in and upon the land and buildings of the Franchised Restaurant interior and exterior signs and logos using the name "Hardee's", and those other names, marks, advertising signs and logos, of such nature, form, color, number, location and size, and containing that material as HR reasonably may from time to time direct. Franchisee shall not display in or upon the Franchised Location any sign, logo or advertising media of any kind to which HR objects.

J. Amusement Equipment

Franchisee shall not permit at the Franchised Restaurant any juke box, vending or game machine, gum machine, game, ride, gambling or lottery device, coin or token operated machine or any other music, film or video device not authorized by HR.

K. Compliance with Laws and Good Business Practices

Franchisee shall secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of the Franchised Restaurant. It is Franchisee's sole and absolute obligation to research all applicable federal, state and local laws and regulations governing the operation of the Franchised Restaurant and to ensure that such operation does not violate any federal, state or local law or regulation. For example, there are various federal laws that could affect the Franchised Restaurant and Franchisee must comply with such as the American with Disabilities Act (ADA), the CAN-SPAM Act, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rule (TSR), and other federal and state anti-solicitation laws regulating marketing phone calls; and federal and state laws that regulate data security and privacy (including but not limited to the use, storage, transmission, and disposal of data regardless of media type). Franchisee must investigate these laws to understand your potential legal obligations. Further, Franchisee shall operate the Franchised Restaurant in full compliance with all applicable laws, ordinances and regulations governing or relating to the handling of food products, immigration and discrimination, occupational hazards and health insurance, employment laws, including, without limitation, worker's compensation insurance, unemployment insurance, and the withholding and payment of federal and state income taxes, social security taxes and sales taxes. All advertising and promotion by Franchisee shall be completely factual and shall conform to the highest standards of ethical advertising. Franchisee shall, in all dealings with Franchisee's customers, suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practice that may be injurious to the goodwill associated with the Proprietary Marks or the business of HR, HR Affiliates, the System or other restaurants operated or franchised by HR or HR Affiliates.

Franchisee shall notify HR in writing within 5 days after the commencement of: **(1)** any action, suit or proceeding, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee or the Franchised Restaurant; or **(2)** of any notice of violation of any law, ordinance or regulation relating to health or sanitation at the Franchised Restaurant.

L. Consumer Information

Franchisee may only use Consumer Information (as defined below) to the extent necessary to perform Franchisee's obligations under this Agreement during the term hereof and subject to such instructions and restrictions as HR may from time to time impose and in compliance with all data privacy, security and other applicable laws. "Consumer Information" means any identifiers (including name, address, phone numbers, usernames, birthdates and e-mail addresses), sales, transaction, loyalty and payment history, and all other information about or related to any customer or prospective customer, including any information deemed "personal information" or "personal data" under applicable law. As used in this Agreement, the term "customer" refers to any person or entity (i) whose information is collected by any HR system or application or included in any consumer or customer database, file or system owned or controlled by HR, its parent, subsidiary or affiliate companies; (ii) who is included on any marketing or customer lists Franchisee develops or uses or any customer information generally collected and saved for any reason; (iii) who has purchased, purchases or intends to purchase products or services online, through

an HR application, or at the Franchised Restaurant; or (iv) who has been solicited to purchase any products or services at the Franchised Restaurant. HR may use the Consumer Information as HR deems appropriate, including sharing it with HR's affiliates.

HR owns all Consumer Information and may use the Consumer Information as it deems appropriate (subject to applicable law), including disclosing it to vendors or sharing it with its affiliates for cross-marketing or other purposes. Franchisee may only use Consumer Information for the purpose of operating the Franchised Restaurant to the extent permitted under this Agreement, including the OPM, during the term hereof and subject to such restrictions as HR may from time to time impose and in compliance with all data privacy, security and other applicable laws. Without limiting the foregoing, Franchisee agrees to comply with applicable law in connection with Franchisee's collection, processing, storage and use of such Consumer Information, including, if required under applicable law, obtaining consents from individuals for HR's and its affiliates' use of the Consumer Information. Franchisee must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements ("Privacy Law(s)"), as well as data privacy and security policies, procedures and other requirements HR may periodically establish. Franchisee must maintain reasonable, appropriate, and effective security controls to preserve the security, integrity, availability, confidentiality, and resilience of Consumer Information. Franchisee must notify HR immediately of any suspected data breach at or in connection with the Franchised Restaurant or the business operated at the Franchised Restaurant. Franchisee must fully cooperate with HR and its counsel in determining the most effective way to meet HR's standards and policies pertaining to Privacy Laws, including those governing notification of a data breach. Franchisee is responsible for any financial losses it incurs or remedial actions that it must take as a result of breach of security or unauthorized access to Consumer Information in Franchisee's control or possession.

Without limiting the foregoing, Franchisee represents, warrants, and covenants that:

(1) Franchisee will not "sell" or "share" (as defined under any Privacy Law) any Consumer Information or make Consumer Information available to any third party for valuable consideration;

(2) Franchisee will retain, use, or disclose Consumer Information only for the specific business purposes specified in this Agreement, and not for any other commercial or noncommercial purpose;

(3) Franchisee will not retain, use, or disclose Consumer Information outside of the direct business relationship between Franchisee and HR;

(4) Franchisee will not combine Consumer Information received from or on behalf of HR with personal information received from another source or collected from Franchisee's interactions with a consumer outside the operation of the Franchised Restaurant, except as specifically allowed under applicable Privacy Law;

(5) Franchisee shall not allow any person or entity (other than Franchisee's direct employees) to process Consumer Information without the express prior approval of HR, and any such subcontracting shall be performed strictly in accordance with a written agreement that imposes obligations on such subcontractor that are at least as restrictive as those imposed on Franchisee under this Agreement. Franchisee shall be liable for the acts and omissions of all such subcontractors to the same extent Franchisee would be liable if performing the services of each subcontractor directly under the Agreement;

(6) When required by applicable Privacy Law, HR will inform Franchisee of any consumer request (e.g., deletion, correction, access, and opt-out) that requires Franchisee's compliance and will provide Franchisee with the information within HR's possession that is necessary for Franchisee to comply with the request. Franchisee will cooperate with HR, and promptly (and in any event within ten days following notice by HR) provide any information and documents requested by Franchisee to respond to requests by customers under Applicable Laws. Franchisee will delete, modify, or correct any Consumer Information upon HR's request unless Franchisee can prove that such request is subject to an exception under applicable law;

(7) Franchisee shall make available to HR all information necessary for Franchisee to demonstrate compliance with its obligations under this Section 13(P). Franchisee will cooperate with HR, its internal auditors and external auditors for the purpose of inspecting, examining, and assessing Franchisee's compliance with its obligations under this Section 13(P). This Auditing may be conducted through measures including, but not limited to, manual reviews and automated scans, as well as technical and operational testing. Auditing may take place at least once every twelve (12) months; and

(8) If Franchisee receives a Consumer Information request directly from a consumer under their state Privacy Law (e.g. a request to access, delete or correct Consumer Information) that may pertain to Consumer Information , Franchisee shall inform HR of that request within one business day and cooperate with HR to ensure that the consumer receives an appropriate and timely acknowledgement and response. Typically, an acknowledgement is required within 10 business days and a final response is required within 45 calendar days.

Franchisee certifies that it understands the restrictions in Paragraphs (1) – (5) of this section and will comply with them. Franchisee shall immediately (and in any event within five business days) notify HR if it determines that it can no longer meet its obligations under this Section 13(P).Franchisee also acknowledges and agrees that HR may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other federal, state or local privacy laws.

To the extent Franchisee's business is independently subject to any Privacy Laws, Franchisee must comply with all standards, laws, rules, regulations or any equivalent thereof relating to personal information, data privacy, and data protection that may apply to personal information not encompassed by the definition of "Consumer Information," above (for example, as relates to Franchisee's employees or job applicants). The requirements of this Section 13(P) are not intended to constitute legal advice or to imply that compliance with this Agreement fulfills all of Franchisee's potential obligations under the Privacy Laws. Franchisee should consider applicable federal, state and local laws, and consult its own legal counsel or advisors, as it deems necessary.

14. PROPRIETARY MARKS

The term "Proprietary Marks" as used in this Agreement refers to all words, symbols, insignia, devices, designs, trade names, service marks or combinations thereof designated by HR as identifying the System and the products sold and services provided in connection with the System. HR shall, from time to time, advise Franchisee as to any additions or deletions to the Proprietary Marks and Franchisee's right to use the Proprietary Marks shall be deemed modified by those additions or deletions.

Franchisee's right to use the Proprietary Marks is limited to its use of the Proprietary Marks in the operation of the Franchised Restaurant at the Franchised Location and as expressly provided in this Agreement and the OPM. Franchisee's limited license extends only to use of the Proprietary Marks in accordance with (i) all applicable standards, operating procedures, policies and guidelines that we prescribe—and from time to time amend—during the duration of this Agreement, including, without limitation, those set forth in the most current edition of the OPM and other publications, if any, dedicated to proper use of the Proprietary Marks; and (ii) all applicable laws and regulations pertaining to advertising and marketing, including, without limitation, federal and state laws pertaining to telemarketing (including the Telephone Consumer Protection Act), false advertising, unfair competition and unfair practices.

Franchisee shall not use the Proprietary Marks on any vehicles without the prior written approval of HR. Franchisee shall not use the Proprietary Marks or any variations of the Proprietary Marks or marks or names confusingly similar to the Proprietary Marks in any manner not authorized by HR or in any corporate, limited liability company or partnership name and shall not use any other trade names, service marks or trademarks in conjunction with the Franchised Restaurant. If local laws or ordinances require that Franchisee file an affidavit of doing business under an assumed name or otherwise make a filing indicating that the Proprietary Marks are being used as a fictitious or assumed name, Franchisee shall include in such filing or application an indication that the filing is made as a franchisee of HR. Franchisee shall use the symbol ® with all registered trademarks and the symbol ™ with all pending registrations or other marks.

Franchisee shall not use the Proprietary Marks in any Internet domain name or e-mail address, in the operation of any Internet web site or on a social mediate platform including any social networking site, Facebook Twitter, Instagram, Pinterest, YouTube, Snapchat, Vince, blogs, podcasts and wikis or other future social media platforms and/or technological avenues (collectively, "Social Media"); not an exclusive list and term applies to any social networking website, mobile application, blog or microblog, public and private message boards, comment sections, etc.) without HR's prior written consent. HR may grant or withhold its consent in its sole discretion and may condition its consent on such requirements as HR deems appropriate, including, among other things, that Franchisee obtain HR's written approval of: **(A)** any and all Internet domain names and home page addresses related to the Franchised Restaurant; **(B)** the proposed form and content of any web site related to the Franchised Restaurant; **(C)** Franchisee's use of any hyperlinks or other links; **(D)** Franchisee's use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has an ownership interest; and **(E)** any proposed modification of Franchisee's web site. HR may designate the form and content of Franchisee's web site and/or require that any such web site be hosted by HR or a third party who HR designates, using one or more web sites that HR owns and/or controls. HR may charge Franchisee a fee for developing, reviewing, securing, protecting or approving Franchisee's web site and/or for hosting the web site. HR has established a Social Media policy for franchisees and Franchisee must comply with the Social Media policy, as modified from time to time, and any additional policies HR issues. Any copyright in Franchisee's sites or pages on any Social Media are owned by HR, and Franchisee must sign any documents that HR reasonably deems necessary to affirm HR's ownership of the copyright.

If HR, in the exercise of its reasonable business judgment, should elect to use a principal name in addition to or other than "Hardee's" to identify System Restaurants generally or in the DMA in which the Franchised Restaurant is located, HR may select another name and notify Franchisee to change all or some items bearing the Proprietary Marks to the new name within a reasonable period of time as determined by HR without any liability to Franchisee, and Franchisee promptly shall adopt that name provided that HR has committed to adopt that name and make the necessary changes in at least 60% of the System Restaurants operated by HR or HR Affiliates (if the change affects all System Restaurants) or, in all other circumstances, in at least 60% of the System Restaurants operated by HR or HR Affiliates in the DMA in which the

Franchised Restaurant is located. Franchisee agrees that nothing in this Agreement gives it any right, title or interest in the Proprietary Marks (except the right to use the Proprietary Marks in accordance with the terms of this Agreement), that the Proprietary Marks are the sole property of HR and HR Affiliates, that Franchisee shall not directly or indirectly contest the validity or ownership of the Proprietary Marks or HR's right to license the Proprietary Marks, and that any and all uses by Franchisee of the Proprietary Marks and the goodwill arising therefrom shall inure exclusively to the benefit of HR and HR Affiliates. Franchisee will not seek to register, reregister, assert claim to ownership of, license or allow others to use, or otherwise appropriate to itself any of the Proprietary Marks or any mark or name confusingly similar thereto, or the goodwill symbolized by any of the foregoing except to the extent this action inures to the benefit of, and has the prior written approval of, HR. Any unauthorized use of the Proprietary Marks by Franchisee or attempt by Franchisee, directly or indirectly, to register the Proprietary Marks in any jurisdiction shall constitute a breach of this Agreement and an infringement of the rights of HR and HR Affiliates in and to the Proprietary Marks.

Franchisee promptly shall inform HR in writing as to any infringement of the Proprietary Marks of which it has knowledge. Franchisee shall not make any demand or serve any notice, orally or in writing, or institute any legal action or negotiate, compromise or settle any controversy with respect to any such infringement without first obtaining HR's written approval. HR shall have the right, but not the obligation, to bring such action or take such steps as it may deem advisable to prevent any such infringement and to join Franchisee as a party to any action in which HR or HR Affiliates are or may be a party and as to which Franchisee is or would be a necessary or proper party. Franchisee also shall promptly notify HR of any litigation (including administrative or arbitration proceedings) of which Franchisee is aware instituted against HR, HR Affiliates or Franchisee relating to the Proprietary Marks. Franchisee shall execute any and all instruments and documents, render such other assistance and do any acts and things as may, in the opinion of counsel for HR or HR Affiliates, be necessary or advisable to protect and maintain the interests of HR and HR Affiliates in the Proprietary Marks, including without limitation their interests in litigation or proceedings before the U.S. Patent and Trademark Office or other tribunal relating to the Proprietary Marks.

15. INSURANCE

A. Franchisee shall be responsible for all loss or damage arising from or related to Franchisee's development and operation of the Franchised Restaurant, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Franchised Restaurant. Franchisee shall, at its sole expense, maintain in full force and effect throughout the term of this Agreement that insurance which Franchisee determines is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Restaurant which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by Section 15.B. HR, and any entity with an insurable interest designated by HR, shall be an additional insured in such policies, except for workers' compensation, to the extent each has an insurable interest.

B. All insurance policies shall be written by an insurance company or companies satisfactory to HR, in compliance with the standards, specifications, coverages and limits set forth in the OPM or otherwise provided to Franchisee in writing. These policies shall include, at a minimum, the following:

(1) Commercial General Liability insurance with policy limits not less than $1,000,000 per occurrence and $2,000,000 in the aggregate. Coverage shall apply per location, including coverage for contractual liability, broad form property damage, personal and advertising injury, product

liability, completed operations, and food-borne illness, as well as Damage to Rented Premises coverage with limits not less than $100,000.

(2) Automobile Liability coverage, including owned, leased, non-owned and hired vehicles, with a combined single limit not less than $1,000,000 per accident and additional liability coverage as needed for delivery services. This may be included as part of a package policy.

(3) Workers' Compensation, statutory as required by law, and Employer's Liability insurance with limits not less than $500,000, and such other insurance as may be required by the state or locality in which the Franchised Restaurant is operated. This coverage shall also be in effect for all of Franchisee's employees who participate in any of the training programs described in Section 11.

(4) "Follow form" Umbrella/Excess Liability coverage over the underlying Commercial General Liability, Automobile Liability and Employer's Liability coverages, with limits not less than $4,000,000 per occurrence and in the aggregate.

(5) Commercial Property insurance that extends coverage on a replacement cost basis for the Franchised Restaurant, business personal property (including electronic equipment, tenant improvements & betterments), and business income and extra expense for a minimum of 12 months or actual loss sustained to cover loss of profits, continuing expenses and loss of rents. Covered causes of loss should be "Special Form" or "All Risk" with coinsurance conditions not less than 80%. Flood insurance is also required for locations that reside in FEMA Flood Zones beginning with the letters "A" or "V." Earthquake insurance is also required for locations that reside in FEMA Seismic Design Categories "E" or "D."

(6) Cyber Liability (network security/data privacy) with policy limits not less than $1,000,000 per occurrence.

(7) In connection with any construction, leasehold improvements, renovation, refurbishment, or remodeling of the Franchised Restaurant, Franchisee's general contractor shall maintain Commercial General Liability insurance (with products liability and independent contractors coverage), Automobile Liability coverage for owned, leased, hired and non-owned vehicles, and Builder's Risk with limits no less than $1,000,000, with HR named as an additional insured, as well as Workers' Compensation and Employer's Liability as required by state law.

HR may regulate the types, amounts, terms and conditions of insurance coverage required for the Franchised Restaurant, and standards for underwriters of policies providing required insurance coverage, including: **(a)** HR's protection and rights under these policies as an additional insured or loss payee; **(b)** required or permissible insurance contract provisions; **(c)** assignment of policy rights to HR; **(d)** periodic verification of insurance coverage that must be furnished to HR and; **(e)** similar matters related to insured and uninsured claims. Franchisee shall receive written notice of such modifications and shall take prompt action to comply.

C. The following general requirements shall apply to each insurance policy that Franchisee is required to maintain under this Agreement:

(1) Each insurance policy shall be specifically endorsed to provide that the coverages shall be primary and that any insurance carried by any additional insured or loss payee shall be excess and non-contributory.

(2) No insurance policy shall contain a provision that in any way limits or reduces coverage for Franchisee in the event of a claim by HR or its affiliates.

(3) Each insurance policy shall extend to, and provide indemnity for, all obligations and liabilities of Franchisee to third parties and all other items for which Franchisee is required to indemnify HR under this Agreement.

(4) Each insurance policy shall be written by an insurance company that has received and maintains an "A- VIII" or better rating by A.M. Best Company (or another rating service designated by HR) and that is otherwise satisfactory to HR.

(5) No insurance policy shall provide for a deductible amount that exceeds $100,000, unless otherwise approved in writing by HR.

(6) Each insurance policy shall include a waiver of subrogation endorsement in favor of HR and its affiliates.

(7) With respect to the Commercial General Liability, Automobile Liability and Umbrella/Excess Liability policies, HR and its affiliates shall be named as Additional Insured on a primary and non-contributory basis.

D. All required insurance policies shall be in full force and effect and Franchisee shall submit to HR evidence of satisfactory insurance and proof of payment therefore no later than the date the first of the following occurs: **(1)** 30 days prior to the scheduled opening date of the Franchised Restaurant; **(2)** the date Franchisee takes possession of the Franchised Location, or **(3)** the date construction commences at the Franchised Location, if Franchisee is contractually obligated for the construction. On each policy renewal date thereafter, Franchisee shall again submit evidence of satisfactory insurance and proof of payment therefor to HR. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days' prior written notice to HR. Upon request, Franchisee also shall provide to HR copies of all or any policies, and policy amendments and riders.

E. Franchisee acknowledges that no requirement for insurance contained in this Agreement constitutes advice or a representation by HR that only such policies, in such amounts, are necessary to protect Franchisee from losses in connection with its business under this Agreement. Maintenance of this insurance, and the performance by Franchisee of its obligations under this Section, shall not relieve Franchisee of liability under the indemnification provisions of this Agreement.

F. Should Franchisee, for any reason, fail to procure or maintain at least the insurance required by this Section 15, as revised from time to time pursuant to the OPM or otherwise in writing, HR shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to

Franchisee. All out-of-pocket costs incurred by HR in obtaining such insurance on behalf of Franchisee shall be reimbursed to HR by Franchisee immediately upon Franchisee's receipt of an invoice therefor.

16. ORGANIZATION OF FRANCHISEE

A. Representations

If Franchisee is a corporation, a limited liability company, a partnership or any other type or organization (collectively, "business entity"), Franchisee makes the following representations and warranties: **(1)** it is duly organized and validly existing under the laws of the state of its formation; **(2)** it is qualified to do business in the state or states in which the Franchised Restaurant is located; **(3)** execution of this Agreement and the development and operation of the Franchised Restaurant is permitted by its governing documents; **(4)** agreements exist among Franchisee's shareholders, members or partners which provide a mechanism to avoid an impasse among the shareholders, members or partners in the event of a dispute and to provide for the disposition of ownership interests following the death or permanent disability of a shareholder, member or partner; and **(5)** Franchisee's governing documents shall at all times provide that the activities of Franchisee are limited to the development and operation of System Restaurants, other restaurants operated by Franchisee that are franchised by HR or HR Affiliates and those existing restaurant or foodservice operations, if any, which are identified in Appendix A, and that no Transfer (as defined in Section 18) of an ownership interest may be made except in accordance with Section 18.

B. Governing Documents

If Franchisee is a business entity, Franchisee shall furnish HR with copies of Franchisee's governing documents and any other corporate documents, books or records that HR may request. When any of these governing documents are modified or changed, Franchisee promptly shall provide copies to HR.

C. Ownership Interests

If Franchisee is a corporation, Franchisee must furnish HR with a list of all holders of a direct or indirect ownership interest in Franchisee and their respective percentage interests. As of the date of this Agreement, all interests in Franchisee are owned as set forth in attached Appendix D. Franchisee shall comply with Section 18 prior to any change in ownership interests and shall update Appendix D as changes occur in order to ensure the information contained in Appendix D is true, accurate and complete at all times.

The requirements of this Section 16.C. shall apply only to Franchisee's Continuity Group (defined in Section 16.E.) if, as of the date of the first franchise-related agreement between Franchisee and HR or an HR Affiliate, Franchisee was a publicly-held entity (*i.e.*, an entity that has a class of securities traded on a recognized securities exchange or quoted on the inter-dealer quotation sheets known as the "pink sheets"). If Franchisee becomes a publicly-held entity after that date, it shall thereafter be required to update Appendix D only with respect to changes in ownership interests of members of the Continuity Group.

D. Restrictive Legend

If Franchisee is a corporation, Franchisee shall maintain stop-transfer instructions against the transfer on its records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Hardee's Restaurant Franchise Agreement(s) to

which the corporation is a party." If Franchisee is a publicly-held entity these requirements shall apply only to the stock owned by Franchisee's Continuity Group. If Franchisee is a limited liability company, each membership or management certificate or other evidence of interest in Franchisee shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the Hardee's Restaurant Franchise Agreement(s) to which the limited liability company is a party." If Franchisee is a partnership, its written partnership agreement shall provide that ownership of an interest in the partnership is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignment by this Agreement.

E. Continuity Group

If Franchisee is a business entity, Appendix D lists those persons who HR and Franchisee have designated as Franchisee's "Continuity Group." In the event of any change in the Continuity Group or in the ownership interests of any member of the Continuity Group, Franchisee shall update Appendix D to reflect the change. If Franchisee is a business entity, the Continuity Group shall at all times own at least 51% of the ownership interests in Franchisee.

F. Guarantees

The provisions of this Section 16.F. shall not be applicable if this Agreement was initially executed solely by individuals as "Franchisee" and: **(1)** those individuals continue to be "Franchisee"; or **(2)** those individuals have assigned this Agreement to a corporation, limited liability company, partnership or other entity they control, but have not been released from their obligations under this Agreement, those individuals covenant to remain primarily liable under this Agreement, and those individuals covenant to HR that such assignee entity shall at all times maintain a minimum net worth as reasonably determined by HR.

If requested by HR, in the exercise of its reasonable business judgment, those members of the Continuity Group and their spouses designated by HR shall jointly and severally guarantee Franchisee's payment and performance under this Agreement and shall bind themselves to the terms of this Agreement pursuant to the attached Guarantee and Assumption of Franchisee's Obligations. HR reserves the right to require any guarantor to provide personal financial statements to HR from time to time.

If Franchisee, any guarantor or any parent, subsidiary or affiliate of Franchisee holds any interest in other restaurants that are franchised by HR or HR Affiliates, the party who owns that interest shall execute (if requested by HR, in the exercise of its reasonable business judgment), concurrently with this Agreement, a form of cross-guarantee to HR and HR Affiliates for the payment of all obligations for such restaurants. For purposes of this Agreement, an affiliate of Franchisee is any company controlled, directly or indirectly, by Franchisee or Franchisee's parent or subsidiary.

G. Operating Principal

Franchisee shall designate and retain an individual to serve as the Operating Principal. (If Franchisee is owned by one individual, that individual may serve as the Operating Principal if the individual meets HR's requirements for an Operating Principal.) The Operating Principal as of the date of this Agreement is identified in Appendix D. The Operating Principal shall meet all of the following qualifications:

(1) The Operating Principal, at all times, shall have an equity ownership interest in Franchisee. This Section 16.G.(1) shall not apply if Franchisee was a publicly-held entity or wholly-owned subsidiary of a publicly-held entity as of the date of the first franchise-related agreement between Franchisee and HR or an HR Affiliate.

(2) The Operating Principal, at all times, shall be a member of the Continuity Group and, at a minimum, have full control over the day-to-day activities of the Franchised Restaurant and those other restaurants (that are franchised by HR or HR Affiliates) operated by Franchisee in the same geographic market as the Franchised Restaurant, including control over the standards of operation and financial performance.

(3) Unless Franchisee has named, and HR has approved, a Multi-Unit Manager:

(a) The Operating Principal shall devote full-time and best efforts to supervising the operation of the Franchised Restaurant and those other restaurants (that are franchised by HR or HR Affiliates) operated by Franchisee in the same geographic market as the Franchised Restaurant and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(b) Unless waived in writing by HR, the Operating Principal shall maintain his primary residence within a reasonable driving distance of the Franchised Restaurant.

(4) The Operating Principal shall successfully complete the Franchise Management Training Program and any additional training required by HR.

(5) HR shall have approved the Operating Principal, and not have later withdrawn that approval.

If the Operating Principal no longer qualifies as such, Franchisee shall designate another person to act as Operating Principal within 30 days of the date of failing to remain qualified.

If Franchisee operates restaurants in multiple markets that are franchised by HR or HR Affiliates, an individual meeting the qualifications of this section will serve as the Operating Principal in at least one market.

H. Multi-Unit Manager

If Franchisee operates restaurants that are franchised by HR or HR Affiliates in multiple geographic markets, for all markets in which the Operating Principal fails to satisfy the requirements of Section 16.G., Franchisee shall designate and retain an individual to serve as Multi-Unit Manager. The Multi-Unit Manager shall be under the supervision of the Operating Principal. The Multi-Unit Manager shall meet all of the following qualifications:

(1) The Multi-Unit Manager shall devote full time and best efforts to the operation of the Franchised Restaurant, and those other restaurants (that are franchised by HR or HR Affiliates) operated by Franchisee in the same geographic market and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility.

(2) Unless waived in writing by HR, the Multi-Unit Manager shall maintain his primary residence within a reasonable driving distance of the Franchised Restaurant.

(3) The Multi-Unit Manager shall successfully complete the Franchise Management Training Program and any additional training required by HR.

(4) HR shall have approved the Multi-Unit Manager, and not have later withdrawn that approval.

If the Multi-Unit Manager no longer qualifies as such, Franchisee shall designate another person to act as Multi-Unit Manager within 30 days of the date of failing to remain qualified.

17. TRANSFERS BY HR

This Agreement shall inure to the benefit of the successors and assigns of HR. HR shall have the right to transfer or assign its interests in this Agreement to any person, persons, partnerships, association or corporation. If HR's assignee assumes all obligations of HR under this Agreement, and sends written notice of the assignment so attesting, Franchisee agrees promptly to execute a release of HR except for any known liabilities incurred by HR prior to the date of such notice, and HR shall not thereafter be under further obligation under this Agreement. Franchisee agrees that HR will have no liability after the effective date of transfer or assignment for the performance of, or any failure to perform, any obligations transferred.

18. TRANSFERS BY FRANCHISEE

A. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that HR has granted this Franchise in reliance on Franchisee's (and Franchisee's direct and indirect owners') business skill and financial capacity. Franchisee shall not, without HR's prior written consent, by operation of law or otherwise, sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in this Agreement, Franchisee, the Franchise, the Franchised Restaurant, any assets of the Franchised Restaurant, the Franchised Location or any other assets pertaining to Franchisee's operations under this Agreement, nor offer, permit or suffer the same. Unless otherwise specified, as used in this Section 15, if Franchisee is a business entity, the term "Franchisee" shall include, collectively and individually, all officers, directors and holders of a beneficial ownership interest of 5% or more of Franchisee, and of any business entity directly or indirectly controlling Franchisee. Any purported assignment or transfer not having the written consent of HR shall be null and void and shall constitute a material breach of this Agreement, for which HR may terminate this Agreement without providing Franchisee an opportunity to cure the breach.

B. HR shall not unreasonably withhold its consent to any transfer referred to in Section 18.A.; provided, however, that prior to the time of transfer:

(1) All of Franchisee's accrued monetary obligations to HR and HR Affiliates shall have been satisfied.

(2) Franchisee and all guarantors of Franchisee's obligations, if any, shall have executed a general release and a covenant not to sue, in a form satisfactory to HR, of any and all claims against HR and HR Affiliates and their respective past and present officers, directors, managers, shareholders, members, agents and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and claims

arising out of, or relating to, this Agreement, any other agreements between Franchisee and HR or HR Affiliates and Franchisee's operation of the Franchised Restaurant and all other restaurants operated by Franchisee that are franchised by HR or HR Affiliates. The release to be executed by Franchisee, with respect to the Franchised Restaurant, shall include a release of all known and unknown claims with respect to the Franchised Restaurant (excluding claims which Franchisee proves in the applicable forum that HR fraudulently concealed from Franchisee). With respect to all other restaurants franchised by HR or HR Affiliates that are operated by Franchisee, the release shall be a release of all known claims (excluding claims which Franchisee proves in the applicable forum that HR fraudulently concealed from Franchisee).

(3) Franchisee shall have agreed to remain obligated pursuant to the provisions of Section 19 as if this Agreement had terminated as of the date of the transfer.

(4) Franchisee shall have paid HR a transfer fee of $2,500 per Franchised Restaurant to cover its administrative expenses in connection with the transfer; however, if the transfer involves other System Restaurants in addition to the Franchised Restaurant, the transfer fee shall be $2,500 for the first System Restaurant being transferred and $500 for each additional System Restaurant being transferred in the same transaction.

(5) Franchisee shall have executed a written agreement, under seal, in a form satisfactory to HR, in which Franchisee covenants to remain primarily liable under this Agreement and to waive notice of demand, presentment, protest and dishonor, which liability shall not be affected by any extension of time, credit or other indulgence granted to any transferee.

(6) The transferee shall have met HR's then-current criteria for new franchisees.

(7) Franchisee or the proposed transferee, as determined by HR, must complete all remodel, renovations, re-image, maintenance and facility upgrades to modernize and conform the Franchised Restaurant to the image of the System for new franchised restaurants.

(8) Franchisee and the proposed transferee shall have executed, as directed by HR in accordance with the next sentence, either an assignment agreement and any amendments to this Agreement deemed necessary or desirable by HR to reflect the transfer or the proposed transferee shall have executed HR's then-current standard form franchise agreement for an initial term ending on the expiration date of the Initial Term of this Agreement. The then-current standard form franchise agreement shall be executed in all instances, except where the proposed transferee satisfies all of the following: **(A)** the proposed transferee was a franchisee of System Restaurants as of February 6, 1998; **(B)** during the preceding 12 months, the proposed transferee has not been in default of any agreement with HR; **(C)** at the time of the proposed transfer, the proposed transferee is not in a workout or restructuring relationship with HR; and **(D)** at the time of the proposed transfer, the proposed transferee has fully repaid to HR in cash all monies borrowed from HR. If the proposed transferee satisfies all of preceding criteria, in lieu of an assignment agreement and any amendments to this Agreement, HR may require that the proposed transferee execute HR's then-current form of "St. Louis" franchise agreement, if such form of agreement is offered by HR as of the date of the proposed transfer.

(8) The transferee and each of the transferee's affiliates that have entered into a development or franchise agreement with HR or HR Affiliates must, as of the date of the request for HR's consent to the Transfer, be in compliance with all obligations to HR or HR Affiliates under those agreements.

C. If a transfer, alone or together with other related previous, simultaneous or proposed transfers, would have the effect of transferring control of this Agreement or the Franchised Restaurant to a transferee, in addition to the requirements of Section 18.B., HR's consent to the transfer shall be conditioned on the following additional requirements:

(1) The proposed transferee shall be of good moral character and reputation.

(2) The proposed transferee shall have demonstrated to HR's satisfaction, by meeting with HR or otherwise, at HR's option, that the transferee's qualifications meet HR's then current criteria for new franchisees, that it has prior experience in operating a restaurant business and that it has the aptitude and ability to operate and to own or control a System Restaurant. For the purposes of determining whether these conditions have been met, the persons and entities included in the term "Franchisee" as defined for use in this Section 18 shall be considered collectively.

(3) The proposed transferee and those employees hired by the transferee to fill certain designated positions shall have successfully completed the training provided in Sections 11A.-B.

(4) If the proposed transferee is a corporation, limited liability company or partnership, HR must receive a copy of the documents specified in Section 16.B. and the proposed transferee shall comply with the other requirements of Section 16.

D. If Franchisee is an individual or a partnership and desires to transfer this Agreement to a corporation (or limited liability company) formed for the convenience of ownership, the requirements of Section 18.B. shall apply to such a transfer, however, Franchisee will not be required to pay a transfer fee. Approval by HR also will be conditioned on the following: **(1)** the corporation (or limited liability company) must be newly organized; **(2)** prior to the transfer, HR must receive a copy of the documents specified in Section 16.B. and the transferee shall comply with the remaining provisions of Section 16; and **(3)** Franchisee must own all voting securities of the corporation (or membership interests of the limited liability company) or, if Franchisee is owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as prior to the transfer.

E. In the event of the death or permanent incapacity of any person with an ownership interest in Franchisee, HR shall not unreasonably withhold its consent to a transfer to any person, persons, partnership or corporation designated by his legal representative, provided, however, that:

(1) The requirements of Section 18.B. and of 18.C. shall have been met.

(2) The proposed transfer is applied for in writing within 2 months of the date of death or permanent incapacity by the legal representative of such individual, and is effected within 6 months thereafter.

(3) In the case of permanent incapacity, the legal representative shall have furnished a certification of a physician designated by HR that Franchisee has been or will be unable to operate the Franchised Restaurant for a period of 6 months or longer.

F. HR's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of HR's right to demand exact compliance with any of the terms of this Agreement by the transferee, nor shall it be deemed a waiver of HR's right to give or withhold consent to future transfers.

G. If any person holding an interest in Franchisee or this Agreement receives a bona fide offer (as determined by HR in its reasonable discretion) from a third party to purchase Franchisee, any assets of Franchisee, this Agreement, the Franchise, the Franchised Restaurant, any assets of the Franchised Restaurant, the Franchised Location or any other assets pertaining to Franchisee's operations under this Agreement, Franchisee shall notify HR in writing, and provide HR a copy, of the offer, and HR shall have the right and option, exercisable within 20 days after actual receipt of such written notification and a copy of the offer or receipt of evidence of merchantable title, whichever is later, to give notice to Franchisee that HR intends to purchase the seller's interest therein on the same terms and conditions offered by the third party, and closing shall be within 60 days of HR's notice of the exercise of its option. In exercising its option, HR shall be entitled to set off any monies owed to HR or HR Affiliates by Franchisee. Should HR fail to exercise this option and the terms of the offer go unaccepted and thereafter be altered, or should the transaction not be consummated and closed within 6 months with the same third party, HR shall, in each instance, be notified in writing of terms of the offer and shall again have 20 days from the date of actual receipt thereof, or from receipt of evidence of merchantable title, whichever is later, to notify Franchisee that it intends to purchase on such terms. Should HR fail to exercise this option, the terms of this Section 18 shall govern any transfer which may be contemplated.

19. COVENANTS

A. Best Efforts

During the term of this Agreement, Franchisee and the Operating Principal shall devote their best efforts to the development, management and operation of the Franchised Restaurant.

B. Confidentiality

Franchisee acknowledges and agrees that HR owns all right, title and interest in and to the System. Franchisee further acknowledges that: **(1)** the System consists of trade secrets and confidential and proprietary information and know-how that gives HR a competitive advantage; **(2)** HR has taken all measures necessary to protect the trade secrets and the confidentiality of the proprietary information and know-how comprising the System; **(3)** all material or other information now or hereafter provided or disclosed to Franchisee regarding the System is disclosed in confidence; **(4)** Franchisee has no right to disclose any part of the System to anyone who is not an employee of Franchisee; **(5)** Franchisee will disclose to its employees only those parts of the System that an employee needs to know; **(6)** Franchisee will have a system in place to ensure its employees keep confidential HR's trade secrets and confidential and proprietary information and, if requested by HR, Franchisee shall obtain from those of its employees designated by HR an executed Confidential Disclosure Agreement in the form prescribed by HR; **(7)** Franchisee will not acquire any interest in the System; and **(8)** the use or duplication of any material aspect of the System (as reasonably determined by HR) in any other business would constitute an unfair method of competition, for which HR would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

Franchisee shall not, during the term of this Agreement or at any time thereafter, communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to the Proprietary Marks or the System. Any and all information, knowledge, know-how and techniques, including all drawings, materials, equipment, specifications, recipes, techniques and other data that HR designates as confidential shall be deemed confidential for purposes of this Agreement.

C. Restrictions

(1) Franchisee acknowledges and agrees that: **(a)** pursuant to this Agreement, Franchisee will have access to valuable trade secrets, specialized training and confidential information from HR regarding the development, operation, purchasing, sales and marketing methods and techniques of HR and the System; **(b)** the System and the opportunities, associations and experience established and acquired by Franchisee under this Agreement are of substantial and material value; **(c)** in developing the System, HR has made and continues to make substantial investments of time, technical and commercial research and money; **(d)** HR would be unable adequately to protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information among System Restaurants if franchisees or developers were permitted to hold interests in competitive businesses; and **(e)** restrictions on Franchisee's right to hold interests in, or perform services for, competitive businesses will not hinder its activities.

(2) Accordingly, Franchisee covenants and agrees that during the term of this Agreement, and for a period of 1 year following its expiration or earlier termination, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, or other entity:

(a) Divert or attempt to divert any business or customer, or potential business or customer, of any System Restaurant to any competitor, by direct or indirect inducement or otherwise. Franchisee's advertising for, and operation of, its existing restaurant or foodservice operations, if any, which are identified in Appendix A shall be deemed to not violate the preceding restriction.

(b) Own, maintain, operate, engage in, advise, help, make loans to, or have any interest in, either directly or indirectly, any restaurant business: **(i)** that sells hamburgers or any menu item that comprises at least 10% of sales at System Restaurants operated by HR or HR Affiliates; or **(ii)** whose method of operation or trade dress is similar to that employed in the System. During the term of this Agreement, there is no geographical limitation on this restriction. Following the expiration or earlier termination of the term of this Agreement, this restriction shall apply within 2 miles of the Franchised Location and within 2 miles of any then-existing System Restaurant, except as otherwise approved in writing by HR. This restriction shall not apply to Franchisee's existing restaurant or foodservice operations, if any, which are identified in Appendix A, nor shall it apply to other restaurants operated by Franchisee that are franchised by HR or HR Affiliates.

If any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If HR files suit to enforce the post-termination portion of these restrictions, the 1-year period shall begin running upon the entry of a final, non-appealable judgment.

D. Modification

HR shall have the right, in its sole discretion, to reduce the scope of any covenant in this Section 19 effective immediately upon Franchisee's receipt of written notice, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 27.

E. Applicability

The restrictions contained in this Section 19 shall apply to Franchisee and all guarantors of Franchisee's obligations. In addition, these restrictions shall apply for a 1-year period after any guarantor of Franchisee's obligations (or, if applicable, their spouses) ceases to be a member of the Continuity Group. The restrictions contained in this Section 19 shall not apply to ownership of less than a 5% legal or beneficial ownership in the outstanding equity securities of any publicly held corporation by Franchisee or any guarantor of Franchisee's obligations. The existence of any claim Franchisee or any guarantor of Franchisee's obligations may have against HR or HR Affiliates, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by HR of the covenants in this Section 19.

20. TERMINATION

A. Termination Without Cure Period

In addition to the grounds for termination stated elsewhere in this Agreement, HR may terminate this Agreement, and the rights granted by this Agreement, upon written notice to Franchisee without an opportunity to cure upon the occurrence of any of the following events:

(1) Franchisee ceases to continuously operate the Franchised Restaurant for a period in excess of 5 consecutive days, unless the closing is due to an act of God, fire or other natural disaster or is approved in writing in advance by HR. If the closing is due to fire or other natural disaster, Franchisee must rebuild and reopen the Franchised Restaurant within six months following the fire or other natural disaster event or such longer period of time as agreed to with HR.

(2) Franchisee is insolvent or is unable to pay its creditors (including HR); files a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization; there is filed against Franchisee a petition in bankruptcy, an arrangement for the benefit of creditors or petition for reorganization, which is not dismissed within 60 days of the filing; Franchisee makes an assignment for the benefit of creditors; or a receiver or trustee is appointed for Franchisee and not dismissed within 60 days of the appointment.

(3) If execution is levied against Franchisee's business or property, suit to foreclose any lien or mortgage against the premises or equipment of the Franchised Restaurant is instituted against Franchisee and is not dismissed within 60 days, or the real or personal property of the Franchised Restaurant shall be sold after levy thereupon by any sheriff, marshal or constable, HR may terminate this Agreement prior to the actual taking of the property.

(4) There is a material breach of any obligation under Section 19.B. or Section 19.C.(2)(c).

(5) Any transfer that requires HR's prior written consent occurs without Franchisee having obtained that prior written consent.

(6) HR discovers that Franchisee made a material misrepresentation or omitted a material fact in the information that was furnished to HR in connection with its decision to enter into this Agreement.

(7) Franchisee knowingly falsifies any report required to be furnished HR or makes any material misrepresentation in its dealings with HR or fails to disclose any material facts to HR.

(8) Franchisee fails to open the Franchised Restaurant for business within 18 months after the Property Control Date or within 60 days after HR first authorizes the opening of the Franchised Restaurant.

(9) HR makes a reasonable determination that continued operation of the Franchised Restaurant by Franchisee will result in an imminent danger to public health or safety.

(10) Franchisee loses possession of the Franchised Location through its own fault or its failure to extend the lease for the Franchised Location through the Initial Term of this Agreement.

(11) Franchisee, the Operating Principal, any stockholder, member, partner, director or officer of Franchisee, or any member of the Continuity Group is convicted of, or pleads no contest to, a felony charge; a crime involving moral turpitude; or any other crime or offense that is reasonably likely, in the reasonable opinion of HR, to adversely affect HR, HR Affiliates or the System.

(12) Franchisee, the Operating Principal, any member of the Continuity Group, any holder of a legal or beneficial interest in Franchisee of 10% or more or any affiliate of Franchisee remains in default beyond the applicable cure period under any other agreement with HR or HR Affiliates, or Franchisee remains in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to the Franchised Restaurant, or Franchisee remains in default beyond the applicable cure period with any vendor or supplier to the Franchised Restaurant, or Franchisee fails to pay when due any taxes or assessments relating to the Franchised Restaurant or its employees, unless Franchisee is actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization.

B. Termination Following Expiration of Cure Period

(1) Except for those items listed in preceding Section 20.A., Franchisee shall have 30 days after written notice of default from HR within which to remedy the default and provide evidence of that remedy to HR. If any such default is not cured within that time, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of that time, unless HR notifies Franchisee otherwise in writing. Notwithstanding the foregoing, if a non-monetary default cannot be corrected within 30 days, Franchisee shall have such additional time to correct the default as reasonably required (not to exceed 90 days) provided that Franchisee begins taking the actions necessary to correct the default during the 30 day cure period and diligently and in good faith pursues those actions to completion. Franchisee will be in default under this Agreement for any failure to comply with any of the material requirements imposed by this Agreement, the OPM or otherwise in writing, or to carry out the terms of this Agreement in good faith.

(2) If Franchisee has received 2 or more notices of default within the previous 12 months, HR shall be entitled to send Franchisee a notice of termination upon Franchisee's next default within that 12 month period under this Section 20.B. without providing Franchisee an opportunity to remedy the default, if another default has occurred.

(3) In addition to the other provisions of this Section 20.B., if HR reasonably determines that Franchisee becomes or will become unable to meet its obligations to HR or HR Affiliates under this Agreement, HR may provide Franchisee written notice to that effect and demand that Franchisee provide those assurances reasonably designated by HR, which may include security or letters of credit for the payment of Franchisee's obligations to HR and HR Affiliates. If Franchisee fails to provide the assurances demanded by HR within 30 days after its receipt of written notice from HR, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of that time, unless HR notifies Franchisee otherwise in writing.

C. Termination Following Inspection

HR shall have the right to periodically conduct inspections of the Franchised Restaurant to evaluate Franchisee's compliance with the System and this Agreement. Following each inspection, HR will provide Franchisee an inspection report listing Franchisee's score on the inspection and those conditions at the Franchised Restaurant that must be rectified. If Franchisee fails to achieve a passing score on an inspection, HR will conduct another inspection (which shall be conducted at least 30 days after Franchisee's receipt of the inspection report for the prior inspection). If Franchisee fails to achieve a passing score on the second inspection, the inspection report for the second inspection, following review of the report by a supervisor of the person preparing the report, shall constitute a notice of default without any further action or notice on HR's behalf. HR may terminate this Agreement if Franchisee fails to rectify the deficiencies identified in the second inspection report within 30 days after Franchisee's receipt of the inspection report.

D. Statutory Limitations

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

21. OBLIGATIONS ON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement:

A. Franchisee immediately shall pay HR and HR affiliates all sums due and owing HR or HR affiliates pursuant to this Agreement. In addition, if this Agreement is terminated following Franchisee's default, since it would be difficult, if not impossible, to determine the amount of damages that HR will suffer as a result of Franchisee's breach, unless waived by HR in its sole discretion, Franchisee immediately shall pay HR, as damages and not as a penalty, the amount of the royalty fee that Franchisee would have paid during the period ("Damages Period") from the effective date of termination to the earlier of: **(1)** the 3-year anniversary of the effective date of termination; or **(2)** the date on which the Initial Term was scheduled to expire. The amount of such royalty fee during the Damages Period will be calculated by multiplying the average monthly royalty fee owed by Franchisee for the 12-month period prior to the effective date of termination by the number of months in the Damages Period. The obligation to pay this royalty fee survives termination of this Agreement and is in addition to, and not in lieu of, Franchisee's obligation to fully comply with its obligations under Section 19.C. following termination of this Agreement.

B. Franchisee promptly shall return to HR the OPM, any copies of the OPM and all other materials and information furnished by HR or HR Affiliates and delete all electronic copies of the OPM and all other materials and information furnished by HR that are in Franchisee's possession. Franchisee

promptly shall return to HR, in good condition and repair excepting normal wear and tear, all computer software, disks, tapes and other electronic and magnetic storage media.

C. Franchisee and all persons subject to the covenants contained in Section 19 shall continue to abide by those covenants and shall not, directly or indirectly, take any action that violates those covenants.

D. Franchisee immediately shall discontinue all use of the Proprietary Marks in connection with the Franchised Restaurant and of any and all items bearing the Proprietary Marks; remove the Proprietary Marks from the Franchised Restaurant and from clothing, signs, materials, motor vehicles and other items owned or used by Franchisee in the operation of the Franchised Restaurant; cancel all advertising for the Franchised Restaurant that contains the Proprietary Marks (including telephone directory listings); and take such action as may be necessary to cancel any filings or registrations for the Franchised Restaurant that contain any Proprietary Marks.

E. Franchisee promptly shall make such alterations and modifications to the Franchised Location as may be necessary to clearly distinguish to the public the Franchised Location from its former appearance and also make those specific additional changes as HR reasonably may request for that purpose. If Franchisee fails to promptly make these alterations and modifications, HR shall have the right (at Franchisee's expense, to be paid upon Franchisee's receipt of an invoice from HR) to do so without being guilty of trespass or other tort.

F. Franchisee shall furnish HR, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by an authorized officer of Franchisee) reasonably satisfactory to HR of Franchisee's compliance with Sections 21.A. through 21.E.

G. Franchisee shall not, except with respect to a restaurant franchised by HR or HR Affiliates which is then open and operating pursuant to an effective franchise agreement or a restaurant franchised by HR or HR Affiliates which is under construction pursuant to a fully-signed franchise agreement: **(1)** operate or do business under any name or in any manner that might tend to give the public the impression that Franchisee is connected in any way with HR or HR Affiliates or has any right to use the System or the Proprietary Marks; or **(2)** make use or avail itself of any of the materials or information furnished or disclosed by HR or HR Affiliates under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else; or **(3)** assist anyone not licensed by HR or HR Affiliates to construct or equip a foodservice outlet substantially similar to a System Restaurant.

22. PURCHASE FOLLOWING TERMINATION

The right of first refusal granted HR in Section 18.G. shall also be applicable, for a period of 1 year following the expiration or earlier termination of this Agreement, if any person holding any interest in Franchisee or this Agreement receives a bona fide offer (as determined by HR in its reasonable discretion) from a third party to purchase the Franchised Restaurant, any assets of the Franchised Restaurant, the Franchised Location or any other assets pertaining to Franchisee's operations under this Agreement.

23. RELATIONSHIP OF THE PARTIES

This Agreement does not create a fiduciary or other special relationship between the parties. Franchisee is an independent contractor with entire control and direction of the development and operation of the Franchised Restaurant, subject only to the conditions and covenants established by this Agreement.

No agency, employment, or partnership is created or implied by the terms of this Agreement, and Franchisee is not and shall not hold itself out as agent, legal representative, partner, subsidiary, joint venture or employee of HR or HR Affiliates or a joint employer with HR or HR Affiliates. Franchisee shall have no right or power to, and shall not, bind or obligate HR or HR Affiliates in any way or manner, nor represent that Franchisee has any right to do so. Franchisee shall not issue any press releases without the prior written approval of HR.

The sole relationship between Franchisee and HR is a commercial, arms' length business relationship and, except as provided in Section 24, there are no third party beneficiaries to this Agreement. Franchisee's business is, and shall be kept, totally separate and apart from any that may be operated by HR. In all public records, in relationships with other persons, and on letterheads and business forms, Franchisee shall indicate its independent ownership of the Franchised Restaurant and that Franchisee is solely a franchisee of HR. Franchisee shall post a sign in a conspicuous location in the Franchised Restaurant which will contain Franchisee's name and state that the Franchised Restaurant is independently owned and operated by Franchisee under a franchise agreement with HR.

24. INDEMNIFICATION

A. Franchisee and all guarantors of Franchisee's obligations under this Agreement shall, at all times, indemnify, defend (with counsel reasonably acceptable to HR), and hold harmless (to the fullest extent permitted by law) HR and its parents and affiliates, and their respective predecessors, successors, assigns, past and present stockholders, directors, managers, officers, employees, members, agents and representatives (collectively "Indemnitees") from and against all "losses and expenses" (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), judgment or appeal thereof by or against HR and/or Indemnitees or any settlement thereof (whether or not a formal proceeding or action had been instituted), arising out of or resulting from or connected with Franchisee's activities under this Agreement. The foregoing indemnification shall not include losses and expenses arising from the gross negligence and/or willful misconduct of HR and/or Indemnitees or arising from Franchisee's actions in full compliance with a directive from HR. In addition, to the extent an authorized supplier of the Franchised Restaurant is primarily liable for such losses and expenses, Franchisee's indemnification shall be mitigated to the extent of recovery from the authorized supplier by HR and/or Indemnitees. Franchisee promptly shall give HR written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation filed or instituted against Franchisee and, upon request, shall furnish HR with copies of any documents from such matters as HR may request.

At Franchisee's expense and risk, HR may elect to assume (but under no circumstances will HR be obligated to undertake), the defense and/or settlement of any action, suit, proceeding, claim, demand, investigation, inquiry, judgment or appeal thereof subject to this indemnification. Such an undertaking shall, in no manner or form, diminish Franchisee's obligation to indemnify and hold harmless HR and Indemnitees. HR shall not be obligated to seek recoveries from third parties or otherwise mitigate losses.

B. As used in this Section, the phrase "losses and expenses" shall include, but not be limited to, all losses; compensatory, exemplary and punitive damages; fines; charges; costs; expenses; lost profits; reasonable attorneys' fees; expert witness fees; court costs; settlement amounts; and judgments.

25. CONSENTS, APPROVALS AND WAIVERS

A. Whenever this Agreement requires the prior approval or consent of HR, Franchisee shall make a timely written request to HR therefor; and any approval or consent received, in order to be effective and binding upon HR, must be obtained in writing and be signed by an authorized officer of HR.

B. HR makes no warranties or guarantees upon which Franchisee may rely by providing any waiver, approval, consent or suggestion to Franchisee in connection with this Agreement, and assumes no liability or obligation to Franchisee therefor, or by reason of any neglect, delay, or denial of any request therefor. HR shall not, by virtue of any approvals, advice or services provided to Franchisee, assume responsibility or liability to Franchisee or to any third parties to which HR would not otherwise be subject.

C. No failure of HR to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of HR's right to demand exact compliance with any of the terms of this Agreement. A waiver by HR of any particular default by Franchisee shall not affect or impair HR's rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of HR to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions or covenants of this Agreement affect or impair HR's right to exercise the same, nor shall such constitute a waiver by HR of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by HR of any payments due to it hereunder shall not be deemed to be a waiver by HR of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

26. NOTICES

No notice, demand, request or other communication to the parties shall be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and is addressed to: **(A)** if to Franchisee, addressed to Franchisee at the notice address set forth in Appendix A; and **(B)** if to HR, addressed to HR at its principal offices, current address: 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067 (marked Attn: Kerry Olson, General Counsel) (Email: kolson@ckr.com), with a copy to Franchise Legal Team (Email: legal@ckr.com). Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices shall be effective upon receipt (or first rejection) and may be: **(1)** delivered personally; **(2)** transmitted by email to the addresses set forth above (or in Appendix A) with electronic confirmation of receipt; **(3)** mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or **(4)** mailed via overnight courier.

27. ENTIRE AGREEMENT

HR and Franchisee acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, the parties shall deal with each other in good faith. This Agreement, the OPM, the documents referred to herein, and the attachments hereto, constitute the entire, full and complete agreement between the parties concerning Franchisee's rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth herein,

no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in the Hardee's Franchise Disclosure Document provided to Franchisee.

28. SEVERABILITY AND CONSTRUCTION

A. Each article, paragraph, subparagraph, term and condition of this Agreement, and any portions thereof, will be considered severable. If, for any reason, any portion of this Agreement is determined to be invalid, contrary to, or in conflict with, any applicable present or future law, rule or regulation in a final, unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which HR is a party, that ruling will not impair the operation of, or have any other effect upon, any other portions of this Agreement; all of which will remain binding on the parties and continue to be given full force and effect.

B. HR has entered, and will continue to enter, into agreements with other franchisees. The manner in which HR enforces its rights and the franchisees' obligations under any of those other agreements shall not affect the ability of HR to enforce its rights or Franchisee's obligations under this Agreement. Except as otherwise provided in Section 24, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee and HR and HR Affiliates and such of their heirs, successors and assigns, any rights or remedies under or by reason of this Agreement.

C. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that 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 of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which HR is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

D. No provision of this Agreement shall be interpreted in favor of, or against, any party because of the party that drafted this Agreement.

E. Franchisee agrees that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of HR will have any liability for: **(1)** any obligations or liabilities of HR relating to or arising from this Agreement; **(2)** any claim against HR based on, in respect of, or by reason of the relationship between Franchisee and HR; or **(3)** any claim against HR based on any alleged unlawful act or omission of HR. This provision does not include a release of claims arising from representations in the Hardee's Franchise Disclosure Document provided to Franchisee in connection with this Agreement or any claims arising under any applicable state or federal franchise laws regulating the offer or sale of the franchise for this Agreement (including without limitation the FTC Rule on Franchising (16 C.F.R. Part 436)).

29. GOVERNING LAW, FORUM AND LIMITATIONS

A. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to conflicts of laws principles. Nothing in this Section is intended, or shall be deemed, to make any Tennessee

law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable.

B. Except as provided in Section 29.C., any claim, controversy or dispute arising out of or relating to this Agreement or with respect to a breach of the terms of this Agreement and any other claim, controversy or dispute between the parties shall be submitted to final and binding arbitration before the American Arbitration Association ("AAA") as the sole and exclusive remedy. The arbitration will be governed by the AAA commercial arbitration rules in effect on the date the demand for arbitration is filed and shall be conducted before one neutral arbitrator with restaurant and franchise experience selected in accordance with the AAA commercial arbitration rules from the AAA's national or regional arbitrator lists. The arbitration shall be administered by the AAA office nearest to HR's principal offices at the time the demand for arbitration is filed and all hearings shall take place at that office unless otherwise agreed to by the parties. Any demand for arbitration shall specify the amount of damages sought.

The arbitrator shall have no authority to amend or modify the provisions of this Agreement. The award and decision of the arbitrator shall be conclusive and binding upon all parties thereto and judgment upon the award may be entered in any court of competent jurisdiction, and HR and Franchisee waive any right to contest the validity or enforceability of the award. HR and Franchisee agree that each party will provide discovery to the other in the form of document production and up to 2 depositions of the other party (if the other party is any type of entity other than a sole proprietorship, the person(s) with the most knowledge regarding the matters to be arbitrated shall be the deponent(s)) in accordance with the Federal Rules of Civil Procedure. HR and Franchisee also will obtain the agreement of the arbitrator that: **(1)** the arbitrator shall provide a written ruling, stating in separate sections the findings of fact and conclusions of law on which their ruling is based; and **(2)** the ruling is due not later than 60 days after the final hearing.

C. Notwithstanding anything to the contrary contained in Section 29.B., either party shall be entitled to file suit in a court of competent jurisdiction for the entry of temporary or preliminary injunctive relief, restraining orders and orders of specific performance, including, without limitation, injunctive relief pertaining to Franchisee's use of the System and the Proprietary Marks.

D. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding (including the offer and sale of a franchise to Franchisee) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of 2 years from the date of discovery of the conduct or event that is the basis of the legal action or proceeding.

E. Franchisee and HR waive, to the fullest extent permitted by law, any right or claim of any punitive or exemplary damages against each other and agree that, in the event of a dispute between them, each shall be limited to the recovery of actual damages sustained by it. **Franchisee and HR also waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits or arbitration proceedings.**

F. No right or remedy conferred upon or reserved to HR 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. The provisions of this Section 29 shall survive the expiration or earlier termination of this Agreement.

30. FORCE MAJEURE

As used in this Agreement, the term "Force Majeure" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby. Franchisee's inability to obtain financing (regardless of the reason) shall not constitute Force Majeure. If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure to the other party by setting forth the nature thereof and an estimate as to its duration. Notwithstanding the foregoing, nothing in this Section shall permit or excuse any delay or failure to remit any payment due the other party on the due date.

31. MISCELLANEOUS

A. Gender and Number

All references to gender and number shall be construed to include such other gender and number as the context may require.

B. Captions

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 of this Agreement.

C. Counterparts

This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original. This Agreement may be signed using electronic signatures, and such signatures will have full legal force and effect.

D. Time

Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically shall be extended to the next day that is not a Saturday, Sunday or national holiday.

E. Injunctive Relief

Franchisee recognizes that its failure to comply with the terms of this Agreement, including, but not limited to, the failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to HR, HR Affiliates and the System. Therefore, Franchisee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, HR shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance, without showing or proving actual damages and without posting any bond or security. Any equitable remedies

sought by HR shall be in addition to, and not in lieu of, all remedies and rights that HR otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

F. Authority

All information Franchisee provided to HR in connection with Franchisee's franchise application and HR's grant of this Franchise is truthful, complete and accurate. The persons signing this Agreement on behalf of Franchisee have full authority to enter into this Agreement and the other agreements contemplated by the parties. Execution of this Agreement or such other agreements by Franchisee does not and will not conflict with or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which Franchisee or any person with an ownership interest in Franchisee is a party.

G. Control During Crisis Situation

If an event occurs at the Franchised Restaurant that may damage the Proprietary Marks, the System or the reputation of HR or HR Affiliates (collectively "Crisis Situation"), Franchisee shall: **(1)** immediately contact appropriate emergency care providers to assist it in curing the harm or injury; and **(2)** immediately inform HR by telephone of the Crisis Situation. Franchisee shall refrain from making any internal or external announcements (*i.e.*, no communication with the news media) regarding the Crisis Situation (unless otherwise directed by HR or public health officials).

To the extent HR deems appropriate, in its reasonable discretion, HR or its designee may control the manner in which the Crisis Situation is handled by the parties, including, without limitation, conducting all communication with the news media and/or temporarily closing the Franchised Restaurant. The parties acknowledge that, in directing the management of any Crisis Situation, HR or its designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as it deems appropriate. Franchisee and its employees shall cooperate fully with HR or its designee in its efforts and activities in this regard and shall be bound by all further Crisis Situation procedures developed by HR from to time hereafter. The indemnification under Section 24 shall include all losses and expenses that may result from the exercise of management rights by HR or its designee granted in this Section 31.G.

H. FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

If Franchisee is a resident of one of the states listed in the heading of this Section 31.H (the "Applicable Franchise Registration State") or a non-resident who is acquiring franchise rights permitting the location of the Franchised Restaurant in the Applicable Franchise Registration State, then the following applies:

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

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS
(TO BE EXECUTED ONLY IF SECTION 16.F. IS APPLICABLE)

In consideration of, and as an inducement to, the execution of the Hardee's Restaurant Franchise Agreement dated as of _____ ("Agreement") by Hardee's Restaurants LLC ("HR"), entered into with _____ _____ ("Franchisee"), the undersigned ("Guarantors"), each of whom is a member of Franchisee's Continuity Group (collectively "Owners") or the spouse of an Owner ("Spouse"), hereby personally and unconditionally: **(1)** guarantee to HR and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and **(2)** agree personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement, including, without limitation, the provisions of Sections 19 and 24.

Owners and Spouses previously have provided HR personal financial information and Owners and Spouses acknowledge that Spouses are executing this Guarantee in order that Owners will meet the financial standards required by HR. Owners and Spouses also waive any rights granted under The Equal Credit Opportunity Act, 15 U.S.C. §§ 1691, *et seq.*, or similar applicable state law.

Each of the undersigned waives: **(a)** acceptance and notice of acceptance by HR of the foregoing undertakings; **(b)** notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; **(c)** protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; **(d)** any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; **(e)** all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guarantee by the undersigned; **(f)** any law or statute which requires that HR make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; and **(g)** any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: **(i)** his direct and immediate liability under this Guarantee shall be joint and several; **(ii)** he shall render any payment or performance required under the Agreement if Franchisee fails or refuses punctually to do so; **(iii)** such liability shall not be contingent or conditioned upon pursuit by HR of any remedies against Franchisee or any other person; **(iv)** such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which HR may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Franchisee to HR or HR Affiliates under the Agreement; and **(v)** monies received from any source by HR for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by HR. In addition, if any of the undersigned ceases to be a member of Franchisee's Continuity Group prior to termination or expiration of the Agreement, that person (and, if applicable, his/her spouse) agrees that his obligations under this Guarantee shall continue to remain in force and effect unless HR in its sole discretion, in writing, releases that person from this Guarantee. Notwithstanding the provisions of the previous sentence, the obligations contained in

Section 19.C. shall remain in force and effect for a period of 1 year after any such release by HR. A release by HR of any of the undersigned shall not affect the obligations of any other Guarantor.

If any of the following events occur, a default ("Default") under this Guarantee shall exist: **(a)** failure of timely payment or performance of the obligations under this Guarantee; **(b)** breach of any agreement or representation contained or referred to in this Guarantee; **(c)** the death of, appointment of a guardian for, dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any of the undersigned; and/or **(d)** the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, the obligations of the undersigned shall be due immediately and payable without notice.

This Guarantee shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. HR's interests in and rights under this Guarantee are freely assignable, in whole or in part, by HR. Any assignment shall not release the undersigned from this Guarantee.

Sections 29.A. through 29.E. of the Agreement are incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee shall have the meaning given them in the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal.

GUARANTORS:

NAME, individually

Date: _____ _____

Print Name: _____

Address: _____

NAME, individually

Date: _____ _____

Print Name: _____

Address: _____

NAME, individually

Date: _____ _____

Print Name: _____

Address: _____

APPENDIX A

FRANCHISE INFORMATION

1. <u>Franchised Location</u> (Recitals):

Hardee's Restaurant No.
ADDRESS

2. <u>Initial Franchise Fee</u> (Section 6.A.):

3. <u>Interests in Other Restaurants</u> (Sections 16.A. and 19.C.(2)(a) and (b)):

4. <u>Franchisee's Notice Address</u> (Section 26):

5. <u>Digital Tech Fee</u>: currently, $160 per 4-week accounting fiscal period, for access to OLO, Data Menu Management, Data Management (customer data processing) and Future (enterprise data management and content management system). Required technology and the Digital Tech Fee are subject to change or modification upon prior notice to Franchisee.

APPENDIX B

ROYALTY FEE

The royalty fee as provided for in Section 6.B. of the Franchise Agreement is as follows */:

Year of Operation of the Franchised Restaurant		Percentage of Gross Sales

APPENDIX C

FRANCHISEE'S ADVERTISING AND PROMOTION OBLIGATION

As of the date of the Franchise Agreement, Franchisee's APO under Section 8 of the Franchise Agreement and its allocation is as set forth below:

1.	Hardee's National Advertising Fund (Section 8.B.)	4.25% of Gross Sales
2.	Regional Advertising Cooperative (Section 8.C.)	____% of Gross Sales
3.	LSM allocation (Section 8.D.)	____% of Gross Sales
	TOTAL APO:	5.50% of Gross Sales

The Franchised Restaurant is located in the following Designated Market Area: _____

NOTES:

(a) The limitations in Section 8 on HR shall not prevent the Franchised Restaurant's Regional Co-op from requiring a contribution, that when added to Franchisee's HNAF contribution, results in a total APO in excess of 7% of Gross Sales.

(b) HR has the right to eliminate the LSM allocation.

APPENDIX D

OWNERSHIP INTERESTS

If Franchisee is a business entity, the following is a list of the all holders of a direct or indirect equity interest in Franchisee and their respective percentage interests:

Name	Address	Ownership Interest

Type of Business Entity: _____

CONTINUITY GROUP AND OPERATING PRINCIPAL

Franchisee's Continuity Group shall be comprised of the following persons:

_____

Franchisee's Operating Principal is:

_____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

APPENDIX E

ACKNOWLEDGMENT ADDENDUM TO HARDEE'S RESTAURANT FRANCHISE AGREEMENT

THIS ACKNOWLEDGMENT ADDENDUM DOES NOT APPLY TO CANDIDATES LOCATED IN, OR FRANCHISED RESTAURANT BUSINESSES TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI.

As you know, you and we are entering into a Franchise Agreement for the operation of a Hardee's. Restaurant franchise. Please review each of the following statements carefully and confirm their accuracy or advise us of their inaccuracy.

Acknowledgments and Representations. I, the undersigned Franchisee, hereby acknowledge and represent to Hardee's Restaurants LLC ("HR"), as follows:

A. I have received a copy of Hardee's Restaurants Franchise Disclosure Document (and all exhibits and attachments) (the "Disclosure Document") at least fourteen calendar days prior to signing the Hardee's Restaurants Franchise Agreement (the "Franchise Agreement"). If I am a resident of Iowa, I acknowledge that I received the Disclosure Document at the earlier of the first personal meeting or at least 10 business days before the execution of any franchise or other agreement or payment of any consideration that relates to the franchise relationship. *If not accurate, please comment*:_____

B. The Franchise Agreement involves significant legal and business rights and risks. HR does not guarantee my success. I have read the Franchise Agreement in its entirety, conducted an independent investigation of the business contemplated by the Franchise Agreement, have been thoroughly advised with regard to the terms and conditions of the Franchise Agreement by legal counsel or other advisors of my choosing, recognize that the nature of the business conducted by Hardee's Restaurants may change over time, have had ample opportunity to investigate all representations made by or on behalf of HR, and have had ample opportunity to consult with current and former franchisees of HR. The prospect for success of the business undertaken by me is speculative and depends to a material extent upon my personal commitment, capability and direct involvement in the day-to-day management of the business. *If not accurate, please comment*:_____

C. HR makes no express or implied warranties or representations that I will achieve any degree of success in the development or operation of the Franchised Restaurant and that success in the development and operation of the Franchised Restaurant depends ultimately on my efforts and abilities and on other factors, including, but not limited to, market and other economic conditions, my financial condition and competition. *If not accurate, please comment*:_____

D. HR has entered, and will continue to enter, into agreements with other franchisees. The manner in which HR enforces its rights and the franchisees' obligations under any of those other agreements shall not affect the ability of HR to enforce its rights or my obligations under my Franchise Agreement. *If not accurate, please comment*:_____

E. Other than as expressly stated in Item 19 of the Disclosure Document, I have not received from HR or its affiliates or anyone acting on their behalf, any oral, written or visual claim, statement, promise or representation to me that stated, suggested, predicted or projected sales, revenues, earnings, income or profit levels at any Hardee's Restaurant location. *If not accurate, please comment*:_____

F. I have not received from HR or its affiliates or anyone acting on their behalf, any representations other than those contained in the Hardee's. Franchise Disclosure Document provided to Franchisee as inducements to enter this Agreement. *If not accurate, please comment*:_____

G. I understand that I am responsible for developing my own business plan for my Hardee's Restaurant business, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances, and as part of my planning, I need to take into account the expenses I will incur. Expenses that I may incur include, but are not limited to, royalty and marketing fees, interest on debt service, insurance, legal and accounting charges, and depreciation/ amortization. I have been advised to consult with my professional advisors to assist me to identify the expenses I likely will incur, to prepare my budgets, and to assess the likely or potential financial performance of my Store. In developing the business plan, I understand that I should make necessary allowance for changes in financial results to income, expenses, or both, that may result from operation of my store during periods of, or in geographic areas suffering from, economic downturns, inflation, unemployment, or other negative economic influences. *If not accurate, please comment*:_____

H. I understand that any training, support, guidance or tools HR provides to me as part of the franchise are for the purpose of protecting the Hardee's Restaurants brand and trademarks and to assist me in the operation of my business and not for the purpose of controlling or in any way intended to exercise or exert control over my decisions or day-to-day operations of my business, including my sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of my employees and all other employment and employee related matters. *If not accurate, please comment*:_____

I. On the receipt pages of my Disclosure Document I identified _____ as the franchise sellers involved in this franchise sales process (these are the company representatives who offered me my franchise). The franchise sellers identified above are the only franchise sellers involved with this transaction. *If not accurate, please identify any additional franchise sellers involved with this transaction*: _____

IF MORE SPACE IS NEEDED TO RESPOND TO ANY REPRESENTATION, CONTINUE ON A SEPARATE SHEET AND ATTACH.

I UNDERSTAND THAT MY ANSWERS ARE IMPORTANT AND THAT HARDEE'S RESTAURANTS, LLC WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, I REPRESENT THAT I HAVE CONSIDERED EACH REPRESENTATION CAREFULLY AND RESPONDED FULLY AND TRUTHFULLY.

<u>NOTE</u>: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

_____
_____, individually

_____
Date

APPENDIX F

COMMENCEMENT DATE ADDENDUM

COMMENCEMENT DATE ADDENDUM

This Commencement Date Addendum is dated as of _____ and is made between Hardee's Restaurants LLC ("HR") and _____ ("Franchisee").

HR and Franchisee entered into a Franchise Agreement dated _____ (the "Franchise Agreement"). Pursuant to the terms of the Franchise Agreement, the parties agreed to sign this Commencement Date Addendum upon the opening of the Hardee's Franchised Restaurant referenced in the Franchise Agreement (the "Franchised Restaurant"). Accordingly, HR and Franchisee agree that the Franchise Agreement is modified as follows:

1. The Franchised Restaurant opened for business on _____. The Initial Term of the Franchise Agreement expires on _____.

HR and Franchisee agree that the terms of this Commencement Date Addendum are incorporated into the Franchise Agreement. If any term of this Commencement Date Addendum conflicts with the terms of the Franchise Agreement, the terms of this Commencement Date Addendum will control.

HARDEE'S RESTAURANTS LLC

By: _____
Print Name: _____
Title: _____

FRANCHISEE

By: _____
Print Name: _____
Title: _____

APPENDIX G

HARDEE'S LEASE ADDENDUM

HARDEE'S LEASE ADDENDUM

THIS ADDENDUM to the Lease Agreement dated as of _____ ("Lease") between _____("Landlord") and _____("Tenant") is entered into as of the effective date of the Lease.

RECITALS:

Pursuant to the Lease, Landlord will lease or has leased to Tenant certain real property as defined in the Lease ("Premises") for the operation of a franchised Hardee's Restaurant ("Restaurant");

Tenant will develop and operate the Restaurant pursuant to a franchise agreement (the "Franchise Agreement") with Hardee's Restaurants LLC or its affiliates (collectively "HR"), and the Lease is contingent upon Tenant's execution of the Franchise Agreement with HR; and

The Franchise Agreement requires, among other things, that the Lease contain certain provisions. Landlord and Tenant desire to modify the Lease to add those required provisions as set forth below, and agree that the terms and provisions of this Lease Addendum are hereby deemed incorporated into and made a part of the Lease.

NOW, THEREFORE, notwithstanding anything to the contrary elsewhere in the Lease, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. The effectiveness of the Lease is contingent upon Tenant's execution of the Franchise Agreement with HR within 30 days after the date of this Addendum.

2. Landlord consents to Tenant's use of the proprietary signs, distinctive exterior and interior designs, colors and layouts, and the trademarks prescribed by HR (collectively, "Proprietary Marks"), and upon expiration or the earlier termination of the Lease, consents to permit Tenant, at Tenant's expense, to remove all such items and other trade fixtures, so long as Tenant makes repairs to the Premises caused by such removal.

3. Landlord and Tenant each agrees to provide HR (at the same time as sent to the other party) a copy of all amendments, assignments, any notices of default, option and refusal rights notices and any other material documents or correspondence or notices pertaining to the Lease and the Premises, including without limitation, tenant estoppel certificates and subordination agreements. HR's mailing address, until further notice, for this purpose is Attention: Franchise Legal Team, 6700 Tower Circle, Suite 1000, Franklin, TN 37067.

4. Following reasonable notice to Landlord, HR shall have the right to enter the Premises to make any modifications or alterations necessary to protect the "Hardee's Restaurant System" and the Proprietary Marks and to cure any Tenant default under the Lease within the time periods provided by the Lease, and charge Tenant for all costs incurred in making such modifications or alterations and for curing any such default, all without being guilty of trespass or other tort.

5. Landlord agrees that Tenant, and not HR, shall be solely responsible for all obligations, debts and payments under the Lease and that HR shall have no liability in that regard.

6. Landlord agrees that, following the expiration or earlier termination of the Lease or the Franchise Agreement, Tenant shall have the right to make those alterations and modifications (including removal and

demolition of improvements installed by Tenant or HR if necessary) to the Premises or any part thereof as may be necessary to clearly distinguish to the public the Premises from a Hardee's Restaurant and also to make those specific additional changes as HR reasonably may require for that purpose. This includes, but is not limited to, removal of all Proprietary Marks. Landlord further agrees that, if Tenant fails to promptly make the necessary alterations and modifications, HR shall have the right to do so without being guilty of trespass or other tort so long as HR makes repairs to the building caused by such removal.

7. Notwithstanding anything to the contrary contained in the Lease, Landlord agrees not to amend or otherwise modify the Lease in any manner that would affect any of the requirements set forth herein without HR's prior written consent.

8. Tenant may assign the Lease, or any right or rights therein (including without limitation purchase options or rights of first refusal), to HR or its parent, affiliates or subsidiaries (without Landlord's consent) or its designee (with Landlord's consent which consent shall not be unreasonably withheld) and without payment of any assignment fee or similar charge or increase in any rentals or other charges payable to Landlord.

9. Landlord consents to Tenant's collateral assignment of the Lease to HR or its designee, granting HR the option, but not the obligation, to assume the Lease and/or any or all rights therein.

10. If Tenant fails to exercise, for any reason, any term renewal or term extension right under the Lease, then HR may exercise such right, and upon the exercise of such right by HR, Tenant agrees that the Lease shall be deemed transferred and assigned to HR, effective upon the commencement of the renewal or extension term, without any further action of the parties, and Landlord consents to such transfer and assignment, and Tenant shall remain obligated under the Lease. If Tenant fails to exercise, for any reason, any purchase option or right of first refusal or similar right under the Lease, then HR may exercise such right, and upon the exercise of such right by HR, Tenant agrees that such right shall be deemed transferred and assigned to HR without any further action of the parties, and Landlord consents to such transfer and assignment, and Tenant shall remain obligated under the Lease. Landlord and Tenant acknowledge that HR's exercise of the foregoing rights is subject to Tenant's right to exercise such rights, and that if Tenant legally exercises such right within the time permitted under the Lease, HR's exercise of such rights, whether before or after Tenant's exercise, shall be void.

11. HR is hereby deemed a third party beneficiary of this Addendum solely for the purpose of enforcing any rights granted to or otherwise available to HR under this Addendum.

12. Upon the expiration or termination of the Lease or Franchise Agreement, Landlord acknowledges and agrees that HR has the option, in accordance with its rights under the Franchise Agreement, to take an assignment of Tenant's rights and obligations under the Lease. HR may exercise its step-in rights by giving written notice to the Landlord at any time following such expiration or termination of the Lease or Franchise Agreement up until 30 days after the later of: **(1)** the effective date of termination or expiration of the Lease or Franchise Agreement; or **(2)** the date Tenant ceases to operate the Restaurant

13. The foregoing provisions shall apply during the entire term of the Lease, including any renewal term. To the extent there is any conflict between the terms set forth in the body of the Lease and the terms set forth in this Lease Addendum, the terms of this Lease Addendum will control.

14. This Addendum may be executed in counterparts, and each copy so executed and delivered shall be deemed to be an original.

15. Each of the persons executing this Addendum on behalf of each party represents and warrants that

said party has the full right, power and authority to execute and deliver this Addendum and that each person signing on said party's behalf is authorized to do so.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

LANDLORD:

By:_____

Print Name:_____

Title:_____

Date:_____

TENANT:

By:_____

Print Name:_____

Title:_____

Date:_____

EXHIBIT E-1

SOFTWARE SUPPORT AGREEMENT FOR PAR BRINK & CRUNCHTIME

SOFTWARE SUPPORT AGREEMENT
(FOR PAR BRINK AND CRUNCHTIME)

THIS AGREEMENT is made as of this _____ day of _____, 2024 by and between **CKE RESTAURANTS HOLDINGS, INC.**, a Delaware corporation ("CKR"), and _____, a _____ ("Franchisee").

RECITALS

A. Pursuant to certain franchise or license agreements ("Franchise Agreement(s)") between Franchisee and CKR's subsidiary, Hardee's Restaurants LLC ("Franchisor"), Franchisee is the operator of the franchised Hardee's restaurants located at the addresses listed in attached Exhibit A ("Franchised Restaurants"). Franchisee may add new Franchised Restaurants to this Agreement, with CKR's consent, by amending Exhibit A.

B. CKR's third party software vendor, Partech, Inc. ("PAR Brink"), has developed a point of sale system used in connection with the operation of a Hardee's restaurant. CKR's third party software vendor CrunchTime, Inc. ("CrunchTime") has developed a back office system used in connection with the operation of a Hardee's restaurant (collectively the software as be referred to as "Licensed Products").

C. Franchisee has entered into Software License Agreements with PAR Brink and CrunchTime to use the Licensed Products upon the terms and conditions contained therein.

D. Franchisee has requested to use, and CKR has agreed to provide certain, in-house technical support for the Licensed Products, on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, the parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 "Confidential Information" means the Licensed Products and licensed materials which are confidential and proprietary trade secrets of CKR, PAR Brink or CrunchTime.

1.2 "Covered Equipment" means Franchisee's approved point-of-sale system, back office computer and printer, as identified on attached Exhibit B, and any additional equipment identified on Exhibit B that has been approved by CKR for use with the Licensed Products and for use at the Franchised Restaurants. Any equipment currently used in the Franchised Restaurants that does not meet the Franchisor's current specifications and product description listed on Exhibit B will not be considered as Covered Equipment. As Covered Equipment reaches its end of life as set forth on Exhibit B, Franchisee will need to replace the equipment with the then current Franchisor approved equipment.

1.3 "Fiscal Period" or "Period" means a four-week accounting period as defined by CKR.

1.4 "Licensed Products" means collectively the software systems designed by PAR Brink and CrunchTime for use as part of each Franchised Restaurant as further described in attached Exhibit B.

1.5 "Support Services" means telephonic help desk Level 1 and 2 maintenance services provided by CKR for the Licensed Products and Covered Equipment as described on Exhibit A.

1.6 "**Software Support Fees**" means that fees payable by Franchisee to CKR for the Support Services.

ARTICLE 2

SUPPORT SERVICES

2.1 Support Services. CKR will provide the Support Services to Franchisee subject to the terms and conditions of this Agreement. CKR, in its sole discretion, may subcontract with third party vendor(s) to provide the Support Services directly to Franchisee. Franchisee may request Support Services by calling CKR's Help Desk at the access number set forth in Exhibit A, as modified from time to time

2.2 Covered Equipment. In order to facilitate the Support Services, Franchisee agrees to operate the Covered Equipment in accordance with the CKR's and the manufacturer's instructions. Franchisee shall enter into an agreement with Par Tech, Inc. ("Par Tech") or Retail Technology Group, Inc. ("RTG") to provide onsite and telephonic maintenance services to the Covered Equipment. Par Tech or RTG will bill Franchisee directly for such services. The agreements with Par Tech and RTG do not include the cost of any parts and/or labor needed to keep the Covered Equipment functional. Franchisee may add additional equipment to the designated environment, with CKR's consent, by identifying that equipment in Exhibit A.

2.3 Required Equipment. Franchisee must install the following Next Generation Connectivity equipment and services in order to receive Support Services from CKR: 1) Cisco Meraki Firewall/Router with Advanced Security License; 2) Cisco Meraki Wireless Access Points, Cisco Meraki 48 port switch; 3) highly reliable internet with auto failover LTE backup; 4) Wi-Fi for guests (if Internet speeds are fast enough to support it) and back of house operations. Franchisee must contract with a CKR approved managed service provider to monitor and manage their network equipment (currently this is limited to AT&T and One Source Communications). Franchisee agrees to procure and install such required dedicated data lines, including telephone and/or high-speed Internet connections, modems and other computer-related accessory or peripheral equipment as specified by CKR and/or Franchisor. Franchisee's dedicated data lines for each Franchised Restaurant are identified in Exhibit A.

2.4 Access to Data. Franchisee agrees that CKR and/or its designee shall have the free and unfettered right to retrieve any data, customer information and other information from Franchisee's computers as CKR and/or Franchisor, in their sole discretion, deem appropriate, including electronically polling the daily sales, computer information and other data of the Franchised Restaurants, with the cost of the retrieval to be borne by CKR and/or Franchisor. Franchisee shall backup all data on its computer system daily and comply with any and all other operational requirements required by its Franchise Agreement(s) and any manuals that govern the operation of the Franchised Restaurants.

ARTICLE 3

FEES

3.1 Software Support Fees. Commencing at the end of the first Fiscal Period following the date of this Agreement, Franchisee shall pay to CKR, by ACH payment, the Software Support Fees in the amounts and frequency set forth on Exhibit A. CKR shall have the right, upon 60 days' prior written notice to Franchisee, to increase the Support Services Fees.

3.2 Initial Training Support for PAR Brink and Crunch Time Software. In order to facilitate the support services, Franchisee agrees to purchase and participate in mandatory initial training programs for use of the PAR Brink and Crunch Time software. The scope of the training programs for each software is set forth on Exhibit C to this Agreement. The cost for the training programs shall be a one-time fee of $1,250

which will be billed to the Franchisee by CKR upon execution of this Agreement. Additional training programs may be made available to Franchisee, at CKR's discretion, for additional training fees.

3.3 Taxes. Franchisee shall be responsible for any applicable sales or use taxes or any value added or similar taxes payable with respect to the licensing of the Licensed Products, or arising out of or in connection with this Agreement. If CKR pays any taxes on behalf of Franchisee, CKR shall invoice Franchisee for those taxes, and Franchisee agrees to pay those taxes within 30 days from the date of invoice.

3.4 Interest. If any payments by Franchisee due to CKR are not received by CKR by the due date, Franchisee, in addition to paying the amount owed, shall pay CKR interest on the amount owed from the date due until paid at the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Restaurants are located or 18% per annum calculated on a daily basis, whichever is less.

ARTICLE 4

CONFIDENTIALITY

4.1 Confidential Information. Franchisee shall protect the Confidential Information as trade secrets of CKR, PAR Brink and CrunchTime. Franchisee agrees that it shall not, without the written permission of CKR, PAR Brink and CrunchTime: **(a)** modify any Confidential Information; **(b)** reverse engineer, decompile, decrypt or disassemble the Confidential Information or attempt to do so; **(c)** transfer, rent, lease, lend or sublicense any Confidential Information to anyone for any purpose; or **(d)** reveal or disclose any Confidential Information for any purpose to any other person, firm, corporation or other entity, other than Franchisee's employees with a need to know that Confidential Information, to perform employment responsibilities consistent with Franchisee's rights under this Agreement. Franchisee shall safeguard and protect the Confidential Information from theft, piracy or unauthorized access in a manner at least consistent with the protections Franchisee uses to protect its own most confidential information. Franchisee shall inform its employees of their obligations under this Agreement and shall take those steps as may be reasonable in the circumstances, or as may be reasonably requested by CKR, PAR Brink and CrunchTime, to prevent any unauthorized disclosure, copying or use of the Confidential Information.

4.2 Unauthorized Disclosure. Franchisee shall notify CKR immediately upon discovery of any prohibited use or disclosure of the Confidential Information, or any other breach of these confidentiality obligations by Franchisee, and shall fully cooperate with CKR to help CKR regain possession of the Confidential Information and prevent the further prohibited use or disclosure of the Confidential Information.

ARTICLE 5

NO WARRANTY

CKR EXPRESSLY DISCLAIMS, AND FRANCHISEE HEREBY EXPRESSLY WAIVES, ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CKR DOES NOT WARRANT THAT THE LICENSED PRODUCTS WILL MEET FRANCHISEE'S REQUIREMENTS OR THAT THE OPERATION OF THE LICENSED PRODUCTS WILL BE UNINTERRUPTED OR ERROR-FREE, OR THAT ERRORS IN THE LICENSED PRODUCTS WILL BE CORRECTED. THE ENTIRE RISK OF THE QUALITY AND PERFORMANCE OF THE LICENSED PRODUCTS IS WITH FRANCHISEE. FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISEE IS ACCEPTING EACH OF THE LICENSED PRODUCTS UNDER THIS LICENSE IN ITS "AS IS" CONDITION.

ARTICLE 6

LIMITATION OF LIABILITY

CKR HAVE NO LIABILITY TO FRANCHISEE FOR CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF THOSE DAMAGES. CKR WILL NOT BE RESPONSIBLE FOR ANY LOSS OF BUSINESS, LOSS OF PROFIT OR OTHER FINANCIAL LOSS BY FRANCHISEE DURING THE PERIOD IN WHICH THE LICENSED PRODUCTS ARE INOPERATIVE, NOR WILL CKR BE RESPONSIBLE FOR ANY LOSS OR INACCURACY OF DATA CAUSED BY THE LICENSED PRODUCTS. IN ANY EVENT, THE LIABILITY OF CKR TO FRANCHISEE FOR ANY REASON AND UPON ANY CAUSE OF ACTION SHALL BE LIMITED TO THE AMOUNT PAID TO CKR BY FRANCHISEE UNDER THIS AGREEMENT DURING THE TRAILING 12 MONTH PERIOD. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATIONS AND OTHER TORTS. THE FEES IN THIS AGREEMENT REFLECT, AND ARE SET IN RELIANCE UPON, THIS ALLOCATION OF RISK AND THE EXCLUSION OF CONSEQUENTIAL DAMAGES SET FORTH IN THIS AGREEMENT.

ARTICLE 7

TERM AND TERMINATION

7.1 Term. The term of this Agreement shall, with respect to each Franchised Restaurant, be co-extensive with the term of the applicable Franchise Agreement.

7.2 Termination. This Agreement shall, with respect to each Franchised Restaurant, terminate simultaneously with the termination or expiration of the Franchise Agreement between Franchisee and Franchisor for that Franchised Restaurant. Either party may terminate this Agreement by providing 60 days' prior written notice to the other; provided, however, that CKR may terminate this Agreement, without prejudice to any other remedy CKR may have, immediately without further obligation to Franchisee in the event of: **(a)** any breach by Franchisee of any material provision of this Agreement which breach is not or cannot be remedied within 24 hours of CKR's notice to Franchisee; or **(b)** any assignment by Franchisee for the benefit of its creditors, the filing under any voluntary bankruptcy or insolvency law, under the reorganization or arrangement provisions of the United States Bankruptcy Code, or under the provisions of any law of like import in connection with Franchisee, or the appointment of a trustee or receiver for Franchisee or its property.

ARTICLE 8

GENERAL

8.1 Miscellaneous. The headings used in this Agreement are for convenience only and are not intended to be used as an aid to interpretation. If any part of this Agreement is held to be illegal or unenforceable, the validity or enforceability of the remainder of this Agreement shall not be affected. This Agreement will be binding upon and inure to the benefit of the parties to this Agreement, their respective successors and permitted assigns. Franchisee may not assign its rights or obligations under this Agreement without the prior written consent of CKR. Failure by either party to exercise any right or remedy under this Agreement does not signify acceptance of the event giving rise to such right or remedy. This Agreement contains the entire agreement between the parties concerning the subject matter hereof and supersedes and merges all prior proposals, understandings and all other agreements, oral and written, between the parties relating to this Agreement.

8.2 **Governing Law.** This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to conflicts of laws principles.

8.3 **Force Majeure.** CKR shall not be liable for any loss or damage due to: **(a)** delays caused by any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party; **(b)** food spoilage or loss of business; or **(c)** any other cause not within its control.

8.4 **Limitation of Action.** Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement shall be brought or instituted within a period of 2 years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

8.5 **Jurisdiction.** The parties agree that, to the extent any disputes cannot be resolved directly between them, Franchisee shall file any suit against CKR only in the federal or state court having jurisdiction where CKR's principal offices are located at the time suit is filed. CKR may file suit in the federal or state court located in the jurisdiction where CKR's principal offices are located at the time suit is filed, in the jurisdiction where Franchisee resides or does business, where any Franchised Restaurant is or was located, where the claim arose or where Franchisor has its principal offices at the time suit is filed. Franchisee consents to the personal jurisdiction of those courts over Franchisee and venue in those courts.

8.6 **Costs and Expenses.** Franchisee agrees to pay to CKR on demand any and all costs and expenses incurred by CKR in enforcing the terms of this Agreement, including, without limitation, collecting any monies owed by Franchisee to CKR. These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees, court costs, expert witness fees and discovery costs, together with interest charges on all of the foregoing.

8.7 **Notice.** No notice, demand, request or other communication to the parties shall be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and is addressed to: **(a)** if to Franchisee, Franchisee at the notice address set forth in Exhibit A; and **(b)** if to CKR, CKE Restaurants Holdings, Inc., 6700 Tower Circle, Suite 1000, Franklin, TN 37065 (marked Attn: Restaurant Technology) (Email: restauranttechnology@ckr.com). Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices shall be effective upon receipt (or first rejection) and may be: **(i)** delivered personally; **(ii)** transmitted by email to the address set forth above (or in Exhibit A) with electronic confirmation of receipt; **(iii)** mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or **(iv)** mailed via overnight courier.

[*Signatures on following page.*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representatives to be effective as of the date first written above.

CKR:
CKE RESTAURANTS HOLDINGS, INC.

By: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A

1. Franchised Restaurants:

Unit Number	Location

2. Software Support Fees:

L1/L2 Help Desk Support	$118 per Franchised Restaurant per Fiscal Period (i.e., CKR's 4-week accounting period)
Hosting Fee	$6.50 per Fiscal Period (4-week accounting period), plus the CrunchTime hosting fee of $1.50 per Fiscal Period

3. Support Services: Licensor shall provide access to help desk support services at designated dates and times set by Licensor and which shall be accessible by the Help Desk Access Number set forth below or to such other telephone number, email address or other means that may be designated by Licensor from time to time.

4. Help Desk Access Number: (866) 400-2253

5. Franchisee's Notice Address: _____

EXHIBIT B

COVERED EQUIPMENT*

Milestone	Definition	Date
End-of-Life Announcement Date	The date the document that announces the end-of-sale and end-of-life of a product is distributed to the general public.	January 20, 2021

EOL Equipment	Product Description	Replacement Equipment	Additional Information
KITCHEN			
QSR ePic (DE4000)	Older QSR controller with DOS/Win7	XCEED VIDEO CONTROLER, CE6 R3 Brink Kitchens w/HP controllers	QSR AUTOMATIONS HP-T530 w/ approved Bump Bar
POS Terminals			
PAR 7700 Terminal (ES7K) & older PAR terminals	POS Ready 7 embedded w/ EOL Oct 2021	TERMINAL,COUNTER,ES 8500 (ES8K) TERMINAL, ES 600 AURES 1900 (J1900)	PAR TECH INC. PAR TECH INC. Yuno
Dell AIO	WIN7 devices need to be upgraded to WIN10	Dell 3030/3050	All units out of warranty and limited supply
Pin Pad Devices			
Elavon IPP 350	Device is EOL - now in a Break/Replace format (no Brink SAF)	Elavon Lane 3000	Device - only certified with Brink SAF
Back Office Computers			
Dell 7010,7020,5040 , 3010, 3020	Win 7 devices	Dell 3070	Dell I5 (can use Dell 5050T)
Drive Thru Devices			
HyperView POE Display	HAT POE OCB - HX2-K50	SiCOM oDMB w/ OCB embedded	SiCOM - with multiple options of screens and pre-sale board

EOL Equipment	Product Description	Replacement Equipment	Additional Information
		DELPHI OCB - 9207	Delphi IP based OCB - Serial w/ RPxxxxxxx
Delphi OCB - serial based or pre-RP network based	Older Delphi OCBs - including serial and pre-9200 series IP based	SiCOM oDMB w/ OCB embedded	SiCOM - with multiple options of screens and pre-sale board
		DELPHI OCB - 9207	Delphi IP based OCB - Serial w/ RPxxxxxxx
Delphi FTT1000/FTT3000	Serial based timers from FastTrak - EOL	TIMER, HME ZOOM DRIVE-THRU	C12061 - Zoom timer with Cloud enablement and CKE Data Feed
HyperActive Q-Timer (Acrelec)/ Delphi FTT3000DTIS	Current timers will function on BOC w/ minor modifications - cannot install BOC dependent new	Replacements will need to be planned as POS System independent (Stand Alone) w/ secondary server and cloud feed.	
LMS Training		**LMS TRAINING**	
Dell 7010,7020,5040 , 3010, 3020	Dell desktops used for LMS - will function but OOW and not being repaired	Galaxy Android tablet	Obtained via SHI and tied to CKE WiFi
		Dell 5050T - Small FF Desktop	Hardwired w/ Meraki connection (direct support only)

* Franchisee must replace end of life equipment with current Franchisor approved equipment. CKE will not support equipment that has reached its end of life as accounted by CKE.

EXHIBIT C

SCOPE OF TRAINING FOR PAR BRINK AND CRUNCHTIME

CrunchTime Scope of Training

- Train-the-trainer model
- Start Date: TBD
- Remote training only
- 4 hours of remote training to be conducted in classroom attendance
- Training will include a screen share
- Advance Class registration required

PAR Brink Scope of Training

- Train-the-trainer model
- Start Date:
- Remote training only (onsite training not available)
- 4 hours of remote training to be conducted Monday – Thursday
- Training will include a screen share/ virtual terminal walk through of order taking (front of house) operations.
- 2 days of post install go-live support for first 2 Franchised Restaurants

EXHIBIT E-2

STAR UNIVERSITY LICENSE AGREEMENT

STAR UNIVERSITY LICENSE AGREEMENT

THIS **STAR UNIVERSITY LICENSE AGREEMENT** ("'Agreement") is made as of DATE ("Effective Date") by and between **CKE RESTAURANTS HOLDINGS, INC.,** a Delaware corporation ("Licensor"), and FRANCHISEE (collectively, "Licensee").

RECITALS

A. Pursuant to certain franchise or license agreements between Licensee and Licensor's subsidiary identified in Exhibit A ("Franchisor"), Licensee is the operator of the franchised restaurants located at the addresses listed in Exhibit A (collectively, the "Franchised Restaurants"). Licensee may add new Franchised Restaurants to this Agreement, with Licensor's prior written consent, by amending Exhibit A.

B. Licensor is a party to a certain educational, training and testing services Contract made and entered into with Cornerstone On Demand ("Vendor") as of May 12, 2021, pursuant to which Vendor provides certain educational, training and testing services to facilitate the acquisition and evaluation of workplace skills, including without limitation, online courses and interactive multimedia training and creating and administering learning content. (collectively, the "Licensed Program"), for use by Licensor and its subsidiaries and their franchisees.

C. Licensor and/or its subsidiaries own or have the right to use and license to others certain proprietary content that from time to time is contained on the Licensed Program (collectively, the "Content").

D. Licensor has the right to license to Licensee the Licensed Program and Content pursuant to the terms and conditions set forth in this Agreement.

E. Licensee desires to obtain a license, and Licensor desires to grant a license to Licensee, for access to and use of the Licensed Program and Content at the Franchised Restaurants upon the terms and conditions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
LICENSE

1.1 **<u>License</u>**. Licensor grants Licensee a non-exclusive, non-transferable license to use the online Web sites and Web-based applications set forth on Exhibit A to access the Licensed Program and Content offered under the terms of this Agreement solely for Licensee's internal operations at each Franchised Restaurant at which Licensee remains Franchisor's franchisee in good standing ("License"). Licensor has the right to add, modify and/or remove features and elements of the Licensed Program and Content from time to time, without notice to, or the consent of, Licensee. Any data and reports generated by Licensee's use of the Licensed Program and Content are owned solely by Licensor.

1.2 **<u>Use of Licensed Program and Content</u>**. Licensee shall use the Licensed Program and Content solely for the purposes Licensor expressly permits from time to time in writing and in strict compliance with the standards issued in writing from time to time by Licensor. When accessing the Licensed Program and Content, Licensee shall follow any instructions issued in writing by Licensor.

1.3 Ownership; Proprietary Rights. Licensee acknowledges and agrees that (a) Vendor owns or is the licensee of the Licensed Program and Licensor owns the Content; and (b) the copyright, patent, trademark, trade secret, and all other intellectual property rights of whatever nature in the Licensed Program and Content are and shall remain the property of Licensor, Vendor or other third parties, as applicable, and nothing in this Agreement should be construed as transferring any aspects of such rights to Licensee or any third party. Licensee shall not alter or delete the intellectual property notices or any other proprietary legends or marks as may be specified on the Licensed Program and Content.

ARTICLE 2
SUPPORT SERVICES

Licensor agrees to provide the following support services (collectively, "Support Services") with respect to the Licensed Program and Content: (1) help desk services, which shall be available throughout the duration of this Agreement at the designated dates and times set by Licensor and which shall be accessible by email directed to staracademy@ckr.com or to such other email address that may be designated by Licensor from time to time or by other means designated by Licensor from time to time; and (2) initial training services, which shall be available during the first 30 days following execution of this Agreement by both parties and which shall consist of up to 4 hours of remote instruction (at Licensor' s option, via telephone, Internet or other means) on creating user accounts, reporting processes and general user navigation.

ARTICLE 3
FEES

3.1 License Fee. On the first day of each fiscal period (as defined from time to time by Licensor), Licensee shall pay to Licensor, without any right of set-off or deduction, a license fee ("License Fee") of $14 for each Franchised Restaurant to access and use the Licensed Program, Content and Support Services. Licensor shall have the right, upon 30 days' prior written notice to Licensee, to increase the License Fee. Licensor may, but is not required to, send Licensee an invoice for the License Fee. All License Fees shall be payable in advance.

3.2 Taxes. Licensee shall be responsible for any applicable sales or use taxes or any value added or similar taxes payable with respect to the licensing of the Licensed Program and Content, or arising out of or in connection with this Agreement, other than taxes levied or imposed based upon Licensor's income. In the event that Licensor pays any such taxes on behalf of Licensee, Licensor shall invoice Licensee for such taxes and Licensee agrees to pay such taxes within 30 days from the date of invoice.

3.3 Interest. If any payments by Licensee due to Licensor are not received by Licensor by the due date, Licensee, in addition to paying the amount owed, shall pay Licensor interest on the amount owed from the date due until paid at the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Restaurants are located or 18% per annum calculated on a daily basis, whichever is less.

ARTICLE 4
CONFIDENTIALITY

4.1 Confidential Information. Without limiting the obligations under Franchise Agreements, Licensee agrees to treat the Licensed Program and Content (along with any passwords or account information, downloaded information, reports or other information generated by the Licensed Program or Content) as confidential, proprietary and trade secret information ("Confidential Information"). Licensee agrees that it shall not, without Licensor's prior written consent: (a) modify any Confidential Information;

(b) transfer, rent lease, lend or sublicense any Confidential Information to anyone for any purpose; or (c) reveal or disclose any Confidential Information for any purpose to any other person, firm, corporation or other entity, other than Licensee's employees with a need to know such Confidential Information to perform employment responsibilities consistent with Licensee's rights under this Agreement. Licensee shall safeguard and protect the Confidential Information from theft, piracy or unauthorized access in a manner at least consistent with the protections Licensee uses to protect its own most confidential information. Licensee shall inform any person who is granted access under Licensee of their obligations under this Agreement and shall take such steps as may be reasonable in the circumstances, or as may be reasonably requested by Licensor, to prevent any unauthorized disclosure, copying or use of the Confidential Information.

4.2 Distribution. Except as explicitly provided in this Agreement, Licensee shall not: (a) make available or distribute all or part of the Licensed Program or Content to any third party by assignment, sublicense or by any other means; (b) copy, adapt, reverse engineer, decompile, disassemble, or modify, in whole or in part, any of the Licensed Program or Content; or (c) use the Licensed Program or Content to operate in or as a time- sharing, outsourcing, or service bureau environment, or in any way allow third party access to the Licensed Program or Content.

4.3 Exclusions. Confidential Information does not include information that: (a) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement by Licensee or anyone to whom Licensee transmits the information; (b) becomes available to Licensee on a non-confidential basis from a source other than Licensor who is not known by Licensee to be bound by a confidentiality agreement with Licensor or other legal or fiduciary obligation of secrecy; (c) Licensee can document was known to it or in its possession on a non-confidential basis prior to the date of disclosure by the discloser; (d) is independently developed by the recipient without use of, or reference to, Confidential Information, as demonstrated by tangible evidence; or (e) is furnished by the discloser to others with written confirmation that such information is not confidential and may be disclosed.

4.4 Unauthorized Disclosure. Licensee shall notify Licensor immediately upon discovery of any prohibited use or disclosure of the Confidential Information, or any other breach of these confidentiality obligations by Licensee, and shall fully cooperate with Licensor to help Licensor regain possession of the Confidential Information and prevent the further prohibited use or disclosure of the Confidential Information.

ARTICLE 5
NO WARRANTIES

LICENSOR EXPRESSLY DISCLAIMS, AND LICENSEE HEREBY EXPRESSLY WAIVES, ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF PERFORMANCE, FINANCIAL PERFORMANCE, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. LICENSOR DOES NOT WARRANT THAT THE LICENSED PROGRAM OR CONTENT WILL MEET LICENSEE'S REQUIREMENTS OR THAT THE OPERATION OF THE LICENSED PROGRAM OR CONTENT WILL BE UNINTERRUPTED OR ERROR-FREE, OR THAT ERRORS IN THE LICENSED PROGRAM OR CONTENT WILL BE CORRECTED. THE ENTIRE RISK OF THE QUALITY AND PERFORMANCE OF THE LICENSED PROGRAM AND CONTENT IS WITH LICENSEE. LICENSEE ACKNOWLEDGES AND AGREES THAT IT IS ACCEPTING THE LICENSED PROGRAM AND CONTENT IN ITS "AS IS" CONDITION. LICENSEE ACKNOWLEDGES THAT THE LICENSED PROGRAM OR CONTENT MAY BE SHUT DOWN OR UNAVAILABLE PERIODICALLY FOR MAINTENANCE, UPGRADES, CHANGES, ETC. LICENSOR MAKES NO REPRESENTATIONS REGARDING THE VENDOR.

ARTICLE 6
INDEMNIFICATION

In addition to and not in substitution for any indemnity provided in the Franchise Agreements, Licensee hereby expressly agrees to indemnify and hold harmless Licensor, its affiliates and their respective employees, officers, directors, principals, successors, assigns, or agents, past or present from and against any claims, losses, costs, expenses (including, without limitation, reasonable legal fees), liabilities and damages arising out of or related to this Agreement and/or Licensee's use of the Licensed Program and Content including but not limited to: (i) any breach of any representation or warranty made by Licensee in this Agreement; (ii) any non-fulfillment or breach by Licensee of any of its agreements, covenants or obligations in this Agreement; or (iii) any reckless, malicious, or other tortious conduct by Licensee in connection with the obligations under this Agreement.

ARTICLE 7
LIMITATION OF LIABILITY

LICENSOR SHALL HAVE NO LIABILITY FOR DIRECT, INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. LICENSOR WILL NOT BE RESPONSIBLE FOR ANY LOSS OF SALES OR LOST PROFITS BY LICENSEE DURING THE PERIOD IN WHICH THE LICENSED PROGRAM OR CONTENT IS INACCESSIBLE OR INOPERATIVE. NOR WILL LICENSOR BE RESPONSIBLE FOR ANY LOSS OR INACCURACY OF DATA CAUSED BY THE LICENSED PROGRAM OR CONTENT. IN ANY EVENT, THE LIABILITY OF LICENSOR TO LICENSEE FOR ANY REASON AND UPON ANY CAUSE OF ACTION SHALL BE LIMITED TO THE AMOUNT PAID TO LICENSOR BY LICENSEE UNDER THIS AGREEMENT DURING THE TRAILING 12 MONTH PERIOD. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING WITHOUT LIMITATION TO BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATIONS, AND OTHER TORTS. BOTH PARTIES UNDERSTAND AND AGREE THAT THE REMEDIES AND LIMITATIONS SET FORTH IN THIS ARTICLE 7 ALLOCATE THE RISKS OF PRODUCT AND SERVICE NONCONFORMITY BETWEEN THE PARTIES AS AUTHORIZED BY THE UNIFORM COMMERCIAL CODE AND OF OTHER APPLICABLE LAWS. THE FEES IN THIS AGREEMENT REFLECT, AND ARE SET IN RELIANCE UPON, THIS ALLOCATION OF RISK AND THE EXCLUSION OF CONSEQUENTIAL DAMAGES SET FORTH IN THIS AGREEMENT.

ARTICLE 8
TERM AND TERMINATION

8.1 **Term**. Unless this Agreement is terminated by its terms, the term of this Agreement commences on the Effective Date and remains in force until the earlier of: (a) for each Franchised Restaurant, the termination or expiration of the respective Franchise Agreement; or (b) Licensor's determination, in its sole discretion, to require Licensee to license from Licensor or a third-party provider the same or different licensed program and/or content under then-applicable terms. If Licensor loses the right to provide Licensee access to the Licensed Program, then this Agreement shall be amended or terminated as necessary. In addition, Licensee shall have the right to terminate this Agreement for any reason and at any time by providing Licensor with 60 days written notice of its intent to cease using the Licensed Program and Content.

8.2 **Cessation of Use**. Upon termination of this Agreement, Licensor will disconnect Licensee from the Licensed Program and Content and deactivate passwords, as applicable. Licensee shall cease

using the Licensed Program and Content and promptly return to Licensor all copies of all such materials and all other Confidential Information in its possession or control. Licensee shall delete all copies of such materials residing in on-line or off-line computer memory, and destroy all copies of such materials that also incorporate Confidential Information. Licensor shall be entitled to enter the Franchised Restaurants to repossess and remove the Licensed Program and Content, and any other Confidential Information. Licensee shall, within 5 days from the effective date of the termination, certify to Licensor, in writing by an officer or director, that all copies of the Licensed Program and Content have been returned, deleted or destroyed. In the event of termination of the License granted by this Agreement for fewer than all Franchised Restaurants, Licensee shall comply with the foregoing with respect to the applicable Franchised Restaurants. Notwithstanding forgoing, upon request Licensee shall have the right to receive from Licensor such readily accessible reports or information containing data of Licensee's completed training modules (or other available data) with the understanding that Licensor shall not have the right to incur any additional expenses to provide such data to Licensee.

8.3 Injunctive Relief. Licensee acknowledges and agrees that its failure to comply with the terms of this Agreement, including the failure to fully comply with the post-termination obligations set forth in Section 8.2, is likely to cause irreparable harm to Licensor and/or Vendor not fully compensable by money damages and therefore Licensor shall not have an adequate remedy at law. Therefore, Licensee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Licensee, Licensor and Vendor shall be entitled to a preliminary and final injunction restraining the breach and/or to specific performance, without the necessity of posting any bond or undertaking in connection therewith. Any equitable remedies sought by Licensor shall be in addition to, and not in lieu of, all remedies and rights that Licensor otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

ARTICLE 9
GENERAL

9.1 Prior Agreements Related to Learn Center. The parties agree that any prior agreements between them for the Learn Center are terminated as of the effective date of this Agreement.

9.2 Miscellaneous. The headings used in this Agreement are for convenience only and are not intended to be used as an aid to interpretation. If any part of this Agreement is held to be illegal or unenforceable, the validity or enforceability of the remainder of this Agreement shall not be affected. Failure by either party to exercise any right or remedy under this Agreement does not signify acceptance of the event giving rise to such right or remedy. This Agreement contains the entire agreement between the parties concerning the grant of the License to Licensee to use the Licensed Program and Content and supersedes and merges all prior proposals, understandings and all other agreements, oral and written between the parties relating to this Agreement. No amendment to this Agreement is effective unless it is in writing and signed by duly authorized representatives of both parties. Each party to this Agreement agrees that it will perform its obligations hereunder in accordance with all applicable laws, rules and regulations now or hereafter in effect (including, without limitation, any applicable privacy or data protection laws).

9.3 Assignment. This Agreement will be binding upon and inure to the benefit of the parties to this Agreement, their respective successors and permitted assigns. Licensee may not assign its rights or obligations under this Agreement without the prior written consent of Licensor. Licensor may transfer, assign or delegate this Agreement or any part of its rights or obligations under this Agreement to any person, affiliate or legal entity.

9.4 Governing Law. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between

the parties shall be governed by and construed in accordance with the laws of the State of Tennessee without regard to conflicts of laws principles.

9.5 **Force Majeure**. Licensor shall not be liable for any loss or damage due to: (a) delays caused by any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party; (b) food spoilage or loss of business; or (c) any other cause not within its control.

9.6 **Limitation of Action**. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of 2 years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

9.7 **Jurisdiction**. The parties agree that, to the extent any disputes cannot be resolved directly between them, Licensee shall file any suit against Licensor only in the federal or state court having jurisdiction where Licensor's principal offices are located at the time suit is filed. Licensor shall file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is tiled, in the jurisdiction where Licensee resides or does business, where any Franchised Restaurant is or was located, or where the claim arose. Licensee consents to the personal jurisdiction of those courts over Licensee and venue in those courts.

9.8 **Costs and Expenses**. Licensee agrees to pay to Licensor on demand any and all costs and expenses incurred by Licensor in enforcing the terms of this Agreement, including, without limitation, collecting any monies owed by Licensee to Licensor. These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees, court costs, expert witness fees and discovery costs, together with interest charges on all of the foregoing.

9.9 **Notice**. No notice, demand, request or other communication to the parties shall be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and is addressed to the party at the address stated in Exhibit A. Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices shall be effective upon receipt (or first refusal of delivery) and may be: (a) delivered personally; (b) transmitted by facsimile to the number(s) set forth in Exhibit A with electronic confirmation of receipt; (c) mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or (d) mailed via overnight courier.

9.10 **Survival**. Any section of this Agreement that is intended to survive termination or expiration shall so survive.

[*Signatures on following page.*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representatives as of the date written below.

LICENSOR:
CKE RESTAURANTS HOLDINGS, INC.

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

LICENSEE:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A

1. **Franchisor**:

2. **Franchisee**:

3. **Franchised Restaurants**:

Franchisee (Customer #)	Unit Number PS# / Legacy #	Location

4. **Web sites/applications**: https://cke.discoverlink.com

5. **Licensee's Notice Address**:

Facsimile:
E-mail:

6. **Licensor's Notice Address**:

CKE Restaurants, Inc.
Attn: Star University
6700 Tower Circle, Suite 1000
Franklin, TN 37067

E-mail: staracademy@ckr.com

EXHIBIT E-3

OLO AUTHORIZED OPERATOR AGREEMENT

OLO AUTHORIZED OPERATOR AGREEMENT

This Olo Authorized Operator Agreement (the "Agreement"), effective as of _____ (the "Effective Date"), is made by and between Olo Inc., a Delaware corporation with a business address at 285 Fulton St. 82nd Floor, New York, NY 10007 ("Olo") and _____, a _____ with a business address at _____ ("Operator").

RECITALS

WHEREAS, Olo offers e-commerce, delivery enablement, payment solutions, and other associated solutions and services; and

WHEREAS, Operator is an authorized franchisee or licensee of CKE Restaurants Holdings, Inc. ("Customer");

WHEREAS, Customer has entered into an agreement ("Master Services Agreement") with Olo, whereby Olo shall provide certain services to Customer which may include e-commerce, delivery enablement, payment solutions, and other associated solutions and services; and

WHEREAS, Operator desires to use the services made available to Customer pursuant to the Master Services Agreement, and Olo desires to make available such services for use by Operator, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Definitions

"Aggregator" means an entity that offers End Users the ability to order Products (as defined below) from a range of different brands via a unified consumer-facing mobile application, website, storefront, or other means. For the avoidance of doubt, an Aggregator shall also be considered as a "Customer Third Party Provider.

"Customer Third Party Providers" means third parties used and/or directed by Customer that interface with the Licensed Applications.

"End User(s)" means the consumers who access the Customer or Operator's Licensed Applications (as defined herein) directly or indirectly, typically in conjunction with placing a digital order for the Product(s).

"Licensed Applications" means the products and services that are developed and operated by Olo to provide e-commerce, Aggregator integration, delivery enablement, and payment solutions and other associated services to its customers generally (through web, mobile web, mobile applications, voice ordering and call center solutions as applicable), and other related products and services which may be added from time-to-time, including any associated application program interfaces ("API(s)") and any enhancements or modifications thereto.

"Operator Launch Date" means the specific date on which the initial Licensed Applications are available to End Users from Operator locations.

"Personally Identifiable Information" or "PII" means any and all individually identifiable information or data relating to a natural person that (a) directly or indirectly identifies or can be used to directly or indirectly identify an individual or household, (b) that relates to an individual or household, whose identity can be either directly or indirectly inferred, including any information that is linked or linkable to that individual or household, or (c) that may be considered personally identifiable information under any applicable Data Protection Laws (which includes any and all statutes, laws, ordinances, rules, regulations, codes, orders, official guidance, or other requirements of any federal, state, local, or foreign government or political subdivision thereof, or any arbitrator, court, or tribunal of any competent jurisdiction, relating to the protection, use, or security of personally identifiable information, including, but not limited to, the California Consumer Protection Act).

"Product" means the food, beverage and/or any other good provided by the Operator for order by an End User.

"Services" means any services that Olo provides with each Licensed Application to Operator.

2. Services

2.1. Use of this Agreement. To the extent applicable, terms and conditions specific to each selected Licensed Application and the Services shall be set forth in Addendums attached hereto.

The Services shall also include any required, usual, appropriate or acceptable methods to perform activities related to the Services, including without limitation (a) conducting analytics and other product improvement activities, (b) carrying out the Services or the business of which the Services are a part, (c) carrying out any benefits, rights and obligations related to the Services, (d) maintaining records relating to the Services, and (e) complying with any legal or self-regulatory obligations related to the Services.

3. License; Proprietary Rights

3.1. License. Subject to the terms and conditions of the Agreement and the applicable Addendums, Olo hereby grants to Operator, during the Term, a non-exclusive, non-sublicensable (except as permitted hereunder), non-transferable (except pursuant to Section 10.4) license to access and use for itself and its End Users, the specific Licensed Applications selected in the applicable Customer Order Form. Operator shall not (a) assign this Agreement to any third party (it being understood that any such assignment shall be void ab initio); or (b) transfer, sell, or assign the right to use the Licensed Applications, including for the avoidance of doubt to any Customer Third Party Provider (except pursuant to Section 10.4). Olo reserves the right, in its sole discretion, to promulgate commercially reasonable standards that must be adhered to by Customer Third Party Providers (including, but not limited to, Olo's certification of all integrations to the Olo APIs). Any Customer Third Party Provider's breach or suspected breach of data security or confidentiality, abuse, or malicious or suspected malicious activities, may (at Olo's sole discretion) necessitate the immediate suspension, and possible termination, of Customer Third Party Provider's access to the Licensed Applications. A breach of the obligations set forth in this Section 3.1 by Operator may constitute a material breach of this Agreement.

3.2. Proprietary Rights. As between Operator and Olo, Operator hereby acknowledges and agrees that Olo owns all right, title and interest, including all copyrights and other intellectual property and proprietary rights, in and to the Licensed Applications, and all custom developed documents, designs, computer programs, computer systems, computer documentation and other work product authored or prepared by Olo upon the request of Customer or otherwise arising out of the Services (collectively, "Olo IP").

3.3. Trademark License. Operator acknowledges that the ownership, right, title and interest in and to Olo's trademarks rests with Olo and agrees that it will do nothing inconsistent with such ownership. Operator may use the slogan "Skip the Line®" in marketing materials and store displays in reference to the order ahead program utilizing the Licensed Applications; provided however that any display of such slogan clearly denotes the slogan as a registered trademark of Olo.

4. Confidentiality; Security

4.1. A Party receiving Confidential Information may only use Confidential Information to exercise its rights and fulfill its obligations under this Agreement and will take reasonable measures to avoid unauthorized disclosure or misuse of the Confidential Information, including, but not necessarily limited to, taking such security precautions as it takes to protect its own Confidential Information. During and after the Term, the receiving Party agrees not to disclose Confidential Information, except (a) to its employees, agents, independent contractors, or professional advisors who have a need to know the same and who are legally bound to keep it confidential; (b) to a potential acquirer of the receiving Party's relevant assets, stock, or business under a strict duty of confidentiality, but only to the extent such potential acquirer has executed a term sheet, letter of intent or other similar agreement to negotiate such acquisition, and (c) as required to be disclosed by applicable Law, or judicial or other governmental or regulatory order (provided that the disclosing Party must use reasonable efforts to notify the other Party, unless legally prohibited, prior to disclosure in order to afford such other Party the opportunity to at its own expense seek a protective order or otherwise prevent or limit the disclosure). For the avoidance of doubt, the terms of this Agreement are Confidential Information belonging to both parties.

4.2. Security. The terms of Olo's Security Policy, available at www.olo.com/security-policy, are hereby incorporated by reference. Customer may provide in writing additional minimum security requirements, which Olo will use commercially reasonable efforts to promptly implement.

5. Representations and Warranties

5.1. Each party represents and warrants that (a) it has the legal power and authority to enter into this Agreement; (b) it will not violate, or use or provide the Services (as applicable) in violation of, any applicable Laws, including any applicable privacy and Data Protection Laws, or any third party right; (c) it will use or provide the Services (as applicable) in compliance with its agreements with third parties; and (d) it will comply with the terms of the Olo Security Policy, which are incorporated into this Agreement by reference. Olo further represents and warrants that (i) it will provide the Services in a manner consistent with general industry standards reasonably applicable to the provision thereof, and (ii) its Security Policy will be no less stringent throughout the Term, and for two (2) years following the termination of this Agreement, than is as described at www.olo.com/security-policy; (iii) the Licensed Applications will be free from viruses or other disabling features and perform in all material respects to the applicable documentation for each Licensed Application.

5.2. OLO MAKES NO REPRESENTATION OR WARRANTY OTHER THAN THOSE SET FORTH IN THIS AGREEMENT. THE WARRANTIES STATED IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS EXPRESSED OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

6. Term and Termination

6.1. Term – Generally. The Term of this Agreement shall begin on the Operator Launch Date and shall remain in force for a period that shall expire once all corresponding Order Forms have terminated. . This Agreement and corresponding Order Forms may terminate earlier as provided in Section 7.2 or Section 7.3, or as the parties may otherwise agree in writing.

6.2. Termination of the Master Services Agreement. This Agreement shall automatically terminate if and when the Master Services Agreement is terminated between Olo and Customer.

6.3. Termination for Cause; Reasonable Opportunity to Cure Breach. If a party breaches any material provision of this Agreement, the non-breaching party may terminate this Agreement and corresponding Order Forms by giving thirty (30) days' notice to the other party, except that such a termination shall not take effect if the breaching party cures the breach before the end of such thirty (30) day period. For purposes of this Agreement, breach of a material provisions means a breach that has caused or, with the passage of time, will cause substantial harm to the interests of the aggrieved party, specifically including but not limited to breaches

of 3.1 (License), 3.2 (Proprietary Rights), 3.3 (Trademark License) and 5 (Confidentiality; Security), or if the aggregate effect of non-material breaches by the same party satisfies this standard for materiality.

6.4. Termination of Franchise Agreement/Elimination of Location. This Agreement shall automatically terminate as to a franchised location if and when (i) the franchise agreement between Customer and Operator is terminated, in which case this Agreement shall terminate as to all Customer franchised locations of Operator, or (ii) Operator no longer owns and operates the franchised location, in which case, this Agreement shall only terminate as to such franchised location.

7. Indemnification

7.1. Each of Olo and Customer (in such capacity, the "Indemnifying Party") shall defend, indemnify and hold harmless the other Party and its officers, directors and employees (each an "Indemnified Party") from all third-party claims and liabilities (including reasonable outside attorney's fees) arising out of or relating to the Indemnifying Party's (i) negligent acts or omissions including the negligent acts or omissions of its employees, subcontractors or representatives and with respect to Customer, its Third Party Providers or Authorized Operators; (ii) breach of Section 5 or 6; or (iii) infringement or misappropriation of a third party's trade secret, or United States patent, trademark or copyright, or other intellectual property right in connection with (a) with respect to Olo, the Licensed Applications, software or other technology Olo uses to provide the Services to Customer hereunder and (b) with respect to Customer, the technology, data, or other materials Customer provides or uses with the Services ("Customer Materials") (the indemnification obligation of each Party described in this clause (iii), the "IP Infringement Obligation"). The previous sentence states the sole liability of the Indemnifying Party, and the sole remedy of the Indemnified Party, with respect to any third-party claim arising out of the Indemnifying Party's negligent acts or omissions (other than claims arising from fraud, criminal activity or willful misconduct).

7.2. Additionally, Customer shall defend, indemnify and hold harmless Olo and and its officers, directors and employees (each, an "Indemnified Party") from all third-party claims and liabilities (including reasonable outside attorney's fees) arising out of or relating to (i) any action against Olo arising out of any Customer Third Party Provider's disclosure or misuse of Customer Data or related to Olo's release of such Customer Data, including PII, if the release of such information was requested in writing by Customer; (ii) Customer's failure to properly collect and remit taxes or other government payments or fees associated with its usage of the Services, which shall be the sole responsibility of the Customer and, if applicable, the Authorized Operators; and (iii) the transfer of Customer Data by any means not recommended or deemed reasonably secure by Olo.

7.3. The Indemnified Party must (a) promptly notify the Indemnifying Party in writing of any third-party claim (provided that a failure to promptly notify will not relieve the Indemnifying Party of its indemnification obligations, except to the extent it has been prejudiced by such failure); (b) reasonably cooperate with the Indemnifying Party in the defense of the matter; and (c) give the Indemnifying Party primary control of the defense of the matter and negotiations for its settlement. The Indemnified Party may, at its own expense, join in the defense with counsel of its choice. The Indemnifying Party may not enter into a settlement unless it (i) involves only the payment of monetary damages by the Indemnifying Party, and (ii) includes a complete release of liability in favor of the Indemnified Party; any other settlement will be subject to the written consent of the Indemnified Party (not to be unreasonably withheld).

7.4. Olo's IP Infringement Obligation will not apply to claims to the extent arising from (i) Customer's use of the Licensed Applications or Services in violation of this Agreement, (ii) the Customer Materials' infringement or misappropriation of a third party's trade secret, or U.S. patent, trademark, or copyright, or (iii) the combination, operation, or use of the Service(s) with any product, service or material not provided by Olo or on Olo's behalf. Customer's IP Infringement Obligation will not apply to claims to the extent arising from (a) Olo's provision of the Service in violation of this Agreement, or (b) Olo's infringement or misappropriation of a third party's trade secret, or U.S. patent, trademark, or copyright. If a Service is, or in Olo's reasonable opinion is likely to be, ruled by a court of

competent jurisdiction as infringing upon a third party's intellectual property, Olo will promptly notify Customer and, at Olo's sole option and expense, either: (a) procure the right to continue providing the Service as contemplated by this Agreement, (b) modify the Service to render it non-infringing, or (c) replace the Service with a substantially equivalent, non-infringing service. If none of the foregoing options is commercially practicable, then each Party will have the right to terminate this Agreement with respect to the infringing Service.

8. Limitation of Liability

EXCLUDING EITHER PARTY'S IP INFRINGEMENT INDEMNIFICATION OBLIGATIONS, A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR BREACH OF CONFIDENTIALITY, DATA PRIVACY OR DATA SECURITY, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR (A) ANY CONSEQUENTIAL, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL, OR INCIDENTAL DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, EVEN IF ONE OR BOTH PARTIES KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES, AND (B) BUT FOR THE EXCLUSIONS ABOVE WITH RESPECT TO WHICH EACH PARTY'S TOTAL CUMULATIVE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT WILL NOT EXCEED FIVE MILLION DOLLARS ($5,000,000), EACH PARTY'S TOTAL CUMULATIVE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT WILL NOT EXCEED THE AMOUNT OF FEES PAID OR PAYABLE TO OLO IN CONNECTION WITH OLO'S PROVISION OF THE SERVICES DURING THE TWELVE (12) MONTHS BEFORE THE DATE WHEN THE LIABILITY AROSE. THE PARTIES ACKNOWLEDGE THAT THE TERMS OF THIS SECTION 9 REFLECT THE ALLOCATION OF RISK SET FORTH IN THIS AGREEMENT AND THAT THE PARTIES WOULD NOT HAVE ENTERED INTO THIS AGREEMENT WITHOUT THESE LIMITATIONS OF LIABILITY.

9. Miscellaneous

9.1. Notices. All notices and other communications sent under this Agreement must be in writing (including by email) and will be deemed effective when delivered. All notices shall be sent to the applicable mailing address or email address set forth on the signature page hereof.

9.2. Governing Law. This Agreement is governed by and construed in accordance with the laws of Delaware, without regard to the conflicts of law rules thereof. The parties consent to the exclusive jurisdiction and venue of courts in Castle County, Delaware for all disputes hereunder.

9.3. Insurance. Olo shall maintain the following insurance coverage throughout the term of this Agreement, with minimum limits as follows:

i. Commercial General Liability on an occurrence basis, with a limit of $1,000,000 per Occurrence/$2,000,000 Aggregate for bodily injury and property damage liability.

ii. Workers' Compensation as provided for under any workers' compensation or similar law in the jurisdiction where work is performed. Employer's Liability with a limit of $1,000,000 Each Accident; $1,000,000 Disease-EA Employee; $1,000,000 Disease-Policy Limit

iii. Umbrella Liability with a limit of $5,000,000 in excess of Liability insurance.

iv. Professional/Cyber/Media Tech Liability Limit to $40,000,000

1. Professional (Errors and Omissions) Liability covering the Liability for financial loss due to errors, omissions, negligence of employees or machine malfunction

2. Technology Errors and Omissions/Cyber Liability including Network Security/Privacy covering

liability for loss or damage due to an act, error, omission, or negligence and for claims arising from unauthorized access to or use of the Licensed Software. Such insurance shall cover network security and privacy risks, including, but not limited to, unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or other negligence in the handling of PII, privacy perils, and including coverage amounts and a copy of Olo's Certificates of Insurance.for related regulatory defense and penalties. Furthermore, the insurance shall cover data breach expenses and be payable whether incurred by Customer or Olo, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services. The coverage shall be written on a claims made and reported basis.

3. Intellectual Property Infringement Liability

All policies shall maintain a minimum A.M. Best rating of A- (V) at all times during the term of this Agreement. The General Liability and Umbrella policies shall include Customer, its parent, affiliates, subsidiaries and franchisees as additional insureds, on a primary and non-contributory basis and shall include a thirty (30) day written notice of cancellation. Olo must provide to Customer a certificate of insurance evidencing the required coverages prior to commencing any work for Customer. It is the responsibility of Olo to notify Customer of any material changes and/or renewals to its required insurance. Olo shall require all permitted subcontractors to maintain the required insurance. No goods or services shall be provided hereunder until this insurance is obtained, a certificate is provided to Customer and Customer has approved the certificate in writing.

9.4. Assignment. Neither party may assign or transfer any part of this Agreement without the prior written consent of the other Party except that this Agreement may be assigned without consent: (a) to a person or entity who acquires all or substantially all of the assigning Party's assets, stock or business, and (b) to any affiliate or subsidiary of a Party; in each case, so long as the assignee accepts the obligations hereunder in writing. Any purported assignment of rights or obligations, except as expressly permitted herein, will be null and void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties and their respective permitted successors and assigns.

9.5. Severability. If any provision of the Agreement is found unenforceable, it and any related provisions will be interpreted to best accomplish the unenforceable provision's essential purpose.

9.6. Relationship of Parties. The Parties are independent contractors, and this Agreement does not create an agency, partnership, or joint venture.

9.7. Amendment/Modification. This Agreement may be modified or amended only by a separate writing signed by Olo and Customer expressly so modifying or amending this Agreement or the Master Services Agreement.

9.8. Certain Remedies. The parties acknowledge that the breach of Sections 3 and 5 will give rise to irreparable injury to the non-breaching party inadequately compensable in damages. Accordingly, the parties agree that injunctive relief will be an appropriate remedy to prevent violation of the parties' respective rights and/or obligations under those two sections. However, nothing in this Section 10.8 shall limit a party's right to any other remedies in equity or at law, including the recovery of damages.

9.9. Force Majeure. Neither party will be deemed to be in default of or to have breached any provision of this Agreement as a result of any delay, failure in performance or interruption of service, resulting directly or indirectly from acts of God, acts of civil or military authorities, civil disturbances, wars, fires, state-sponsored cyber

terrorism, cyber-attacks or brute force attacks, espionage, sabotage, other catastrophes, and other causes beyond its reasonable control; provided, however, that Operator shall have no obligation to pay Olo during a Force Majeure event.

9.10. Counterparts. This Agreement may be executed in two counterparts, which together shall constitute but one and the same instrument. Executed counterparts transmitted electronically (via email or e-signature software) shall constitute originals for all intents and purposes.

9.11. Waiver. A waiver by either party of any term or condition of this Agreement in one or more instances will not constitute a permanent waiver of the term or condition or any other term or condition of this Agreement or a general waiver.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers.

Operator	Olo Inc.
By _____ Name _____ Title. _____	By _____ Name _____ Title. _____
Date _____	Date _____
Mailing Address for Notices: 6700 Tower Circle Suite 1000 Franklin, TN 37067	Mailing Address for Notices: One World Trade Center 285 Fulton Street, 82nd Floor New York, NY 10007

Digital Ordering Terms & Conditions Addendum

This Addendum forms a part of the Agreement and is applicable upon execution of the Agreement in conjunction with a Customer Order Form in which Customer and Olo have agreed that Olo will provide Operator with its Customer-branded Licensed Applications which will power Customer's digital ordering solution ("Digital Ordering"). In the event that this Addendum conflicts with the Agreement or there is an inconsistency, this Addendum shall control. Unless otherwise defined herein, capitalized terms have the meanings ascribed to such terms in the Agreement.

1. Exclusivity. During the Digital Ordering Term, Olo shall be the exclusive provider of Digital Ordering to Operator. Operator agrees to require the Olo program for all existing and future locations owned by Operator. Notwithstanding the foregoing, Operator shall have the right to use Aggregators at their sole discretion.
2. Service Level. During the Digital Ordering Term, Digital Ordering will be operational and available to Operator at least 99% of the time in any calendar month (the "SLA"). Solely to the extent that Customer chooses the Pro or Enterprise Service Editions, the SLA thresholds and applicable service credits are as follows:
    a. If Olo does not meet the SLA, and if Customer and Operator meet its obligations under the Agreement and this Addendum, Operator will be eligible to receive the Service Credits described below. Subject to this SLA and 7.3 of the Agreement, this SLA states Operator's sole and exclusive remedy for any failure by Olo to meet the SLA.
    b. Definitions. The following definitions shall apply to the SLA:
        i. "Downtime" means the period of time during which Digital Ordering fails to be operational and available across any platform to End Users to place a digital order (for reasons other than those set forth below) until Digital Ordering, on all platforms, again becomes operational and available to End Users.
        ii. "Permitted Downtime" means the period of time during which Digital Ordering fails to be operational and available due to software upgrades and scheduled maintenance, conducted on a regular basis between 3:00 a.m. and 6:00 a.m. Eastern Time, of which Olo will give Customer and Authorized Operator a minimum of twenty-four (24) hours advanced notice. Notwithstanding the foregoing, Olo shall be permitted to take up to five (5) minutes of downtime on any day during the calendar year between 4:00 a.m. and 6:00 a.m. Eastern Time without prior notice to Customer.
        iii. "Monthly Uptime Percentage" means the total number of minutes in a calendar month minus the number of minutes of Downtime suffered in a calendar month, divided by the total number of minutes in a calendar month.
        iv. "Service Credit" means the following:

Monthly Uptime Percentage	Service Credit
99.9% - 99.5%	5% reduction in next month's Digital Ordering fees
99.49% - 98.0%	10% reduction in next month's Digital Ordering fees
97.99% - 96.0%	20% reduction in next month's Digital Ordering fees
< 95.9%	30% reduction in next month's Digital Ordering fees

*Service Credit shall be calculated using the Service Edition Monthly Fee for the month in which Olo does not meet the SLA, and shall be applied to the following month's invoice.

c. Olo shall notify Customer and Operator within five (5) business days from the end of the month if Customer is eligible to receive a Service Credit for the preceding month. To the extent that any Downtime having been determined by Olo, in its good faith reasonable discretion, was caused by a reason outlined in Paragraph 4(e) below, Olo shall have an additional ten (10) business days to notify Customer and Operator of their Service Credit for the preceding month if any.

d. The aggregate maximum Service Credit to be issued by Olo to Operator for all Downtime (not including Permitted Downtime) that occurs in a single calendar month shall not exceed a thirty percent (30%) credit in the next month's fees.

e. The SLA does not apply to any Downtime to the extent it was caused by: (i) Customer or Authorized Operator environment issues affecting connectivity or interfering with Digital Ordering, including without limitation, Customer or Authorized Operator's connection to the Internet (i.e., problems with the Customer or Authorized Operator's Internet Service Provider, modem, cable, DSL or dial-up connection, mobile phone connection or other Customer or Authorized Operator Internet connectivity issues) or any other Customer or Authorized Operator equipment or software (including third party attacks, including without limitation, hacks, intrusions, distributed denial-of-service attacks or any other third party actions intended to cause harm to or disrupt Customer's Third Party Providers, including without limitation, e-commerce software, payment gateways, Aggregators, and loyalty or rewards providers, that are integrated into the Olo APIs), Customer or Authorized Operator's firewall software, hardware or security settings, Customer or Authorized Operator's configuration of anti-virus software or anti-spyware or malicious software, Customer's use of or placement of Javascript code and/or other tracking or measurement software or code (including Google Analytics), or operator error of Customer or Authorized Operator; (ii) directly or indirectly integrating any Aggregator orders into the POS if such failure to integrate is no fault of Olo; (iii) Customer or Authorized Operator's Point of Sale (POS) failure(s) or the failure to properly maintain the POS environment, including updating the POS firmware or version of the software running on the POS as recommended by either Olo, a third party POS reseller or servicer, or the POS provider themselves; (iv) verified bugs of any third party software used in conjunction with Digital Ordering and failure of third party professional services; (v) force majeure events as described in Section 10.10 of the Master Services Agreement; (vi) issues related to third party domain name system (DNS) errors or failures; (vii) emergency maintenance of the Licensed Applications, including without limitation suspension of Licensed Applications in response to a Breach of Security, for which Customer or Authorized Operator may not receive advanced notice; or (viii) Permitted Downtime.

f. Olo will post notifications publicly to https://status.olo.com of any outages in production systems under its control and that may impact multiple customers for more than one (1) minute in any twenty-four (24) hour period other than as permitted under Section 3(b)(ii) above. Olo may occasionally post notifications of significant outages at third party providers, which may include Customer Third Party Providers, outside of Olo's control, such as payment, POS, loyalty, Delivery Service Providers, or Aggregators. Olo cannot be relied upon for comprehensive reporting of outages at third party providers and makes no representation that Olo's information is accurate or up to date. Olo's incident response procedures prioritize triaging and problem resolution over public communication, which may result in delays in posting status updates. Timestamps on status updates may not reflect the actual times of an incident.

Dispatch Services Terms & Conditions Addendum

This Addendum forms a part of the Master Services Agreement and is applicable upon execution of an Order Form in which the parties have agreed that Olo will provide the Customer with its delivery platform allowing for the scheduling and billing of delivery services ("Dispatch"). In the event that this Addendum conflicts with the Agreement, or there is an inconsistency, this Addendum shall control. Unless otherwise defined herein, capitalized terms have the meanings ascribed to such terms in the Agreement.

1. Definitions

"**Available Delivery Service Providers**" shall mean the Delivery Service Providers who have been selected and approved by Olo to create a Profile on the Platform and are available to Operator (to the extent applicable) to make deliveries to End Users in a given Delivery Area on behalf of Operator.

"**Confirmed Delivery Response**" shall mean that the Platform has transmitted an End User delivery request to a Selected Delivery Service Provider(s) that has responded back with an acceptance of that delivery request.

"**Delivery Area**" shall mean the area(s) in which a Delivery Service Provider offers delivery service to End Users.

"**Delivery Fees**" shall mean the fees that are quoted by Olo as "delivery service fees" plus a tip (if any) added to the payment form the End User fills out for the delivery of the Product.

"**Delivery Guidelines**" shall mean the rules and responsibilities associated with the delivery of the Product to the End User, which are located at www.olo.com/delivery-guidelines and which may be updated by Olo from time to time.

"**Delivery Service Providers**" shall mean the providers of delivery services, selected by Olo and given access to the Platform by Olo, that use their own employees or independent delivery drivers.

"**Delivery Requirements**" shall mean the requirements established by Customer or Operator in the Platform relating to the selection of the Delivery Service Providers who may be Available Delivery Service Providers for Operator.

"**Platform**" means the system operated by Olo that allows customers to provide Delivery Requirements and place requests with Olo to deliver Products to End Users and facilitates through those Delivery Service Providers who meet the Delivery Requirements, including any associated application program interfaces and technology and any enhancements or modifications thereto.

"**Profile**" means the information provided by a Delivery Service Provider for review by Olo and as updated by Olo quarterly or upon material changes, in order to allow the Delivery Service Provider to participate on the Platform.

"**Selected Delivery Service Provider**" means an Available Delivery Service Provider that is selected by Olo on behalf of Operator (based on the Delivery Requirements established by Customer or Operator) to deliver a given order for Products to End Users on behalf of the Operator in the Delivery Area.

2. Selection of Delivery Service Providers

2.1 Available Delivery Service Providers. As part of the Platform, Olo allows Delivery Service Providers to sign up for use of the Platform and complete a Profile. Operator may access a list of Available Delivery Service Providers based on the Delivery Requirements.

2.2 Selection of Available Delivery Service Providers. Olo will select the Selected Delivery Service Providers based on the Delivery Requirements and the Profiles of Available Delivery Service Providers in each Delivery Area. Notwithstanding the foregoing, to the extent that Customer or Operator does not provide any parameters for Olo to choose an Available Delivery Service Provider, one shall be selected automatically by Olo. Customer or Operator may change its Delivery Requirements at any time in its sole discretion.

3. Delivery

3.1 Quotes. Olo provides Operators with access to the Platform in order to request and receive delivery quotes (delivery time and pricing) and Olo will provide such quotes if there is an Available Delivery Service Provider available for a given order.

3.2 Availability. The Operator may seek a bid for the delivery to a given End User of the Product(s) ordered by that End User through the Platform. Each Selected Delivery Service Provider who is available to make a delivery in a given Delivery Area may respond to the request for a delivery and the delivery order will be assigned based upon the Delivery Requirements provided by Customer or Operator. If a delivery response does not meet that Customer's Delivery Requirements, or any additional filters or criteria which may be applied by Olo from time to time, then delivery may not be available for that End User order.

4. Additional Obligations

4.1 Olo Obligations. In addition to the other obligations set forth in this Agreement, Olo shall also use commercially reasonable efforts to: (a) require that the Delivery Service Providers maintain an accurate Profile; (b) require that the Delivery Service Providers maintain and enforce strict guidelines for their drivers, including any independent delivery drivers; (c) require that the Delivery Service Providers; use of the End User data is subject to Olo's privacy policy in effect at the time; (d) require that no End User PII is used by Delivery Service Providers to market any additional products or services to those End Users; and (e) require that all End User PII will be secured from unauthorized access, use, disclosure, loss and theft using industry standard security practices and technologies.

4.2 Operator Obligations. In addition to the other obligations set forth in this Agreement, Operator shall also use commercially reasonable efforts to: (a) ensure they comply with the Delivery Guidelines; (b) ensure that they promptly respond to all End Users' inquiries; (c) use the Platform to promptly respond to all End User issues, including cancellations and refunds; and (d) use best efforts to create tickets in Dashboard or the Olo API, as applicable, for Selected Delivery Service Providers for issues related to the order or delivery in question. To the extent Operator integrates directly with the Olo API, Operator hereby agrees to any additional terms of service that may be applicable to its Selected Delivery Service Providers. Operator shall not create any obligation of the Delivery Service Provider or Olo to provide any refund other than as specifically set forth in the Delivery Parameters and Refund Matrix located at www.olo.com/delivery-parameters-and-refund-matrix.

5. Third Party Beneficiaries

Olo operates a Platform for Customers and Delivery Service Providers to transact with each other. Olo does not provide the delivery services, and therefore does not assume, and expressly disclaims, any liability arising from Operator's use of the delivery services and the Selected Delivery Service Providers' provision of the delivery services. To facilitate direct dispute resolution between Operator and each Selected Delivery Service Provider in connection with Operator's use of delivery services, Operator's Selected Delivery Service Providers are third-party beneficiaries of Operator's obligations as set forth herein, and Operator is a third-party beneficiary of Operator's Selected Delivery Service Providers' obligations as set forth in their agreements with Olo. Olo will indicate to Operator through the Platform which Delivery Service Providers are subject to such third-party beneficiary obligations. Olo's Delivery Service Providers which have contractually committed to such third-party

beneficiary obligations have agreed not to assert a defense based on lack of privity against any Operaotr seeking to enforce their third-party beneficiary rights hereunder.

6. Disclaimer.

OLO MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OF ANY PROFILE INFORMATION AND OLO MAKES NO INDEPENDENT VERIFICATION OF THE INFORMATION PROVIDED BY A DELIVERY SERVICE PROVIDER (OTHER THAN THE REPRESENTATIONS AND WARRANTIES MADE BY THAT DELIVERY SERVICE PROVIDER AS TO THE ACCURACY OF THE PROFILE INFORMATION). OLO MERELY MAKES A PLATFORM AVAILABLE TO FACILITATE THE INTERACTIONS BETWEEN DELIVERY SERVICE PROVIDERS AND CUSTOMERS; OLO IS NOT RESPONSIBLE FOR THE PERFORMANCE OF DELIVERY SERVICE PROVIDERS.

Rails Terms & Conditions Addendum

This Addendum forms a part of the Agreement and is applicable upon execution of the Agreement and in conjunction with a Customer Order Form in which Olo and Customer have agreed that Olo will provide Operator with its Aggregator integration and management platform ("Rails"). In the event that this Addendum conflicts with the Agreement, or there is an inconsistency, this Addendum shall control. Unless otherwise defined herein, capitalized terms have the meanings ascribed to such terms in the Agreement.

"Rails" means the service, provided by Olo, and utilized by Operator at its sole discretion, in which Aggregators connect to the Olo platform in order to (a) receive store information including, but not limited to, store location data, menu item availability, product make times, available production capacity, and item pricing; (b) transmit orders made on Aggregator website or mobile application to the Customer's or Operator's Point of Sale systems (POS) through the Olo APIs; (c) monitor and report Aggregator activity; and, at Operator's sole discretion, (d) control order flow into the store.

In order for Operator to utilize Rails, Operator consents to allow Olo to transfer, or otherwise provide access to, certain data, including but not limited to, menu information and general restaurant information to Aggregator. Olo will not share any PII with Aggregator. Data may only be used for the limited purpose outlined above, namely use of Rails. Operator agrees that Olo shall have no liability to Operator for the granting of access to, or the misuse of such data, by Aggregator, or any other claims arising out of or related to the granting of access to the data unless such claims are based on Olo's negligence in such actions.

Olo shall be the exclusive provider of integration services for Aggregator ordering platforms to Operator. Also during the Term, Operator shall not use, test or support any Aggregator-initiated ordering service in lieu of Licensed Applications. Operator agrees to require the Olo program for all existing and future locations owned by Operator.

Google Rails Premium Addendum

This Addendum (this "GRP Addendum") forms a part of the Agreement and is applicable upon execution of the Agreement and in conjunction with a Customer Order Form in which Olo and Customer have agreed that Olo will provide Operator with Google Rails Premium ("GRP"). In the event that this Addendum conflicts with the Agreement, or there is an inconsistency, this Addendum shall control. Unless otherwise defined herein, capitalized terms have the meanings ascribed to such terms in the Agreement.

1. Definitions

"Actions on Google" means Google's platform that allows the integration of Licensed Content (and related services) with assistive experiences and services across products and services.

"Brand Features" means Customer's trade names, trademarks, service marks, logos, domain names, and other distinctive brand features.

"Google Data" means (i) data provided by Google to Olo via the Google API that facilitates actions by Customer and End Users and (ii) any reporting provided by Google to Olo.

"Licensed Content" means (a) any Customer content that is provided to or retrieved by Google through a Google API or other mutually agreed delivery mechanism, and (b) any Updates.

"Updates" means any update, refresh, correction or modification to the Licensed Content provided by Customer under this GRP Addendum.

2. Grant.

a. **Transfer of Data.** Customer consents to allow Olo to transfer, or otherwise provide access to, certain data, including but not limited to, menu information and general restaurant information to Google pursuant to this GRP Addendum ("Data"). Olo will not share any PII with Google. The Data may only be used for the limited purpose outlined above, namely use of GRP. Customer agrees that Olo shall have no liability to Customer for the granting of access to, or the misuse of the Data, by Google, or any other claims arising out of or related to the granting of access to the Data.

b. **Licensed Content.** Customer grants to Olo a perpetual, irrevocable, worldwide royalty-free, nonexclusive, license to use the Licensed Content in connection with GRP (including Actions on Google and Google products and services made available on third party devices and interfaces). Customer acknowledges that its Licensed Content may be sublicensed by Google but only to the extent necessary to permit end users to use GRP products and services, including those made available on third party devices and interfaces.

c. **Google Data.** Any Google Data to which Customer is provided access through Olo may only be used by Customer to respond to End User queries received from Google products and services to communicate with particular End Users identified by Google (e.g., to process or deliver a food order, issue a refund). Customer may only use Google Data to provide assistance to these End Users who have placed a food order.

d. **Retention of Rights.** Customer retains all rights in Licensed Content and its Brand Features and has no right to any Google Data or any content created, submitted, or used in connection with the Google products and services.

3. Prohibited Actions.

a. Customer will not:

i. use Google Data other than to provide assistance to or to market to end users who have placed a food order provided that such marketing shall only be via email and to End Users that have provided Google with consent to receive marketing from Customer;

ii. generate automated, fraudulent, or otherwise invalid activity (including queries, clicks, or conversions);

iii. use any automated means or data scraping or extraction to access or collect Actions on Google-related information except as expressly permitted by Google;

iv. knowingly provide inaccurate or outdated information, including for Licensed Content;

v. engage in deceptive, misleading, and/or unethical practices;

vi. make false or misleading representations with regards to Actions on Google;

vii. alter, interfere with, or otherwise tamper with customer reviews of Customer's services or the services of its competitors; or

viii. attempt to interfere with Actions on Google's proper functioning.

4. Customer Support/Termination.

a. As between Customer, Olo and Google, an End User's satisfaction with Customer is solely Customer's responsibility. Customer must immediately notify Olo if it no longer wants to be surfaced to End Users via Actions on Google and Olo will then remove Customer from Actions on Google and/or remove their information from the Licensed Content, so that it is no longer shown to Google end users and customers.

b. Google may contact Customer.

c. Upon termination of GRP, Google may continue to use the Licensed Content submitted through Google API(s), in accordance with its standard terms & conditions (which are available from Google).

5. Other Google Products.

a. If at any time, Customer uses other Google products or services, then a separate agreement will be required.

EXHIBIT F

OPERATION PROCEDURES MANUAL
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EXHIBIT G

LIST OF FRANCHISEES
THAT CLOSED/TRANSFERRED FRANCHISED RESTAURANTS
IN LAST FISCAL YEAR

LIST OF FRANCHISEES THAT CLOSED/TRANSFERRED FRANCHISED RESTAURANTS IN FISCAL YEAR 2025

The following is a list of the name, city and state, and current business telephone number (or if unknown, the last known home telephone number) of each franchisee that had a franchised restaurant terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement, including in connection with a transfer, during fiscal year 2025; or failed to communicate with Hardee's Restaurants LLC within 10 weeks of the application date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Transfers**:**

Franchisee	Address	City	State	Zip
Chesapeake Products & Services, Inc.	30759 Sussex Hwy	Laurel	DE	19956
Phase Three Star, LLC	24915 W Newberry Road	Newberry	FL	32669
Northern Star, Inc.	5705 N. Hwy 27	Science Hill	KY	42553
Dave Bowar	503 Rossville Road	Waukon	IA	52172
Chesapeake Products & Services, Inc.	9521 Ocean Highway	Delmar	MD	21875
TAP Enterprises (Tom Taylor &Mary Jo Taylor)	534 E. Main St.	Owosso	MI	48867
Oshkosh Restaurant, LLC	2100 S. Koeller St.	Oshkosh	WI	54902
Dave Bowar	944 S. Marquette Street	Prairie Du Chien	WI	53821
Dave Bowar	1819 S. Main Street	Rice Lake	WI	54868
Jack Leichtfuss & Vivian Leightfuss	3132 Church Street	Stevens Point	WI	54481

Terminations / Non-Renewals / Ceased Operations:

Franchisee	Address	City	State	Zip
Paradigm Investment Group, LLC	5870 Wall Trainia Hwy	Madison	AL	35758
OTAC No. 6, Inc.	1801 Pulaski Highway	Bear	DE	19701
Anba Hedra LLC	451 E. Altamonte Dr., Suite 2165	Atlamonte Springs	FL	32701
Circle K Stores Inc.	810 N. US Hwy. 27	Minneola	FL	34755
Circle K Stores Inc.	5690 W. State Rd. 46	Sanford	FL	32771
Saulat Enterprises, Inc.	100 Governor Trutlen Rd.	Pooler	GA	31322
Saulat Enterprises, Inc.	501 S. Main St.	Swainsboro	GA	30401
Pioneer Restaurants, LLC	1600 Broadway Street	Mt. Vernon	IL	62864
Midwest First Star Inc.	5223 Franklin Street	Michigan City	IN	46360
Superior Star, LLC	660 N. Main	Sioux Center	IA	51250

Franchisee	Address	City	State	Zip
Mountain Star LLC	378 Southside Mall, US Rt.119	South Williamson	KY	41503
Northland Restaurant Group, LLC	1250 S. Pokegama	Grand Rapids	MN	52806
Saddle Peak LLC	749 Goodman Road West	Horn Lake	MS	38637
Red Diamond Restaurants, LLC	311 North Church Ave.	Louisville	MS	39339
Pioneer Restaurants, LLC	17368 Chesterfield Airport Road	Chesterfield	MO	63005
Pioneer Restaurants, LLC	10858 Lilac Avenue	St. Louis	MO	63137
Pioneer Restaurants LLC	1944 Wentzville Parkway	Wentzville	MO	63385
Superior Star, LLC	2405 Dakota Avenue	South Sioux City	NE	68776
Boddie-Noell Enterprises, Inc.	12872 US 70 Hwy West	Clayton	NC	27520
Boddie-Noell Ent., Inc.	1106 Western Blvd.	Jacksonville	NC	28546
Boddie-Noell Enterprises, Inc.	5639 Hillsborough Street	Raleigh	NC	27606
Boddie-Noell Ent., Inc.	886 West Raleigh Boulevard	Rocky Mount	NC	27802
Boddie-Noell Enterprises, Inc.	418 Roland Ave.	Surf City	NC	28445
Midwest First Star Inc.	2695 Gilchrist Road	Akron	OH	44305
ARC Burgers, LLC	5201 Ashley Phosphate Road	North Charleston	SC	29414
DBJ Enterprises, Inc.	6013 Shallowford Dv.	Chattanooga	TN	37421
Boddie-Noell Ent., Inc.	505 E. Main St.	Bedford	VA	24523
Boddie-Noell Ent., Inc.	904 Prices Fork Rd.	Blacksburg	VA	24060
Boddie-Noell Enterprises, Inc.	1700 Princess Anne St.	Fredericksburg	VA	22401
River Valley Restaurants, LLC	10401 MacCorkle Ave.	Marmet	WV	25315
Doro, Inc.	2690 Eaton Rd.	Bellevue	WI	54311
RRC FDL, LLC	759 W. Johnson	Fond du Lac	WI	54935

EXHIBIT H

LIST OF FRANCHISEES AND FRANCHISED LOCATIONS

LIST OF FRANCHISEES AND FRANCHISED LOCATIONS

As of 1/27/2025

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
PHASE THREE STAR LLC	650 OZARK RD	ABBEVILLE	AL	36310	N	3345856111
PARADIGM INVESTMENT GROUP, LLC	11024 US HIGHWAY 431	ALBERTVILLE	AL	35950	N	2568783777
PARADIGM INVESTMENT GROUP, LLC	1249 CHEROKEE RD	ALEXANDER CITY	AL	35010	N	2562344191
PARADIGM INVESTMENT GROUP, LLC	1202 E BYPASS	ANDALUSIA	AL	36420	N	3342227315
PARADIGM INVESTMENT GROUP, LLC	1110 S JEFFERSON ST	ATHENS	AL	35611	N	2562328400
PARADIGM INVESTMENT GROUP, LLC	25 LAKEVIEW CIR	ATMORE	AL	36502	N	2514461657
PHASE THREE STAR LLC	800 WIRE RD	AUBURN	AL	36832	N	3348876003
PARADIGM INVESTMENT GROUP, LLC	701 DOLIVE ST	BAY MINETTE	AL	36507	N	2519372378
PARADIGM INVESTMENT GROUP, LLC	1771 US HIGHWAY 431	BOAZ	AL	35957	N	2565937366
PARADIGM INVESTMENT GROUP, LLC	50770 OLD HWY 72	BRIDGEPORT	AL	35740	N	2564952181
PARADIGM INVESTMENT GROUP, LLC	499 W TROY ST	BRUNDIDGE	AL	36010	N	3347353537
PARADIGM INVESTMENT GROUP, LLC	35 HIGHWAY 41 N	CAMDEN	AL	36726	N	3346824147
C & C FOOD SYSTEMS, INC.	19765 N 3RD ST	CITRONELLE	AL	36522	N	2518660325
PARADIGM INVESTMENT GROUP, LLC	1708 BELTLINE RD	DECATUR	AL	35601	N	2563505999
PARADIGM INVESTMENT GROUP, LLC	3241 POINT MALLARD PKWY SE	DECATUR	AL	35603	N	2563532958
PARADIGM INVESTMENT GROUP, LLC	810 6TH AVE NORTHEAST	DECATUR	AL	72802	N	2563408978
PHASE THREE STAR LLC	1086 ROSS CLARK CIR	DOTHAN	AL	36303	N	3347928085
PHASE THREE STAR LLC	2727 S OATES ST	DOTHAN	AL	36301	N	3347936585
PHASE THREE STAR LLC	4624 W. MAIN STREET	DOTHAN	AL	36305	N	3344463058

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
PHASE THREE STAR LLC	911 FORT RUCKER BLVD	ENTERPRISE	AL	36330	N	3343474922
PARADIGM INVESTMENT GROUP, LLC	3194 S EUFAULA AVE	EUFAULA	AL	36027	N	3346882135
FRANCIECO., L.P.	7561 MESOPOTAMIA ST	EUTAW	AL	35462	N	2053729244
PARADIGM INVESTMENT GROUP, LLC	845 LIBERTY HILL DR	EVERGREEN	AL	36401	N	2515781983
PARADIGM INVESTMENT GROUP, LLC	21514 HIGHWAY 31	FLOMATON	AL	36441	N	2512962362
PARADIGM INVESTMENT GROUP, LLC	1113 E 5TH AVE	FLORALA	AL	36442	N	3348583711
PARADIGM INVESTMENT GROUP, LLC	2935 S MCKENZIE ST	FOLEY	AL	36535	N	2519435960
ARC BURGER, LLC	1301 MAPLE AVE	GENEVA	AL	36340	N	3346846220
PARADIGM INVESTMENT GROUP, LLC	9400 GRAND BAY WILMER RD	GRAND BAY	AL	36541	N	2518655363
DRAIN ENTERPRISES, INC.	3541 CATHEDRAL CAVERNS HWY	GRANT	AL	35747	N	2567285988
PARADIGM INVESTMENT GROUP, LLC	912 FORTDALE RD	GREENVILLE	AL	36037	N	3343822352
PARADIGM INVESTMENT GROUP, LLC	837 GULF SHORES PKWY	GULF SHORES	AL	36542	N	2519484232
DRAIN ENTERPRISES, INC.	5975 HIGHWAY 72 E	GURLEY	AL	35748	N	2567764152
PHASE THREE STAR LLC	110 S STATE HIGHWAY 167	HARTFORD	AL	36344	N	3345880530
PARADIGM INVESTMENT GROUP, LLC	680 HIGHWAY 31 SW	HARTSELLE	AL	35640	N	2567730435
PHASE THREE STAR LLC	16832 US HWY 431 SOUTH	HEADLAND	AL	36345	N	3346930750
PARADIGM INVESTMENT GROUP, LLC	79 FOLMAR PKWY	HOPE HULL	AL	36043	N	3346139879
PARADIGM INVESTMENT GROUP, LLC	2015 DRAKE AVE	HUNTSVILLE	AL	35801	N	2568821639
PARADIGM INVESTMENT GROUP, LLC	300 ANDREW JACKSON WAY	HUNTSVILLE	AL	35801	N	2565367713
PARADIGM INVESTMENT GROUP, LLC	104 GREEN COVE RD SE	HUNTSVILLE	AL	35803	N	2562709397

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
PARADIGM INVESTMENT GROUP, LLC	3751 AL HIGHWAY 53	HUNTSVILLE	AL	35806	N	2568521270
PARADIGM INVESTMENT GROUP, LLC	2800 COLLEGE AVE	JACKSON	AL	36545	N	2512469265
PARADIGM INVESTMENT GROUP, LLC	13151 N HICKORY ST	LOXLEY	AL	36551	N	2519646250
PARADIGM INVESTMENT GROUP, LLC	742 S FOREST AVE	LUVERNE	AL	36049	N	3343353864
PARADIGM INVESTMENT GROUP, LLC	8827 MADISON BLVD	MADISON	AL	35758	N	2567723270
PARADIGM INVESTMENT GROUP, LLC	11909 HIGHWAY 231 431 N	MERIDIANVILLE	AL	35759	N	2568282377
PARADIGM INVESTMENT GROUP, LLC	3691 HIGHWAY 14	MILLBROOK	AL	36054	N	3342850010
PARADIGM INVESTMENT GROUP, LLC	3715 MOFFAT RD	MOBILE	AL	36618	N	2513433553
PARADIGM INVESTMENT GROUP, LLC	565 GOVERNMENT ST	MOBILE	AL	36602	N	2514324286
PARADIGM INVESTMENT GROUP, LLC	930 SCHILLINGER RD S	MOBILE	AL	36695	N	2516390616
PARADIGM INVESTMENT GROUP, LLC	3225 ST STEPHENS RD	MOBILE	AL	36612	N	2512870662
PARADIGM INVESTMENT GROUP, LLC	1608 S ALABAMA RD	MONROEVILLE	AL	36460	N	2515752691
PARADIGM INVESTMENT GROUP, LLC	5401 ATLANTA HWY	MONTGOMERY	AL	36109	N	3342721191
PARADIGM INVESTMENT GROUP, LLC	1183 W SOUTH BLVD	MONTGOMERY	AL	36105	N	3342817367
PARADIGM INVESTMENT GROUP, LLC	906 ANN ST	MONTGOMERY	AL	36107	N	3342620650
PARADIGM INVESTMENT GROUP, LLC	2715 TAYLOR RD	MONTGOMERY	AL	36117	N	3342722004
PARADIGM INVESTMENT GROUP, LLC	11838 AL HWY 157	MOULTON	AL	35650	N	2569746363
PARADIGM INVESTMENT GROUP, LLC	10139 HIGHWAY 431 S	NEW HOPE	AL	35760	N	2567235988
PHASE THREE STAR LLC	2530 PEPPERELL PKWY	OPELIKA	AL	36801	N	3347493678

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
PHASE THREE STAR LLC	1902 MARVYN PKWY	OPELIKA	AL	36804	N	3347495862
PARADIGM INVESTMENT GROUP, LLC	803 FLORALA HWY	OPP	AL	36467	N	3344933314
PARADIGM INVESTMENT GROUP, LLC	2515 MOUNTAIN COVE DR	OWENS CROSS ROADS	AL	35763	N	2565339430
PHASE THREE STAR LLC	1333 ANDREWS AVE	OZARK	AL	36360	N	3347744812
PHASE THREE STAR LLC	1300 280 BYP	PHENIX CITY	AL	36867	N	3342985713
PARADIGM INVESTMENT GROUP, LLC	706 EAST MAIN STREET	PRATTVILE	AL	36067	N	3343653065
PARADIGM INVESTMENT GROUP, LLC	2525 COBBS FORD RD	PRATTVILLE	AL	36066	N	3342857549
PARADIGM INVESTMENT GROUP, LLC	104 MCCURDY AVE S	RAINSVILLE	AL	35986	N	2566382240
PARADIGM INVESTMENT GROUP, LLC	16191 HIGHWAY 72	ROGERSVILLE	AL	35652	N	2562471327
PARADIGM INVESTMENT GROUP, LLC	1016 HIGHWAY 43	SARALAND	AL	36571	N	2516790658
DRAIN ENTERPRISES, INC.	23470 JOHN T REID PKWY	SCOTTSBORO	AL	35768	N	2562596364
PARADIGM INVESTMENT GROUP, LLC	1201 HIGHLAND AVE	SELMA	AL	36703	N	3348128351
PARADIGM INVESTMENT GROUP, LLC	1300 GILMER AVE	TALLASSEE	AL	36078	N	3342834635
PARADIGM INVESTMENT GROUP, LLC	5796 TWIN OAKS COURT	THEODORE	AL	36582	N	2516538422
PARADIGM INVESTMENT GROUP, LLC	32450 HIGHWAY 43	THOMASVILLE	AL	36784	N	2516362850
PARADIGM INVESTMENT GROUP, LLC	1102 HIGHWAY 231 S	TROY	AL	36081	N	3345660609
RED DIAMOND RESTAURANTS, LLC	611 15TH ST E	TUSCALOOSA	AL	35401	N	2053455262
RED DIAMOND RESTAURANTS, LLC	2515 PAUL BRYANT DR	TUSCALOOSA	AL	35401	N	2053491313
RED DIAMOND RESTAURANTS, LLC	929 SKYLAND BLVD E	TUSCALOOSA	AL	35405	N	2053452184
SUMMIT FOODS, INC.	6718 HWY 69 S	TUSCALOOSA	AL	35405	N	2053660299

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
PARADIGM INVESTMENT GROUP, LLC	419 HWY 43 S	TUSCUMBIA	AL	35674	N	2563839338
PARADIGM INVESTMENT GROUP, LLC	5091 US HIGHWAY 231	WETUMPKA	AL	36092	N	3345677035
DIAMOND HOSPITALITY ENTERPRISES, LLC	850 S ST LOUIS STREET	BATESVILLE	AR	72501	N	5017935799
SADDLE PEAK LLC	21 US HWY 64	BEEBE	AR	72012	N	5018823247
SADDLE PEAK LLC	1221 W SOUTH STREET	BENTON	AR	72015	N	5013164200
SADDLE PEAK LLC	3783 E HIGHWAY 18	BLYTHEVILLE	AR	72315	N	8708246450
SADDLE PEAK LLC	2201 NORTH 2ND STREET	CABOT	AR	72023	N	5018430229
SADDLE PEAK LLC	2500 CLARK RD	CLARKSVILLE	AR	72830	N	4797548774
SADDLE PEAK LLC	1055 DAVE WARD DR	CONWAY	AR	72034	N	5014996462
DIAMOND MANAGEMENT, LLC	2720 ROGERS AVE	FORT SMITH	AR	72901	N	4797827452
DIAMOND MANAGEMENT, LLC	1820 PHOENIX AV	FORT SMITH	AR	72901	N	4796461719
TRICO DEVELOPMENT CORPORATION	1331 RED WOLF BLVD	JONESBORO	AR	72401	N	8709330994
FRANCIECO., L.P.	11700 INTERSTATE 30	LITTLE ROCK	AR	72210	N	5019751999
SHAY, MICHEL D.	500 E North St	MOUNTAIN HOME	AR	72653	N	5014259393
DIAMOND HOSPITALITY ENTERPRISES, LLC	604 NE MAIN	MOUNTAIN VIEW	AR	72560	Y	8702698009
DIAMOND HOSPITALITY ENTERPRISES, LLC	1700 MALCOLM	NEWPORT	AR	72112	N	5015236282
SADDLE PEAK LLC	4901 JOHN F KENNEDY BLVD	NORTH LITTLE ROCK	AR	72116	N	5017539668
DIAMOND HOSPITALITY ENTERPRISES, LLC	301 LINWOOD	PARAGOULD	AR	72450	N	5012363727
DIAMOND HOSPITALITY ENTERPRISES, LLC	950 EAST MAIN	PIGGOTT	AR	72454	N	5015982024
FRANCIECO., L.P.	116 RON HARROD RD	PRESCOTT	AR	71857	N	8708871744
SADDLE PEAK LLC	3095 E MAIN ST	RUSSELLVILLE	AR	72802	N	4798906226
FRANCIECO., L.P.	2505 QUEENSWAY ST	SEARCY	AR	72143	N	5012789954

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
SADDLE PEAK LLC	2997 E RACE AVE	SEARCY	AR	72143	N	5012684858
SADDLE PEAK LLC	201 N ROCK ST	SHERIDAN	AR	72150	N	8709427015
OTAC NO. 4, INC.	519 S BAY RD	DOVER	DE	19901	N	3026740371
OTAC NO. 4, INC.	50 GREENTREE DR	DOVER	DE	19904	N	3026748335
OTAC NO. 4, INC.	7237 MILFORD HARRINGTON HWY	HARRINGTON	DE	19952	N	3023970343
POOJA LAUREL HOSPITALITY, INC.	30759 SUSSEX HWY	LAUREL	DE	19956	N	3028757107
OTAC NO. 4, INC.	340 DOVE RUN DR	MIDDLETOWN	DE	19709	N	3024492036
OTAC NO. 4, INC.	698 N DUPONT BLVD	MILFORD	DE	19963	N	3024226083
OTAC NO. 4, INC.	28552 DUPONT BLVD	MILLSBORO	DE	19966	N	3029349106
OTAC NO. 4, INC.	328 W STEIN HWY	SEAFORD	DE	19973	N	3026298677
OTAC NO. 6, INC.	100 JIMMY DR	SMYRNA	DE	19977	N	3026537213
PHASE THREE STAR LLC	126 MAGNOLIA AVE	AUBURNDALE	FL	33823	N	8639679220
PHASE THREE STAR LLC	300 E VAN FLEET DRIVE	BARTOW	FL	33830	N	8638003949
ARBOR CAPITAL PARTNERS, LLC	5741 SE ABSHIER BLVD	BELLEVIEW	FL	34420	N	3522035404
ARC BURGER, LLC	2111 S WAUKESHA ST	BONIFAY	FL	32425	N	8505474666
BUSY BEE BURGERS, INC.	404 HWY 27	BRANFORD	FL	32008	N	3869353979
HUDSON FOODS	399 N. HATHAWAY AVE.	BRONSON	FL	32621	N	3523534574
PHASE THREE STAR LLC	1685 W JEFFERSON ST	BROOKSVILLE	FL	34601	N	3527996126
PHASE THREE STAR LLC	542309 US HWY 1	CALLAHAN	FL	32011	N	9048795748
ARC BURGER, LLC	651 WEST WASHINGTON ST	CHATTAHOOCHEE	FL	32324	N	8505884162
PHASE THREE STAR LLC	1024 N YOUNG BLVD	CHIEFLAND	FL	32626	N	3524931116
ARC BURGER, LLC	1212 MAIN ST	CHIPLEY	FL	32428	N	8506388532
PHASE THREE STAR LLC	2994 CRAWFORDVILLE HWY	CRAWFORDVILLE	FL	32327	N	8509268337
PHASE THREE STAR LLC	15909 SE 19 HWY	CROSS CITY	FL	32628	N	3524985077
PHASE THREE STAR LLC	16 NE HIGHWAY 19	CRYSTAL RIVER	FL	34429	N	3257940280
PHASE THREE STAR LLC	39837 US HWY 27	DAVENPORT	FL	33837	N	8634191715
CIRCLE K STORES, INC.	1098 W INTERNATIONAL SPEEDWAY BLVD	DELAND	FL	32720	N	3867381469

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
ARBOR CAPITAL PARTNERS, LLC	400 WELCOME CENTER DRIVE	DELTONA	FL	32725	N	3862599543
PHASE THREE STAR LLC	28199 HWY 27	DUNDEE	FL	33838	N	8634396184
ARBOR CAPITAL PARTNERS, LLC	11582 WILLIAMS ST	DUNNELLON	FL	34432	N	3524659111
CIRCLE K STORES, INC.	241 US HWY 17 S	EAST PALATKA	FL	32131	N	3863286469
FRANCIECO., L.P.	13700 US HWY 441	ELLISVILLE	FL	32025	N	3867529966
S.W. FLORIDA FRANCHISE SERVICE	4900 PALM BEACH BLVD	FORT MYERS	FL	33905	N	2396935797
FRANCIECO., L.P.	200 S KINGS HWY	FORT PIERCE	FL	34945	N	7724892184
ARC BURGER, LLC	5425 COTTON ST	GRACEVILLE	FL	32440	N	8502634919
PHASE THREE STAR LLC	1323 N ORANGE AVE	GREEN COVE SPRINGS	FL	32043	N	9045299437
ARBOR CAPITAL PARTNERS, LLC	266 W BROAD ST	GROVELAND	FL	34736	N	3524299377
PHASE THREE STAR LLC	19143 NW US HWY 441	HIGH SPRINGS	FL	32643	N	3864541933
PHASE THREE STAR LLC	3960 S SUNCOAST BLVD	HOMOSASSA	FL	34448	N	3526281990
PHASE THREE STAR LLC	873 LANE AVE S	JACKSONVILLE	FL	32205	N	9046959522
PHASE THREE STAR LLC	9210 BAYMEADOWS RD	JACKSONVILLE	FL	32256	N	9047373252
PHASE THREE STAR LLC	498 BUSCH DR	JACKSONVILLE	FL	32218	N	9047511805
PHASE THREE STAR LLC	6852 WILSON AVE	JACKSONVILLE	FL	32210	N	9047729669
PHASE THREE STAR LLC	6914 NORWOOD AVENUE	JACKSONVILLE	FL	32208	N	9047646518
PHASE THREE STAR LLC	8040 NORMANDY BLVD	JACKSONVILLE	FL	32221	N	9046930467
PHASE THREE STAR LLC	9111 MERRILL ROAD	JACKSONVILLE	FL	32225	N	9047451629
PHASE THREE STAR LLC	12771 ATLANTIC BLVD	JACKSONVILLE	FL	32225	N	9042217136
PHASE THREE STAR LLC	6680 COMMONWEALTH AVE	JACKSONVILLE	FL	32254	N	9047830960
PHASE THREE STAR LLC	11191 SAN JOSE BLVD	JACKSONVILLE	FL	32223	N	9048862700
PHASE THREE STAR LLC	675 NAUTICA DR	JACKSONVILLE	FL	32218	N	9047512841
PHASE THREE STAR LLC	1616 US HIGHWAY 41 NW	JASPER	FL	32052	N	3867921088
PHASE THREE STAR LLC	7401 STATE RD 21	KEYSTONE HEIGHTS	FL	32656	N	3524737745

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ANBA HEDRA LLC	504 W. VINE ST.	KISSIMMEE	FL	34741	N	4076249020
PHASE THREE STAR LLC	342 SHINN BLVD	LAKE ALFRED	FL	33850	N	8638752436
PHASE THREE STAR LLC	1205 E MAIN STREET	LAKE BUTLER	FL	32054	N	3864961361
PHASE THREE STAR LLC	279 W DUVAL ST	LAKE CITY	FL	32055	N	3867526621
PHASE THREE STAR LLC	2609 W US HIGHWAY 90	LAKE CITY	FL	32055	N	3867554672
SONI, DHIMANT & GITA	2399 SE BAYA DR	LAKE CITY	FL	32025	N	3867520393
GERGES, GERGES S., & GERGES, AIHAB	43 E C 470	LAKE PANASOFFKEE	FL	33538	N	3527931111
PHASE THREE STAR LLC	2050 W MEMORIAL BLVD	LAKELAND	FL	33815	N	8636820794
SHARON HASKINS	24 PAFFORD RD	LAMONT	FL	32336	N	8509972228
ARBOR CAPITAL PARTNERS, LLC	802 S 14TH ST	LEESBURG	FL	34748	N	3524600410
PHASE THREE STAR LLC	608 OHIO AVE S	LIVE OAK	FL	32064	N	3863627238
PHASE THREE STAR LLC	1490 S 6TH ST	MACCLENNY	FL	32063	N	9042596999
PHASE THREE STAR LLC	4652 E HIGHWAY 90	MARIANNA	FL	32446	N	8504823100
WARD, KENNETH W.	3992 S BABCOCK ST	MELBOURNE	FL	32901	N	3216764740
PHASE THREE STAR LLC	2730 BLANDING BLVD	MIDDLEBURG	FL	32068	N	9042821889
PARADIGM INVESTMENT GROUP, LLC	6527 HWY 90	MILTON	FL	32570	N	8506233018
FRANCIECO., L.P.	4440 HWY. 46	MIMS	FL	32754	N	3215296986
PHASE THREE STAR LLC	515 E CANAL ST	MULBERRY	FL	33860	N	8634252043
HUDSON FOODS	24915 W NEWBERRY RD	NEWBERRY	FL	32669	N	3524724220
CIRCLE K STORES, INC.	6155 SR 200	OCALA	FL	34476	N	3528730039
GERGES, GERGES S., & GERGES, AIHAB	908 NW PINE AVE	OCALA	FL	34475	N	3526221463
HUDSON FOODS	25807 SE US HWY. 19	OLD TOWN	FL	32680	N	3525428887
HABERKAMP, MARILYN	5212 SILVER STAR RD	ORLANDO	FL	32808	N	4072934784
PARADIGM INVESTMENT GROUP, LLC	4200 HWY 90	PACE	FL	32571	N	8509942153
PARADIGM INVESTMENT GROUP, LLC	3439 HIGHWAY 77	PANAMA CITY	FL	32405	N	8507636227

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PARADIGM INVESTMENT GROUP, LLC	11769 PANAMA CITY BEACH PKWY	PANAMA CITY BEACH	FL	32407	N	8502350618
PARADIGM INVESTMENT GROUP, LLC	8001 PENSACOLA BLVD	PENSACOLA	FL	32534	N	8504778256
PARADIGM INVESTMENT GROUP, LLC	2500 WILDE LAKE BLVD	PENSACOLA	FL	32526	N	8509447668
PARADIGM INVESTMENT GROUP, LLC	805 N NAVY BLVD	PENSACOLA	FL	32507	N	8504532840
PARADIGM INVESTMENT GROUP, LLC	12275 LILLIAN HWY	PENSACOLA	FL	32506	N	8509124150
PARADIGM INVESTMENT GROUP, LLC	7137 N 9TH AVE	PENSACOLA	FL	32504	N	8504788639
PHASE THREE STAR LLC	2046 S BYRON BUTLER PKWY	PERRY	FL	32348	N	8505846714
PHASE THREE STAR LLC	1713 JAMES REDMAN PKWY	PLANT CITY	FL	33563	N	8137523075
PHASE THREE STAR LLC	8407 US HIGHWAY 19	PORT RICHEY	FL	34668	N	7274846259
PHASE THREE STAR LLC	100 W JEFFERSON ST	QUINCY	FL	32351	N	8506272424
AMG RESTAURANTS, INC.	402 S TAMIAMI TRAIL	RUSKIN	FL	33570	N	8136457940
PHASE THREE STAR LLC	3795 34TH ST N	SAINT PETERSBURG	FL	33713	N	7275277494
PARADIGM INVESTMENT GROUP, LLC	3000 US HIGHWAY 98 W	SANTA ROSA	FL	32459	N	8506606572
PHASE THREE STAR LLC	11705 E US HIGHWAY 92	SEFFNER	FL	33584	N	8136200756
FRANCIECO., L.P.	1025 SR 206W	ST. AUGUSTINE	FL	30721	N	9044179010
PHASE THREE STAR LLC	435 S TEMPLE AVE	STARKE	FL	32091	N	9049646700
PHASE THREE STAR LLC	5818 N MONROE ST	TALLAHASSEE	FL	32303	N	8505141073
PHASE THREE STAR LLC	1829 CAPITAL CIRCLE NE	TALLAHASSEE	FL	32308	N	8503090155
ARBOR CAPITAL PARTNERS, LLC	301 E BURLEIGH BLVD	TAVARES	FL	32778	N	3523431990
HUDSON FOODS	1625 E WADE STREET	TRENTON	FL	31705	N	3526588024
CDP ENTERPRISES	6292 COMMERCIAL WAY	WEEKI WACHEE	FL	34613	N	3525969068
ARBOR CAPITAL PARTNERS, LLC	404 S MAIN ST	WILDWOOD	FL	34785	N	3527486262
ARBOR CAPITAL PARTNERS, LLC	549 STATE HIGHWAY 44	WILDWOOD	FL	34785	N	3526613538

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PHASE THREE STAR LLC	306 W NOBLE AVE	WILLISTON	FL	32696	N	3525280047
JAKG PETRO TRUCK STOP VENTURES, LLC	15821 HWY 231 N	YOUNGSTOWN	FL	32466	N	8507227181
PHASE THREE STAR LLC	36502 STATE RD 54	ZEPHYRHILLS	FL	33541	N	8137886622
ARC BURGER, LLC	101 PRINCETON BLVD	ADAIRSVILLE	GA	30103	N	7707733710
PHASE THREE STAR LLC	807 W 4TH ST	ADEL	GA	31620	N	2298967967
PHASE THREE STAR LLC	2324 E OGLETHORPE BLVD	ALBANY	GA	31705	N	2298880880
PHASE THREE STAR LLC	436 N SLAPPEY BLVD	ALBANY	GA	31701	N	2298899750
WIV RESTAURANTS LLC	922 S PIERCE ST	ALMA	GA	31510	N	9126328441
PHASE THREE STAR LLC	220 TRIPP ST	AMERICUS	GA	31709	N	2299244559
ARC BURGER, LLC	2516 BOULDERCREST RD SE	ATLANTA	GA	30316	N	4042430047
GEORGIA STAR RESTAURANTS IV, LLC	3309 PEACH ORCHARD RD	AUGUSTA	GA	30906	N	7063649400
PHASE THREE STAR LLC	1000 E SHOTWELL ST	BAINBRIDGE	GA	39819	N	2292460610
WIV RESTAURANTS LLC	653 SOUTH MAIN ST	BAXLEY	GA	31513	N	9122780453
ARC BURGER, LLC	99 SANDY RUN RD.	BONAIRE	GA	31005	N	4784498210
ARC BURGER, LLC	515 ALABAMA AVE S	BREMEN	GA	30110	Y	7705370356
SAULAT ENTERPRISES, INC.	4428 NEW JESUP HWY	BRUNSWICK	GA	31520	N	9122618751
ARC BURGER, LLC	1520 BUFORD HWY	BUFORD	GA	30518	N	7709456397
ARC BURGER, LLC	242 HWY 49	BYRON	GA	31008	N	4789561262
PHASE THREE STAR LLC	98 U S HIGHWAY 84	CAIRO	GA	39828	N	2293771197
ARC BURGER, LLC	2284 US 41 HWY NW	CALHOUN	GA	30701	Y	7066296961
ARC BURGER, LLC	1375 S PARK ST	CARROLLTON	GA	30117	Y	7708328821
DBJ ENTERPRISES INC.	1099 NORTH THIRD ST	CHATSWORTH	GA	30705	N	7066958675
DBJ ENTERPRISES INC.	12876 N. HIGHWAY 27	CHICKAMAUGA	GA	30707	N	7063758374
PHASE THREE STAR LLC	226 W CRAWFORD ST	COLQUITT	GA	39837	N	2297586142
PHASE THREE STAR LLC	3848 ST MARYS RD	COLUMBUS	GA	31906	N	7066871809
PHASE THREE STAR LLC	2501 AIRPORT THRUWAY	COLUMBUS	GA	31904	N	7063221304
ARC BURGER, LLC	44 HOMER RD	COMMERCE	GA	30529	N	7063353000

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PHASE THREE STAR LLC	1702 E 16TH AVE	CORDELE	GA	31015	N	2292733467
ARC BURGER, LLC	3112 HWY 278 W	COVINGTON	GA	30014	N	7703853535
ARC BURGER, LLC	125 W MAPLE ST	CUMMING	GA	30040	N	7708444440
DBJ ENTERPRISES INC.	1301 GLENWOOD AVE	DALTON	GA	30721	N	7032595878
DBJ ENTERPRISES INC.	580 E WALNUT AVE	DALTON	GA	30721	N	7062264914
ARC BURGER, LLC	350 GENERAL DANIEL AVE N	DANIELSVILLE	GA	30633	Y	7067953969
PHASE THREE STAR LLC	899 FORRESTER DR SE	DAWSON	GA	39842	N	2299956062
PHASE THREE STAR LLC	310 E 3RD ST	DONALSONVILLE	GA	39845	N	2295245059
PHASE THREE STAR LLC	1392 BOWENS MILL RD SW	DOUGLAS	GA	31533	N	9123839552
ARC BURGER, LLC	1208 INDUSTRIAL BLVD	EAST ELLIJAY	GA	30540	Y	7065264638
GEORGIA BLACK OAK, LLC	4360 WASHINGTON RD	EVANS	GA	30809	N	7062285188
ARC BURGER, LLC	975 N GLYNN ST	FAYETTEVILLE	GA	30214	N	7707195413
ARC BURGER, LLC	260 N LEE ST	FORSYTH	GA	31029	N	4789944118
DBJ ENTERPRISES INC.	1086 BATTLEFIELD PARKWAY	FORT OGLETHORPE	GA	30742	N	7068611769
ARC BURGER, LLC	2154 FRANKLIN PARKWAY	FRANKLIN	GA	30217	Y	7066759626
FRANCIECO., L.P.	SONNY PERDUE DR. AND DEAN FORREST RD	GARDEN CITY	GA	31408	N	912 5080450
ARC BURGER, LLC	1619 N EXPRESSWAY	GRIFFIN	GA	30223	N	7702295865
SADDLE PEAK LLC	4305 WRIGHTSBORO ROAD	GROVETOWN	GA	30813	N	7063038411
GEORGIA STAR RESTAURANTS III, LLC	310 MILLEDGEVILLE ROAD	HARLEM	GA	30814	N	7064498330
ARC BURGER, LLC	341 BROAD ST	HAWKINSVILLE	GA	31036	N	4788923750
WIV RESTAURANTS LLC	21 E COFFEE ST	HAZLEHURST	GA	31539	N	9123750160
SADDLE PEAK LLC	3696 WINDSOR SPRING RD	HEPHZIBAH	GA	30815	N	7063034407
WIV RESTAURANTS LLC	1090 NORTH 1ST ST	JESUP	GA	31545	N	9122780453
HASKINS RESTAURANTS I, LLC	7212 LAKES BLVD	LAKE PARK	GA	31636	N	2295596266
ARC BURGER, LLC	603 S VALDOSTA RD	LAKELAND	GA	31635	N	2294823930
PHASE THREE STAR LLC	258 US 19 S	LEESBURG	GA	31763	N	2297592150

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GEORGIA BLACK OAK, LLC	112 ELM STREET	LINCOLNTON	GA	30817	N	7063596840
FRANCIECO., L.P.	1500 MONTICELLO RD	MADISON	GA	30650	N	7067520910
ARC BURGER, LLC	182 KEYS FERRY ST	MCDONOUGH	GA	30253	N	7709541581
ARC BURGER, LLC	1575 HIGHWAY 20 W	MCDONOUGH	GA	30253	N	6784321240
ARC BURGER, LLC	315 S BROAD ST	MONROE	GA	30655	N	7702675700
ARC BURGER, LLC	1729 1ST AVE SE	MOULTRIE	GA	31768	N	2299851711
PHASE THREE STAR LLC	620 SOUTH DAVIS	NASHVILLE	GA	31639	N	2296987344
ARC BURGER, LLC	231 TEMPLE AVE	NEWNAN	GA	30263	N	7702517806
ARC BURGER, LLC	4538 OAKWOOD RD	OAKWOOD	GA	30566	N	7705324210
PHASE THREE STAR LLC	135 CURRY ST NE	PELHAM	GA	31779	N	2292942278
DBJ ENTERPRISES INC.	5486 ALABAMA HWY	RINGGOLD	GA	30736	N	7069352188
ARC BURGER, LLC	3110 CEDARTOWN HWY SW	ROME	GA	30161	Y	7062912998
ARC BURGER, LLC	1204 TURNER MCCALL BLVD	ROME	GA	30161	N	7062912021
DBJ ENTERPRISES INC.	300 MCFARLAND AVE	ROSSVILLE	GA	30741	N	7068613368
ARC BURGER, LLC	1031 FRANKLIN SPRINGS ST	ROYSTON	GA	30662	N	7062455106
ARC BURGER, LLC	195 WALMART CIRCLE	SANDERSVILLE	GA	31082	N	4782400790
SAULAT ENTERPRISES, INC.	1 GATEWAY BLVD S	SAVANNAH	GA	31419	N	9129253869
ARC BURGER, LLC	5259 STONE MOUNTAIN HWY	STONE MOUNTAIN	GA	30087	N	7704690345
ARC BURGER, LLC	624 N CHURCH ST	THOMASTON	GA	30286	N	7066478444
ARC BURGER, LLC	1440 REMINGTON AVE	THOMASVILLE	GA	31792	N	2292289287
ARC BURGER, LLC	318 S VIRGINIA AVE	TIFTON	GA	31794	N	2293888454
FRANCIECO., L.P.	178 SOUTHWELL BLVD	TIFTON	GA	31794	N	2293826231
DBJ ENTERPRISES INC.	HIGHWAY 136 W. KILLIAN	TRENTON	GA	30752	N	7066577588
ARC BURGER, LLC	2901 N ASHLEY ST	VALDOSTA	GA	31602	N	2292428377
ARC BURGER, LLC	816 S PATTERSON ST	VALDOSTA	GA	31601	N	2292449628
ARC BURGER, LLC	2829 WATSON BLVD	WARNER ROBINS	GA	31093	N	4782250535
WIV RESTAURANTS LLC	2609 PLANT AVE	WAYCROSS	GA	31501	N	9122780453

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
FRANCIECO., L.P.	I-85, EXIT 2 SEC	WEST POINT	GA	31833	N	7065884058
SUPERIOR STAR, LLC	140 E VIENNA ST	ANNA	IL	62906	N	6188333980
TRISTAR VENTURES, LLC	5515 S ADAMS ST	BARTONVILLE	IL	61607	Y	3096970500
SUPERIOR STAR, LLC	10095 US HWY 67	BEARDSTOWN	IL	62618	N	2173231122
PIONEER RESTAURANTS, LLC	2 S BELT E	BELLEVILLE	IL	62220	Y	6182346659
PIONEER RESTAURANTS, LLC	1617 N BELT WEST	BELLEVILLE	IL	62226	Y	6182355551
PIONEER RESTAURANTS, LLC	2516 GREEN MOUNT COMMONS DR	BELLEVILLE	IL	62221	Y	6182342192
SUPERIOR STAR, LLC	629 W MAIN ST	BENTON	IL	62812	Y	6184353286
TASTY STAR, INC.	8800 OLD US HIGHWAY 50	BREESE	IL	62230	Y	6185262946
TRISTAR VENTURES, LLC	220 GREEN ST	BUSHNELL	IL	61422	N	3095884038
TRISTAR VENTURES, LLC	638 N MAIN ST	CANTON	IL	61520	N	3096473055
SUPERIOR STAR, LLC	454 N BROAD ST	CARLINVILLE	IL	62626	N	2178546871
TASTY STAR, INC.	1251 12TH ST	CARLYLE	IL	62231	Y	6185944200
TRISTAR VENTURES, LLC	123 N. MADISON	CARTHAGE	IL	62321	N	2173400155
PIONEER RESTAURANTS, LLC	8850 PETROFF DR	CASEYVILLE	IL	62232	Y	6183980704
SUPERIOR STAR, LLC	750 W BROADWAY	CENTRALIA	IL	62801	N	6185321714
SUPERIOR STAR, LLC	217 W HOLMES ST	CHESTER	IL	62233	Y	6188264020
TRISTAR VENTURES, LLC	108 N 4TH ST	CHILLICOTHE	IL	61523	N	3092742747
SUPERIOR STAR, LLC	307 S GRANT ST	CLINTON	IL	61727	Y	2179356222
PIONEER RESTAURANTS, LLC	519 BELT LINE RD	COLLINSVILLE	IL	62234	Y	6183459681
SUPERIOR STAR, LLC	15 W FAIRCHILD ST	DANVILLE	IL	61832	N	2174311171
FRANCIECO., L.P.	3925 COUNTY FAIR DRIVE	DECATUR	IL	62526	N	2178758035
SUPERIOR STAR, LLC	1080 W ELDORADO ST	DECATUR	IL	62522	N	2174286100
NORTHLAND RESTAURANT GROUP, LLC	619 S GALENA ST	DIXON	IL	61021	N	8152885221
FRANCIECO., L.P.	12 W NORTHBROOK DR	DWIGHT	IL	60420	N	8155849596
NORTHLAND RESTAURANT GROUP, LLC	4008 KENNEDY DR	EAST MOLINE	IL	61244	N	3097557521

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TRISTAR VENTURES, LLC	101 N MAIN ST	EAST PEORIA	IL	61611	N	3096993201
NORTHLAND RESTAURANT GROUP, LLC	1505 W FAYETTE AVE	EFFINGHAM	IL	62401	N	2173473455
SUPERIOR STAR, LLC	1205 US HIGHWAY 45 N	ELDORADO	IL	62930	N	6182732308
TRISTAR VENTURES, LLC	507 W CENTER ST	EUREKA	IL	61530	Y	3094673223
NORTHLAND RESTAURANT GROUP, LLC	1413 KNOX HIGHWAY 9	GALESBURG	IL	61401	Y	3092894932
NORTHLAND RESTAURANT GROUP, LLC	913 EAST MAIN	GALESBURG	IL	61401	N	3093444558
NORTHLAND RESTAURANT GROUP, LLC	2163 S OAKWOOD AVE	GENESEO	IL	61254	N	3099446155
PIONEER RESTAURANTS, LLC	4207 S, IL-159	GLEN CARBON	IL	62034	Y	6182887239
PIONEER RESTAURANTS, LLC	2720 GODFREY RD	GODFREY	IL	62035	Y	6184669161
PIONEER RESTAURANTS, LLC	3249 W CHAIN OF ROCKS	GRANITE CITY	IL	62040	Y	6189317748
SUPERIOR STAR, LLC	700 E POPLAR	HARRISBURG	IL	62946	N	6182526990
TRISTAR VENTURES, LLC	401 W DEARBORN ST	HAVANA	IL	62644	Y	3095433080
SUPERIOR STAR, LLC	615 S PARK AVE	HERRIN	IL	62948	N	6189424700
PIONEER RESTAURANTS, LLC	12620 STATE RTE 143	HIGHLAND	IL	62249	Y	6186544112
SUPERIOR STAR, LLC	201 SCHOOL ST	HILLSBORO	IL	62049	N	2175323861
SUPERIOR STAR, LLC	842 W MORTON AVE	JACKSONVILLE	IL	62650	Y	2172454932
PIONEER RESTAURANTS, LLC	528 S STATE ST	JERSEYVILLE	IL	62052	Y	6184983412
NORTHLAND RESTAURANT GROUP, LLC	1310 STATE ST	LAWRENCEVILLE	IL	62439	N	6189433800
SUPERIOR STAR, LLC	539 WOODLAWN RD	LINCOLN	IL	62656	N	2177326118
SUPERIOR STAR, LLC	1106 N CARBON ST	MARION	IL	62959	N	6189974113
SUPERIOR STAR, LLC	1117 LAKELAND BLVD	MATTOON	IL	61938	N	2172343845
SUPERIOR STAR, LLC	601 FERRY ST	METROPOLIS	IL	62960	Y	6185242536
NORTHLAND RESTAURANT GROUP, LLC	US 67 & 3RD AVENUE	MILAN	IL	61264	N	3097872370

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NORTHLAND RESTAURANT GROUP, LLC	2301 16TH STREET	MOLINE	IL	61265	N	3097975610
FRANCIECO., L.P.	ST. RT 6 & BRISBIN RD	MORRIS	IL	60450	N	8157059259
PIONEER RESTAURANTS, LLC	4333 BROADWAY ST	MOUNT VERNON	IL	62864	Y	6182444846
SUPERIOR STAR, LLC	340 WALNUT ST	MURPHYSBORO	IL	62966	N	6186842712
PIONEER RESTAURANTS, LLC	180 S MILL ST	NASHVILLE	IL	62263	Y	6183274450
FRANCIECO., L.P.	8690 RICHTER SCHOOL RD	NEW BADEN	IL	62265	N	6183872684
NORTHLAND RESTAURANT GROUP, LLC	701 WEST JOURDAN AVENUE	NEWTON	IL	62448	N	6187832179
TRISTAR VENTURES, LLC	1523 E COLLEGE AVE	NORMAL	IL	61761	N	3094545420
PIONEER RESTAURANTS, LLC	110 EAST HIGHWAY 50	O FALLON	IL	62269	Y	6186326344
PIONEER RESTAURANTS, LLC	124 HARTMAN LN	O FALLON	IL	62269	Y	6186321194
FRANCIECO., L.P.	17919 NEWTON ROAD	OAKWOOD	IL	61858	N	2173543873
FRANCIECO., L.P.	1001 W WALNUT ST	OGLESBY	IL	61348	N	8158833691
SUPERIOR STAR, LLC	2625 COLUMBUS ST	OTTAWA	IL	61350	N	8154348688
SUPERIOR STAR, LLC	316 S MAIN ST	PARIS	IL	61944	N	2174655222
SUPERIOR STAR, LLC	451 W OTTAWA RD	PAXTON	IL	60957	N	2173799903
TRISTAR VENTURES, LLC	105 N 5TH ST	PEKIN	IL	61554	N	3093475044
TRISTAR VENTURES, LLC	3505 NE ADAMS ST	PEORIA	IL	61603	Y	3096827003
TRISTAR VENTURES, LLC	8787 N KNOXVILLE AVE	PEORIA	IL	61615	Y	3096921338
TRISTAR VENTURES, LLC	3909 W WAR MEMORIAL DRIVE	PEORIA	IL	61615	N	3096929571
TRISTAR VENTURES, LLC	3431 N UNIVERSITY STREET	PEORIA	IL	61604	N	3096811847
SUPERIOR STAR, LLC	401 E SANGAMON AVE	PETERSBURG	IL	62675	N	2176324160
EHRHARDT, ALVIN E. (SPIKE)	2916 BROADWAY	QUINCY	IL	62301	N	2172239572
TRISTAR VENTURES, LLC	1526 NO 12TH ST	QUINCY	IL	62301	N	2172238372
NORTHLAND RESTAURANT GROUP, LLC	502 E. MAIN STREET	ROBINSON	IL	62454	N	6185448410
FRANCIECO., L.P.	400 STEWARD RD	ROCHELLE	IL	61068	N	8155611125

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DORO, INC.	503 FIRST AVE	ROCK FALLS	IL	61071	N	8156253783
NORTHLAND RESTAURANT GROUP, LLC	1419 38TH ST	ROCK ISLAND	IL	61201	N	3097941523
FRANCIECO., L.P.	4628 S MAIN ST	ROCKFORD	IL	61101	N	7792385962
FRANCIECO., L.P.	13477 QUALITY DR	ROSCOE	IL	61073	N	8153891925
TRISTAR VENTURES, LLC	600 W CLINTON ST	RUSHVILLE	IL	62681	N	2173400154
PIONEER RESTAURANTS, LLC	501 W MAIN ST	SALEM	IL	62881	Y	6185486602
FRANCIECO., L.P.	1533 E 162ND STREET	SOUTH HOLLAND	IL	60473	N	7083317399
SUPERIOR STAR, LLC	1835 SANGAMON AVE	SPRINGFIELD	IL	62702	N	2175259010
SUPERIOR STAR, LLC	2501 STEVENSON DR	SPRINGFIELD	IL	62703	N	2175291331
SUPERIOR STAR, LLC	600 W JEFFERSON ST	SPRINGFIELD	IL	62702	N	2175289332
SUPERIOR STAR, LLC	3217 E CLEAR LAKE AVE	SPRINGFIELD	IL	62702	N	2176793645
PIONEER RESTAURANTS, LLC	117 N HIBBARD	STAUNTON	IL	62088	Y	6186355453
SUPERIOR STAR, LLC	203 W JACKSON	SULLIVAN	IL	61951	N	2177284123
FRANCIECO., L.P.	809 MOORE AVE	TUSCOLA	IL	61953	N	2172536855
TRISTAR VENTURES, LLC	1102 PEORIA ST	WASHINGTON	IL	61571	N	3094442023
PIONEER RESTAURANTS, LLC	912 N MARKET	WATERLOO	IL	62298	Y	6182236035
PIONEER RESTAURANTS, LLC	1099 EDWARDSVILLE RD.	WOOD RIVER	IL	62095	Y	6182581224
NEW BEGINNINGS RESTAURANT GROUP, LLC	5627 S SCATTERFIELD ROAD	ANDERSON	IN	46013	N	7656499247
FRANCIECO., L.P.	3443 W MAUMEE ST	ANGOLA	IN	46703	N	2606653319
NEW BEGINNINGS RESTAURANT GROUP, LLC	1510 16TH ST	BEDFORD	IN	47421	Y	8122798783
NEW BEGINNINGS RESTAURANT GROUP, LLC	3301 W 3RD ST	BLOOMINGTON	IN	47404	N	8123337315
MIDWEST FIRST STAR INC.	211 N MAIN ST	BLUFFTON	IN	46714	N	2608242668
NORTHLAND RESTAURANT GROUP, LLC	304 E NATIONAL AVE	BRAZIL	IN	47834	N	8124481826
GIANT HOSPITALITY, LLC	1741 E STATE RD 163	CLINTON	IN	47842	N	7658322713

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MIDWEST FIRST STAR INC.	500 N EASTERN AVE	CONNERSVILLE	IN	47331	N	7658259001
NEW BEGINNINGS RESTAURANT GROUP, LLC	549 E MAIN ST	DANVILLE	IN	46122	N	3177455716
5 STAR VENTURES, LLC	240 N 13TH ST	DECATUR	IN	46733	N	2603019158
NEW BEGINNINGS RESTAURANT GROUP, LLC	12000 N HARTMAN DR	EDINBURGH	IN	46124	Y	8125265293
MIDWEST FIRST STAR INC.	2620 CASSOPOLIS ST	ELKHART	IN	46514	N	5742647737
MIDWEST FIRST STAR INC.	2820 E MAIN ST	ELWOOD	IN	46036	N	7655522345
SUPERIOR STAR, LLC	1501 N BOEKE RD	EVANSVILLE	IN	47711	N	8124776743
SUPERIOR STAR, LLC	4400 COVERT AVE	EVANSVILLE	IN	47714	N	8124762059
SUPERIOR STAR, LLC	2315 W ILLINOIS ST	EVANSVILLE	IN	47712	N	8124220151
NEW BEGINNINGS RESTAURANT GROUP, LLC	11660 ALLISONVILLE RD	FISHERS	IN	46038	Y	3175775914
5 STAR VENTURES, LLC	5918 LIMA RD	FORT WAYNE	IN	46818	N	2604890447
5 STAR VENTURES, LLC	2720 MAPLECREST ROAD	FORT WAYNE	IN	46815	N	2607550054
MIDWEST FIRST STAR INC.	4950 BEANER BLVD	GAS CITY	IN	46933	N	7656740000
FRANCIECO., L.P.	2201 CR 17	GOSHEN	IN	46528	N	5743891739
NEW BEGINNINGS RESTAURANT GROUP, LLC	1215 W MAIN ST	GREENFIELD	IN	46140	Y	3174622011
NEW BEGINNINGS RESTAURANT GROUP, LLC	1881 N STATE ST	GREENFIELD	IN	46140	Y	3174680503
5 STAR VENTURES, LLC	2209 NORTH JEFFERSON STREET	HUNTINGTON	IN	46750	N	2602246667
CIRCLE CITY STAR LLC	4401 E 10TH STREET	INDIANAPOLIS	IN	46201	Y	3173594655
CIRCLE CITY STAR LLC	921 E WASHINGTON ST	INDIANAPOLIS	IN	46202	Y	3176318890
CIRCLE CITY STAR LLC	9020 E 21ST ST	INDIANAPOLIS	IN	46229	Y	3178970262
CIRCLE CITY STAR LLC	710 W 10TH ST	INDIANAPOLIS	IN	46202	Y	3176348441
CIRCLE CITY STAR LLC	4915 E. 56TH STREET	INDIANAPOLIS	IN	46220	Y	3172538127
NEW BEGINNINGS RESTAURANT GROUP, LLC	8009 PENDLETON PIKE	INDIANAPOLIS	IN	46226	Y	3178970515

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NEW BEGINNINGS RESTAURANT GROUP, LLC	5950 BROOKVILLE RD	INDIANAPOLIS	IN	46219	Y	3173597513
NEW BEGINNINGS RESTAURANT GROUP, LLC	6313 W WASHINGTON ST	INDIANAPOLIS	IN	46241	Y	3172430531
NEW BEGINNINGS RESTAURANT GROUP, LLC	8015 S MERIDIAN ST	INDIANAPOLIS	IN	46217	Y	3178813414
NEW BEGINNINGS RESTAURANT GROUP, LLC	8601 ALLISONVILLE RD	INDIANAPOLIS	IN	46250	Y	3178424569
NEW BEGINNINGS RESTAURANT GROUP, LLC	1426 E 86TH ST	INDIANAPOLIS	IN	46240	Y	3178430433
NEW BEGINNINGS RESTAURANT GROUP, LLC	2525 N HIGH SCHOOL RD	INDIANAPOLIS	IN	46224	N	3172919270
NEW BEGINNINGS RESTAURANT GROUP, LLC	4945 S EMERSON AVE	INDIANAPOLIS	IN	46203	N	3177818131
NEW BEGINNINGS RESTAURANT GROUP, LLC	5016 HARDING LN	INDIANAPOLIS	IN	46217	Y	3177844953
NEW BEGINNINGS RESTAURANT GROUP, LLC	3005 W 86TH ST	INDIANAPOLIS	IN	46268	Y	3173340204
SUPERIOR STAR, LLC	762 SECOND ST	JASPER	IN	47546	N	8124775569
SUPERIOR STAR, LLC	2740 ALLISON LANE	JEFFERSONVILLE	IN	47130	N	8127250145
MIDWEST FIRST STAR INC.	1500 E MORGAN ST	KOKOMO	IN	46901	N	7654563140
FRANCIECO., L.P.	2400 E 200 N	LAFAYETTE	IN	47905	N	7654207030
MIDWEST FIRST STAR INC.	710 SAGAMORE PARKWAY N	LAFAYETTE	IN	47904	N	7644755355
MIDWEST FIRST STAR INC.	1036 W EADS PKWY	LAWRENCEBURG	IN	47025	N	8125778341
FRANCIECO., L.P.	6582 S. State Road 66	LEAVENWORTH	IN	47137	N	8127392024
NEW BEGINNINGS RESTAURANT GROUP, LLC	425 S LEBANON ST	LEBANON	IN	46052	Y	7654821148
MIDWEST FIRST STAR INC.	1121 E MARKET ST	LOGANSPORT	IN	46947	N	5747537249
SUPERIOR STAR, LLC	330 CLIFTY DRIVE	MADISON	IN	47250	N	8122749038
MIDWEST FIRST STAR INC.	3808 S WESTERN AVE	MARION	IN	46953	N	7656771110

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NEW BEGINNINGS RESTAURANT GROUP, LLC	589 STATE ROAD 39 BYP S	MARTINSVILLE	IN	46151	Y	7653425811
MIDWEST FIRST STAR INC.	129 S MEMORIAL DR	NEW CASTLE	IN	47362	N	7655930409
NEW BEGINNINGS RESTAURANT GROUP, LLC	1001 N US HIGHWAY 31	NEW WHITELAND	IN	46184	Y	3175355399
SUPERIOR STAR, LLC	4033 BELL RD	NEWBURGH	IN	47630	N	8128532674
NEW BEGINNINGS RESTAURANT GROUP, LLC	2500 CONNER ST	NOBLESVILLE	IN	46060	Y	3177734642
SUPERIOR STAR, LLC	2305 N. HIGHWAY 3	NORTH VERNON	IN	47265	N	8128180004
MCGINNIS, JOHN T.	789 NORTH GOSPEL	PAOLI	IN	47454	N	8127234133
NEW BEGINNINGS RESTAURANT GROUP, LLC	7160 S STATE RD 67	PENDLETON	IN	46064	Y	7657787922
MIDWEST FIRST STAR INC.	301 N BROADWAY	PERU	IN	46970	N	7654733269
NEW BEGINNINGS RESTAURANT GROUP, LLC	1630 E MAIN ST	PLAINFIELD	IN	46168	Y	3178392707
FRANCIECO., L.P.	2952 GARY DRIVE SUITE 101	PLYMOUTH	IN	46563	N	5749353413
FRANCIECO., L.P.	2698 US HIGHWAY 35 N	RICHMOND	IN	47374	N	7659391619
MIDWEST FIRST STAR INC.	1925 CHESTER BLVD	RICHMOND	IN	47374	N	7659393580
MIDWEST FIRST STAR INC.	200 S MAIN ST	RUSHVILLE	IN	46173	N	7659381218
SUPERIOR STAR, LLC	1128 W MCCLAIN AVE	SCOTTSBURG	IN	47170	N	7752530604
SUPERIOR STAR, LLC	240 S. INDIANA AVE	SELLERSBURG	IN	47172	N	8127480304
MIDWEST FIRST STAR INC.	207 W IRELAND RD	SOUTH BEND	IN	46614	N	5745201988
NORTHLAND RESTAURANT GROUP, LLC	888 W STATE RD 154	SULLIVAN	IN	47882	N	8122680025
FRANCIECO., L.P.	1730 E HARLAN DRIVE	TERRE HAUTE	IN	47802	N	8122989812
NORTHLAND RESTAURANT GROUP, LLC	200 N THIRD ST	TERRE HAUTE	IN	47807	N	8122321741
NORTHLAND RESTAURANT GROUP, LLC	3381 S US HIGHWAY 41	TERRE HAUTE	IN	47802	N	8122341458
FRANCIECO., L.P.	1875 CAMPBELL CROSSING	TIPTON	IN	46072	N	7659634169

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NORTHLAND RESTAURANT GROUP, LLC	1906 HART STREET	VINCENNES	IN	47591	N	8128825729
NORTHLAND RESTAURANT GROUP, LLC	2004 E NATIONAL HWY	WASHINGTON	IN	47501	N	8122546627
TRISTAR VENTURES, LLC	1118 S CLINTON	ALBIA	IA	52531	N	6419325386
WESTAR FOODS, INC.	1510 SW TRADITION DR	ANKENY	IA	50023	N	5152897853
NORTHLAND RESTAURANT GROUP, LLC	1930 STATE ST	BETTENDORF	IA	52722	N	5634417758
WESTAR FOODS, INC.	907 LAWRENCE DR	BURLINGTON	IA	52601	N	3197524029
WESTAR FOODS, INC.	1981 BLAIRS FERRY RD	CEDAR RAPIDS	IA	52402	N	3193959168
WESTAR FOODS, INC.	3505 29TH AVE SW	CEDAR RAPIDS	IA	52404	N	3193964498
WESTAR FOODS, INC.	100 E MAPLE ST	CENTERVILLE	IA	52544	N	6418568110
TRISTAR VENTURES, LLC	2002 COURT AVE	CHARITON	IA	50049	N	6415696419
NORTHLAND RESTAURANT GROUP, LLC	329 CENTRAL AVENUE WEST	CLARION	IA	50525	N	5155322442
DORO, INC.	117 S 2ND ST	CLINTON	IA	52732	N	5632433790
WESTAR FOODS, INC.	107 2ND ST	CORALVILLE	IA	52241	N	3193544275
WESTAR FOODS, INC.	3200 S EXPRESSWAY ST	COUNCIL BLUFFS	IA	51501	N	7123669549
WESTAR FOODS, INC.	807 W TAYLOR	CRESTON	IA	50801	N	6417828917
NORTHLAND RESTAURANT GROUP, LLC	5232 BRADY STREET	DAVENPORT	IA	52806	N	5633869585
NORTHLAND RESTAURANT GROUP, LLC	1715 DIVISION ST	DAVENPORT	IA	52804	N	5633232213
WESTAR FOODS, INC.	8755 UNIVERSITY AVE	DES MOINES	IA	50325	N	5152250410
WESTAR FOODS, INC.	1449 E EUCLID AVE	DES MOINES	IA	50316	N	5152664465
WESTAR FOODS, INC.	915 ARMY POST RD	DES MOINES	IA	50315	N	5152859892
NORTHLAND RESTAURANT GROUP, LLC	2100 TWIN VALLEY DR	DUBUQUE	IA	52003	N	5635839404
WESTAR FOODS, INC.	105 S 9TH AVE	ELDRIDGE	IA	52748	N	5632858377
FRANCIECO., L.P.	1400 INDUSTRIAL PARK ROAD	ELLSWORTH	IA	50075	N	6413982440

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SUPERIOR STAR, LLC	1736 CENTRAL AVE	ESTHERVILLE	IA	51334	N	7123627415
WESTAR FOODS, INC.	6 S 15TH ST	FORT DODGE	IA	50501	N	5155763471
TRISTAR VENTURES, LLC	1431 AVENUE H	FORT MADISON	IA	52627	N	3193729426
NORTHLAND RESTAURANT GROUP, LLC	605 HIGHWAY 18 WEST	GARNER	IA	50438	N	6419233489
NORTHLAND RESTAURANT GROUP, LLC	10 3RD STREET SW	HAMPTON	IA	50441	N	6414563312
LVP QSR 3 DEVELOPMENT LLC	2010 INDORF AVENUE	HOLSTEIN	IA	51025	N	7123686213
WESTAR FOODS, INC.	1203 10TH AVE N	HUMBOLDT	IA	50548	N	5153325626
WESTAR FOODS, INC.	300 EAST TRAIL RIDGE AVE	INDIANOLA	IA	50125	N	5159612198
WESTAR FOODS, INC.	1405 S LINCOLN ST	KNOXVILLE	IA	50138	N	6418422346
SUPERIOR STAR, LLC	1205 HAWKEYE AVE SW	LE MARS	IA	51031	N	7127220227
WESTAR FOODS, INC.	205 W MAIN	MANCHESTER	IA	52057	N	5639275888
WESTAR FOODS, INC.	902 S CENTER ST	MARSHALLTOWN	IA	50158	N	6417530577
STM ENTERPRISES, LTD.	515 S DELAWARE	MASON CITY	IA	50401	N	6414245395
WESTAR FOODS, INC.	102 HIGHWAY 1 S	MOUNT VERNON	IA	52314	N	3198956520
WESTAR FOODS, INC.	905 E WASHINGTON ST	MT PLEASANT	IA	52641	N	3193854848
WESTAR FOODS, INC.	705 GRANDVIEW AVE	MUSCATINE	IA	52761	N	5632646096
WESTAR FOODS, INC.	1205 W 19TH ST S	NEWTON	IA	50208	N	6147926702
SUPERIOR STAR, LLC	809 ALBANY PLACE	ORANGE CITY	IA	51041	N	7127378979
TRISTAR VENTURES, LLC	1787 VENTURE DR	OTTUMWA	IA	52501	N	6416821179
SUPERIOR STAR, LLC	505 2ND AVE	SHELDON	IA	51201	N	7123245286
SUPERIOR STAR, LLC	910 GORDON DR	SIOUX CITY	IA	51101	N	7122585499
SUPERIOR STAR, LLC	4440 SERGEANT ROAD	SIOUX CITY	IA	51106	N	7122768395
SUPERIOR STAR, LLC	704 SOUTH GRAND	SPENCER	IA	51301	N	7122625988
SUPERIOR STAR, LLC	605 FLINDT DRIVE	STORM LAKE	IA	50588	N	7127324015
A&J ENTERPRISES, INC.	601 CEDAR ST	TIPTON	IA	52772	N	5638863140
A&J ENTERPRISES, INC.	118 W HIGHWAY 30	TOLEDO	IA	52342	N	5154844926
WESTAR FOODS, INC.	805 FRANKLIN ST	WATERLOO	IA	50703	N	3192362595

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WESTAR FOODS, INC.	1410 FLAMMANG DR	WATERLOO	IA	50702	N	3192331771
ONDELL OF WAUKON, INC.	503 ROSSVILLE RD	WAUKON	IA	52172	N	5635684438
NORTHLAND RESTAURANT GROUP, LLC	117 HWY 150 NORTH	WEST UNION	IA	52175	N	5634225411
WESTAR FOODS, INC.	1007 N JOHN WAYNE DR	WINTERSET	IA	50273	N	5154624810
FRANCIECO., L.P.	2232 FAIR ROAD	ABILENE	KS	67410	N	7852633482
ARC BURGER, LLC	1126 E 12TH AVE	EMPORIA	KS	66801	N	6203426166
ARC BURGER, LLC	8021 STATE AVE	KANSAS CITY	KS	66112	N	9132998523
FRANCIECO., L.P.	2400 E KANSAS AVE	MCPHERSON	KS	67460	N	6202414099
ARC BURGER, LLC	815 S PARKER ST	OLATHE	KS	66061	N	9137647266
FRANCIECO., L.P.	203 E 27TH AVE	OTTAWA	KS	66067	N	7852422117
ARC BURGER, LLC	10500 METCALF AVE	OVERLAND PARK	KS	66212	N	9136498066
ARC BURGER, LLC	2424 SW 6TH AVE	TOPEKA	KS	66606	N	7852355772
ARC BURGER, LLC	2100 SW WANAMAKER RD	TOPEKA	KS	66614	N	7852737062
MCGINNIS, JOHN T.	1808 MAIN ST	BEAVER DAM	KY	42320	N	2702743449
SUPERIOR STAR, LLC	61 US HIGHWAY 68 W	BENTON	KY	42025	N	2705279035
MICHAEL RAY ENTERPRISES, INC.	127 CUMBERLAND TRACE RD	BOWLING GREEN	KY	42103	N	2707813663
MICHAEL RAY ENTERPRISES, INC.	592 INTERSTATE DRIVE	BOWLING GREEN	KY	42101	N	2707459930
MICHAEL RAY ENTERPRISES, INC.	2370 RUSSELLVILLE RD	BOWLING GREEN	KY	42101	N	2708424380
MICHAEL RAY ENTERPRISES, INC.	241 BRENNER ST	BOWLING GREEN	KY	42101	N	2708430370
SUPERIOR STAR, LLC	1303 EAST BROADWAY	CAMPBELLSVILLE	KY	42718	N	2707891386
HERITAGE ASSETS LLC	90 DOHONEY TRACE	COLUMBIA	KY	42728	N	2703859097
FRANCIECO., L.P.	222 HIGHWAY 770	CORBIN	KY	40701	N	6065268116
HERITAGE ASSETS LLC	411 S MAIN ST	CORBIN	KY	40701	N	6065281472
BODDIE-NOELL ENTERPRISES, INC.	1716 EAST MAIN STREET	CUMBERLAND	KY	40823	N	6065895912
HERITAGE ASSETS LLC	681 US HWY 27 S	CYNTHIANA	KY	41031	N	8592343959
FRANCIECO., L.P.	601 SOUTH RING ROAD	ELIZABETHTOWN	KY	42701	N	2709822660
SUPERIOR STAR, LLC	1706 N DIXIE HWY	ELIZABETHTOWN	KY	42701	N	2707374830

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
SUPERIOR STAR, LLC	104 BUFFALO CREEK DR	ELIZABETHTOWN	KY	42701	N	2709867136
HERITAGE ASSETS LLC	705 SCHENKEL LN	FRANKFORT	KY	40601	N	5028752771
HERITAGE ASSETS LLC	1248 US HIGHWAY 127 S	FRANKFORT	KY	40601	N	5028751002
MICHAEL RAY ENTERPRISES, INC.	240 S L ROGER WELLS BLVD	GLASGOW	KY	42141	N	2706513756
MICHAEL RAY ENTERPRISES, INC.	2000 EDMONTON ROAD	GLASGOW	KY	42141	N	2706292020
SUN VENTURES, INC.	801 NORTH CAROL MALONE BLVD.	GRAYSON	KY	41143	N	6064759966
MCGINNIS, JOHN T.	840 N MAIN ST	GREENVILLE	KY	42345	N	2703384411
FRANCIECO., L.P.	325 VETERANS DRIVE	HANSON	KY	42413	N	2703229002
MCGINNIS, JOHN T.	1120 OLD HWY 60 EAST	HARDINSBURG	KY	40143	N	2707565232
BODDIE-NOELL ENTERPRISES, INC.	1548 S. US HWY 421 BYPASS	HARLAN	KY	40831	N	6065733910
BODDIE-NOELL ENTERPRISES, INC.	1326 KENTUCKY HIGHWAY 15	HAZARD	KY	41701	N	6064394910
SUPERIOR STAR, LLC	100 N GREEN ST	HENDERSON	KY	42420	N	2708270245
LARUE COUNTY RESTAURANTS, INC.	101 LINCOLN DR	HODGENVILLE	KY	42748	Y	2703588881
FRANCIECO., L.P.	11700 FORT CAMPBELL BLVD.	HOPKINSVILLE	KY	42262	N	2708879142
LESLIE COUNTY RESTAURANTS, INC.	25 FIRE HOUSE LN	HYDEN	KY	41749	N	6066725142
HERITAGE ASSETS LLC	98 RICHMOND ROAD	IRVINE	KY	40336	N	6067232141
BODDIE-NOELL ENTERPRISES, INC.	HIGHWAY 15	JACKSON	KY	41339	N	6066668149
BODDIE-NOELL ENTERPRISES, INC.	9433 HIGHWAY 805	JENKINS	KY	41537	N	6068322641
ARW, LLC	100 SHELBY JUNCTION LANE	JUNCTION CITY	KY	40440	N	8598540444
HERITAGE ASSETS LLC	50 CORPORATE DR	LEBANON	KY	40033	N	2706993622
MCGINNIS, JOHN T.	406 S MAIN ST	LEITCHFIELD	KY	42754	N	2702593700
HERITAGE ASSETS LLC	1125 WINCHESTER RD	LEXINGTON	KY	40505	N	8592524044
HERITAGE ASSETS LLC	202 W NEW CIRCLE RD	LEXINGTON	KY	40505	N	8592932424
MCGINNIS, JOHN T.	2990 RICHMOND RD	LEXINGTON	KY	40509	N	8592697589

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
HERITAGE ASSETS LLC	815 N WALLACE WILKINSON BLVD	LIBERTY	KY	42539	N	8285060400
BODDIE-NOELL ENTERPRISES, INC.	1974 WEST HIGHWAY 192	LONDON	KY	40741	N	6068771045
HERITAGE ASSETS LLC	814 S MAIN ST	LONDON	KY	40741	N	6068649824
BODDIE-NOELL ENTERPRISES, INC.	67 N HIGHWAY 3	LOUISA	KY	41230	N	6066380122
SUPERIOR STAR, LLC	2909 FERN VALLEY RD	LOUISVILLE	KY	40213	N	5029660927
SUPERIOR STAR, LLC	11201 OSCAR ROAD	LOUISVILLE	KY	40241	N	5026321794
SUPERIOR STAR, LLC	5352 DIXIE HWY	LOUISVILLE	KY	40216	N	5027424545
SUPERIOR STAR, LLC	770 E CENTER ST	MADISONVILLE	KY	42431	N	2708250072
SUPERIOR STAR, LLC	1033 PARIS RD	MAYFIELD	KY	42066	N	2702475968
MIDWEST FIRST STAR INC.	1504 US HIGHWAY 68	MAYSVILLE	KY	41056	N	6067597200
BODDIE-NOELL ENTERPRISES, INC.	1310 N 12TH STREET	MIDDLESBORO	KY	40965	N	6062483836
HERITAGE ASSETS LLC	1445 N MAIN ST	MONTICELLO	KY	42633	N	6063484629
HERITAGE ASSETS LLC	1691 FLEMINGSBURG RD	MOREHEAD	KY	40351	N	6067841311
MCGINNIS, JOHN T.	127 VETERANS WAY	MORGANTOWN	KY	42261	N	2705263880
HERITAGE ASSETS LLC	215 INDIAN MOUND DRIVE	MOUNT STERLING	KY	40353	N	8594984986
BODDIE-NOELL ENTERPRISES, INC.	RT 25	MT VERNON	KY	40456	N	6062564702
SUPERIOR STAR, LLC	505 N 12TH ST	MURRAY	KY	42071	Y	2707533246
HERITAGE ASSETS LLC	903 S MAIN ST	NICHOLASVILLE	KY	40356	N	8598856975
SUPERIOR STAR, LLC	3101 FREDERICA ST	OWENSBORO	KY	42301	N	2706855200
SUPERIOR STAR, LLC	5104 HINKLEVILLE RD	PADUCAH	KY	42001	N	2704433687
SUPERIOR STAR, LLC	3024 LONE OAK RD	PADUCAH	KY	42003	N	2705548424
SUPERIOR STAR, LLC	1726 BROADWAY ST	PADUCAH	KY	42001	N	2704423419
SUPERIOR STAR, LLC	3700 CLARKS RIVER RD	PADUCAH	KY	42003	N	2704432234
BODDIE-NOELL ENTERPRISES, INC.	545 NORTH MAYO TRAIL	PAINTSVILLE	KY	41240	N	6067892415
HERITAGE ASSETS LLC	1411 MAIN ST	PARIS	KY	40361	N	8599871450

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BODDIE-NOELL ENTERPRISES, INC.	667 HAMBLEY	PIKEVILLE	KY	41501	N	6064374288
BODDIE-NOELL ENTERPRISES, INC.	909 N. LAKE DR.	PRESTONSBURG	KY	41653	N	6068861052
SUPERIOR STAR, LLC	370 US HIGHWAY 62 W	PRINCETON	KY	42445	N	2703652077
HERITAGE ASSETS LLC	524 EASTERN BYPASS	RICHMOND	KY	40475	N	8596242750
HERITAGE ASSETS LLC	103 S KEENELAND DR	RICHMOND	KY	40475	N	8596249710
RUSSELL SPRINGS RESTAURANTS, INC.	2378 HIGHWAY 127	Russell Springs	KY	42642	N	2708662080
FRANCIECO., L.P.	313 PORTER RD	SADIEVILLE	KY	40370	N	5028570978
MK KY 001, LLC	5705 N HIGHWAY 27	SCIENCE HILL	KY	42553	N	6064233467
MCGINNIS, JOHN T.	1927 MIDLAND TRAIL	SHELBYVILLE	KY	40065	N	5026331181
HERITAGE ASSETS LLC	409 S HIGHWAY 27	SOMERSET	KY	42501	N	6066794998
RUSSELL SPRINGS RESTAURANTS, INC	3895 S HIGHWAY 27	SOMERSET	KY	42501	N	6066790133
BODDIE-NOELL ENTERPRISES, INC.	801 BARDSTOWN ROAD	SPRINGFIELD	KY	40069	N	8593360428
HERITAGE ASSETS LLC	220 S MAIN ST	STANTON	KY	40380	N	6066632858
HERITAGE ASSETS LLC	1292 WEST MAIN ST	WEST LIBERTY	KY	39440	N	6067433781
WHITLEY CO. RESTAURANTS, INC.	730 S 10TH ST	WILLIAMSBURG	KY	40769	N	6065493952
HERITAGE ASSETS LLC	1466 W LEXINGTON AVE	WINCHESTER	KY	40391	N	8597448305
C & C FOOD SYSTEMS, INC.	300 CUMBERLAND ST	BOGALUSA	LA	70427	N	9857322900
FRANCIECO., L.P.	1118 LOWE GROUT RD	IOWA	LA	70647	N	3375823719
FRANCIECO., L.P.	4158 I-49 SERVICE RD.	OPELOUSAS	LA	70570	N	4054647560
OTAC NO. 4, INC.	800 WOODS RD	CAMBRIDGE	MD	21613	N	4102284080
OTAC NO. 4, INC.	501 CHURCH HILL RD	CENTREVILLE	MD	21617	N	4107583126
POOJA DELMAR HOSPITALITY, INC.	9521 OCEAN HWY	DELMAR	MD	21875	N	4108964390
OTAC NO. 4, INC.	8335 OCEAN GTWY	EASTON	MD	21601	N	4108220024
OTAC, INC.	1699 CRAIN HWY S	GLEN BURNIE	MD	21061	N	4107603241

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RESTAURANT MANAGEMENT CORPORATION	42 EAST MAIN STREET	HANCOCK	MD	21750	N	3016786307
OTAC NO. 3, INC.	2635 ANNAPOLIS RD	HANOVER	MD	21076	N	4105519363
OTAC NO. 4, INC.	718 NURSERY RD	LINTHICUM	MD	21090	N	4106090870
OTAC NO. 4, INC.	4111 MOUNTAIN RD	PASADENA	MD	21122	N	4103608100
OTAC NO. 4, INC.	125 POCOMOKE MARKETPLACE	POCOMOKE CITY	MD	21851	N	4109571140
OTAC NO. 4, INC.	30362 MT VERNON RD	PRINCESS ANNE	MD	21853	N	4106519699
OTAC NO. 4, INC.	1301 S SALISBURY BLVD	SALISBURY	MD	21801	N	4105463188
OTAC NO. 5, INC.	2403 N SALISBURY BLVD	SALISBURY	MD	21801	N	4103417183
OTAC NO. 4, INC.	1157 SHOPPING CENTER RD	STEVENSVILLE	MD	21666	N	4106436155
FRANCIECO., L.P.	6560 DIXIE HIGHWAY	BRIDGEPORT	MI	48722	N	9897469567
NORTHLAND RESTAURANT GROUP, LLC	606 N LINCOLN RD	ESCANABA	MI	49829	N	9062330381
FRANCIECO., L.P.	1609 NADEAU ROAD	FRENCHTOWN	MI	48162	N	7342894111
FRANCIECO., L.P.	7300 W. GRAND RIVER AVE.	GRAND LEDGE	MI	48837	N	5176267372
ISHAAN ENTERPRISES, LLC	23240 JOHN R RD	HAZEL PARK	MI	48030	N	2485452470
FRANCIECO., L.P.	9790 ADAMS ST	HOLLAND	MI	49423	N	6167723101
NORTHLAND RESTAURANT GROUP, LLC	315 N STEPHENSON AVE	IRON MOUNTAIN	MI	49801	N	9067761064
NORTHLAND RESTAURANT GROUP, LLC	350 EAST U.S. HWY 2	MANISTIQUE	MI	49854	N	9063410500
NORTHLAND RESTAURANT GROUP, LLC	1120 W WASHINGTON ST	MARQUETTE	MI	49855	N	9062255935
FRANCIECO., L.P.	18720 PARTELLO RD	MARSHALL	MI	49068	N	2697819278
FRANCIECO., L.P.	14137 PLANK ROAD	MILAN	MI	48160	N	7144397558
NORTHLAND RESTAURANT GROUP, LLC	525 E M-28	MUNISING	MI	49862	N	9063875750
YOUSIF DENHA AND FAMILY 4 LLC	534 E MAIN ST	OWOSSO	MI	48867	Y	9897252616

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ISHAAN ENTERPRISES, LLC	35155 MOUND RD	STERLING HEIGHTS	MI	48310	N	5862749708
NORTHLAND RESTAURANT GROUP, LLC	1147 S BROADWAY AVE	ALBERT LEA	MN	56007	N	5073736101
NORTHLAND RESTAURANT GROUP, LLC	605 50TH AVE W	ALEXANDRIA	MN	56308	N	3207625425
NORTHLAND RESTAURANT GROUP, LLC	1406 4TH ST NW	AUSTIN	MN	55912	N	5076938470
NORTHLAND RESTAURANT GROUP, LLC	205 PAUL BUNYAN DR NW	BEMIDJI	MN	56601	N	2187518823
NORTHLAND RESTAURANT GROUP, LLC	119 WASHINGTON ST	BRAINERD	MN	56401	N	2188291343
FRANCIECO., L.P.	I-35 & HWY 97	COLUMBUS	MN	55025	N	6158431007
SUPERIOR STAR, LLC	2000 N STATE ST	FAIRMONT	MN	56031	N	5072381290
NORTHLAND RESTAURANT GROUP, LLC	1940 CARDINAL LN	FARIBAULT	MN	55021	N	5073314426
NORTHLAND RESTAURANT GROUP, LLC	2524 COLLEGE WAY	FERGUS FALLS	MN	56537	N	2189985060
SUPERIOR STAR, LLC	147 HIGHWAY 212 E	GRANITE FALLS	MN	56241	N	3205644887
MESABA FOOD COMPANY	2527 E 13TH AVE	HIBBING	MN	55746	N	2182624425
NORTHLAND RESTAURANT GROUP, LLC	401 1/2 FIRE MONUMENT RD	HINCKLEY	MN	55037	N	3203846098
PETE-HAM FOOD SERVICES, INC.	1600 HIGHWAY 71	INTERNATIONAL FALLS	MN	56649	N	2182839945
SUPERIOR STAR, LLC	1405 MADISON AVE	MANKATO	MN	56001	N	5076253114
SUPERIOR STAR, LLC	101 W LIND CT	MANKATO	MN	56001	N	5077797475
SUPERIOR STAR, LLC	1402 E COLLEGE DR	MARSHALL	MN	56258	N	5075325027
NORTHLAND RESTAURANT GROUP, LLC	925 1ST ST E	MILACA	MN	56353	N	3209833040
SUPERIOR STAR, LLC	3402 28TH AVENUE SOUTH	MOORHEAD	MN	56560	N	2182840419

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NORTHLAND RESTAURANT GROUP, LLC	240 HIGHWAY 65 S	MORA	MN	55051	N	3206795974
SUPERIOR STAR, LLC	1710 WESTRIDGE RD	NEW ULM	MN	56073	N	5073540224
NORTHLAND RESTAURANT GROUP, LLC	7099 11TH ST N	OAKDALE	MN	55128	N	7155630098
NORTHLAND RESTAURANT GROUP, LLC	1120 HOFFMAN DR	OWATONNA	MN	55060	N	5074511766
FRANCIECO., L.P.	8708 Crossing Dr.	ROCKVILLE	MN	56301	N	3204430179
FRANCIECO., L.P.	2102 ENTERPRISES DR	SAINT CHARLES	MN	55972	N	9522393939
NORTHLAND RESTAURANT GROUP, LLC	369 HAMLINE AVE N	SAINT PAUL	MN	55104	N	6516462332
NORTHLAND RESTAURANT GROUP, LLC	1180 MAIN ST S	SAUK CENTRE	MN	56378	N	3203526448
SUPERIOR STAR, LLC	320 MAIN ST W	SLEEPY EYE	MN	56085	N	5077943592
NORTHLAND RESTAURANT GROUP, LLC	151 COUNTY ROAD 120	ST. CLOUD	MN	56303	N	3202815577
NORTHLAND RESTAURANT GROUP, LLC	1400 13TH ST	VIRGINIA	MN	55792	N	7154952350
NORTHLAND RESTAURANT GROUP, LLC	204 MINNESOTA AVENUE	WALKER	MN	56484	N	2185472664
SUPERIOR STAR, LLC	1704 1ST STREET S	WILLMAR	MN	56001	N	3204412441
SUPERIOR STAR, LLC	250 3RD AVE	WINDOM	MN	56101	N	5078313429
NORTHLAND RESTAURANT GROUP, LLC	12520 FREMONT AVE	ZIMMERMAN	MN	55398	N	7638563330
RED DIAMOND RESTAURANTS, LLC	909 HWY 278 ST EAST	AMORY	MS	38821	N	6622563681
SADDLE PEAK LLC	693 HWY 6 EAST	BATESVILLE	MS	38606	N	6625639060
C & C FOOD SYSTEMS, INC.	2813 HWY 15	BAY SPRINGS	MS	39422	N	6017646526
RED DIAMOND RESTAURANTS, LLC	1202 N 2ND ST	BOONEVILLE	MS	38829	N	6627281746

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C & C FOOD SYSTEMS, INC.	3530 HIGHWAY 49	COLLINS	MS	39428	N	6017650738
C & C FOOD SYSTEMS, INC.	809 HWY 98 BYP	COLUMBIA	MS	39429	N	6017364221
RED DIAMOND RESTAURANTS, LLC	1460 OLD ABERDEEN RD	COLUMBUS	MS	39705	N	6623275811
RED DIAMOND RESTAURANTS, LLC	203 ALABAMA ST	COLUMBUS	MS	39702	N	6623270304
PARADIGM INVESTMENT GROUP, LLC	10324 DIBERVILLE BLVD	DIBERVILLE	MS	39540	N	2283922666
RED DIAMOND RESTAURANTS, LLC	600 SOUTH ADAMS ST	FULTON	MS	38843	N	6628627002
PARADIGM INVESTMENT GROUP, LLC	2403 HIGHWAY 90	GAUTIER	MS	39553	N	2284974801
PARADIGM INVESTMENT GROUP, LLC	12219 HWY 49 N	GULFPORT	MS	39503	N	2288312248
C & C FOOD SYSTEMS, INC.	4964 HARDY ST	HATTIESBURG	MS	39402	N	6012646248
RED DIAMOND RESTAURANTS, LLC	444 N JACKSON STREET	HOUSTON	MS	38851	N	6624569356
FRANCIECO., L.P.	1212 HWY 82 EAST	INDIANOLA	MS	38751	N	6628877885
RED DIAMOND RESTAURANTS, LLC	1610 1ST AMERICAN DR	IUKA	MS	38852	N	6624231008
C & C FOOD SYSTEMS, INC.	710 N 16TH AVE	LAUREL	MS	39440	N	6016496089
C & C FOOD SYSTEMS, INC.	2621 ELLISVILLE BLVD	LAUREL	MS	39440	N	6015842723
C & C FOOD SYSTEMS, INC.	913 CHANTILLY ST	LAUREL	MS	39440	N	6016495572
PARADIGM INVESTMENT GROUP, LLC	24 COWART ST	LUCEDALE	MS	39452	N	6019472190
FRANCIECO., L.P.	1790 SIMPSON HIGHWAY 49	MAGEE	MS	39111	N	6018491836
PARADIGM INVESTMENT GROUP, LLC	6712 HWY 63 N	MOSS POINT	MS	39563	N	2284752672
SADDLE PEAK LLC	7015 HACKS CROSS ROAD	OLIVE BRANCH	MS	38654	N	6628906030
PARADIGM INVESTMENT GROUP, LLC	2701 DENNY AVE	PASCAGOULA	MS	39567	N	2282025098

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C & C FOOD SYSTEMS, INC.	106 W CENTRAL AVE	PETAL	MS	39465	N	6015846249
C & C FOOD SYSTEMS, INC.	1102 MEMORIAL BLVD	PICAYUNE	MS	39466	N	6017991116
RED DIAMOND RESTAURANTS, LLC	124 HWY 15 NORTH	PONTOTOC	MS	38863	N	6624893002
C & C FOOD SYSTEMS, INC.	1016 S MAIN ST	POPLARVILLE	MS	39470	Y	6017954057
C & C FOOD SYSTEMS, INC.	302 S ARCHUSA AVE	QUITMAN	MS	39355	N	6017765456
RED DIAMOND RESTAURANTS, LLC	112 WILLOW BROOK DR	SALTILLO	MS	38866	N	6018692424
RED DIAMOND RESTAURANTS, LLC	411 HIGHWAY 12 EAST	STARKVILLE	MS	39759	N	6623238047
RED DIAMOND RESTAURANTS, LLC	477 E MAIN ST	TUPELO	MS	38804	N	6628443497
RED DIAMOND RESTAURANTS, LLC	2439 WEST MAIN STREET	TUPELO	MS	38801	N	6628411528
RED DIAMOND RESTAURANTS, LLC	5016 RAYMOND ST	TUPELO	MS	38801	N	6625661414
C & C FOOD SYSTEMS, INC.	903 AZALEA DR	WAYNESBORO	MS	39367	N	6017359962
RED DIAMOND RESTAURANTS, LLC	6757 HWY 45 SOUTH	WEST POINT	MS	39773	N	6624940440
SHAY, MICHEL D.	2010 SOUTH ELLIOTT AVENUE	AURORA	MO	65605	N	4176784843
ARC BURGER, LLC	910 SW MISSOURI ROUTE 7	BLUE SPRINGS	MO	64014	N	8162292495
PIONEER RESTAURANTS, LLC	1010 HIGHWAY K	BONNE TERRE	MO	63628	Y	5733583369
FRANCIECO., L.P.	2501 W ASHLEY RD	BOONVILLE	MO	65233	N	6608827359
PIONEER RESTAURANTS, LLC	18054 HIGHWAY 161	BOWLING GREEN	MO	63334	Y	5733245583
SHAY, MICHEL D.	19001 MISSOURI BUSINESS 13	BRANSON WEST	MO	65737	N	4172728854
ARC BURGER, LLC	1100 W DALLAS ST	BUFFALO	MO	65622	N	4173455259
SUPERIOR STAR, LLC	2115 WILLIAM ST	CAPE GIRARDEAU	MO	63703	Y	5733345151
SHAY, MICHEL D.	1616 EAST OHIO STREET	CLINTON	MO	64735	N	6608855439
ARC BURGER, LLC	702 N FRANKLIN ST	CUBA	MO	65453	N	5738851601
PIONEER RESTAURANTS, LLC	12974 HIGHWAY 21	DESOTO	MO	63020	Y	6365869190

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OZARK STARS, LLC	301 E 4TH ST	ELDON	MO	65026	N	5733925772
PIONEER RESTAURANTS, LLC	545 MAIN STREET	FENTON	MO	63026	Y	6363435221
PIONEER RESTAURANTS, LLC	1305 VETERANS BLVD	FESTUS	MO	63028	Y	6369312604
SUPERIOR STAR, LLC	501 E HIGHWAY 72	FREDERICKTOWN	MO	63645	N	5737833593
TRISTAR VENTURES, LLC	2900 JAMES RD	HANNIBAL	MO	63401	N	5732212662
PIONEER RESTAURANTS, LLC	4699 GRAVOIS RD	HOUSE SPRINGS	MO	63051	Y	6366710502
ARC BURGER, LLC	926 S SAM HOUSTON BLVD	HOUSTON	MO	65483	N	4179673454
ARC BURGER, LLC	4011 S NOLAND RD	INDEPENDENCE	MO	64055	N	8162521944
ARC BURGER, LLC	17701 E US HIGHWAY 24	INDEPENDENCE	MO	64056	N	8167963066
SUPERIOR STAR, LLC	421 E JACKSON BLVD	JACKSON	MO	63755	N	5732437990
ARC BURGER, LLC	3601 COUNTRY CLUB DR	JEFFERSON CITY	MO	65109	N	5738935516
FRANCIECO., L.P.	4013 HWY 43	JOPLIN	MO	64804	N	4172060684
ARC BURGER, LLC	6323 INDEPENDENCE AVE	KANSAS CITY	MO	64125	N	8162312272
ARC BURGER, LLC	5373 EAST BANNISTER ROAD	KANSAS CITY	MO	64137	N	8169664550
TRISTAR VENTURES, LLC	1411 S BALTIMORE ST	KIRKSVILLE	MO	63501	N	6606273884
PIONEER RESTAURANTS, LLC	10 CENTRE ON THE LAKE	LAKE SAINT LOUIS	MO	63367	Y	6366256272
PIONEER RESTAURANTS, LLC	100 PLAZA SQ	LEADINGTON	MO	63601	Y	5734315988
ARC BURGER, LLC	1300 S JEFFERSON	LEBANON	MO	65536	N	4175889707
ARC BURGER, LLC	1100 SW 3RD ST	LEES SUMMIT	MO	64081	N	8165245220
PIONEER RESTAURANTS, LLC	2580 LEMAY FERRY RD	LEMAY	MO	63125	Y	3148945551
TRISTAR VENTURES, LLC	1703 N MISSOURI ST	MACON	MO	63552	N	6603852612
AYCORP DEVELOPMENT, LLC	908 N DOUGLASS ST	MALDEN	MO	63863	N	5732764558
ARC BURGER, LLC	707 W JACKSON ST	MEXICO	MO	65265	N	5735811748
ARC BURGER, LLC	308 HWY 24 E	MOBERLY	MO	65270	N	6602636007
TRISTAR VENTURES, LLC	1003 US HIGHWAY 24/36 E	MONROE CITY	MO	63456	N	5737352548
SHAY, MICHEL D.	530 S NEOSHO BLVD	NEOSHO	MO	64850	N	4174516518
FRANCIECO., L.P.	17550 HWY 19	NEW LONDON	MO	63459	N	5739855700

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PIONEER RESTAURANTS, LLC	1212 W OSAGE	PACIFIC	MO	63069	Y	6362715598
TRISTAR VENTURES, LLC	500 E MAIN CROSS ST	PALMYRA	MO	63461	N	5737694310
SUPERIOR STAR, LLC	11 N KINGSHIGHWAY ST	PERRYVILLE	MO	63775	N	5735475052
TRICO DEVELOPMENT CORPORATION	101 S WESTWOOD BLVD	POPLAR BLUFF	MO	63901	N	5737853300
PIONEER RESTAURANTS, LLC	103 HEALTHWAY DRIVE	POTOSI	MO	63664	Y	5734385075
PIONEER RESTAURANTS, LLC	2023 ZUMBEHL RD	SAINT CHARLES	MO	63303	Y	6369474606
PIONEER RESTAURANTS, LLC	2701 MO-94 N.	SAINT CHARLES	MO	63301	Y	6369469610
ARC BURGER, LLC	3911 N BELT HWY	SAINT JOSEPH	MO	64506	N	8163643226
PIONEER RESTAURANTS, LLC	4321 BUTLER HILL RD	SAINT LOUIS	MO	63128	Y	3148947511
PIONEER RESTAURANTS, LLC	2110 HAMPTON AVE	SAINT LOUIS	MO	63139	Y	3146452336
PIONEER RESTAURANTS, LLC	501 MID RIVERS MALL DR	SAINT PETERS	MO	63376	Y	6362782798
ARC BURGER, LLC	715 E BROADWAY BLVD	SEDALIA	MO	65301	N	6608263559
SUPERIOR STAR, LLC	1105 S MAIN ST	SIKESTON	MO	63801	N	5734711922
SHAY, MICHEL D.	3465 W CHESTNUT EXPWY	SPRINGFIELD	MO	65802	N	4178621214
SHAY, MICHEL D.	2260 NORTH GLENSTONE	SPRINGFIELD	MO	65803	N	4178621091
SHAY, MICHEL D.	1444 EAST BATTLEFIELD	SPRINGFIELD	MO	65804	N	4178823473
SHAY, MICHEL D.	1515 W BATTLEFIELD	SPRINGFIELD	MO	65807	N	4178895009
FRANCIECO., L.P.	400 N STATE HWY 125	STRAFFORD	MO	65757	N	4137369043
ARC BURGER, LLC	1849 E 9TH ST	TRENTON	MO	64683	N	6603595460
PIONEER RESTAURANTS, LLC	231 E HIGHWAY 47	TROY	MO	63379	Y	6365287222
PIONEER RESTAURANTS, LLC	300 US 50E	UNION	MO	63084	Y	6365838330
PIONEER RESTAURANTS, LLC	850 MERAMEC STATION RD	VALLEY PARK	MO	63088	Y	6362258134
PIONEER RESTAURANTS, LLC	902 MERAMEC STATION RD	VALLEY PARK	MO	63088	Y	6368252264
ARC BURGER, LLC	228 W 5TH ST	WASHINGTON	MO	63090	Y	6362397924
SHAY, MICHEL D.	905 PORTER WAGONER BLVD	WEST PLAINS	MO	65775	N	4172568876
ARC BURGER, LLC	2404 CENTRAL AVE	BILLINGS	MT	59102	N	4066525926
ARC BURGER, LLC	608 N 27TH ST	BILLINGS	MT	59101	N	4062593344

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
ARC BURGER, LLC	2625 10TH AVE S	GREAT FALLS	MT	59405	N	4067611044
FRANCIECO., L.P.	1270 N HIGHWAY 47	HARDIN	MT	59034	N	4066654138
ARC BURGER, LLC	320 EUCLID AVE	HELENA	MT	59601	N	4064429650
FRANCIECO., L.P.	8077 HWY 10 WEST	MISSOULA	MT	59808	N	4067218386
WESTAR FOODS, INC.	811 N 205 ST	ELKHORN	NE	68022	N	4025508074
WESTAR FOODS, INC.	3350 ELK LN	FREMONT	NE	68025	N	4027211614
FRANCIECO., L.P.	1300 W MONROE AVENUE	NORFOLK	NE	68701	N	4023791393
WESTAR FOODS, INC.	102 HOLIDAY FRONTAGE ROAD	NORTH PLATTE	NE	69101	N	3082216644
WESTAR FOODS, INC.	9407 S 145TH ST	OMAHA	NE	68138	N	4028962068
WESTAR FOODS, INC.	3225 L ST	OMAHA	NE	68107	N	4027316434
WESTAR FOODS, INC.	12424 L ST	OMAHA	NE	68137	N	4023300810
FRANCIECO., L.P.	188 NORTH 30 RD	SYRACUSE	NE	68446	N	4022692258
FRANCIECO., L.P.	6201 Shortman Road	Ripley	NY	14755	N	7167362033
BAY FOODS, INC.	1664 NC HWY 5	ABERDEEN	NC	28315	N	2529372000
BAY FOODS, INC.	1304 SANDHILLS BLVD N	ABERDEEN	NC	28315	N	9109441834
BODDIE-NOELL ENTERPRISES, INC.	104 NC 561 EAST	AHOSKIE	NC	27910	N	2528620086
MORNING STAR, LLC	705 LEONARD AVE	ALBEMARLE	NC	28001	N	7049860535
MOUNTAIN STAR LLC	2765 STEWART RD	ANDREWS	NC	28901	N	8283219566
BODDIE-NOELL ENTERPRISES, INC.	253 N RALEIGH STREET	ANGIER	NC	27501	N	9193314185
BODDIE-NOELL ENTERPRISES, INC.	10455 US HIGHWAY 64	APEX	NC	27502	N	919 3623995
MORNING STAR, LLC	1411 W 3RD ST	AYDEN	NC	28513	N	2527462430
BODDIE-NOELL ENTERPRISES, INC.	6474 DEANS ST	BAILEY	NC	27807	N	2522352977
BODDIE-NOELL ENTERPRISES, INC.	7047 NC HIGHWAY 4	BATTLEBORO	NC	27809	N	2524427444
WADE-CARY ENTERPRISES, INC.	870 HWY 264 EAST	BELHAVEN	NC	27810	N	2529436878

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BODDIE-NOELL ENTERPRISES, INC.	611 NORTH MAIN STREET	BELMONT	NC	28012	N	7048253272
BODDIE-NOELL ENTERPRISES, INC.	11959 NC 210	BENSON	NC	27504	N	9499890129
WADE-CARY ENTERPRISES, INC.	120 WEST MAIN STREET	BEULAVILLE	NC	28518	N	9102985494
MOUNTAIN STAR LLC	344 E KING ST	BOONE	NC	28607	N	8282623201
BODDIE-NOELL ENTERPRISES, INC.	124 N C ST	BRIDGETON	NC	28519	N	2526332810
BODDIE-NOELL ENTERPRISES, INC.	420 Main St.	BUNN	NC	27508	N	9197290538
BODDIE-NOELL ENTERPRISES, INC.	500 US HIGHWAY 117	BURGAW	NC	28425	N	9102595255
BODDIE-NOELL ENTERPRISES, INC.	2349 MAPLE AVENUE	BURLINGTON	NC	27215	N	9102260432
BODDIE-NOELL ENTERPRISES, INC.	2124 WEST WEBB AVENUE	BURLINGTON	NC	27217	N	3365842727
BODDIE-NOELL ENTERPRISES, INC.	2756 ALAMANCE ROAD	BURLINGTON	NC	27215	N	3362296151
MOUNTAIN STAR LLC	318 W US HIGHWAY 19E BYP	BURNSVILLE	NC	28714	N	8286822612
BODDIE-NOELL ENTERPRISES, INC.	100 TOWNE CENTER DRIVE	CAMDEN	NC	27921	N	2523312538
BODDIE-NOELL ENTERPRISES, INC.	4480 BUFFALO LAKE RD	CAMERON	NC	28326	N	9105561277
BODDIE-NOELL ENTERPRISES, INC.	1018 MONROE ST	CARTHAGE	NC	28327	N	9109473770
BAY FOODS, INC.	5601 CASTLE HAYNE RD	CASTLE HAYNE	NC	28429	N	9106752522
BODDIE-NOELL ENTERPRISES, INC.	6116 FARRINGTON ROAD	CHAPEL HILL	NC	27517	N	9194902964
MORNING STAR, LLC	4201 EAST W.T.HARRIS BLVD	CHARLOTTE	NC	28215	N	7045356128
MORNING STAR, LLC	509 HWY 29 NORTH	CHINA GROVE	NC	28023	N	7048552190
BODDIE-NOELL ENTERPRISES, INC.	US HWY 17 & FIRST STREET	CHOCOWINITY	NC	27817	N	2529466956
BODDIE-NOELL ENTERPRISES, INC.	3099 WEST MAIN STREET	CLAREMONT	NC	28610	N	8284591446

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
BODDIE-NOELL ENTERPRISES, INC.	36 SPRINGBROOK AVE	CLAYTON	NC	27520	N	919 5856441
WADE-CARY ENTERPRISES, INC.	1514 SUNSET AVE	CLINTON	NC	28328	N	9102990216
BODDIE-NOELL ENTERPRISES, INC.	459 NORTH MCKINLEY	COATS	NC	27521	N	9108973286
BODDIE-NOELL ENTERPRISES, INC.	547 NORTH CHURCH STREET	CONCORD	NC	28025	N	7047862815
BODDIE-NOELL ENTERPRISES, INC.	609 CONOVER BOULEVARD W	CONOVER	NC	28613	N	8284649042
BODDIE-NOELL ENTERPRISES, INC.	2568 W LYON STATION RD	CREEDMOOR	NC	27522	N	9195756838
BODDIE-NOELL ENTERPRISES, INC.	6090 N HIGHWAY 16	DENVER	NC	28037	N	7044833390
CIRCLE K STORES, INC.	873 LONG BRANCH RD	DUNN	NC	28334	N	9108926163
BODDIE-NOELL ENTERPRISES, INC.	3912 NORTH DUKE STREET	DURHAM	NC	27704	N	9194778830
BODDIE-NOELL ENTERPRISES, INC.	2721 CHAPEL HILL RD	DURHAM	NC	27707	N	9194896958
BODDIE-NOELL ENTERPRISES, INC.	262 W KINGS HWY	EDEN	NC	27288	N	3366271268
BODDIE-NOELL ENTERPRISES, INC.	1001 US HWY 17 S	ELIZABETH CITY	NC	27909	N	2523311702
BAY FOODS, INC.	213 S. POPLAR STREET	ELIZABETHTOWN	NC	28337	N	9108623548
BODDIE-NOELL ENTERPRISES, INC.	105 SOUTH MCDANIEL STREET	ENFIELD	NC	27823	N	2524455773
WADE-CARY ENTERPRISES, INC.	600 E JACKSON BLVD	ERWIN	NC	28339	N	9108914036
BODDIE-NOELL ENTERPRISES, INC.	3803 MORGANTON ROAD	FAYETTEVILLE	NC	28314	N	9108683271
BODDIE-NOELL ENTERPRISES, INC.	3405 MURCHISON ROAD	FAYETTEVILLE	NC	28311	N	9104880360
BODDIE-NOELL ENTERPRISES, INC.	2497 HOPE MILLS ROAD	FAYETTEVILLE	NC	28304	N	9104243555
BODDIE-NOELL ENTERPRISES, INC.	6397 RAMSEY ST	FAYETTEVILLE	NC	28311	N	9106303015
BODDIE-NOELL ENTERPRISES, INC.	360 N EASTERN BLVD	FAYETTEVILLE	NC	28301	N	9104833086

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BODDIE-NOELL ENTERPRISES, INC.	8139 CLIFFDALE RD	FAYETTEVILLE	NC	23834	N	9103391395
SMOKY STAR, LLC	710 E MAIN ST	FRANKLIN	NC	28734	N	8283698180
BRYANNA ENTERPRISES, LLC	3257 U.S. HIGHWAY 1	FRANKLINTON	NC	27525	N	9194941230
BODDIE-NOELL ENTERPRISES, INC.	1560 NORTH BROAD STREET	FUQUAY VARINA	NC	27526	N	9195529772
BODDIE-NOELL ENTERPRISES, INC.	100 VANDORA SPRINGS RD	GARNER	NC	27529	N	9197727209
BODDIE-NOELL ENTERPRISES, INC.	2898 CORNWALLIS RD	GARNER	NC	27529	N	9198798728
BODDIE-NOELL ENTERPRISES, INC.	100 LAWRENCEVILLE ROAD	GASTON	NC	27832	N	2525351400
BODDIE-NOELL ENTERPRISES, INC.	1901 SOUTH YORK ROAD	GASTONIA	NC	28052	N	7048673921
MORNING STAR, LLC	2135 N CHESTER ST	GASTONIA	NC	28052	N	7048524142
BODDIE-NOELL ENTERPRISES, INC.	1109 11TH ST	GOLDSBORO	NC	27534	N	9197358374
BODDIE-NOELL ENTERPRISES, INC.	220 E ASH ST	GOLDSBORO	NC	27530	N	9197344948
BODDIE-NOELL ENTERPRISES, INC.	6501 CARATOKE HIGHWAY 158	GRANDY	NC	27939	N	2524533993
MORNING STAR, LLC	27 PINEWOOD RD	GRANITE FALLS	NC	28630	N	8283968455
BODDIE-NOELL ENTERPRISES, INC.	3741 CHARLES BOULEVARD	GREENVILLE	NC	27858	N	2527566875
MORNING STAR, LLC	701 WEST HAMLET AVE	HAMLET	NC	28345	N	9105822421
BODDIE-NOELL ENTERPRISES, INC.	14535 US HWY 17 SOUTH	HAMPSTEAD	NC	28443	N	9102709426
MORNING STAR, LLC	4280 HWY 49 N	HARRISBURG	NC	28075	N	7044553030
BODDIE-NOELL ENTERPRISES, INC.	120 DABNEY DR	HENDERSON	NC	27536	N	2524383754
CR VENTURES 08, LLC	200 OCEAN HIGHWAY S.	HERTFORD	NC	27944	N	2524266533
MORNING STAR, LLC	1110 LENOIR RHYNE BLVD	HICKORY	NC	28602	N	8283040011
MORNING STAR, LLC	324 S CENTER ST	HILDEBRAN	NC	28637	N	8283976677

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BODDIE-NOELL ENTERPRISES, INC.	380 SOUTH CHURTON STREET	HILLSBOROUGH	NC	27278	N	9197323592
BODDIE-NOELL ENTERPRISES, INC.	4260 LEGION ROAD	HOPE MILLS	NC	28348	N	9018260027
MORNING STAR, LLC	14101 STATESVILLE RD	HUNTERSVILLE	NC	28078	N	7048750290
BODDIE-NOELL ENTERPRISES, INC.	3001 RICHLANDS HIGHWAY	JACKSONVILLE	NC	28540	N	9109382597
MOUNTAIN STAR LLC	799 E MAIN ST	JEFFERSON	NC	28640	N	3368465504
BODDIE-NOELL ENTERPRISES, INC.	140 DALE EARNHARDT BLVD	KANNAPOLIS	NC	28081	N	7049389896
WADE-CARY ENTERPRISES, INC.	HWY 50 LIMESTONE RD	KENANSVILLE	NC	28349	N	9102960015
MORNING STAR, LLC	509 E KING ST	KINGS MOUNTAIN	NC	28086	N	7047398571
BODDIE-NOELL ENTERPRISES, INC.	1344 HIGHWAY 258 S	KINSTON	NC	28504	N	2525277925
BODDIE-NOELL ENTERPRISES, INC.	4171 W VERNON AVENUE	KINSTON	NC	28504	N	2525233323
BAY FOODS, INC.	101 VILLAGE RD NE	LELAND	NC	28451	N	9103710902
MORNING STAR, LLC	670 MORGANTON BLVD	LENOIR	NC	28645	N	8287589700
BODDIE-NOELL ENTERPRISES, INC.	521 SALEM STREET	LEXINGTON	NC	27292	N	3362431091
BODDIE-NOELL ENTERPRISES, INC.	1102 S MAIN ST	LILLINGTON	NC	27546	N	9108932187
BODDIE-NOELL ENTERPRISES, INC.	1102 EAST MAIN ST	LINCOLNTON	NC	28092	N	7047353436
BODDIE-NOELL ENTERPRISES, INC.	221 E MAIN ST	LITTLETON	NC	27850	N	2525864977
BODDIE-NOELL ENTERPRISES, INC.	110 S BRICKETT BLVD	LOUISBURG	NC	27549	N	9193409997
BODDIE-NOELL ENTERPRISES, INC.	716 MCADENVILLE RD	LOWELL	NC	28098	N	7048240758
BODDIE-NOELL ENTERPRISES, INC.	2475 N ROBERTS AVENUE	LUMBERTON	NC	28358	N	9107386379
BODDIE-NOELL ENTERPRISES, INC.	3007 W 5TH ST	LUMBERTON	NC	28358	N	9107381080

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BODDIE-NOELL ENTERPRISES, INC.	101 JACKSON COURT	LUMBERTON	NC	28358	N	9107381477
BODDIE-NOELL ENTERPRISES, INC.	604 BURTON STREET	MADISON	NC	27025	N	3364274325
MORNING STAR, LLC	5860 STARTOWN ROAD	MAIDEN	NC	28650	N	8284698908
MOUNTAIN STAR LLC	3240 HIGHWAY 226 S	MARION	NC	28752	N	8286527358
MORNING STAR, LLC	701 MAIN ST	MAYSVILLE	NC	28555	N	9107432333
FRANCIECO., L.P.	1217 TROLLINGWOOD HAWFIELDS RD	MEBANE	NC	27302	N	9195238759
BODDIE-NOELL ENTERPRISES, INC.	1350 HIGHWAY 601 SOUTH	MOCKSVILLE	NC	27028	N	3367517896
BD LYNCH ENTERPRISES, INC.	503 W ROOSEVELT BLVD	MONROE	NC	28110	N	7042838018
MORNING STAR, LLC	863 N GREEN ST	MORGANTON	NC	28655	N	8284331035
MORNING STAR, LLC	1205 BURKEMONT AVE	MORGANTON	NC	28655	N	8284380225
BODDIE-NOELL ENTERPRISES, INC.	2154 ROCKFORD STREET	MOUNT AIRY	NC	27030	N	3367891601
BODDIE-NOELL ENTERPRISES, INC.	1221 WEST PINE STREET	MOUNT AIRY	NC	27030	N	3367895900
BODDIE-NOELL ENTERPRISES, INC.	205 W. NC HIGHWAY 55	MOUNT OLIVE	NC	28365	N	9196352496
BODDIE-NOELL ENTERPRISES, INC.	8440 HIGHWAY 49 N	MOUNT PLEASANT	NC	28124	N	7044362622
BODDIE-NOELL ENTERPRISES, INC.	410 CARATOKE HWY	MOYOCK	NC	27958	N	2524352585
BODDIE-NOELL ENTERPRISES, INC.	361 W WASHINGTON ST	NASHVILLE	NC	27856	N	2524597777
MOUNTAIN STAR LLC	570 PINEOLA ST	NEWLAND	NC	28657	N	8287335172
FRANCIECO., L.P.	1760 SOUTHFORK DRIVE	NEWTON	NC	28658	N	8284666790
BODDIE-NOELL ENTERPRISES, INC.	105 W WEEKSDALE DR	NEWTON GROVE	NC	28366	N	9105940871
BAY FOODS, INC.	3678 MACO ROAD	NORTHWEST	NC	28451	N	9106550907
BODDIE-NOELL ENTERPRISES, INC.	1651 SEASIDE ROAD SW	OCEAN ISLE BEACH	NC	28469	N	9105790808

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BODDIE-NOELL ENTERPRISES, INC.	620 LEWIS STREET	OXFORD	NC	27565	N	9196036998
WADE-CARY ENTERPRISES, INC.	5040 HWY 117 N	PIKEVILLE	NC	27863	N	9192424946
BODDIE-NOELL ENTERPRISES, INC.	200 WEST MAIN STREET	PILOT MOUNTAIN	NC	27041	N	3363685787
BODDIE-NOELL ENTERPRISES, INC.	28 EAST ST	PITTSBORO	NC	27312	N	9195422943
BODDIE-NOELL ENTERPRISES, INC.	101 SMITH STREET	PRINCETON	NC	27569	N	2529362152
BODDIE-NOELL ENTERPRISES, INC.	112 FAYETTEVILLE ROAD	RAEFORD	NC	28376	N	9108753043
BODDIE-NOELL ENTERPRISES, INC.	2304 GORMAN ST	RALEIGH	NC	27606	N	9192338287
BODDIE-NOELL ENTERPRISES, INC.	5601 CREEDMOOR RD	RALEIGH	NC	27612	N	9197814332
BODDIE-NOELL ENTERPRISES, INC.	610 E 4TH AVE	RED SPRINGS	NC	28377	N	9108433745
BODDIE-NOELL ENTERPRISES, INC.	1702 FREEWAY DRIVE	REIDSVILLE	NC	27320	N	3363422838
WADE-CARY ENTERPRISES, INC.	8901 RICHLANDS HIGHWAY 24	RICHLANDS	NC	28574	N	9103241221
BODDIE-NOELL ENTERPRISES, INC.	1711 JULIAN R ALLSBROOK HWY	ROANOKE RAPIDS	NC	27870	N	2525377865
BODDIE-NOELL ENTERPRISES, INC.	120 EAST 10TH ST	ROANOKE RAPIDS	NC	27870	N	2525373619
BLD STAR INC.	481 US HIGHWAY 1 S	ROCKINGHAM	NC	28379	N	9108955785
MORNING STAR, LLC	507 W MAIN ST	ROCKWELL	NC	28138	N	7042795692
BODDIE-NOELL ENTERPRISES, INC.	1200 E RALEIGH BLVD	ROCKY MOUNT	NC	27801	N	2524461810
BODDIE-NOELL ENTERPRISES, INC.	600 N WESLEYAN BLVD	ROCKY MOUNT	NC	27804	N	2524434016
BODDIE-NOELL ENTERPRISES, INC.	3525 SUNSET AVE	ROCKY MOUNT	NC	27804	N	2524435050
BODDIE-NOELL ENTERPRISES, INC.	1831 N WESLEYAN BLVD	ROCKY MOUNT	NC	27804	N	2529852432

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BODDIE-NOELL ENTERPRISES, INC.	4891 SUNSET AVENUE	ROCKY MOUNT	NC	27804	N	2524435511
BAY FOODS, INC.	8081 US HIGHWAY 117 S	ROCKY POINT	NC	28457	N	9106758224
BODDIE-NOELL ENTERPRISES, INC.	403 SOUTH MAIN STREET	ROLESVILLE	NC	27571	N	9195542720
WADE-CARY ENTERPRISES, INC.	205 HWY 24	ROSEBORO	NC	28382	N	9105254573
BODDIE-NOELL ENTERPRISES, INC.	303 N MADISON BOULEVARD	ROXBORO	NC	27573	N	3365992942
MORNING STAR, LLC	726 E INNES ST	SALISBURY	NC	28144	N	7046330721
BODDIE-NOELL ENTERPRISES, INC.	3002 S HORNER BLVD	SANFORD	NC	27332	N	9197757553
BODDIE-NOELL ENTERPRISES, INC.	5184 NC 87 N	SANFORD	NC	27332	N	9194990335
BRYANNA ENTERPRISES, LLC	2255 JEFFERSON DAVIS HWY	SANFORD	NC	27330	N	9197741942
WADE-CARY ENTERPRISES, INC.	608 SOUTH MAIN STREET	SCOTLAND NECK	NC	27874	N	2528262770
WEST HILL RANCH GROUP LLC	434 LITTLE RIVER RD	SEAGROVE	NC	27341	N	3368739068
BODDIE-NOELL ENTERPRISES, INC.	437 US HWY 70	SELMA	NC	27576	N	9192029829
BAY FOODS, INC.	4414 MAIN STREET	SHALLOTTE	NC	28470	N	9107542031
BODDIE-NOELL ENTERPRISES, INC.	3651 N. HATHAWAY BLVD	SHARPSBURG	NC	27878	N	2529779719
MORNING STAR, LLC	324 E GROVER ST	SHELBY	NC	28150	N	7044871507
MORNING STAR, LLC	7946 VILLAGE CENTER NORTH	SHERRILLS FORD	NC	28673	N	828 4781560
BODDIE-NOELL ENTERPRISES, INC.	1262 N BRIGHTLEAF BLVD	SMITHFIELD	NC	27577	N	9199345580
BODDIE-NOELL ENTERPRISES, INC.	968 NC HWY 210	SNEADS FERRY	NC	28460	N	9103272535
MOUNTAIN STAR LLC	417 S MAIN ST	SPARTA	NC	28675	N	3363724903
MORNING STAR, LLC	441 HIGHWAY 27 S	STANLEY	NC	28164	N	7042631221
MORNING STAR, LLC	255 N CENTER ST	STATESVILLE	NC	28677	N	7048735853
MORNING STAR, LLC	1205 E GARNER BAGNAL BLVD	STATESVILLE	NC	28677	N	7048726154

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BODDIE-NOELL ENTERPRISES, INC.	5189 CLINTON RD	STEDMAN	NC	28391	N	9104841003
BAY FOODS, INC.	5 OCEAN HWY E	SUPPLY	NC	28462	N	9107543311
BODDIE-NOELL ENTERPRISES, INC.	2791 OCEAN VIEW AVE S.W.	SUPPLY	NC	28462	N	9108420723
MORNING STAR, LLC	677 W CORBETT AVE	SWANSBORO	NC	28584	N	9103261317
MORNING STAR, LLC	101B WB MCLEAN BLVD	SWANSBORO	NC	28584	N	2529322113
SMOKY STAR, LLC	475 E. MAIN ST	SYLVA	NC	28779	N	8285860400
BRYANNA ENTERPRISES, LLC	700 WESTERN BLVD	TARBORO	NC	27886	N	2526411701
BODDIE-NOELL ENTERPRISES, INC.	1025 RANDOLPH STREET	THOMASVILLE	NC	27360	N	3364759416
BAY FOODS, INC.	807 N NORWOOD ST	WALLACE	NC	28466	N	9102856136
BODDIE-NOELL ENTERPRISES, INC.	417 W RIDGEWAY ST	WARRENTON	NC	27589	N	2522571111
BAY FOODS, INC.	2427 W 5TH ST	WASHINGTON	NC	27889	N	2529460635
BODDIE-NOELL ENTERPRISES, INC.	1290 JOHN SMALL AVE	WASHINGTON	NC	27889	N	2529461209
SMOKY STAR, LLC	65 WEAVER BLVD	WEAVERVILLE	NC	28787	N	8284849814
BODDIE-NOELL ENTERPRISES, INC.	2888 WENDELL BOULEVARD	WENDELL	NC	27591	N	919 3666979
MOUNTAIN STAR LLC	1901 ADDISON AVE	WILKESBORO	NC	28697	N	3366674344
MORNING STAR, LLC	1585 WASHINGTON ST	WILLIAMSTON	NC	27892	N	2527891500
BAY FOODS, INC.	2518 CAROLINA BEACH RD	WILMINGTON	NC	28401	N	9107623904
BAY FOODS, INC.	1420 FLORAL PKWY	WILMINGTON	NC	28403	N	9107915457
BAY FOODS, INC.	1970 S 17TH ST	WILMINGTON	NC	28401	N	9107633446
BAY FOODS, INC.	1900 CASTLE HAYNE RD	WILMINGTON	NC	28401	N	9107627647
BODDIE-NOELL ENTERPRISES, INC.	2313 FOREST HILLS RD	WILSON	NC	27893	N	2522937809
BODDIE-NOELL ENTERPRISES, INC.	2837 US HIGHWAY 301 SOUTH	WILSON	NC	27893	N	2522342954
BODDIE-NOELL ENTERPRISES, INC.	2089 NC HIGHWAY 86 N	YANCEYVILLE	NC	27379	N	3366945218

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
BODDIE-NOELL ENTERPRISES, INC.	607 W GANNON ST	ZEBULON	NC	27597	N	9192697810
NORTHLAND RESTAURANT GROUP, LLC	1301 CAPITAL AVE	BISMARCK	ND	58501	N	7012581023
NORTHLAND RESTAURANT GROUP, LLC	515 HIGHWAY 2 E	DEVILS LAKE	ND	58301	N	7016624430
NORTHLAND RESTAURANT GROUP, LLC	233 W VILLARD ST	DICKINSON	ND	58601	N	7012270663
SUPERIOR STAR, LLC	3819 MAIN AVE	FARGO	ND	58103	N	7012811617
SUPERIOR STAR, LLC	3072 45TH ST	FARGO	ND	58104	N	7013561718
NORTHLAND RESTAURANT GROUP, LLC	1213 47TH STREET	GRAND FORKS	ND	58201	N	7017758505
NORTHLAND RESTAURANT GROUP, LLC	2205 N BROADWAY	MINOT	ND	58703	N	7018384408
NORTHLAND RESTAURANT GROUP, LLC	2000 S BROADWAY	MINOT	ND	58701	N	7018526960
NORTHLAND RESTAURANT GROUP, LLC	104 9TH AVE SE	WATFORD CITY	ND	58854	N	7018050750
SUPERIOR STAR, LLC	1450 13TH AVE	WEST FARGO	ND	58078	N	7014784196
NORTHLAND RESTAURANT GROUP, LLC	1020 2ND AVE W	WILLISTON	ND	58801	N	7017748118
MIDWEST FIRST STAR INC.	1395 S ARLINGTON ST	AKRON	OH	46305	N	2345712066
MIDWEST FIRST STAR INC.	4010 COLONEL GLENN HWY	BEAVER CREEK	OH	45431	N	9374262232
FRANCIECO., L.P.	2001 State Route 540	BELLEFONTAINE	OH	43311	N	9375656068
RIVER VALLEY RESTAURANTS, LLC	1801 WASHINGTON STREET	BELPRE	OH	45714	Y	7404234050
FRANCIECO., L.P.	2008 STATE ROUTE 850	BIDWELL	OH	45614	N	7402455037
GIANT HOSPITALITY, LLC	801 ARLINGTON ROAD	BROOKVILLE	OH	45309	N	8137400422
SUPERIOR STAR, LLC	536 S SANDUSKY STREET	BUCYRUS	OH	44820	N	4195629980
FRANCIECO., L.P.	10145 AVON LAKE RD	BURBANK	OH	44214	N	3306240919
MIDWEST FIRST STAR INC.	300 W MAIN ST	CIRCLEVILLE	OH	43113	N	7404746858

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MIDWEST FIRST STAR INC.	1559 US HWY 20	CLYDE	OH	43410	N	4197653065
SUPERIOR STAR, LLC	3444 SOUTH HIGH STREET	COLUMBUS	OH	43207	N	6142954566
SUPERIOR STAR, LLC	325 S 2ND ST	COSHOCTON	OH	43812	Y	7406221110
FRANCIECO., L.P.	2217 S EDWIN C MOSES BLVD	DAYTON	OH	45417	N	9372225202
MIDWEST FIRST STAR INC.	2500 NEEDMORE RD	DAYTON	OH	45414	N	9372783661
FRANCIECO., L.P.	1910 E. 5TH STREET	DELPHOS	OH	24012	N	7403403172
FRANCIECO., L.P.	9901 SCHUSTER WAY	ETNA	OH	43018	N	7409637134
AVI FOOD SYSTEMS, INC.	6410 COUNTY RD 165	GENOA	OH	43430	N	4197423149
AVI FOOD SYSTEMS, INC.	6164 COUNTY RD 165	GENOA	OH	43430	N	4198553478
MIDWEST FIRST STAR INC.	699 WAGNER AVE	GREENVILLE	OH	45331	N	9377414852
MIDWEST FIRST STAR INC.	7508 BRANDT PIKE	HUBER HEIGHTS	OH	45424	N	9372361024
MIDWEST FIRST STAR INC.	65 S CHESTNUT ST	JEFFERSON	OH	44047	N	4405762400
FRANCIECO., L.P.	13023 US HIGHWAY 35 NW	JEFFERSONVILLE	OH	43128	N	7409482441
FRANCIECO., L.P.	HWY 33 & LANCASTER-CIRCLEVILLE RD	LANCASTER	OH	43130	N	7402774740
MIDWEST FIRST STAR INC.	8209 SPRINGBORO PIKE	MIAMISBURG	OH	45342	N	9374361479
SUPERIOR STAR, LLC	500 SOUTH BREIEL BLVD	MIDDLETOWN	OH	45044	N	5134331300
MIDWEST FIRST STAR INC.	709 E LINCOLN WAY	MINERVA	OH	44657	N	3308685700
SUPERIOR STAR, LLC	2333 E HIGH ST	NEW PHILADELPHIA	OH	44663	Y	3303391944
FRANCIECO., L.P.	4898 Shuffel St. NW	NORTH CANTON	OH	44720	N	3305267334
FRANCIECO., L.P.	SR 7 & INTERSTATE 76	NORTH LIMA	OH	22553	N	3305427030
FRANCIECO., L.P.	6023 ALUM CREEK DR	OBETZ	OH	43207	N	6144918695
MIDWEST FIRST STAR INC.	1286 EAST ASH ST	PIQUA	OH	45356	N	9375384581
GIANT HOSPITALITY, LLC	6134 STATE HWY 14	RAVENNA	OH	44266	N	3308398039
MIDWEST FIRST STAR INC.	8750 WOOSTER PIKE	SEVILLE	OH	44273	N	3307693020
FRANCIECO., L.P.	2241 FAIR ROAD	SIDNEY	OH	45365	N	9374921144
SUPERIOR STAR, LLC	782 S WOOSTER AVENUE	STRASBURG	OH	44680	Y	3308785090

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FRANCIECO., L.P.	1301 N WARPOLE ST	UPPER SANDUSKY	OH	43351	N	4192090955
DIAMOND MANAGEMENT, LLC	2102 E CHEROKEE AVE	SALLISAW	OK	74955	N	9187755882
RESTAURANT MANAGEMENT CORPORATION	1804 WEST TRINDLE ROAD	CARLISLE	PA	17013	N	7174624017
RESTAURANT MANAGEMENT CORPORATION	625 LINCOLN WAY EAST	CHAMBERSBURG	PA	17201	N	7172643630
RESTAURANT MANAGEMENT CORPORATION	820 EAST MAIN STREET	DALLASTOWN	PA	17313	N	7172446110
RESTAURANT MANAGEMENT CORPORATION	724 ALLEGHENY ST	DAUPHIN	PA	17018	N	7179218238
RESTAURANT MANAGEMENT CORPORATION	30 S ANTRIM WAY	GREENCASTLE	PA	17225	N	7175977460
RESTAURANT MANAGEMENT CORPORATION	2203 PAXTON ST	HARRISBURG	PA	17111	N	7172327873
RESTAURANT MANAGEMENT CORPORATION	646 MAIN STREET	MCSHERRYSTOWN	PA	17344	N	7176327810
RESTAURANT MANAGEMENT CORPORATION	230 NISSLEY ST	MIDDLETOWN	PA	17057	N	7179447717
STEELTOWN RESTAURANTS, INC.	1201 NORTH AVE	MILLVALE	PA	15209	N	4128213643
RESTAURANT MANAGEMENT CORPORATION	198 W LINCOLN AVENUE	MYERSTOWN	PA	17067	N	7178665522
RESTAURANT MANAGEMENT CORPORATION	500 NORTH MAIN STREET	SPRING GROVE	PA	17362	N	7172253496
RESTAURANT MANAGEMENT CORPORATION	1527 EAST MAIN STREET	WAYNESBORO	PA	17268	N	7177627252
RIVER VALLEY RESTAURANTS, LLC	124 E ROY FURMAN HWY	WAYNESBURG	PA	15370	Y	7246276742
RESTAURANT MANAGEMENT CORPORATION	2020 WEST MARKET STREET	YORK	PA	17404	N	7177929406
RESTAURANT MANAGEMENT CORPORATION	1617 NORTH GEORGE STREET	YORK	PA	17404	N	7178486051

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SADDLE PEAK LLC	100 WEST GREENWOOD ST	ABBEVILLE	SC	29620	N	310 6580428
SADDLE PEAK LLC	2648 COLUMBIA HIGHWAY N	AIKEN	SC	29805	N	8036494452
SADDLE PEAK LLC	1733 WHISKEY RD	AIKEN	SC	29803	N	8036491139
BREWER FOODS, INC.	601 RAILROAD AVENUE	ALLENDALE	SC	29810	N	8035844200
FRANCIECO., L.P.	I-85 EXIT 32	ANDERSON	SC	29669	N	8649478788
BREWER FOODS, INC.	2999 MAIN HIGHWAY	BAMBERG	SC	29003	N	8032454895
BREWER FOODS, INC.	10262 DUNBARTON BLVD	BARNWELL	SC	29812	N	8032597233
BAY FOODS, INC.	216 S MAIN ST	BISHOPVILLE	SC	29010	N	8034845605
ARC BURGER, LLC	2109 SAVANNAH HWY	CHARLESTON	SC	29414	Y	8437638826
CAROLINA FOOD SYSTEMS, INC.	801 MARKET ST	CHERAW	SC	29520	N	8435373691
MORNING STAR, LLC	1791 J A COCHRAN BYP	CHESTER	SC	29706	N	8033771818
SADDLE PEAK LLC	4445 JEFFERSON DAVIS HWY	CLEARWATER	SC	29822	N	8035939566
MORNING STAR, LLC	206 S MAIN ST	CLOVER	SC	29710	N	8032229092
CAROLINA FOOD SYSTEMS, INC.	217 S MAIN ST	DARLINGTON	SC	29532	N	8433985049
BREWER FOODS, INC.	18255 HERITAGE HWY	DENMARK	SC	54615	N	8037933007
BREWER FOODS, INC.	301 N 2ND ST	DILLON	SC	29536	N	8437749581
R.L. JORDAN OIL COMPANY OF NC, INC.	3883 CROSS ANCHOR ROAD	ENOREE	SC	29335	N	8649697085
BREWER FOODS, INC.	6448 E OLD MARION HWY	FLORENCE	SC	29506	N	8436679116
CAROLINA FOOD SYSTEMS, INC.	1606 S IRBY ST	FLORENCE	SC	29505	N	8434139310
CAROLINA FOOD SYSTEMS, INC.	2302 W LUCAS ST	FLORENCE	SC	29501	N	8432929282
MORNING STAR, LLC	875 GOLD HILL RD	FORT MILL	SC	29708	N	8035480071
ARC BURGER, LLC	1311 CHURCH ST	GEORGETOWN	SC	29440	N	8435466413
ARC BURGER, LLC	201 N GOOSE CREEK BLVD	GOOSE CREEK	SC	29445	N	8435537780
SADDLE PEAK LLC	630 BYPASS 25 NE	GREENWOOD	SC	29646	N	8642233919
SADDLE PEAK LLC	102 COMMONS DR	GREENWOOD	SC	29649	N	8642233005
ARC BURGER, LLC	1005 ELM ST W	HAMPTON	SC	29924	N	8039434781
CAROLINA FOOD SYSTEMS, INC.	909 S FIFTH ST	HARTSVILLE	SC	29550	N	8433831901

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BREWER FOODS, INC.	301 S MAIN ST	HEMINGWAY	SC	29554	N	8435587070
BREWER FOODS, INC.	215 W MAIN ST	KINGSTREE	SC	29556	N	8433547720
BREWER FOODS, INC.	115 S RON MCNAIR BLVD	LAKE CITY	SC	29560	N	8433942219
MORNING STAR, LLC	297 LANCASTER BYP E	LANCASTER	SC	29720	N	8032860181
BREWER FOODS, INC.	226 S RICHARDSON ST.	LATTA	SC	29565	N	8434181262
BODDIE-NOELL ENTERPRISES, INC.	4206 E MAIN STREET	LORIS	SC	29569	N	8437561300
BREWER FOODS, INC.	102 SUNSET DRIVE	MANNING	SC	29102	N	8034358007
SADDLE PEAK LLC	101 S MINE ST	MC CORMICK	SC	29835	N	8644653602
ARC BURGER, LLC	422 N HIGHWAY 52	MONCKS CORNER	SC	29461	N	8439961435
BREWER FOODS, INC.	2680 E HIGHWAY 76	MULLINS	SC	29574	N	8434230550
SADDLE PEAK LLC	130 MAIN ST E	NINETY SIX	SC	29666	N	8645432484
SADDLE PEAK LLC	313 EDGEFIELD RD	NORTH AUGUSTA	SC	29841	N	8032791004
FRANCIECO., L.P.	2210 Highway 601N	PAGELAND	SC	29728	N	8435175002
BREWER FOODS, INC.	1450 RIBAUT RD	PORT ROYAL	SC	29935	N	8435229021
BREWER FOODS, INC.	6320 SAVANNAH HWY	RAVENEL	SC	29470	N	8438896897
MORNING STAR, LLC	188 S HERLONG AVE	ROCK HILL	SC	29732	N	8033664333
MORNING STAR, LLC	2165 MANA COURT	ROCK HILL	SC	29730	N	8033271950
ARC BURGER, LLC	6002 W JIM BILTON BLVD	SAINT GEORGE	SC	29477	Y	8435634156
CAROLINA FOOD SYSTEMS, INC.	401 S HARRY C RAYSOR DR	SAINT MATTHEWS	SC	29135	N	8036555549
ARC BURGER, LLC	10005 DORCHESTER RD	SUMMERVILLE	SC	29485	Y	8438735740
ARC BURGER, LLC	1402 N MAIN ST	SUMMERVILLE	SC	29483	N	8438716152
CAROLINA FOOD SYSTEMS, INC.	493 N GUIGNARD DR	SUMTER	SC	29150	N	8037757494
BREWER FOODS, INC.	105 N CHURCH ST	SWANSEA	SC	29160	N	8035680202
BREWER FOODS, INC.	315 EAST SMITH STREET	TIMMONSVILLE	SC	29161	N	8433465063
ARC BURGER, LLC	503 N JEFFERIES BLVD	WALTERBORO	SC	29488	N	8435492632
BREWER FOODS, INC.	12733 MAIN ST	WILLISTON	SC	29853	N	8032664567
FRANCIECO., L.P.	409 YEMASSEE HWY	YEMASSEE	SC	29945	N	8435893250

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MORNING STAR, LLC	1125 FILBERT HIGHWAY	YORK	SC	29745	N	8036202138
NORTHLAND RESTAURANT GROUP, LLC	2504 FIFTH AVE	BELLE FOURCHE	SD	57717	N	6058926170
FRANCIECO., L.P.	679 REAGAN AVE	BOX ELDER	SD	57719	N	6059234306
SUPERIOR STAR, LLC	1201 E HIGHWAY 12	MILBANK	SD	57252	N	6054324916
NORTHLAND RESTAURANT GROUP, LLC	305 W SIOUX AVE	PIERRE	SD	57501	N	6052240420
NORTHLAND RESTAURANT GROUP, LLC	2250 N HAINES AVE	RAPID CITY	SD	57701	N	6053413056
NORTHLAND RESTAURANT GROUP, LLC	604 5TH ST	RAPID CITY	SD	57701	N	6053485692
NORTHLAND RESTAURANT GROUP, LLC	1204 E. NORTH STREET	RAPID CITY	SD	57701	N	6053426864
NORTHLAND RESTAURANT GROUP, LLC	4801 W 12TH ST	SIOUX FALLS	SD	57106	N	6053393982
NORTHLAND RESTAURANT GROUP, LLC	2900 S MINNESOTA AVE	SIOUX FALLS	SD	57105	N	6053343660
PARADIGM INVESTMENT GROUP, LLC	26094 MAIN ST	ARDMORE	TN	38449	N	9314276869
DBJ ENTERPRISES INC.	1219 CONGRESS PKWY S	ATHENS	TN	37303	N	4237455014
DBJ ENTERPRISES INC.	104 S WHITE ST	ATHENS	TN	37303	N	4237455927
RIVER VALLEY RESTAURANTS, LLC	3283 HWY 126	BLOUNTVILLE	TN	37617	N	4232122721
RIVER VALLEY RESTAURANTS, LLC	1313 VOLUNTEER PARKWAY	BRISTOL	TN	37620	N	4239689265
DBJ ENTERPRISES INC.	1651 LAUDERDALE MEMORIAL HWY	CHARLESTON	TN	37310	N	4233363702
DBJ ENTERPRISES INC.	220 BROWNS FERRY RD	CHATTANOOGA	TN	37419	N	4238210522
DBJ ENTERPRISES INC.	4007 MCCAHILL ROAD	CHATTANOOGA	TN	37415	N	4238705651
DBJ ENTERPRISES INC.	4831 HWY 58	CHATTANOOGA	TN	37416	N	4238944317
DBJ ENTERPRISES INC.	6305 RINGGOLD ROAD	CHATTANOOGA	TN	37412	N	4238942307
DBJ ENTERPRISES INC.	110 BERNHAM DR N W	CLEVELAND	TN	37312	N	4234792254

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DBJ ENTERPRISES INC.	2005 SPRING PLACE ROAD	CLEVELAND	TN	37323	N	4234762261
DBJ ENTERPRISES INC.	2410 BLUE SPRINGS RD SE	CLEVELAND	TN	37311	N	4234726946
DBJ ENTERPRISES INC.	1651 25TH STREET NW	CLEVELAND	TN	37311	N	4234720581
RIVER VALLEY RESTAURANTS, LLC	4256 FORT HENRY DRIVE	COLONIAL HEIGHTS	TN	37663	Y	4232397727
111 QSR FOODS PARTNERS LLC	1750 SALEM RD	COOKEVILLE	TN	38506	N	9315598240
DBJ ENTERPRISES INC.	5088 HIGHWAY 64	COPPERHILL	TN	37317	N	4234963899
DBJ ENTERPRISES INC.	7474 RHEA COUNTY HWY	DAYTON	TN	37321	N	4237759126
DBJ ENTERPRISES INC.	17659 STATE HIGHWAY 58 N	DECATUR	TN	37322	N	4233341345
DBJ ENTERPRISES INC.	17068 RANKIN AVENUE	DUNLAP	TN	37327	N	4239494433
RIVER VALLEY RESTAURANTS, LLC	107 E BROAD ST	ELIZABETHTON	TN	37643	N	4235424271
RIVER VALLEY RESTAURANTS, LLC	NORTH MAIN ST RT 1 BOX 1237	ERWIN	TN	37650	N	4237435050
DBJ ENTERPRISES INC.	859 HIGHWAY 411 NORTH	ETOWAH	TN	37331	N	4232631979
PARADIGM INVESTMENT GROUP, LLC	1116 HUNTSVILLE HWY	FAYETTEVILLE	TN	37334	N	9314334752
RIVER VALLEY RESTAURANTS, LLC	711 ASHEVILLE HIGHWAY	GREENEVILLE	TN	37743	Y	4236361730
RIVER VALLEY RESTAURANTS, LLC	2676 E ANDREW JOHNSON HWY	GREENEVILLE	TN	37745	N	4236397980
HIA, INC.	6680 CUMBERLAND GAP PKWY	HARROGATE	TN	37752	N	4238695142
FRANCIECO., L.P.	1165 AEDC ROAD	HILLSBORO	TN	37342	N	9312536001
SADDLE PEAK LLC	348 E MAIN ST	HOHENWALD	TN	38462	N	9317962154
FRANCIECO., L.P.	2050 HIGHWAY 70 EAST	JACKSON	TN	38305	N	7314220901
DBJ ENTERPRISES INC.	1210 HWY 28	JASPER	TN	37347	N	4239426021
RIVER VALLEY RESTAURANTS, LLC	2702 NORTH ROAN STREET	JOHNSON CITY	TN	37601	Y	4232828126
RIVER VALLEY RESTAURANTS, LLC	2102 WEST MARKET ST	JOHNSON CITY	TN	37604	Y	4239297667
RIVER VALLEY RESTAURANTS, LLC	4707 N ROAN ST	JOHNSON CITY	TN	37615	N	4232327358

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RIVER VALLEY RESTAURANTS, LLC	395 EAST JACKSON BLVD	JONESBOROUGH	TN	37659	N	4237534501
RIVER VALLEY RESTAURANTS, LLC	1405 E STONE DR	KINGSPORT	TN	37660	N	4233784249
RIVER VALLEY RESTAURANTS, LLC	1401 JOHN B DENNIS PKWAY	KINGSPORT	TN	37660	N	4232455669
HARCO FOODS, LLC	4315 RUTLEDGE PIKE	KNOXVILLE	TN	37914	N	8659097737
DBJ ENTERPRISES INC.	541 HWY 321 N	LENOIR CITY	TN	37771	N	8659867747
DBJ ENTERPRISES INC.	4750 NEW HIGHWAY 68	MADISONVILLE	TN	37354	N	4234425814
HARCO FOODS, LLC	2105 E BROADWAY	MARYVILLE	TN	37804	N	8659826937
HARCO FOODS, LLC	1516 E LAMAR ALEXANDER PKWY	MARYVILLE	TN	37804	N	8656817730
HARCO FOODS, LLC	2601 US HIGHWAY 411 S	MARYVILLE	TN	37801	N	8656814505
HARCO FOODS, LLC	1575 Robert C Jackson Dr	MARYVILLE	TN	37801	N	8653245090
HIA, INC.	2825 MAYNARDVILLE HWY	MAYNARDVILLE	TN	37807	N	8659928811
SADDLE PEAK LLC	4628 SUMMER AVE	MEMPHIS	TN	38122	N	9014981950
SADDLE PEAK LLC	2005 WHITTEN ROAD	MEMPHIS	TN	38133	N	9013080115
SADDLE PEAK LLC	8523 N US HWY 51	MILLINGTON	TN	38053	N	9015865641
DBJ ENTERPRISES INC.	716 PARKER ST	MONTEAGLE	TN	37356	N	9319242175
RIVER VALLEY RESTAURANTS, LLC	530 W MAIN STREET	MOUNT CARMEL	TN	37645	N	4233578405
FRANCIECO., L.P.	150 COUCHVILLE INDUSTRIAL PIKE	MOUNT JULIET	TN	37122	N	6155833461
MOUNTAIN STAR LLC	141 PIONEER VILLAGE DR	MOUNTAIN CITY	TN	37683	N	4237279977
DBJ ENTERPRISES INC.	4083 HIGHWAY 411	OCOEE	TN	37361	N	4233384083
DBJ ENTERPRISES INC.	9201 LEE HIGHWAY	OOLTEWAH	TN	37363	N	4232385499
SUPERIOR STAR, LLC	1005 MINERAL WELLS AVE	PARIS	TN	38242	N	7316424220
SADDLE PEAK LLC	148 TENNESSEE AVE NORTH	PARSONS	TN	38363	Y	7318472424
RIVER VALLEY RESTAURANTS, LLC	5680 HWY 11 EAST	PINEY FLATS	TN	37686	N	4235384845

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RIVER VALLEY RESTAURANTS, LLC	198 PARK BLVD	ROGERSVILLE	TN	37857	Y	4232725763
HIA, INC.	7685 RUTLEDGE PIKE	RUTLEDGE	TN	37861	Y	8658288424
SADDLE PEAK LLC	180 MAIN STREET	SAVANNAH	TN	38372	N	7319256106
SADDLE PEAK LLC	619 MULBERRY AVE	SELMER	TN	38375	N	7316455342
HIA, INC.	HIGHWAY 33 & HARRISON ST	SNEEDVILLE	TN	37869	N	4237334538
DBJ ENTERPRISES INC.	9398 RECO DR	SODDY DAISY	TN	37379	N	4233344494
DBJ ENTERPRISES INC.	177 FRONT STREET	SPRING CITY	TN	37381	N	4233656834
DBJ ENTERPRISES INC.	730 NEW HWY 68	SWEETWATER	TN	37874	N	4233375883
HIA, INC.	US HIGHWAY 33 & IRISH CEMETARY ROAD	TAZEWELL	TN	37879	N	4236267208
DBJ ENTERPRISES INC.	127 BANK ST	TELLICO PLAINS	TN	37385	N	4232533350
SUPERIOR STAR, LLC	2060 US 45 BYPASS SOUTH	TRENTON	TN	38382	N	7318552383
SUPERIOR STAR, LLC	1200 W REELFOOT AVE	UNION CITY	TN	38261	N	7318852898
DBJ ENTERPRISES INC.	1001 HIGHWAY 411	VONORE	TN	37885	N	4238842260
DBJ ENTERPRISES INC.	12075 VALLEY VIEW HWY	WHITWELL	TN	37397	N	4236582561
RIVER VALLEY RESTAURANTS, LLC	602 CUMMINGS ST.	ABINGDON	VA	24210	Y	2766288511
BODDIE-NOELL ENTERPRISES, INC.	1022 MAIN ST	ALTAVISTA	VA	24517	N	4343695323
BODDIE-NOELL ENTERPRISES, INC.	10151 SUPERIOR WAY	AMELIA COURT HOUSE	VA	23002	N	5045612489
BODDIE-NOELL ENTERPRISES, INC.	114 AMBRIAR PLAZA	AMHERST	VA	24521	N	4349469615
BRYANNA ENTERPRISES, LLC	7551 RICHMOND HWY	APPOMATTOX	VA	24522	N	4343527212
BODDIE-NOELL ENTERPRISES, INC.	106 N WASHINGTON HWY	ASHLAND	VA	23005	N	8047989016
BODDIE-NOELL ENTERPRISES, INC.	915 US 460 HWY	BEDFORD	VA	24523	N	5402964059
BODDIE-NOELL ENTERPRISES, INC.	711 WOOD AVE E	BIG STONE GAP	VA	24219	N	2765234704

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
BODDIE-NOELL ENTERPRISES, INC.	101 NORTH MAIN STREET	BLACKSTONE	VA	23824	N	4342924948
BODDIE-NOELL ENTERPRISES, INC.	701 S COLLEGE AVE	BLUEFIELD	VA	24605	N	2763224009
RIVER VALLEY RESTAURANTS, LLC	1950 LEE HWY	BRISTOL	VA	24201	N	2764662711
RIVER VALLEY RESTAURANTS, LLC	1860 EUCLID AVE	BRISTOL	VA	24201	Y	2764662041
BODDIE-NOELL ENTERPRISES, INC.	2801 BEECH AVENUE	BUENA VISTA	VA	24416	N	5402613353
BODDIE-NOELL ENTERPRISES, INC.	22031 LANKFORD HIGHWAY	CAPE CHARLES	VA	23310	N	7573314029
BODDIE-NOELL ENTERPRISES, INC.	131 CEDAR HILL LANE	CEDAR BLUFF	VA	24609	N	2765963331
BODDIE-NOELL ENTERPRISES, INC.	230 EAST SECOND STREET	CHASE CITY	VA	23924	N	4343722009
BODDIE-NOELL ENTERPRISES, INC.	13689 US HIGHWAY 29	CHATHAM	VA	24531	N	4344322707
BODDIE-NOELL ENTERPRISES, INC.	864 N. GEORGE WASHINGTON HWY	CHESAPEAKE	VA	23323	N	7574855025
BODDIE-NOELL ENTERPRISES, INC.	1433 GEORGE WASHINGTON	CHESAPEAKE	VA	23323	N	7574879392
BODDIE-NOELL ENTERPRISES, INC.	1506 MOUNT PLEASANT ROAD	CHESAPEAKE	VA	23322	N	7574827624
BODDIE-NOELL ENTERPRISES, INC.	1240 CEDAR ROAD	CHESAPEAKE	VA	23322	N	7574363037
BODDIE-NOELL ENTERPRISES, INC.	4006 BAINBRIDGE BLVD	CHESAPEAKE	VA	23324	N	7575451702
BODDIE-NOELL ENTERPRISES, INC.	1029 BATTLEFIELD BLVD NORTH	CHESAPEAKE	VA	23320	N	7575478230
BODDIE-NOELL ENTERPRISES, INC.	109 S GEORGE WASHINGTON	CHESAPEAKE	VA	23323	N	7574859663
BODDIE-NOELL ENTERPRISES, INC.	1901 WEST HUNDRED ROAD	CHESTER	VA	23836	N	8047484892
BODDIE-NOELL ENTERPRISES, INC.	506 WHITETOP RD	CHILHOWIE	VA	24319	N	2766463492

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
BODDIE-NOELL ENTERPRISES, INC.	2347 ROANOKE STREET	CHRISTIANSBURG	VA	24073	N	5403825954
BODDIE-NOELL ENTERPRISES, INC.	103 ROANOKE ST	CHRISTIANSBURG	VA	24073	N	5403826536
BODDIE-NOELL ENTERPRISES, INC.	2880 MARKET STREET	CHRISTIANSBURG	VA	24073	N	5403827680
BODDIE-NOELL ENTERPRISES, INC.	916 VIRGINIA AVE	CLARKSVILLE	VA	23927	N	4343742391
BODDIE-NOELL ENTERPRISES, INC.	502 W RIDGEWAY ST	CLIFTON FORGE	VA	24422	N	5408622621
BODDIE-NOELL ENTERPRISES, INC.	5012 DICKENSON HWY	CLINTWOOD	VA	24228	N	2769268934
BODDIE-NOELL ENTERPRISES, INC.	HIGHWAY 58 A	COEBURN	VA	24230	N	2763955441
BODDIE-NOELL ENTERPRISES, INC.	2927 VIRGINIA AVE	COLLINSVILLE	VA	24078	N	2766478585
BODDIE-NOELL ENTERPRISES, INC.	1850 BOULEVARD	COLONIAL HEIGHTS	VA	23834	N	8045269118
BODDIE-NOELL ENTERPRISES, INC.	801 TEMPLE AVENUE	COLONIAL HEIGHTS	VA	23834	N	8045261451
BAY FOODS, INC.	28384 SOUTHAMPTON PKWY	COURTLAND	VA	23837	N	7576532004
BODDIE-NOELL ENTERPRISES, INC.	1122 S ALLEGHANY AVENUE	COVINGTON	VA	24426	N	5409629257
BODDIE-NOELL ENTERPRISES, INC.	200 EAST VIRGINIA AVE	CREWE	VA	23930	N	4346459937
BODDIE-NOELL ENTERPRISES, INC.	1192 PINEY FOREST ROAD	DANVILLE	VA	24540	N	4348362139
BODDIE-NOELL ENTERPRISES, INC.	1298 S BOSTON RD	DANVILLE	VA	24540	N	4347930705
BODDIE-NOELL ENTERPRISES, INC.	3135 RIVERSIDE DR	DANVILLE	VA	24541	N	4347995581
BODDIE-NOELL ENTERPRISES, INC.	1314 W MAIN ST	DANVILLE	VA	24541	N	4347974930
BODDIE-NOELL ENTERPRISES, INC.	9300 FOUNTAIN DR	DISPUTANTA	VA	23842	N	8047321002

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BODDIE-NOELL ENTERPRISES, INC.	208 COLLEGE AVENUE	DUBLIN	VA	24084	N	5406740074
BODDIE-NOELL ENTERPRISES, INC.	711 DUFF-PATT ROAD	DUFFIELD	VA	24244	N	2764314433
BODDIE-NOELL ENTERPRISES, INC.	101 MARKET STREET EMPORIA	EMPORIA	VA	23847	N	4346344988
BODDIE-NOELL ENTERPRISES, INC.	4151 LANKFORD HWY	EXMORE	VA	23350	N	7574422536
BODDIE-NOELL ENTERPRISES, INC.	567 WARRENTON ROAD	FALMOUTH	VA	22406	N	5408993117
BODDIE-NOELL ENTERPRISES, INC.	1521 SOUTH MAIN STREET	FARMVILLE	VA	23901	N	4343913422
BODDIE-NOELL ENTERPRISES, INC.	402 W MAIN ST	FLOYD	VA	24091	N	5407452171
BODDIE-NOELL ENTERPRISES, INC.	17051 FOREST ROAD	FOREST	VA	24551	N	4346162437
BODDIE-NOELL ENTERPRISES, INC.	105 MECHANIC ST NORTH	FRANKLIN	VA	23851	N	7575622740
BODDIE-NOELL ENTERPRISES, INC.	10706 Patriot Highway	FREDERICKSBURG	VA	22408	N	5408981236
BODDIE-NOELL ENTERPRISES, INC.	11825 TIDEWATER TRAIL	FREDERICKSBURG	VA	22408	N	5403741358
BODDIE-NOELL ENTERPRISES, INC.	425 MAIN ST	GALAX	VA	24333	N	2762362161
BODDIE-NOELL ENTERPRISES, INC.	157 KANE ST	GATE CITY	VA	24251	N	2763866798
BODDIE-NOELL ENTERPRISES, INC.	7007 GEORGE WASHINGTON MEM HWY	GLOUCESTER	VA	23061	N	8046930363
BODDIE-NOELL ENTERPRISES, INC.	1945 SANDY HOOK RD	GOOCHLAND	VA	23063	N	8045566741
BODDIE-NOELL ENTERPRISES, INC.	110 W GORDON AVENUE	GORDONSVILLE	VA	22942	N	5408327665
BODDIE-NOELL ENTERPRISES, INC.	5408 GEORGE WASHINGTON HY	GRAFTON	VA	23692	N	7578980970
BODDIE-NOELL ENTERPRISES, INC.	410 SOUTH MAIN STREET	HALIFAX	VA	24558	N	4344761380

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BODDIE-NOELL ENTERPRISES, INC.	8104 NEW MARKET DR	HAMPTON	VA	23605	N	7578267678
BODDIE-NOELL ENTERPRISES, INC.	63 EAST MERCURY BLVD	HAMPTON	VA	23669	N	7577235567
BODDIE-NOELL ENTERPRISES, INC.	306 ABERDEEN RD	HAMPTON	VA	23661	N	7578262068
BODDIE-NOELL ENTERPRISES, INC.	785 MARTIN LUTHER KING WAY	HARRISONBURY	VA	22801	N	5404338224
BODDIE-NOELL ENTERPRISES, INC.	2398 GEORGE WASHINGTON MEM HWY	HAYES	VA	23072	N	8046423950
BODDIE-NOELL ENTERPRISES, INC.	1120 E NINE MILE ROAD	HIGHLAND SPRINGS	VA	23075	N	8047371064
BODDIE-NOELL ENTERPRISES, INC.	115 N MAIN ST	HILLSVILLE	VA	24343	N	2767284668
BODDIE-NOELL ENTERPRISES, INC.	310 WEST RANDOLPH ROAD	HOPEWELL	VA	23860	N	8044580184
BODDIE-NOELL ENTERPRISES, INC.	2915 OAK LAWN	HOPEWELL	VA	23860	N	8044580360
BODDIE-NOELL ENTERPRISES, INC.	501 SOUTH HICKS STREET	LAWRENCEVILLE	VA	23868	N	4348482595
BODDIE-NOELL ENTERPRISES, INC.	1273 EAST MAIN STREET	LEBANON	VA	24266	N	2768893300
BODDIE-NOELL ENTERPRISES, INC.	76 E. MIDLAND TRAIL	LEXINGTON	VA	24450	N	5404635003
BODDIE-NOELL ENTERPRISES, INC.	413 EAST MAIN	LOUISA	VA	23093	N	5409679592
BODDIE-NOELL ENTERPRISES, INC.	607 EAST MAIN STREET	LURAY	VA	22835	N	5407431500
BODDIE-NOELL ENTERPRISES, INC.	20265 TIMBERLAKE RD	LYNCHBURG	VA	24502	N	4342372792
BODDIE-NOELL ENTERPRISES, INC.	2231 LANGHORNE RD	LYNCHBURG	VA	24501	N	4345280007
BODDIE-NOELL ENTERPRISES, INC.	3750 CANDLERS MOUNTAIN RD	LYNCHBURG	VA	24502	N	4348467707
BODDIE-NOELL ENTERPRISES, INC.	161 LAKEVIEW DR	MADISON HEIGHTS	VA	24572	N	4348463212

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BODDIE-NOELL ENTERPRISES, INC.	347 N MAIN ST	MARION	VA	24354	N	2767836441
BODDIE-NOELL ENTERPRISES, INC.	901 E CHURCH ST	MARTINSVILLE	VA	24112	N	5406381614
BODDIE-NOELL ENTERPRISES, INC.	547 MEMORIAL BLVD S	MARTINSVILLE	VA	24112	N	2766387056
BODDIE-NOELL ENTERPRISES, INC.	27 MAIN ST	MATHEWS	VA	23109	N	8047257468
BODDIE-NOELL ENTERPRISES, INC.	13736 HULL STREET ROAD	MIDLOTHIAN	VA	23112	N	8047399427
BODDIE-NOELL ENTERPRISES, INC.	10210 HULL STREET ROAD	MIDLOTHIAN	VA	23112	N	8047454433
BODDIE-NOELL ENTERPRISES, INC.	14655 MONETA RD	MONETA	VA	24121	N	5402547610
BODDIE-NOELL ENTERPRISES, INC.	5298 MAIN ST.	MOUNT JACKSON	VA	22842	N	5404779211
BODDIE-NOELL ENTERPRISES, INC.	11017 JEFFERSON AVENUE	NEWPORT NEWS	VA	23601	N	7575994454
BODDIE-NOELL ENTERPRISES, INC.	430 DENBIGH BLVD	NEWPORT NEWS	VA	23608	N	7578751737
BODDIE-NOELL ENTERPRISES, INC.	11014 WARWICK BLVD	NEWPORT NEWS	VA	23601	N	7575991966
BODDIE-NOELL ENTERPRISES, INC.	13165 JEFFERSON AVE	NEWPORT NEWS	VA	23608	N	7579898905
BODDIE-NOELL ENTERPRISES, INC.	7480 TIDEWATER DRIVE	NORFOLK	VA	23505	N	7575839004
BODDIE-NOELL ENTERPRISES, INC.	8405 HAMPTON BLVD	NORFOLK	VA	23505	N	7574511924
BODDIE-NOELL ENTERPRISES, INC.	2301 E LITTLE CREEK RD	NORFOLK	VA	23518	N	7575834277
BODDIE-NOELL ENTERPRISES, INC.	505 WEST 21ST STREET	NORFOLK	VA	23517	N	7576253003
BODDIE-NOELL ENTERPRISES, INC.	3908 PRINCESS ANNE ROAD	NORFOLK	VA	23502	N	7578535834
BODDIE-NOELL ENTERPRISES, INC.	377 CAMPOSTELLA ROAD	NORFOLK	VA	23523	N	7575439189

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BODDIE-NOELL ENTERPRISES, INC.	5859 E VIRGINIA BEACH BLVD	NORFOLK	VA	23502	N	7574611628
BODDIE-NOELL ENTERPRISES, INC.	475 WHARTON LN NE	NORTON	VA	24273	N	2766797347
BODDIE-NOELL ENTERPRISES, INC.	25048 LANKFORD HWY	ONLEY	VA	23418	N	7577878947
BODDIE-NOELL ENTERPRISES, INC.	194 MADISON RD	ORANGE	VA	22960	N	5406722466
BODDIE-NOELL ENTERPRISES, INC.	528 N MAIN STREET	PEARISBURG	VA	24134	N	5409212503
BODDIE-NOELL ENTERPRISES, INC.	712 E MORGAN AVE	PENNINGTON GAP	VA	24277	N	2765465269
BODDIE-NOELL ENTERPRISES, INC.	1865 S CRATER RD	PETERSBURG	VA	23805	N	8048616315
BODDIE-NOELL ENTERPRISES, INC.	5412 BOYDTON PLANK ROAD	PETERSBURG	VA	23803	N	8048615109
BODDIE-NOELL ENTERPRISES, INC.	5900 W HIGH STREET	PORTSMOUTH	VA	23703	N	7574846424
BODDIE-NOELL ENTERPRISES, INC.	850 LONDON BLVD	PORTSMOUTH	VA	23704	N	7573995281
BODDIE-NOELL ENTERPRISES, INC.	5705 PORTSMOUTH BLVD	PORTSMOUTH	VA	23701	N	7574880548
BODDIE-NOELL ENTERPRISES, INC.	1032 MAIN STREET	PULASKI	VA	24301	N	5409801101
BODDIE-NOELL ENTERPRISES, INC.	7353 LEE HIGHWAY	RADFORD	VA	24141	N	5406330917
BODDIE-NOELL ENTERPRISES, INC.	SECOND ST	RICHLANDS	VA	24641	N	2769630150
BODDIE-NOELL ENTERPRISES, INC.	4801 JEFFERSON DAVIS HWY	RICHMOND	VA	23234	N	8042710207
BODDIE-NOELL ENTERPRISES, INC.	7917 MIDLOTHIAN TURNPIKE	RICHMOND	VA	23235	N	8043200303
BODDIE-NOELL ENTERPRISES, INC.	6302 LAKESIDE AVENUE	RICHMOND	VA	23228	N	8042625164
BODDIE-NOELL ENTERPRISES, INC.	4841 LABURNUM AVE	RICHMOND	VA	23231	N	8042221444

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
BODDIE-NOELL ENTERPRISES, INC.	3815 MECHANICSVILLE PIKE	RICHMOND	VA	23223	N	8043295478
BODDIE-NOELL ENTERPRISES, INC.	11121 MIDLOTHIAN TURNPIKE	RICHMOND	VA	23235	N	8047941490
BODDIE-NOELL ENTERPRISES, INC.	3201 E. PARHAM ROAD	RICHMOND	VA	23228	N	8042669590
BODDIE-NOELL ENTERPRISES, INC.	4800 GREENSBORO RD	RIDGEWAY	VA	24148	N	2769568244
BODDIE-NOELL ENTERPRISES, INC.	3401 PLANTATION ROAD NE	ROANOKE	VA	24012	N	5405630992
BODDIE-NOELL ENTERPRISES, INC.	3729 BRAMBLETON AVE SW	ROANOKE	VA	24018	N	5409895533
BODDIE-NOELL ENTERPRISES, INC.	605 9TH STREET SE	ROANOKE	VA	24013	N	5409810103
BODDIE-NOELL ENTERPRISES, INC.	2301 ORANGE AVENUE NE	ROANOKE	VA	24012	N	5409811973
BODDIE-NOELL ENTERPRISES, INC.	3011 HERSHBERGER ROAD	ROANOKE	VA	24017	N	5403628606
BODDIE-NOELL ENTERPRISES, INC.	4060 ELECTRIC ROAD	ROANOKE	VA	24018	N	5409898214
BODDIE-NOELL ENTERPRISES, INC.	4201 WILLIAMSON ROAD NW	ROANOKE	VA	24012	N	5403667366
BODDIE-NOELL ENTERPRISES, INC.	2398 PETERS CREEK RD NW	ROANOKE	VA	24017	N	5405621707
BODDIE-NOELL ENTERPRISES, INC.	889 VILLAGE HWY	RUSTBURG	VA	24588	N	4343323800
BODDIE-NOELL ENTERPRISES, INC.	16403 WISE ST	SAINT PAUL	VA	24283	N	2767625488
BODDIE-NOELL ENTERPRISES, INC.	2038 W. MAIN ST	SALEM	VA	24153	N	5403870342
BODDIE-NOELL ENTERPRISES, INC.	1557 E. MAIN STREET	SALEM	VA	24153	N	5409863006
BODDIE-NOELL ENTERPRISES, INC.	1255 ELECTRIC ROAD	SALEM	VA	24153	N	5403896459
BODDIE-NOELL ENTERPRISES, INC.	199 GLOUCESTER ROAD	SALUDA	VA	23149	N	8047584931

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BODDIE-NOELL ENTERPRISES, INC.	1909 S CHURCH ST	SMITHFIELD	VA	23430	N	7573573910
BODDIE-NOELL ENTERPRISES, INC.	1117 WILBORN AVE	SOUTH BOSTON	VA	24592	N	4345724042
BODDIE-NOELL ENTERPRISES, INC.	1010 BILL TUCK HIGHWAY BOX 6B	SOUTH BOSTON	VA	24592	N	4345721266
BODDIE-NOELL ENTERPRISES, INC.	903 EAST ATLANTIC STREET	SOUTH HILL	VA	23970	N	4344474898
BODDIE-NOELL ENTERPRISES, INC.	9811 COURTHOUSE RD	SPOTSYLVANIA	VA	22553	N	5408982683
BODDIE-NOELL ENTERPRISES, INC.	20 PROSPERITY RD	STAFFORD	VA	22556	N	5407206221
BODDIE-NOELL ENTERPRISES, INC.	933 FAIRYSTONE PARK HWY	STANLEYTOWN	VA	24168	N	2766291122
BODDIE-NOELL ENTERPRISES, INC.	241 N CENTRAL AVENUE	STAUNTON	VA	24401	N	5408855767
BRYANNA ENTERPRISES, LLC	314 S MAIN ST	STUART	VA	24171	N	2766943501
BODDIE-NOELL ENTERPRISES, INC.	2578 STUARTS DRAFT HWY	STUARTS DRAFT	VA	24477	N	5403373234
BODDIE-NOELL ENTERPRISES, INC.	843 WEST CONSTANCE ROAD	SUFFOLK	VA	23434	N	7575390484
BODDIE-NOELL ENTERPRISES, INC.	2301 PRUDEN BLVD	SUFFOLK	VA	23434	N	7579347641
BODDIE-NOELL ENTERPRISES, INC.	1508 HOLLAND RD	SUFFOLK	VA	23434	N	7575391151
BODDIE-NOELL ENTERPRISES, INC.	2136 FINCASTLE TURNPIKE	TAZEWELL	VA	24651	N	2769889500
BODDIE-NOELL ENTERPRISES, INC.	14078 TIMBERWAY	TIMBERVILLE	VA	22853	N	5408963446
BODDIE-NOELL ENTERPRISES, INC.	2860 LEE HIGHWAY SOUTH	TROUTVILLE	VA	24175	N	5409925640
BODDIE-NOELL ENTERPRISES, INC.	277 LAUREL HILL	VERONA	VA	24482	N	5402484031
BODDIE-NOELL ENTERPRISES, INC.	1494 GENERAL BOOTH BLVD	VIRGINIA BEACH	VA	23454	N	7577217723

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
BODDIE-NOELL ENTERPRISES, INC.	2188 GREAT NECK SQUARE	VIRGINIA BEACH	VA	23454	N	7574817008
BODDIE-NOELL ENTERPRISES, INC.	1951 LYNNHAVEN PARKWAY	VIRGINIA BEACH	VA	23453	N	7574712068
BODDIE-NOELL ENTERPRISES, INC.	6075 INDIAN RIVER RD	VIRGINIA BEACH	VA	23464	N	7574242123
BODDIE-NOELL ENTERPRISES, INC.	701 INDEPENDENCE BLVD	VIRGINIA BEACH	VA	23455	N	7574970894
BODDIE-NOELL ENTERPRISES, INC.	2248 VIRGINIA BEACH BLVD	VIRGINIA BEACH	VA	23454	N	7574865122
BODDIE-NOELL ENTERPRISES, INC.	1201 BAKER ROAD	VIRGINIA BEACH	VA	23455	N	7574603317
BODDIE-NOELL ENTERPRISES, INC.	4261 HOLLAND RD	VIRGINIA BEACH	VA	23452	N	7574959657
BODDIE-NOELL ENTERPRISES, INC.	305 DORSET AVENUE	VIRGINIA BEACH	VA	23462	N	7574970339
BODDIE-NOELL ENTERPRISES, INC.	3342 VIRGINIA BEACH BLVD	VIRGINIA BEACH	VA	23452	N	7574867941
BODDIE-NOELL ENTERPRISES, INC.	3252 HOLLAND ROAD	VIRGINIA BEACH	VA	23453	N	7573680302
BODDIE-NOELL ENTERPRISES, INC.	4733 RICHMOND ROAD	WARSAW	VA	22572	N	8043335066
BODDIE-NOELL ENTERPRISES, INC.	239 SOUTH COUNTY DRIVE	WAVERLY	VA	23890	N	8048349848
BODDIE-NOELL ENTERPRISES, INC.	1416 W MAIN ST	WAYNESBORO	VA	22980	N	5409429798
BODDIE-NOELL ENTERPRISES, INC.	323 14TH ST	WEST POINT	VA	23181	N	8048434274
BODDIE-NOELL ENTERPRISES, INC.	6450 RICHMOND PLAZA	WILLIAMSBURG	VA	23188	N	7575650464
BODDIE-NOELL ENTERPRISES, INC.	538 2ND ST	WILLIAMSBURG	VA	23185	N	7572295973
BODDIE-NOELL ENTERPRISES, INC.	403 WEST MAIN STREET	WISE	VA	24293	N	2763282036
BODDIE-NOELL ENTERPRISES, INC.	1015 E MAIN ST	WYTHEVILLE	VA	24382	N	2762287292

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BODDIE-NOELL ENTERPRISES, INC.	5001 VICTORY BLVD	YORKTOWN	VA	23693	N	7579881715
MOUNTAIN STAR LLC	901 BLUEFIELD AVE	BLUEFIELD	WV	24701	N	3043279382
RIVER VALLEY RESTAURANTS, LLC	208 S. KANAWHA STREET	BUCKHANNON	WV	26201	N	3044721019
RIVER VALLEY RESTAURANTS, LLC	1506 BIGLEY AVE	CHARLESTON	WV	25302	N	3043422898
RIVER VALLEY RESTAURANTS, LLC	4400 PENNSYLVANIA AVENUE	CHARLESTON	WV	25302	Y	3049657029
RIVER VALLEY RESTAURANTS, LLC	722 E MAIN ST	CLARKSBURG	WV	26301	Y	3046233740
RIVER VALLEY RESTAURANTS, LLC	27 RANDOLPH AVENUE	ELKINS	WV	26241	Y	3046367127
RIVER VALLEY RESTAURANTS, LLC	2649 WHITE HALL BLVD	FAIRMONT	WV	26554	Y	3043667582
MOUNTAIN STAR LLC	1701 WASHINGTON AVE	HUNTINGTON	WV	25704	N	3044294191
RIVER VALLEY RESTAURANTS, LLC	405 MAIN ST	KINGWOOD	WV	26537	Y	3043291420
RIVER VALLEY RESTAURANTS, LLC	2029 N JEFFERSON ST	LEWISBURG	WV	24901	Y	3046453826
MOUNTAIN STAR LLC	122 HUFF CREEK HWY	MAN	WV	25635	N	3045836655
RIVER VALLEY RESTAURANTS, LLC	1600 EARL L CORE RD	MORGANTOWN	WV	26505	N	3042969012
RIVER VALLEY RESTAURANTS, LLC	2309 PIKE STREET	PARKERSBURG	WV	26101	N	3044222455
RIVER VALLEY RESTAURANTS, LLC	1440 7TH STREET	PARKERSBURG	WV	26101	Y	3044287980
RIVER VALLEY RESTAURANTS, LLC	4327 EMERSON AVE.	PARKERSBURG	WV	26104	Y	3044228280
RIVER VALLEY RESTAURANTS, LLC	130 SOUTH MAIN STREET	PHILIPPI	WV	26416	N	3044574766
MOUNTAIN STAR LLC	170 MEADOWFIELD LN	PRINCETON	WV	24740	N	3044253886
MOUNTAIN STAR LLC	1306 STAFFORD DR	PRINCETON	WV	24740	N	3044257048
MOUNTAIN STAR LLC	889 ROBERT C BYRD DR	SOPHIA	WV	25921	N	3046839622

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
RIVER VALLEY RESTAURANTS, LLC	612 MAC CORKLE AVE	SOUTH CHARLESTON	WV	25303	Y	3047444702
RIVER VALLEY RESTAURANTS, LLC	1401 WEBSTER ROAD	SUMMERSVILLE	WV	26651	N	3048725749
RIVER VALLEY RESTAURANTS, LLC	598 US HIGHWAY 33E	WESTON	WV	26452	N	3042697392
RIVER VALLEY RESTAURANTS, LLC	164 POCHAHONTAS TRAIL	WHITE SULPHUR SPRING	WV	24986	Y	3045363243
ARC BURGER, LLC	104 E HART ST	BUFFALO	WY	82834	N	3076847971
ARC BURGER, LLC	207 S MILLER	GILLETTE	WY	82716	N	3076871620
DORO, INC.	3401 N BALLARD RD	APPLETON	WI	54911	N	9207392844
DORO, INC.	2106 55TH AVE	BALDWIN	WI	54002	N	7156844740
DORO, INC.	605 N. WATER ST.	BLACK RIVER FALLS	WI	54615	N	7152847191
DORO, INC.	2070 19TH AVE	BLOOMER	WI	54724	N	7155682450
DORO, INC.	2933 WESTERN AVE	EAU CLAIRE	WI	54703	N	7158366814
DORO, INC.	2910 GOLF ROAD	EAU CLAIRE	WI	54701	N	7158367490
FRANCIECO., L.P.	100 E. COMMERCE CT	ELKHORN	WI	53121	N	2627238885
DORO, INC.	2611 WEST MASON STREET	GREEN BAY	WI	54303	N	9204943169
DORO, INC.	1593 E MASON ST	GREEN BAY	WI	54302	N	9209405050
DORO, INC.	2328 HUMES RD	JANESVILLE	WI	53545	N	6087571557
NORTHLAND RESTAURANT GROUP, LLC	1311 ROSE ST	LA CROSSE	WI	54603	N	6087841082
NORTHLAND RESTAURANT GROUP, LLC	2205 HALL AVE	MARINETTE	WI	54143	N	7157321113
DORO, INC.	1618 SOUTH CENTRAL AVE	MARSHFIELD	WI	54449	N	7153891618
NORTHLAND RESTAURANT GROUP, LLC	537 GATEWAY AVE	MAUSTON	WI	53948	N	6088482324
HARDEE'S OF MEDFORD, LLC	230 S EIGHTH STREET	MEDFORD	WI	54451	N	7157485115
FRANCIECO., L.P.	5930 BADGER DRIVE	MENOMONIE	WI	54751	N	7152312178
DORO, INC.	902 S GREEN BAY ROAD	NEENAH	WI	54956	N	9207223466

Franchisee	Address	City	State	Zip Code	Dual Concept	Phone
FRANCIECO., L.P.	220 N OAKWOOD ST	OAKDALE	WI	54660	N	6083723920
ORG, LLC	2100 S KOELLER AVE	OSHKOSH	WI	54902	N	9202311234
DORO, INC.	12613 TENTH ST.	OSSEO	WI	54758	N	7155972533
FRANCIECO., L.P.	W9493 CITY HWY CS	POYNETTE	WI	53955	N	6086354436
SANDY'S OF PRAIRIE, INC.	944 S MARQUETTE STREET	PRAIRIE DU CHIEN	WI	53821	N	6083266967
DORO, INC.	1235 S. GREEN BAY	RACINE	WI	53406	N	2626340535
DORO, INC.	2171 LINCOLN	RHINELANDER	WI	54501	N	7153692012
COG, INC.	1819 S MAIN	RICE LAKE	WI	54868	N	7152348001
DORO, INC.	2450 E LAYTON AVE	SAINT FRANCIS	WI	53235	N	4147449690
DORO, INC.	1120 EAST GREEN BAY ST	SHAWANO	WI	54166	N	7155262900
DORO, INC.	4409 STATE HIGHWAY 42 NORTH	SHEBOYGAN	WI	53083	N	9204579570
FRANCIECO., L.P.	6710 S BUSINESS DRIVE	SHEBOYGAN	WI	53081	N	9204571955
JVL RESTAURANTS, INC.	3132 CHURCH STREET	STEVENS POINT	WI	54481	N	7153416241
NORTHLAND RESTAURANT GROUP, LLC	1510 BELKNAP AVE	SUPERIOR	WI	54880	N	7153921300
DORO, INC.	715 EAST MAIN STREET	WATERTOWN	WI	53094	N	9202629640
RJS ENTERPRISES OF WAUPACA, INC.	640 W FULTON ST	WAUPACA	WI	54981	N	7152580220
DORO, INC.	2609 WEST STEWART AVENUE	WAUSAU	WI	54401	N	7158455506

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HR LIST OF FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT BUT HAVE NOT YET OPENED
(as of January 27, 2025)

NONE

The following is a list of each current Hardee's Developer that has entered into a Development Agreement but has not yet opened a Hardee's Restaurant:

NONE

EXHIBIT I

ADDENDA REQUIRED BY CERTAIN STATES

RIDER TO STATE ADDENDUM
TO THE HARDEE'S RESTAURANTS
FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT AND COMMITMENT AGREEMENT

FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

The following language is hereby added to the Franchise Disclosure Document if you are a resident of one of the states listed in the heading of this Rider (the "Applicable Franchise Registration State") or a non-resident who is acquiring franchise rights permitting the location of one or more Hardee's Restaurants in the Applicable Franchise Registration State:

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

ADDITIONAL DISCLOSURES REQUIRED FOR CALIFORNIA FRANCHISEES

The following information applies to franchises and franchisees subject to the California Franchise Investment Act.

A. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

B. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

C. California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

D. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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

F. The Franchise Agreement requires application of the laws of Tennessee. This provision may not be enforceable under California law.

G. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

H. Under California AB 1228, you must comply with the minimum wage standards for your employees beginning April 1, 2024. You must also adhere to certain working conditions, including health and safety standards and training, as set forth in the Operations Manual. Failure to comply could lead to violation of the law and possible fines and lawsuits brought by your employees."

I. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION at www.dfpi.ca.gov.

ADDENDUM TO THE HARDEE'S RESTAURANT DEVELOPMENT AGREEMENT
REQUIRED FOR CALIFORNIA FRANCHISEES

This Addendum to the Hardee's Restaurant Development Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of California; **(B)** Developer is a resident of the State of California; and/or **(C)** part or all of the Development Territory is located in the State of California.

2. The following sentences are added immediately before the last sentence of Section 11:

Developer (on behalf of all Releasors) and all guarantors also expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived. That Section reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor."

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

4. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR ILLINOIS FRANCHISEES

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, 815 ILCS 705/1-44 (West 2016), any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

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

ADDENDUM TO THE HARDEE'S RESTAURANT DEVELOPMENT AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES

This Addendum to the Hardee's Restaurant Development Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Illinois; **(B)** Developer is a resident of the State of Illinois; and/or **(C)** part or all of the Development Territory is located in the State of Illinois.

2. The third sentence of Section 19 is deleted and replaced with the following:

There are no other representations (except for or other than those contained in the Hardee's Franchise Disclosure Document), inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments.

3. The following sentence is added to the end of Section 21.A.:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

4. The following sentence is added to the end of Section 21.D.:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

5. The following sentence is added to the end of Section 22:

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act is void.

6. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently of this Addendum.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

8. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES

This Addendum to the Hardee's Restaurant Franchise Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of Illinois; **(B)** Franchisee is a resident of the State of Illinois; and/or **(C)** the Franchised Restaurant will be located or operated in the State of Illinois.

2. The third sentence of Section 24 is deleted and replaced with the following:

There are no other representations (except for or other than those contained in the Hardee's Franchise Disclosure Document), inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments.

3. The following sentence is added to the end of Section 26.A.:

Notwithstanding the foregoing, Illinois law Act shall govern this Agreement.

4. The following sentence is added to the end of Section 26.D.:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation, 1 year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.

5. The following sentence is added to the end of Section 27:

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act is void.

6. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently of this Addendum.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR MARYLAND FRANCHISEES

Items 5 and 7, Additional Disclosures. The following statement is added to Items 5 and 7:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Item 17, Additional Disclosures. The following statements are added to Item 17:

The general release required as a condition of assignment/transfer or renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The "Summary" column of Item 17(H) of the Disclosure Document, pertaining to "Cause defined – defaults that cannot be cured" is supplemented to state that any provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law.

Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, provided that the Franchise Agreement may provide for arbitration in a forum outside of Maryland.

Section 14-227(e) of the Maryland Franchise Registration and Disclosure Law requires that any claims arising under that Law be brought within 3 years after the grant of the franchise.

ADDENDUM TO THE HARDEE'S RESTAURANT DEVELOPMENT AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES

This Addendum to the Hardee's Restaurant Development Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Maryland; **(B)** Developer is a resident of the State of Maryland; and/or **(C)** part or all of the Development Territory is located in the State of Maryland.

2. The following statement is added to the end of Section 4:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

3. The following sentences are added to the end of Sections 4 and 5.D.:

Notwithstanding anything to the contrary in this Agreement, including, but not limited to, this Section, in the State of Maryland, HR will defer the payment of: **(A)** the Development Fee until the first Franchised Restaurant developed hereunder opens for business; and **(B)** with respect to each Franchised Restaurant developed hereunder, the Initial Franchise Fee and any other initial fees owed by Developer to HR for that Franchised Restaurant opens for business. Upon the opening of the first Franchised Restaurant developed hereunder, Developer will pay HR the Development Fee. Upon the opening of each Franchised Restaurant developed hereunder, Developer will pay HR the Initial Franchise Fee and any other initial fees owed by Developer to HR for that Franchised Restaurant.

4. The following sentence is added to the end of Section 8 (transfer by HR), Section 9.B.(2) (transfer by Developer) and Section 10 (general release):

Any provision requiring Developer to sign a general release of claims against HR does not release any claim Developer may have under the Maryland Franchise Registration and Disclosure Law.

5. The following sentence is added to the end of Section 21.B.:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The following sentence is added to the end of Section 21.D.:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. The following sentence is added to the end of Section 22:

Representations in this Agreement are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently of this Addendum.

9. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

10. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT FRANCHISE AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES

This Addendum to the Hardee's Restaurant Franchise Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Maryland; **(B)** Franchisee is a resident of the State of Maryland; and/or **(C)** the Franchised Restaurant will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Section 2.B.(2)(e) (renewal), Section 14 (transfer by HR) and 15.B.(2) (transfer by Franchisee):

Any provision requiring Franchisee to sign a general release of claims against HR does not release any claim Franchisee may have under the Maryland Franchise Registration and Disclosure Law.

3. The following statement is added to the end of Section 3.A:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

4. The following sentences are added to the end of Sections 3.A., 8 and 9.B.:

Notwithstanding anything to the contrary in this Agreement, including, but not limited to, this Section, in the State of Maryland, HR will defer the payment of the Initial Franchise Fee, the opening training support team fee and any other initial fees owed by Franchisee to HR for the Franchised Restaurant until the Franchised Restaurant opens for business. Upon the opening of the Franchised Restaurant, Franchisee will pay HR the Initial Franchise Fee, the opening training support team fee and any other initial fees owed by Franchisee to HR for the Franchised Restaurant.

5. The following sentence is added to the end of Section 26.B.:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The following sentence is added to the end of Section 26.D.:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. The following sentence is added to the end of Section 27:

Representations in this Agreement are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently of this Addendum.

9. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR MINNESOTA FRANCHISEES

The following information applies to franchises and franchisees subject to Minnesota statutes and regulations.

1. The following statement is added to Items 5 and 7:

Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchised business opens. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

4. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

6. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

7. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

8. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5. If the Franchise Agreement contains a limitations period for bringing claims against Franchisor which is shorter than the limitations period provided under the Minnesota Act, the Franchise Agreement shall be modified to conform to the Minnesota Act.

ADDENDUM TO THE HARDEE'S RESTAURANT DEVELOPMENT AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES

This Addendum to the Hardee's Restaurant Development Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Minnesota; **(B)** Developer is a resident of the State of Minnesota; and/or **(C)** part or all of the Development Territory is located in the State of Minnesota.

2. The following statement is added to the end of Section 4:

Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchised business opens. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

3. The following sentence is added to the end of Section 8, Section 9.B.(2) and Section 10.:

Notwithstanding the foregoing, Developer will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. Section 11.B.(8) is deleted and replaced with the following statement:

Developer's use or duplication of any material aspect of the System (as reasonably determined by HR) in any other business would constitute an unfair method of competition, for which HR would be entitled to all legal and equitable remedies, including injunctive relief.

5. The following sentence is added to the end of Section 12.A.:

With respect to franchises governed by Minnesota law, HR will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreements.

6. The following sentences are added to the end of Section 21:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit HR from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

7. The second sentence of Section 22.E. is deleted and replaced with the following sentence:

Therefore, Developer agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Developer, HR shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance.

8. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act and the Rules and Regulation promulgated thereunder are met independently of this Addendum.

9. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

10. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES

This Addendum to the Hardee's Restaurant Franchise Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of Minnesota; **(B)** Franchisee is a resident of the State of Minnesota; and/or **(C)** the Franchised Restaurant will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Section 2.B.(2)(e), Section 14 and Section 15.B.(2):

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Section 2.B.:

With respect to franchises governed by Minnesota law, HR will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of franchise agreements.

4. The following statement is added to the end of Section 3.A:

Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchised business opens.

5. The following sentence is added to the end of Section 11:

Notwithstanding the foregoing, HR will indemnify Franchisee against liability to a third party resulting from claims that Franchisee's use of a Proprietary Mark infringes trademark rights of a third party; provided, that HR will not indemnify against the consequences of Franchisee's use of the Proprietary Marks unless the use is in accordance with the requirements of this Agreement and the System.

6. Section 16.B.(8) is deleted and replaced with the following statement:

Franchisee's use or duplication of any material aspect of the System (as reasonably determined by HR) in any other business would constitute an unfair method of competition, for which HR would be entitled to all legal and equitable remedies, including injunctive relief.

7. The following sentence is added to the end of Section 17:

With respect to franchises governed by Minnesota law, HR will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of franchise agreements.

8. The following sentences are added to the end of Section 26:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit HR from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

9. The second sentence of Section 27.E. is deleted and replaced with the following sentence:

Therefore, Franchisee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, HR shall be entitled to seek injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance.

10. The provisions of this Addendum will be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act and the Rules and Regulation promulgated thereunder are met independently of this Addendum.

11. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

12. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[*Signatures on following page.*]

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES

Items 5 and 7, Additional Disclosures. The following statement is added to Items 5 and 7:

Franchisor will defer collection of the Initial Franchise Fees until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void. The laws of the State of North Dakota will govern any dispute.

Any general release the franchisee is required to assent to is not intended to nor shall it act as a release, estoppel or waiver of any liability Hardee's Restaurants LLC may have incurred under the North Dakota Franchise Investment Law.

Covenants not to compete upon termination or expiration of the franchise agreement are generally not enforceable in the State of North Dakota, except in certain instances as provided by law.

The Franchise Agreement includes a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Disclosure Document and Franchise Agreement.

The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Hardee's Restaurants LLC in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Disclosure Document and Franchise Agreement.

The Franchise Disclosure Document and Franchise Agreement state that franchisee must consent to the jurisdiction of courts in the state of Tennessee. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Disclosure Document and the Franchise Agreement.

The Franchise Disclosure Document and Franchise Agreement may require franchisees to consent to termination or liquidated damages. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is

deemed deleted in each place it appears in the Disclosure Document and Franchise Agreement.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and, instead the statute of limitations under North Dakota law will apply.

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

ADDENDUM TO THE HARDEE'S RESTAURANT DEVELOPMENT AGREEMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES

This Addendum to the Hardee's Restaurant Development Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of North Dakota; **(B)** Developer is a resident of the State of North Dakota; and/or **(C)** part or all of the Development Territory is located in the State of North Dakota.

2. The following sentence is added to the end of Section 4:

Franchisor will defer collection of the Development Fee until all initial obligations owed to the developer under the Development Agreement or other documents have been fulfilled by the franchisor and the developer has commenced doing business pursuant to the Development Agreement.

3. Any release executed in connection herewith shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.

4. Covenants not to compete are generally considered unenforceable in the State of North Dakota.

5. The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. The laws of the State of North Dakota will govern any dispute.

6. The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Development Agreement.

7. The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Development Agreement.

8. The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Development Agreement.

9. The Development Agreement states that franchisee must consent to the jurisdiction of courts in the state of Tennessee. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Development Agreement.

10. The Development Agreement requires the franchisee to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and, instead, the statute of limitations under North Dakota law will apply.

11. The Development Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Hardee's Restaurants LLC in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

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

13. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

[*Signatures on following page.*]

Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT FRANCHISE AGREEMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES

This Addendum to the Hardee's Restaurant Franchise Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of North Dakota; **(B)** Franchisee is a resident of the State of North Dakota; and/or **(C)** the Franchised Restaurant will be located or operated in the State of North Dakota.

2. The following sentence is added to the end of Section 3.A.:

Franchisor will defer collection of the Initial Franchise Fee until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

3. Any release executed in connection herewith shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.

4. Covenants not to compete are generally considered unenforceable in the State of North Dakota.

5. The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. The laws of the State of North Dakota will govern any dispute.

6. The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Agreement.

7. The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Agreement.

8. The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Agreement.

9. The Franchise Agreement states that franchisee must consent to the jurisdiction of courts in the state of Tennessee. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Agreement.

10. The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and, instead, the statute of limitations under North Dakota law will apply.

11. The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Hardee's Restaurants LLC in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

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

13. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

[*Signatures on following page.*]

Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR SOUTH DAKOTA FRANCHISEES

Items 5 and 7, Additional Disclosures. The following statement is added to Items 5 and 7:

We will defer collection of the Initial Franchise Fees until such time as we have fulfilled our pre-opening obligations to you and you have opened your Restaurant.

ADDENDUM TO THE HARDEE'S RESTAURANT DEVELOPMENT AGREEMENT
REQUIRED FOR SOUTH DAKOTA FRANCHISEES

This Addendum to the Hardee's Restaurant Development Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Developer") is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of South Dakota; **(B)** Developer is a resident of the State of South Dakota; and/or **(C)** part or all of the Development Territory is located in the State of South Dakota.

2. The following sentence is added to the end of Section 4:

We will defer collection of the Development Fee until such time as we have fulfilled our pre-opening obligations to you and you have opened your first Restaurant.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT FRANCHISE AGREEMENT
REQUIRED FOR SOUTH DAKOTA FRANCHISEES

This Addendum to the Hardee's Restaurant Franchise Agreement dated _____ between Hardee's Restaurants LLC ("HR") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of South Dakota; **(B)** Franchisee is a resident of the State of South Dakota; and/or **(C)** the Franchised Restaurant will be located or operated in the State of South Dakota.

2. The following sentence is added to the end of Section 3.A.:

We will defer collection of the Initial Franchise Fee until such time as we have fulfilled our pre-opening obligations to you and you have opened your Restaurant.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM TO THE HARDEE'S RESTAURANT
FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT,
DEVELOPMENT AGREEMENT, AND ALL RELATED AGREEMENTS
REQUIRED FOR WASHINGTON FRANCHISEES

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

_____	_____
Signature of Franchisor Representative	Signature of Franchisee Representative
_____	_____
Title of Franchisor Representative	Title of Franchisee Representative

EXHIBIT J

FINANCIAL STATEMENTS



Carl's Jr. SPV Guarantor LLC and subsidiaries, and Hardee's SPV Guarantor LLC and subsidiaries (the "CKE Securitization Entities")

Combined Consolidated Financial Statements
for the fiscal years ended January 27, 2025 and January 29, 2024

(With Independent Auditors' Report Thereon)

KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville, TN 37203

Independent Auditors' Report

Managing Member
Carl's Jr. SPV Guarantor LLC and Hardee's SPV Guarantor LLC:

Opinion

We have audited the combined consolidated financial statements of Carl's Jr. SPV Guarantor LLC and its subsidiaries, and Hardee's SPV Guarantor LLC and its subsidiaries (the Company), which comprise the combined consolidated balance sheets as of January 27, 2025 and January 29, 2024, and the related combined consolidated statements of income, members' deficit, and cash flows for each of the fiscal years then ended, and the related notes to the combined consolidated financial statements.

In our opinion, the accompanying combined consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 27, 2025 and January 29, 2024, and the results of its operations and its cash flows for each of the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Combined Consolidated Financial Statements section of our report. We are required to be independent of the Company 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.

Responsibilities of Management for the Combined Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the combined consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the combined consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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

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substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined 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 combined 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 combined 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the supplemental schedules. The other information comprises the combining consolidating balance sheets and combining consolidating statements of operations included in the supplemental schedules, but does not include the combined consolidated financial statements and our auditors' report thereon. Our opinion on the combined consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the combined consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the combined consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

KPMG LLP

Nashville, Tennessee
April 2, 2025

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED BALANCE SHEETS
(In thousands)

	January 31, 2025	January 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,581	$ 12,340
Cash and cash equivalents - restricted	18,147	15,942
Accounts receivable, net	23,790	21,748
Due from affiliates	2,458	425
Inventories	2,987	2,852
Prepaid expenses	721	470
Other current assets	—	79
Total current assets	58,684	53,856
Property and equipment, net	343,242	353,893
Operating lease assets	370,418	395,698
Intangible assets, net	760,749	777,538
Other assets, net	38,373	31,858
Total assets	$ 1,571,466	$ 1,612,843
LIABILITIES AND MEMBERS' DEFICIT		
Current liabilities:		
Current portion of long-term debt	$ 11,800	$ 11,800
Current portion of finance leases	1,512	1,515
Current portion of operating leases	73,887	73,773
Accounts payable	3,073	4,467
Due to affiliates	2,141	1,989
Other current liabilities	36,700	35,053
Total current liabilities	129,113	128,597
Long-term debt, less current portion	1,112,394	1,108,024
Finance leases, less current portion	21,279	23,369
Operating leases, less current portion	314,846	339,680
Other long-term liabilities	235,470	250,801
Total liabilities	1,813,102	1,850,471
Commitments and contingencies (Notes 8, 9, 10 and 14)		
Members' deficit:		
Members' deficit	(241,636)	(237,628)
Total liabilities and members' deficit	$ 1,571,466	$ 1,612,843

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF INCOME
(In thousands)

	Fiscal 2025	Fiscal 2024
Revenue:		
Company-operated restaurants	$ 383,304	$ 368,842
Franchised restaurants and other	288,134	292,713
Total revenue	671,438	661,555
Operating costs and expenses:		
Company-operated restaurants:		
Food and packaging	98,751	97,879
Payroll and other employee benefits	129,677	122,640
Occupancy and other	108,719	104,616
Total company-operated restaurants	337,147	325,135
Franchised restaurants and other	91,566	93,626
Advertising	21,763	20,726
General and administrative	43,710	47,953
Facility action charges, net	190	2,183
Total operating costs and expenses	494,376	489,623
Operating income	177,062	171,932
Interest expense	(68,772)	(61,863)
Other income, net	1,244	4,790
Income before income taxes	109,534	114,859
Income tax expense	6,346	5,914
Net income	$ 103,188	$ 108,945

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF MEMBERS' DEFICIT
(In thousands)

	Members' Deficit
Balance as of January 31, 2023	$ (248,506)
Capital contributions	35,679
Distributions to members	(133,746)
Net income	108,945
Balance as of January 31, 2024	(237,628)
Capital contributions	36,922
Distributions to members	(144,118)
Net income	103,188
Balance as of January 31, 2025	$ (241,636)

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal 2025	Fiscal 2024
Cash flows from operating activities:		
Net income	$ 103,188	$ 108,945
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	47,342	46,692
Amortization of deferred financing costs	3,497	3,419
Loss on early extinguishment of Series 2018-1 Class A-2-II Notes	1,283	—
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property	(1,386)	—
Gain on refranchising transaction	—	(817)
Gain on disposal of other property and equipment	(2,637)	(602)
Provision for losses on impairments, accounts receivable and other items, net	5,198	4,806
Net changes in operating assets and liabilities:		
Receivables, inventories, prepaid expenses and other current and non-current assets	(6,502)	(1,985)
Accounts payable and other current and long-term liabilities	(546)	(3,089)
Operating lease assets and liabilities, net	(115)	1,096
Net cash provided by operating activities	149,322	158,465
Cash flows from investing activities:		
Proceeds from refranchising transactions	—	2,092
Proceeds from sale of other property and equipment	8,128	2,412
Other investing activities	219	154
Net cash provided by investing activities	8,347	4,658
Cash flows from financing activities:		
Net change in book overdraft	(251)	(1,260)
Repayments of Class A-2 Notes	(11,800)	(11,800)
Payments for deferred financing costs of Series 2018-1 VFN Notes	(2,068)	—
Payments for deferred financing costs of Series 2024-1 Class A-2 Notes	(5,792)	—
Payments for early extinguishment of Series 2018-1 Class A-2-II Notes	(330,750)	—
Issuance of Series 2024-1 Class A-2 Notes	350,000	—
Repayments of finance leases obligations	(1,571)	(1,520)
Repayments of financing method sale-leaseback obligations	(10,582)	(10,164)
Distributions to members	(144,118)	(133,746)
Net advances (to) from affiliates	(291)	276
Net cash used in financing activities	(157,223)	(158,214)
Net increase in cash, cash equivalents and restricted cash	446	4,909
Cash, cash equivalents and restricted cash at beginning of period	28,282	23,373
Cash, cash equivalents and restricted cash at end of period	$ 28,728	$ 28,282

See Accompanying Notes to Combined Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC own, operate and franchise the Carl's Jr.®, Hardee's®, Green Burrito® and Red Burrito® concepts. Domestic Carl's Jr. restaurants are predominantly located in the Western United States, primarily in California. International Carl's Jr. restaurants are located primarily in Mexico, with a growing presence in the rest of Latin America, Asia, Canada and Europe. Domestic Hardee's restaurants are predominantly located throughout the Southeastern and Midwestern United States. International Hardee's restaurants have an established and growing presence in the Middle East and Central Asia. The Green Burrito concept is located in dual-branded Carl's Jr. restaurants. The Red Burrito concept is located in dual-branded Hardee's restaurants. As of January 31, 2025, our system-wide restaurant portfolio consisted of:

Company-operated	252
Domestic franchised	2,351
International franchised	1,160
Total restaurants	3,763

Basis of Presentation and Fiscal Year

These Combined Consolidated Financial Statements include the combined accounts of Carl's Jr. SPV Guarantor LLC and its consolidated subsidiaries, consisting of Carl's Jr. Funding LLC and Carl's Jr. Restaurants LLC, and Hardee's SPV Guarantor LLC and its consolidated subsidiaries, consisting of Hardee's Funding LLC and Hardee's Restaurants LLC (collectively, the "CKE Securitization Entities"). The indirect corporate parent of Carl's Jr. SPV Guarantor LLC and Hardee's SPV Guarantor LLC is CKE Restaurants Holdings, Inc. ("CKE Restaurants"), and the indirect corporate parent of CKE Restaurants is CKE Holding Corporation ("CKE"). All of the CKE Securitization Entities are limited liability companies established on January 30, 2013 and were organized in the state of Delaware. The CKE Securitization Entities are special purpose, bankruptcy remote entities that hold substantially all of the restaurant businesses, franchising assets, real estate and other productive assets of CKE Restaurants and its subsidiaries. CKE Restaurants, together with certain other non-securitization entities, acts as the manager ("Manager") by managing and servicing the assets, performing certain franchising, marketing, real estate, intellectual property and operating and reporting services on behalf of the CKE Securitization Entities. References to "we", "us", "our" and the "Company" may relate to any or all of the CKE Securitization Entities, as may be applicable, but do not relate to CKE or CKE Restaurants.

These Combined Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All significant intercompany balances and transactions are eliminated in combination and consolidation.

We operate on a retail accounting calendar, ending on the last Monday in January. For clarity of presentation, we generally label all years presented as if the fiscal year ended January 31. The fiscal year ended January 27, 2025 is referred to herein as fiscal 2025 or the fiscal year ended January 31, 2025. The fiscal year ended January 29, 2024 is referred to herein as fiscal 2024 or the fiscal year ended January 31, 2024. The first quarter of our fiscal year has four periods, or 16 weeks. All other quarters generally have three periods, or 12 weeks.

Our restaurant sales, and therefore our profitability, are subject to seasonal fluctuations and are traditionally higher during the spring and summer months because of factors such as increased travel during school vacations and improved weather conditions, which affect the public's dining habits.

Inflation and Middle East Conflict

Inflationary pressures on labor and commodity price increases directly impacted our results of operations during the years ended January 31, 2025 and January 31, 2024. We attempt to manage any inflationary costs and commodity price increases through selective menu price increases and changes in product mix. Competitive pressures, consumer spending levels and other factors may limit our ability to recover such costs increases in the future.

Beginning October 2023, certain of our Hardee's international markets began being impacted by a military conflict in the Middle East. As a result, international franchised restaurants same-store sales were impacted to varying degrees within the Middle East. Further continuation of this conflict could have an adverse impact on our business and results of operations.

Variable Interest Entities

We do not maintain ownership interests in our franchisees, and none of our assets serve as collateral for the creditors of our franchisees. Under the terms of their franchise agreements, franchise entities hold the power to direct the activities that most significantly impact their economic performance. As a result, we do not consider ourselves the primary beneficiary of any franchise entity that might be a variable interest entity.

Estimations

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Our most significant areas of estimation are:

- estimation of future cash flows used to assess the recoverability of long-lived assets, including intangible assets, finance lease assets and operating lease assets;
- determination of appropriate estimated liabilities for loss contingencies;
- determination of appropriate assumptions to use in evaluating leases for finance versus operating lease treatment, establishing depreciable lives for leasehold improvements and establishing straight-line rent expense periods; and
- estimation of the appropriate allowances associated with franchise and other receivables.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, highly liquid investments purchased with original maturities of three months or less are considered cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $18,147 and $15,942 as of January 31, 2025 and 2024, respectively, consisted of cash and cash equivalents that are held by the trustee of our Series 2018-1 Senior Notes, Series 2020-1 Senior Notes, Series 2021-1 Senior Notes and Series 2024-1 Senior Notes (as defined in Note 8) to be used for debt service payments on our Senior Notes.

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value and consist primarily of restaurant food, packaging and supplies.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based on the assets' estimated useful lives, which generally range from three to 40 years.

Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the related lease terms. The amortization period for leasehold improvements includes renewal option periods only in

instances in which the exercise of the renewal option is reasonably certain at the acquisition date because failure to exercise such option would result in an economic penalty.

We capitalize direct costs associated with construction projects that have a future benefit. If we subsequently make a determination that a site for which development costs have been capitalized will not be acquired or developed, any previously capitalized development costs are expensed and included in general and administrative expenses.

Leases

Lessor Accounting

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term. We recognize variable lease payment income for operating leases in the period when changes in facts and circumstances on which the variable lease payments are based occur. We recognize variable lease payment income for operating and financing leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Lessee Accounting

We recognize an operating lease asset and lease liability at lease commencement, which are measured by discounting lease payments using the estimated risk free rate as the discount rate. We made an accounting policy election to use the risk-free rate as our discount rate to determine the initial and subsequent measurement of operating lease liabilities. Subsequent amortization of the operating lease asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Reductions to the operating lease asset and the change in the lease liability are included in changes in operating lease assets and liabilities, net in the Combined Consolidated Statements of Cash Flows.

A finance lease asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Operating lease and finance lease assets are assessed for impairment in accordance with our long-lived asset impairment policy.

We reassess lease classification and remeasure assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate contract or upon certain other events that require reassessment. We recognize variable lease cost for operating and finance leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Intangible Assets

Our indefinite-lived intangible assets consist of trademarks / tradenames. We test trademarks / tradenames for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. We first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If we conclude that it is more likely than not that the indefinite-lived intangible asset is impaired, we then perform a quantitative test to determine whether the carrying amount is less than the fair value of the indefinite-lived intangible asset and measure the amount of impairment, if any.

Our definite-lived intangible assets consist of franchise agreements and favorable lease agreements and are amortized on a straight-line basis over their estimated useful lives. Our definite-lived intangible assets are tested for impairment when events or circumstances indicate the carrying value may be impaired. Refer to discussion of facility action charges (see Note 16) for a discussion of impairment of restaurant-level long-lived assets.

Deferred Financing Costs

Deferred financing costs are capitalized and amortized, utilizing the effective interest method, as a component of interest expense over the terms of the respective financing arrangements. See Note 8 for further discussion.

Book Overdraft

Book overdraft liabilities are included within accounts payable in our accompanying Combined Consolidated Balance Sheets. As of January 31, 2025 and 2024, our book overdraft liability was $116 and $367, respectively. We classify changes in book overdraft balances as a financing activity in our accompanying Combined Consolidated Statements of Cash Flows.

Loss Contingencies

We routinely assess loss contingencies to develop estimates of likelihood of loss and range of possible settlement. We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. We do not record liabilities for losses we believe are only reasonably possible to result in an adverse outcome. See Note 14 for further discussion.

Revenue Recognition

Company-operated restaurants revenue is recognized upon the sale of food or beverage to a customer in the restaurant, which is when our obligation to perform is satisfied.

Franchised restaurants and other revenue includes royalties, franchise fees and rent revenue. Royalties from franchised restaurants are based on a percentage of net sales of the franchised restaurant and are recognized as earned. Royalties are typically billed and paid monthly and are usually 4% to 5% per restaurant. Franchise development and commitment fees are deferred when received, allocated to each agreed upon restaurant, and recognized as revenue over the contractual term of each respective franchise agreement, once the restaurant has opened. Initial franchise fees, training fees, renewal fees and transfer fees are recognized as revenue over the contractual term of the franchise agreements, once the restaurant has opened. Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective or when an existing agreement is transferred to another franchisee. These franchise fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. Further, franchise fees are forfeited and recognized as revenue upon the termination of the related commitments to open new franchised restaurants, the franchised restaurants closing prior to the end of the contractual agreement or the franchised restaurants being acquired by the Company. Property revenues consist of rental income from properties we lease or sublease to franchisees. Property revenues are accounted for in accordance with applicable accounting guidance for leases (see Leases above). We present all revenue net of sales tax.

Franchise Operations and Credit Risk

Franchised restaurants and other expense includes rent and occupancy costs related to our franchised restaurants, amortization of franchise agreements, credit losses and other miscellaneous expenses directly related to our franchise operations. These costs are expensed as incurred.

Accounts receivable consists primarily of amounts due from franchisees for royalties, franchise fees and rent. In addition, we have notes and other receivables from certain of our franchisees. The financial condition of our franchisees is, in part, dependent upon the underlying business trends of our brand. This concentration of credit risk is mitigated, in part, by the large number of franchisees and the short-term nature of the receivables.

We record provisions for estimated credit losses on receivables when we believe our franchisees are unable to make their required payments. We cease accruing royalties and rent revenue from franchisees during the fiscal quarter in which we determine that collectibility of such amounts is not reasonably assured. There are a number of different actions we and/or our franchisees may take to resolve or mitigate franchise collection issues. These actions may include a reduction or deferral of future royalties, a reduction or deferral of future rent for which we are the landlord or the primary obligor to the landlord, or if necessary, acquiring the restaurants or terminating the franchise agreement.

Advertising

Domestic Carl’s Jr. restaurants contribute to a national advertising fund (the “Carl’s Jr. Fund”) that is administered by Manager. Domestic Hardee’s restaurants contribute to Hardee's National Advertising Fund (“HNAF”) that is administered by Manager and co-operative advertising funds that are administered by a third party (collectively, the “Hardee’s Funds”), but

consolidated by Manager since Manager is the primary beneficiary of the Hardee's Funds. Further, both international Carl's Jr. restaurants and Hardee's restaurants contribute to certain international advertising funds that are administered by Manager.

We expense advertising costs for company-operated restaurants' contributions to the Carl's Jr. Fund and the Hardee's Funds as company-operated restaurants revenue is earned since we are obligated to share ratably in the cost of the related advertising programs. The cost of local and incremental advertising that is not funded by the Carl's Jr. Fund or the Hardee's Funds is expensed as incurred.

Facility Action Charges

From time to time, we identify restaurants that have carrying values in excess of their fair values and, as a result, we may record impairment charges. We may also close or refranchise these or other restaurants and lease or sublease the restaurant property to a franchisee or to a business other than one of our restaurant concepts. The financial statement impact resulting from these and similar actions are recorded in our accompanying Combined Consolidated Statements of Income as facility action charges, net and include:

(i) impairment of restaurant-level long-lived assets for restaurants to be disposed of or held and used;
(ii) store closure costs, including rent, taxes, depreciation and other costs incurred for closing a store; and
(iii) gain or loss on the sale of restaurants, including refranchising transactions.

Considerable management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, closure costs, expected sublease income and refranchising proceeds. Accordingly, actual results could vary significantly from our estimates.

(i) Impairment of Restaurant-Level Long-Lived Assets

Whenever events or circumstances indicate that the carrying value of assets may be impaired, we evaluate our restaurant-level long-lived assets for impairment. For purposes of impairment testing, assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, which is generally the individual restaurant level for fixed assets, finance lease assets and operating lease assets. For each asset group, we evaluate whether there are indicators of impairment such as sequential annual cash flow losses or adverse changes in the physical condition or expected use of the asset group. When indicators of impairment exist, we evaluate whether the assets are recoverable by comparing the undiscounted future cash flows that we expect to generate from their use and disposal to their carrying value. Restaurant-level assets that are not deemed to be recoverable are written down to their estimated fair value, which is determined by assessing the highest and best use of the assets and the amounts that would be received for such assets in an orderly transaction between market participants.

Our impairment analyses rely upon a number of estimates, assumptions and measurements with significant Level 2 and Level 3 unobservable inputs (see Note 13), including estimates of future cash flows, assumptions of future same-store sales and projected operating expenses for each of our restaurants over their estimated remaining useful lives in order to evaluate recoverability and estimate fair value. Future cash flows are estimated based upon experience gained, current intentions about refranchising or closing restaurants, recent and expected sales trends, internal plans, the period of time since the restaurant was opened or remodeled, the maturity of the related market and other relevant information. We generally estimate the useful life of restaurants on owned property to be 20 to 40 years and estimate the useful life of restaurants subject to leases to range from the end of the lease term then in effect to the end of such lease term including option periods. If our future cash flows or same-store sales do not meet or exceed our forecasted levels, or if restaurant operating cost increases exceed our forecast and we are unable to recover such costs through price increases, the carrying value of certain of our restaurants may prove to be unrecoverable, and we may incur additional impairment charges in the future.

(ii) Store Closure Costs

We typically make decisions to close restaurants based on prospects for estimated future profitability. However, sometimes we are forced to close restaurants due to circumstances beyond our control (e.g., a landlord's refusal to negotiate a new lease). When restaurants perform poorly for an extended period of time, we consider a number of factors, including the demographics of the location and the likelihood of being able to improve an unprofitable restaurant. Based on the operators' judgment and a financial review, we estimate the future cash flows. If we determine that the restaurant will not, within a

reasonable period of time, operate at break-even cash flow or be profitable, and we are not contractually obligated to continue operating the restaurant, we may decide to close the restaurant.

(iii) Gain or Loss on the Sale of Restaurants, Including Refranchising Transactions

We record gains and losses on the sale of restaurants as the difference between the net proceeds received and net carrying values of the net assets of the restaurants sold. If we sublease a restaurant to a franchisee on terms that result in a probable loss, then we will establish a lease subsidy allowance and record a loss at the time we enter into the lease arrangement. As further described above, the amount of the estimated liability for the lease subsidy is the present value of our estimated future payments, net of the present value of the expected sublease income.

Contract Liabilities - Deferred Franchise Fees

The following table provides information about contract liabilities, specifically deferred franchise fees, received from contracts with customers:

	2025	2024
Deferred franchise fees, beginning of year	$ 35,964	$ 36,129
Revenue recognized during the period	(5,395)	(5,084)
New deferrals due to cash received	3,775	4,919
Deferred franchise fees, end of year	$ 34,344	$ 35,964

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

Fiscal:	
2026	$ 3,340
2027	2,961
2028	2,815
2029	2,693
2030	2,551
Thereafter	19,984
Total estimated future amortization income	$ 34,344

Deferred franchise fees are recorded in other current liabilities and other long-term liabilities in our accompanying Consolidated Balance Sheets as of January 31, 2025 and January 31, 2024, respectively.

Distributor Concentration Risk

We currently rely on a limited number of distributors to deliver food, packaging and supplies to our restaurants. Although we could use alternative distributors, an unforeseen change in distributor could cause a delay in receipt of food, packaging or supplies and possibly result in unfavorable costs and loss of sales.

Comprehensive Income

We did not have any items of other comprehensive income during fiscal 2025 and 2024.

Subsequent Events

We have evaluated subsequent events through April 2, 2025, the date our Combined Consolidated Financial Statements were available to be issued. We concluded that no subsequent events required disclosure in these financial statements.

NOTE 2 — ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

Income Tax Disclosures

In December 2023, the FASB issued guidance that enhances income tax disclosures including expanded qualitative effective tax rate reconciliation. The standard also requires annual disclosure of income taxes paid disaggregated by federal, state and foreign taxes. The standard is effective for annual reporting periods beginning after December 15, 2024 for public entities. For other entities, the standard is effective for annual reporting periods beginning after December 15, 2025. Early adoption of the guidance is permitted. We are currently evaluating the impact the adoption of this standard will have on our Combined Consolidated Financial Statements.

NOTE 3 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Trade receivables	$ 26,269	$ 21,364
Leases receivable	217	181
Notes receivable	1,492	2,096
Allowance for credit losses	(4,188)	(1,893)
Total accounts receivable, net	$ 23,790	$ 21,748

The following table summarizes the activity in the allowance for credit losses:

	Fiscal 2025	Fiscal 2024
Allowance for credit losses, beginning of year	$ 1,893	$ 1,550
Provision	2,868	1,316
Recoveries	(404)	(540)
Charge-offs	(169)	(433)
Allowance for credit losses, end of year	$ 4,188	$ 1,893

NOTE 4 — PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of the following as of January 31, 2025 and 2024:

	Estimated Useful Life	2025	2024
Land	Indefinite	$ 189,921	$ 191,712
Leasehold improvements	3-25 years	108,560	98,777
Buildings and improvements	3-40 years	169,591	189,373
Equipment, furniture and fixtures	3-8 years	118,404	108,475
Finance leases	5-33 years	15,173	18,174
		601,649	606,511
Less accumulated depreciation and amortization[(1)]		(258,407)	(252,618)
Total property and equipment, net		$ 343,242	$ 354,382

(1) The accumulated amortization related to finance leases was $1,195 and $333 as of January 31, 2025 and 2024, respectively.

Depreciation and amortization expense related to property and equipment for fiscal 2025 and 2024 was $30,661 and $31,280, respectively. Amortization of property under finance leases is included within depreciation and amortization expense.

NOTE 5 — ACQUISITIONS AND REFRANCHISING ACTIVITY

CKE Restaurants Acquisition

During the fiscal year ended January 31, 2025, CKE Restaurants acquired one Carl's Jr. restaurant from a franchisee. During the year ended January 31, 2024, CKE Restaurants acquired nineteen Hardee's restaurants and one Carl's Jr. restaurant from franchisees. CKE Restaurants contributed these restaurants to the CKE Securitization Entities (the “CKE Restaurants Acquisition”). In connection with the acquisition of these restaurants, the CKE Securitization Entities recorded the following:

	Fiscal 2025	Fiscal 2024
Net working capital	$ 5	$ 55
Property and equipment	106	12,281
Operating lease assets	—	5,048
Reacquired franchise rights	—	1,810
Operating leases	—	(5,048)
Finance leases	—	(10,708)
Net assets acquired and liabilities assumed	$ 111	$ 3,438

The acquisitions result in no goodwill.

Refranchising Transaction

During fiscal 2024, CKE Restaurants sold one Hardee's restaurant and certain related inventory and fixed assets with a net book value of $1,265. In connection with the sale of this restaurant, we received aggregate consideration of $2,082, and recognized a net gain of $817, which is included in facility action charges, net, in our accompanying Combined Consolidated Statements of Income. In connection with the refranchising transaction, the franchisee acquired real property and equipment related to the restaurant location.

NOTE 6 — INTANGIBLE ASSETS, NET

The table below presents our intangible assets as of January 31, 2025 and 2024:

		2025			2024		
	Weighted-Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks / tradenames	Indefinite	$ 614,400	$ —	$ 614,400	$ 614,400	$ —	$ 614,400
Franchise agreements	20	321,665	(176,641)	145,024	321,665	(160,157)	161,508
Favorable lease agreements	17	5,429	(4,104)	1,325	5,875	(4,245)	1,630
Total intangible assets		$ 941,494	$ (180,745)	$ 760,749	$ 941,940	$ (164,402)	$ 777,538

Amortization expense related to these intangible assets for fiscal 2025 and 2024 was $16,789 and $17,302, respectively. Our future amortization expense related to these intangible assets is set forth as follows:

Fiscal:	
2026	$ 16,611
2027	16,532
2028	16,333
2029	16,273
2030	16,245
Thereafter	64,355
Total estimated future amortization expense	$ 146,349

NOTE 7 — OTHER CURRENT LIABILITIES

Other current liabilities as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Financing method sale-leaseback liability, current portion	$ 11,658	$ 11,287
Accrued interest	6,358	5,663
Accrued property taxes	4,146	2,952
Salaries, wages and other benefits	3,623	3,231
Deferred franchise and development fees	3,340	3,477
State sales tax	1,621	1,938
Utilities	992	1,004
Income taxes payable	500	545
Other accrued liabilities	4,462	4,956
Total other current liabilities	$ 36,700	$ 35,053

NOTE 8 — LONG-TERM DEBT

Long-term debt as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Class A-2 Notes:		
4.959% Series 2018-1 Class A-2-II Notes, repaid in April 2024	$ —	$ 331,625
5.710% Series 2018-1 Class A-2-III Notes, anticipated repayment date June 2028	234,375	236,875
3.981% Series 2020-1 Class A-2 Notes, anticipated repayment date December 2027	384,000	388,000
2.865% Series 2021-1 Class A-2 Notes, anticipated repayment date June 2028	173,700	175,500
7.253% Series 2024-1 Class A-2 Notes, anticipated repayment date March 2031	347,375	—
Unamortized deferred financing costs on Senior Notes	(15,256)	(12,176)
Total debt, net	1,124,194	1,119,824
Less current portion	(11,800)	(11,800)
Long-term debt, less current portion	$ 1,112,394	$ 1,108,024

As of January 31, 2025, the aggregate maturities of our long-term debt, based on the anticipated repayment date and excluding the effects of amortization of the deferred financing costs on the Class A-2 Notes are as follows:

Fiscal:	
2026	$ 11,800
2027	11,800
2028	383,800
2029	398,675
2030	3,500
Thereafter	329,875
Total long-term debt	$ 1,139,450

Senior Notes

In April 2013, Carl's Jr. Funding LLC and Hardee's Funding LLC (collectively, the “Co-Issuers”) issued outstanding senior secured notes under securitized facility loans. The indenture governing the facility loans (the “Indenture”) allows the Co-Issuers to issue additional series of notes in the future subject to certain conditions.

As of January 31, 2025, the Co-Issuers had issued the following outstanding series of fixed rate senior secured notes: (i) 2018-1 Class A-2-III Notes with an initial principal amount of $250,000; (ii) 2020-1 Class A-2 Notes with an initial principal amount of $400,000; (iii) 2021-1 Class A-2 Notes with an initial principal amount of $180,000 and (iv) 2024-1 Class A-2 Notes with an initial principal amount of $350,000 (collectively, the notes described in (i) to (iv) are referred to herein as the “Class A-2 Notes”).

The Series 2018-1 Variable Funding Notes provide for senior secured revolving facility loans, including subfacilities for swingline loans and letters of credit, in an aggregate amount of $125,000. On April 5, 2024, the Series 2018-1 Variable Funding Notes were amended to increase the borrowing capacity from $70,000 to $125,000 and to extend the maturity date to March 2029, including options for renewal for two additional twelve-month terms (subject to certain conditions, including a minimum debt service coverage ratio). The Series 2018-1 Variable Funding Notes bear interest at a variable interest rate equal to (a) a commercial paper rate plus 3.00%, (b) the term SOFR rate plus 3.00% or (c) 2.00% plus the greater of (i) the Prime Rate, (ii) the Federal Funds rate plus 0.50%, or (iii) term SOFR plus 1.00%. The actual interest rate incurred is determined by how the borrowings were funded by participating investors, but in any event, will fall under one of the three scenarios described above. The Series 2018-1 Variable Funding Notes require us to pay a commitment fee of 0.50% per annum for unused commitments and letter of credit fees of 3.00% per annum on our outstanding non-cash collateralized letters of credit. Interest

and other fees on the Series 2018-1 Variable Funding Notes are due quarterly in arrears on the 20th day of each March, June, September and December. As of January 31, 2025, the Co-Issuers had zero outstanding loan borrowings, $24,245 of outstanding letters of credit and remaining availability of $100,755 under our Series 2018-1 Variable Funding Notes. The Class A-2 Notes and the 2018-1 Variable Funding Notes are collectively referred to as the "Senior Notes."

The Senior Notes are secured by substantially all assets of the CKE Securitization Entities, but are not guaranteed by or secured with the assets of CKE or its other subsidiaries, including CKE Restaurants. The Indenture requires the CKE Securitization Entities to report and remit weekly cash flows of the CKE Securitization Entities to the trustee of the Senior Notes. The weekly cash flows are subject to a priority of payments that provides for the payment of funds to specific trust accounts for debt service and other specified purposes set forth in the Indenture. The amount of weekly cash flow, if any, that exceeds the amounts required by the priorities of payment is remitted to CKE Restaurants in the form of an equity distribution.

Interest and principal payments on the Class A-2 Notes are payable on a quarterly basis. The Class A-2 Notes require scheduled quarterly principal payments of $2,950 that are due on the 20th of each March, June, September and December. The requirement to make such quarterly principal payments on the Class A-2 Notes is subject to certain financial conditions set forth in the Indenture. The legal final maturity dates for the Class A-2 Notes range from 2048-2054. If the Co-Issuers have not repaid or refinanced the Class A-2 Notes prior to their respective anticipated repayment dates, which range from 2027-2031, additional interest will accrue pursuant to the Indenture.

We expect to repay or refinance each tranche of the Class A-2 Notes at or before its respective anticipated repayment date. However, in the event that we do not repay any tranche of Class A-2 Notes in full by its anticipated repayment date, such tranche of the Class A-2 Notes would be subject to additional interest at an interest rate of at least 5% per annum on the outstanding principal amount, and principal payments on all outstanding Senior Notes would accelerate until the debt is paid in full. If certain conditions are met, including a maximum leverage ratio for the CKE Securitization Entities of 5.0x of total net indebtedness to net cash flow, each as defined in the Indenture, the Co-Issuers may elect not to make the scheduled principal payments on the Class A-2 Notes. We may optionally prepay up to 35% of the original principal amount of the Series 2018-1 Class A-2-III Note at any time at par, other than with proceeds from indebtedness. Generally, any optional (and certain mandatory) prepayments in excess of such amount would be subject to a make-whole premium as defined in the Indenture. Beginning thirty months prior to the anticipated repayment date for the Series 2018-1 Class A-2-III Notes, thirty-six months prior to the anticipated repayment date for the Series 2020-1 Class A-2 Notes, forty-two months prior to the anticipated repayment date for the Series 2021-1 Class A-2 Notes and twenty-four months prior to the anticipated repayment date for the Series 2024-1 Class A-2 Notes, we may repay all or a portion of the remaining principal amount of such applicable tranche of Class A-2 Notes at par.

Covenants and Restrictions

The Senior Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) required actions to protect the security interest in certain collateral upon the occurrence of certain performance-related events, (ii) application of certain disposition proceeds as note prepayments, subject to certain exceptions, (iii) maintenance of specified reserve accounts, (iv) maintenance of certain debt service coverage ratios, (v) mandatory prepayments with indemnification payments for defective or ineffective collateral, and (vi) covenants relating to record keeping, access to information and similar matters. If certain covenants or restrictions are not satisfied or complied with, the Senior Notes are subject to accelerated repayment events and events of default. Although management does not anticipate an event of default, if any such event occurred and was not cured within any applicable cure period, the unpaid amounts outstanding could become immediately due and payable.

Refinancing Transaction

In April 2024, we completed a refinancing transaction (the "Series 2024-1 Refinancing") under which we issued the Series 2024-1 Class A-2 Notes. A portion of the net proceeds from the sale of the Series 2024-1 Class A-2 Notes were used to repay in full our outstanding Series 2018-1 Class A-2-II Notes, including transaction costs. As a result of the refinancing, we recorded a loss on early extinguishment of debt of $1,283 during fiscal 2025, which was comprised of the write-off of the Series 2018-1 Class A-2-II Notes unamortized deferred financing costs. The loss is included in other income, net in the Combined Consolidated Statements of Income.

Debt issuance costs

In connection with the Series 2024-1 Refinancing and the amendment of the Series 2018-1 Variable Funding Notes, we incurred debt issuance costs of $7,860, which were capitalized and allocated between the Series 2024-1 Class A-2 Notes and the Series 2018-1 Variable Funding Notes. These deferred financing costs will be amortized to interest expense within the Combined Consolidated Statements of Income using the effective interest method over the expected term of the Series 2024-1 Class A-2 Notes of seven years and five years for the Series 2018-1 Variable Funding Notes.

Interest Expense

Interest expense consisted of the following:

	Fiscal 2025	Fiscal 2024
Series 2018-1 Class A-2-III Notes	$ 16,386	$ 30,013
Series 2020-1 Class A-2 Notes	15,303	15,466
Series 2021-1 Class A-2 Notes	4,981	5,034
Series 2024-1 Class A-2 Notes	20,593	—
Amortization of deferred financing costs	3,497	3,419
Finance leases	1,379	1,318
Financing method sale-leaseback obligations (see Note 10)	5,363	5,793
Letter of credit fees, commitment fees and other	1,270	820
Total interest expense	$ 68,772	$ 61,863

NOTE 9 — LEASES

We occupy land and buildings under lease agreements expiring on various dates through fiscal 2046. Many leases provide for future rent escalations and renewal options. In addition, variable lease payments, such as a percentage of sales in excess of specified levels, are often required. Most leases obligate us to pay costs of maintenance, insurance and property taxes.

Company as Lessor

We lease and sublease land and buildings to others, primarily as a result of the refranchising of certain restaurants. Many of these leases provide for fixed payments, while others provide for variable rent when sales exceed certain levels or for rent based on a percentage of sales. Lessees and sublessees generally bear the cost of maintenance, insurance and property taxes. The carrying values of assets leased to others as of January 31, 2025 and 2024 are as follows:

	2025	2024
Land	$ 99,835	$ 104,028
Leasehold improvements	3,253	3,916
Buildings and improvements	65,883	68,563
	168,971	176,507
Less accumulated depreciation and amortization	(55,096)	(57,231)
Total assets leased to others	$ 113,875	$ 119,276

The components of lease income for January 31, 2025 and 2024 are as follows:

	2025	2024
Rent revenue:		
Minimum rent revenue	$ 84,812	$ 87,594
Variable lease revenue	5,149	6,334
Total rent revenue	$ 89,961	$ 93,928

We sublease to others some of our property under finance leases. These assets are recorded as lease receivables and are included in accounts receivable, net and other assets, net in our accompanying Combined Consolidated Balance Sheet. As of January 31, 2025, future minimum lease and sublease rent revenue expected to be received, are as follows:

	Finance Leases	Operating Leases	
	Subleases	Subleases	Owned Properties
Fiscal:			
2026	$ 366	$ 75,885	$ 7,719
2027	359	68,404	7,764
2028	347	60,546	7,441
2029	254	49,805	6,752
2030	218	39,494	6,485
Thereafter	2,741	98,112	38,093
Total future minimum lease and sublease rent revenue	4,285	$ 392,246	$ 74,254
Unearned interest income	(1,315)		
Present value of leases receivable	2,970		
Less current portion	(217)		
Leases receivable, less current portion	$ 2,753		

Company as Lessee

The components of lease cost for January 31, 2025 and 2024 are as follows:

	Fiscal 2025	Fiscal 2024
Finance lease cost:		
Amortization of finance lease assets	$ 1,339	$ 1,596
Interest on finance lease liabilities	1,670	1,572
Variable lease cost	9	2
Total finance lease cost	3,018	3,170
Operating lease cost	83,652	85,267
Variable lease cost	1,040	1,229
Total operating lease cost	84,692	86,496
Total lease cost	$ 87,710	$ 89,666

Minimum lease payments for all leases and the present value of minimum lease payments for operating and finance leases as of January 31, 2025 are as follows:

	Finance Leases		Operating Leases	
	Company-Operated	Franchise & Other	Company-Operated	Franchise & Other
Fiscal:				
2026	$ 1,593	$ 1,304	$ 16,542	$ 65,372
2027	1,617	1,245	15,644	57,990
2028	1,631	1,190	14,576	49,723
2029	1,642	1,049	12,897	39,030
2030	1,678	977	9,490	28,905
Thereafter	14,464	3,766	42,393	77,616
Total minimum lease payments	22,625	9,531	111,542	318,636
Less amount representing interest	(6,913)	(2,452)	(11,801)	(29,644)
Present value of minimum lease payments	15,712	7,079	99,741	288,992
Less current portion	(726)	(786)	(14,292)	(59,595)
Lease obligations, less current portion	$ 14,986	$ 6,293	$ 85,449	$ 229,397

Net rent under non-cancelable operating leases was as follows:

	Fiscal 2025	Fiscal 2024
Rent revenue:		
Minimum rent revenue	$ 84,812	$ 87,594
Variable rent revenue	5,149	6,334
Total rent revenue	89,961	93,928
Rent expense:		
Operating lease cost	(83,652)	(85,267)
Variable lease cost	(1,040)	(1,229)
Total operating lease cost	(84,692)	(86,496)
Net rent income	$ 5,269	$ 7,432

Lease Term and Discount Rate as of January 31,

Weighted-average remaining lease term:

	2025	2024
Finance leases	12.28 years	12.11 years
Operating leases	7.20 years	7.61 years

Weighted-average discount rate:

	2025	2024
Finance leases	6.2 %	6.5 %
Operating leases	2.7 %	2.4 %

NOTE 10 — SALE-LEASEBACK TRANSACTIONS

For all of our 125 restaurant property financing method sale-leaseback transactions, whether assumed by or completed by the CKE Securitization Entities, the initial minimum lease terms are 20 years and include renewal options. The leases also include provisions that provide us with the ability to repurchase the properties, which for accounting purposes, prevents sale recognition as the leased properties are real estate, and we have concluded that no two real estate assets are substantially the same.

Under the financing method, the sales proceeds received are recorded in other current liabilities and other long-term liabilities until our continuing involvement with the properties is terminated, and the associated properties are reported as owned assets and depreciated over their remaining useful lives. Rent payments for these leases are recorded as principal and interest. The net book value of the associated assets, which is included in property and equipment, net of accumulated depreciation and amortization, in our accompanying Combined Consolidated Balance Sheets was $113,775 and $115,805 as of January 31, 2025 and 2024, respectively.

During fiscal 2025, the lease agreements for one of our restaurant properties was terminated. As we no longer have involvement in the properties, we recognized a net gain of $1,086 associated with the write-off of the assets and liabilities. The net gain is included in facility action charges, net in our accompanying Combined Consolidated Statements of Income.

Closing costs and other fees related to sale-leaseback transactions are treated as deferred financing costs, which are recorded as a reduction to the liability balance and amortized to interest expense over the initial minimum lease term.

As of January 31, 2025, our future minimum lease commitments for our financing method sale-leaseback obligations are as follows:

Fiscal:	
2026	$ 16,074
2027	16,267
2028	17,099
2029	17,661
2030	17,666
Thereafter	48,094
Total minimum lease payments	132,861
Less amount representing interest	(26,955)
Residual property obligation[(1)], deferred financing costs and deferred sales proceeds	101,959
Financing method sale-leaseback liability	207,865
Less current portion	(11,658)
Financing method sale-leaseback liability, less current portion	$ 196,207

(1) Although we have legally transferred title of the sale-leaseback properties, we have included an obligation to convey, for accounting purposes, the sale-leaseback assets at the end of the primary lease term. This obligation was established in acquisition accounting and based on the estimated residual value of the sale-leaseback assets at the end of the primary lease term.

NOTE 11 — OTHER LONG-TERM LIABILITIES

Other long-term liabilities as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Financing method sale-leaseback liability, long-term portion	$ 196,207	$ 208,337
Deferred franchise and development fees	31,004	32,487
Deferred beverage income	5,391	5,721
Unfavorable lease agreements	2,714	4,132
Other	154	124
Total other long-term liabilities	$ 235,470	$ 250,801

NOTE 12 — MEMBERS' DEFICIT

During fiscal 2025 and 2024, the CKE Securitization Entities received capital contributions of $36,922 and $35,679, respectively, consisting principally of property and equipment and assets associated with the CKE Restaurants Acquisition (see Note 5). During fiscal 2025 and 2024, the CKE Securitization Entities paid total cash distributions of $144,118 and $133,746, respectively, to members.

NOTE 13 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents information on our financial instruments as of January 31, 2025 and 2024:

	2025		2024	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial liabilities:				
Series 2018-1 Class A-2-II Notes	$ —	$ —	$ 329,928	$ 315,044
Series 2018-1 Class A-2-III Notes	232,031	227,297	234,366	222,070
Series 2020-1 Class A-2 Notes	379,552	362,842	382,905	344,350
Series 2021-1 Class A-2 Notes	171,186	154,454	172,625	146,543
Series 2024-1 Class A-2 Notes	341,425	364,858	—	—

The fair value of cash and cash equivalents and restricted cash and cash equivalents each approximate their respective carrying amounts due to the short maturity of the balances. The carrying amounts of notes receivable, net (both current and non-current) of related allowance for credit losses approximate fair value. The estimated fair values of our borrowings under the Class A-2 Notes were determined by obtaining estimated market prices from an investment banking firm as of the balance sheet dates.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Entities are required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value based on the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Our non-financial long-lived assets, including intangible assets and property and equipment, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on a periodic basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, we assess our long-lived assets for impairment. When impairment has occurred, such long-lived assets are written down to fair value. See Note 16 for further information regarding impairment charges.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2025:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 1,273
Assets to be held and used (Level 3)[2]	$ —	$ 1,667

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for five domestic company-operated restaurants.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2024:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 3,311
Assets to be held and used (Level 3)[2]	$ —	$ 1,044

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for two domestic company-operated restaurants.

NOTE 14 — COMMITMENTS AND CONTINGENT LIABILITIES

Lease Commitments

Many of the restaurants we have sold to franchisees are on leased sites, and we have entered into sublease agreements with these franchisees but remained principally liable for the lease obligations. We account for the sublease payments received as rent revenue in franchised restaurants and other revenue, and the payments on the leases as rent expense in franchised restaurants and other expense, in our accompanying Combined Consolidated Statements of Income. As of January 31, 2025, the nominal value of the lease obligations under the remaining master leases' primary terms is $400,271.

Letters of Credit

Pursuant to our Series 2018-1 Variable Funding Notes, we may borrow up to $125,000 for senior secured revolving facility loans, swingline loans and letters of credit (see Note 8). As of January 31, 2025, we had several standby letters of credit outstanding under our Series 2018-1 Variable Funding Notes totaling $24,245, expiring at various dates through October 2025. The outstanding letters of credit consist of a $15,150 letter of credit for benefit of the holders of the Senior Notes as an interest

reserve as required by the Indenture and letters of credit of $9,095, which primarily secure our potential workers' compensation, general liability and auto liability obligations.

Unconditional Purchase Obligations

As of January 31, 2025, we had unconditional purchase obligations in the amount of $63,767, which consisted primarily of contracts for goods and services related to restaurant operations. Our unconditional purchase obligations for fiscal 2026, 2027, 2028, 2029 and 2030 are estimated to be $60,523, $937, $937 , $838 and $532, respectively.

Litigation

We are currently involved in legal disputes related to employment, franchising, real estate and other business matters. We intend to vigorously defend against all claims in these lawsuits, and are unable to predict the ultimate outcome of these actions. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes, and as such may not be meaningful indicators of our potential liability or financial exposure. We regularly review contingencies to determine the adequacy of our accruals and related disclosures. The ultimate amount of loss may differ from these estimates.

NOTE 15 — FRANCHISE OPERATIONS

Franchised restaurants and other revenue consisted of the following:

	Fiscal 2025	Fiscal 2024
Royalties	$ 190,783	$ 190,123
Rent and other occupancy	91,956	97,506
Franchise fees	5,395	5,084
Total franchised restaurants and other revenue	$ 288,134	$ 292,713

Franchised restaurants and other expense consisted of the following:

	Fiscal 2025	Fiscal 2024
Rent and other occupancy	$ 72,585	$ 75,723
Amortization of franchise agreements	16,483	16,857
Other	2,498	1,046
Total franchised restaurants and other expense	$ 91,566	$ 93,626

NOTE 16 — FACILITY ACTION CHARGES, NET

The components of facility action charges, net, are as follows:

	Fiscal 2025	Fiscal 2024
Closed store expenses	$ 2,176	$ 2,148
Impairment of assets to be held and used	1,667	1,044
Impairment of assets to be disposed of	1,273	3,311
Other losses, net	29	—
Gain on disposal of other property and equipment	(3,869)	(3,503)
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property (see Note 10)	(1,086)	—
Gain on refranchising transaction	—	(817)
Total facility action charges, net	$ 190	$ 2,183

Impairment charges recorded against property and equipment of 2,940 and $4,355 were recognized in facility action charges, net in fiscal 2025 and 2024, respectively.

NOTE 17 — EMPLOYEE RETIREMENT PLAN

We and CKE Restaurants sponsor a contributory plan ("401(k) Plan") to provide retirement benefits under the provisions of Section 401(k) of the Internal Revenue Code ("IRC"). Participants may elect to contribute a portion of their annual salaries on a pre-tax basis to the 401(k) Plan, subject to the maximum contribution allowed by the IRC. During fiscal 2025 and 2024, our matching contributions to the 401(k) Plan were $129 and $113, respectively.

NOTE 18 — RELATED PARTY TRANSACTIONS

Transactions with CKE Restaurants and its Subsidiaries

The CKE Securitization Entities have a management agreement with CKE Restaurants (the "Management Agreement"), pursuant to which CKE Restaurants, as Manager, is required to manage and service the assets of the CKE Securitization Entities in accordance with the terms set forth in the Management Agreement. The primary responsibilities of Manager are to administer collections on behalf of the CKE Securitization Entities, and to perform certain activities pertaining to franchising, marketing, real estate management, intellectual property matters, operations and reporting on behalf of the CKE Securitization Entities. The CKE Securitization Entities are obligated to pay Manager a management fee using a formula provided within the Management Agreement, which is calculated using a base fee of $10,300 per annum and a variable fee based upon retained collections for the last four quarterly collection periods. Prior to April 4, 2024, the CKE Securitization Entities were obligated to pay Manager a management fee using a formula provided within a prior management agreement, which was calculated using a base fee of $15,000 per annum and a variable fee based upon retained collections for the last four quarterly collection periods, subject to annual increases for inflation.

During fiscal 2025 and 2024, the CKE Securitization Entities incurred management fee expenses of $43,422 and $49,252, respectively, which are included in general and administrative expense in our accompanying Combined Consolidated Statements of Income.

As of January 31, 2025, we had outstanding receivables from affiliates of $2,458 and payables to affiliates of $2,141. As of January 31, 2024, we had outstanding receivables from affiliates of $425 and payables to affiliates of $1,989.

NOTE 19 — INCOME TAXES

For fiscal 2025 and 2024, income tax expense consisted of current foreign taxes of $6,346 and $5,914, respectively.

As a direct result of our corporate structure, the CKE Securitization Entities are each a limited liability company that is disregarded as an entity separate from its indirect owners, CKE and CKE Restaurants, for federal and state income tax purposes, and are not jointly and severally liable for any income taxes owed by the parent corporate entities. Further, no tax sharing agreement exists, or is expected to exist, between the CKE Securitization Entities and their indirect parent companies that would require the CKE Securitization Entities to directly or indirectly reimburse their indirect parent companies for taxes related to the operations of the CKE Securitization Entities.

NOTE 20 — SUPPLEMENTAL CASH FLOW INFORMATION

	Fiscal 2025	Fiscal 2024
Cash paid for:		
Interest, net of amounts capitalized	$ 64,855	$ 59,155
Income taxes	6,390	5,737
Non-cash activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	53,232	65,562
Contributed property and equipment[(1)]	30,130	28,511
Contributed other assets[(1)]	6,681	3,730
Contributed assets for the CKE Restaurants Acquisition (see Note 5)[(1)]	111	3,438

(1) Contributed property and equipment, contributed other assets and contributed assets for the CKE Restaurants Acquisition represent assets purchased by CKE Restaurants and certain of its wholly owned subsidiaries on behalf of the CKE Securitization Entities pursuant to the Management Agreement. For accounting purposes, these purchases are treated as non-cash contributions to the CKE Securitization Entities.

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING BALANCE SHEET
(In thousands)

	January 31, 2025							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
ASSETS								
Current assets:								
Cash and cash equivalents	$ 1,347	$ 2,452	$ —	$ 3,397	$ 3,385	$ —	$ —	$ 10,581
Cash and cash equivalents - restricted	—	18,147	—	—	—	—	—	18,147
Accounts receivable, net	11,088	—	—	12,702	—	—	—	23,790
Due from affiliates	13,088	18,528	—	57,488	225	—	(86,871)	2,458
Inventories	528	—	—	2,459	—	—	—	2,987
Prepaid expenses	148	17	—	539	17	—	—	721
Other current assets	—	—	—	—	—	—	—	—
Total current assets	26,199	39,144	—	76,585	3,627	—	(86,871)	58,684
Property and equipment, net	83,854	—	—	259,388	—	—	—	343,242
Operating lease assets	283,395	—	—	87,023	—	—	—	370,418
Intangible assets, net	372,047	—	—	388,702	—	—	—	760,749
Other assets, net	16,104	—	—	22,269	—	—	—	38,373
Total assets	$ 781,599	$ 39,144	$ —	$ 833,967	$ 3,627	$ —	$ (86,871)	$ 1,571,466
LIABILITIES AND MEMBERS' DEFICIT								
Current liabilities:								
Current portion of long-term debt	$ —	$ 5,900	$ —	$ —	$ 5,900	$ —	$ —	$ 11,800
Current portion of finance leases	591	—	—	921	—	—	—	1,512
Current portion of operating leases	58,041	—	—	15,846	—	—	—	73,887
Accounts payable	1,597	3	—	1,470	3	—	—	3,073
Due to affiliates	437	56,756	—	7,533	24,286	—	(86,871)	2,141
Other current liabilities	10,380	3,195	—	19,945	3,180	—	—	36,700
Total current liabilities	71,046	65,854	—	45,715	33,369	—	(86,871)	129,113
Long-term debt, less current portion	—	556,197	—	—	556,197	—	—	1,112,394
Finance leases, less current portion	5,496	—	—	15,783	—	—	—	21,279
Operating leases, less current portion	237,778	—	—	77,068	—	—	—	314,846
Other long-term liabilities	63,918	—	—	171,552	—	—	—	235,470
Total liabilities	378,238	622,051	—	310,118	589,566	—	(86,871)	1,813,102
Members' equity (deficit):								
Members' equity (deficit)	403,361	(582,907)	—	523,849	(585,939)	—	—	(241,636)
Total liabilities and members' deficit	$ 781,599	$ 39,144	$ —	$ 833,967	$ 3,627	$ —	$ (86,871)	$ 1,571,466

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING BALANCE SHEET
(In thousands)

	January 31, 2024							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
ASSETS								
Current assets:								
Cash and cash equivalents	$ 2,117	$ 3,996	$ —	$ 3,685	$ 2,542	$ —	$ —	$ 12,340
Cash and cash equivalents - restricted	—	15,942	—	—	—	—	—	15,942
Accounts receivable, net	11,160	—	—	10,588	—	—	—	21,748
Due from affiliates	11,625	20,328	—	56,241	238	—	(88,007)	425
Inventories	559	—	—	2,293	—	—	—	2,852
Prepaid expenses	112	22	—	314	22	—	—	470
Other current assets	79	—	—	—	—	—	—	79
Total current assets	25,652	40,288	—	73,121	2,802	—	(88,007)	53,856
Property and equipment, net	83,156	—	—	270,737	—	—	—	353,893
Operating lease assets	304,577	—	—	91,121	—	—	—	395,698
Intangible assets, net	378,456	—	—	399,082	—	—	—	777,538
Other assets, net	16,259	—	—	15,599	—	—	—	31,858
Total assets	$ 808,100	$ 40,288	$ —	$ 849,660	$ 2,802	$ —	$ (88,007)	$ 1,612,843
LIABILITIES AND MEMBERS' DEFICIT								
Current liabilities:								
Current portion of long-term debt	$ —	$ 5,900	$ —	$ —	$ 5,900	$ —	$ —	$ 11,800
Current portion of finance leases	698	—	—	817	—	—	—	1,515
Current portion of operating leases	57,919	—	—	15,854	—	—	—	73,773
Accounts payable	2,676	—	—	1,791	—	—	—	4,467
Due to affiliates	658	57,049	—	5,579	26,710	—	(88,007)	1,989
Other current liabilities	9,737	2,847	—	19,637	2,832	—	—	35,053
Total current liabilities	71,688	65,796	—	43,678	35,442	—	(88,007)	128,597
Long-term debt, less current portion	—	554,012	—	—	554,012	—	—	1,108,024
Finance leases, less current portion	6,663	—	—	16,706	—	—	—	23,369
Operating leases, less current portion	259,057	—	—	80,623	—	—	—	339,680
Other long-term liabilities	66,746	(1)	—	184,056	—	—	—	250,801
Total liabilities	404,154	619,807	—	325,063	589,454	—	(88,007)	1,850,471
Members' equity (deficit):								
Members' equity (deficit)	403,946	(579,519)	—	524,597	(586,652)	—	—	(237,628)
Total liabilities and members' deficit	$ 808,100	$ 40,288	$ —	$ 849,660	$ 2,802	$ —	$ (88,007)	$ 1,612,843

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING STATEMENTS OF INCOME
(In thousands)

	Fiscal 2025							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
Revenue:								
Company-operated restaurants	$ 111,187	$ —	$ —	$ 272,117	$ —	$ —	$ —	$ 383,304
Franchised restaurants and other	173,988	5,573	—	114,147	13,626	—	(19,200)	288,134
Total revenue	285,175	5,573	—	386,264	13,626	—	(19,200)	671,438
Operating costs and expenses:								
Company-operated restaurants:								
Food and packaging	26,976	—	—	71,775	—	—	—	98,751
Payroll and other employee benefits	38,263	—	—	91,414	—	—	—	129,677
Occupancy and other	37,063	—	—	90,856	—	—	(19,200)	108,719
Total company-operated restaurants	102,302	—	—	254,045	—	—	(19,200)	337,147
Franchised restaurants and other	68,453	—	—	23,113	—	—	—	91,566
Advertising	6,775	—	—	14,988	—	—	—	21,763
General and administrative	63	22,295	—	(281)	21,633	—	—	43,710
Facility action charges, net	(1,686)	—	—	1,876	—	—	—	190
Total operating costs and expenses	175,907	22,295	—	293,741	21,633	—	(19,200)	494,376
Operating income (loss)	109,268	(16,722)	—	92,523	(8,007)	—	—	177,062
Interest expense	(1,422)	(31,032)	—	(5,319)	(30,999)	—	—	(68,772)
Other income (loss), net	1,143	104,400	60,034	517	86,881	47,162	(298,893)	1,244
Income (loss) before income taxes	108,989	56,646	60,034	87,721	47,875	47,162	(298,893)	109,534
Income tax expense	4,966	—	—	1,380	—	—	—	6,346
Net income (loss)	$ 104,023	$ 56,646	$ 60,034	$ 86,341	$ 47,875	$ 47,162	$ (298,893)	$ 103,188

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING STATEMENTS OF INCOME
(In thousands)

	Fiscal 2024							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
Revenue:								
Company-operated restaurants	$ 112,928	$ —	$ —	$ 255,914	$ —	$ —	$ —	$ 368,842
Franchised restaurants and other	175,402	5,643	—	117,311	12,594	—	(18,237)	292,713
Total revenue	288,330	5,643	—	373,225	12,594	—	(18,237)	661,555
Operating costs and expenses:								
Company-operated restaurants:								
Food and packaging	28,645	—	—	69,234	—	—	—	97,879
Payroll and other employee benefits	34,371	—	—	88,269	—	—	—	122,640
Occupancy and other	36,600	—	—	86,253	—	—	(18,237)	104,616
Total company-operated restaurants	99,616	—	—	243,756	—	—	(18,237)	325,135
Franchised restaurants and other	68,884	—	—	24,742	—	—	—	93,626
Advertising	6,889	—	—	13,837	—	—	—	20,726
General and administrative	(2,038)	24,442	—	213	25,336	—	—	47,953
Facility action charges, net	(1,128)	—	—	3,311	—	—	—	2,183
Total operating costs and expenses	172,223	24,442	—	285,859	25,336	—	(18,237)	489,623
Operating income (loss)	116,107	(18,799)	—	87,366	(12,742)	—	—	171,932
Interest expense	(1,460)	(27,431)	—	(5,652)	(27,320)	—	—	(61,863)
Other income (loss), net	3,589	112,499	61,153	406	81,860	36,915	(291,632)	4,790
Income (loss) before income taxes	118,236	66,269	61,153	82,120	41,798	36,915	(291,632)	114,859
Income tax expense	4,453	—	—	1,461	—	—	—	5,914
Net income (loss)	$ 113,783	$ 66,269	$ 61,153	$ 80,659	$ 41,798	$ 36,915	$ (291,632)	$ 108,945



Carl's Jr. SPV Guarantor LLC and subsidiaries, and Hardee's SPV Guarantor LLC and subsidiaries (the "CKE Securitization Entities")

Combined Consolidated Financial Statements
for the fiscal years ended January 29, 2024 and January 30, 2023

(With Independent Auditors' Report Thereon)

KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville, TN 37203

Independent Auditors' Report

Managing Member
Carl's Jr. SPV Guarantor LLC and Hardee's SPV Guarantor LLC:

Opinion

We have audited the combined consolidated financial statements of Carl's Jr. SPV Guarantor LLC and its subsidiaries, and Hardee's SPV Guarantor LLC and its subsidiaries (the Company), which comprise the combined consolidated balance sheets as of January 29, 2024 and January 30, 2023, and the related combined consolidated statements of income, members' deficit, and cash flows for each of the fiscal years then ended, and the related notes to the combined consolidated financial statements.

In our opinion, the accompanying combined consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 29, 2024 and January 30, 2023, and the results of its operations and its cash flows for each of the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Combined Consolidated Financial Statements section of our report. We are required to be independent of the Company 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.

Responsibilities of Management for the Combined Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the combined consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the combined consolidated financial statements are available to be issued.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Auditors' Responsibilities for the Audit of the Combined Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 combined 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 combined 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 combined 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the supplemental schedules. The other information comprises the combining consolidating balance sheets and combining consolidating statements of operations included in the supplemental schedules, but does not include the combined consolidated financial statements and our auditors' report thereon. Our opinion on the combined consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the combined consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the combined consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

KPMG LLP

Nashville, Tennessee
April 10, 2024

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED BALANCE SHEETS
(In thousands)

	January 31, 2024	January 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 12,340	$ 7,320
Cash and cash equivalents - restricted	15,942	16,053
Accounts receivable, net	21,748	20,699
Due from affiliates	425	539
Inventories	2,852	2,973
Prepaid expenses	470	173
Other current assets	79	83
Total current assets	53,856	47,840
Property and equipment, net	353,893	349,888
Operating lease assets	395,698	411,456
Intangible assets, net	777,538	793,030
Other assets, net	31,858	28,810
Total assets	$ 1,612,843	$ 1,631,024
LIABILITIES AND MEMBERS' DEFICIT		
Current liabilities:		
Current portion of long-term debt	$ 11,800	$ 11,800
Current portion of finance leases	1,515	1,268
Current portion of operating leases	73,773	76,242
Accounts payable	4,467	6,207
Due to affiliates	1,989	5,077
Other current liabilities	35,053	35,316
Total current liabilities	128,597	135,910
Long-term debt, less current portion	1,108,024	1,116,405
Finance leases, less current portion	23,369	14,428
Operating leases, less current portion	339,680	350,277
Other long-term liabilities	250,801	262,510
Total liabilities	1,850,471	1,879,530
Commitments and contingencies (Notes 8, 9, 10 and 14)		
Members' deficit:		
Members' deficit	(237,628)	(248,506)
Total liabilities and members' deficit	$ 1,612,843	$ 1,631,024

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF INCOME
(In thousands)

	Fiscal 2024	Fiscal 2023
Revenue:		
Company-operated restaurants	$ 368,842	$ 354,253
Franchised restaurants and other	292,713	290,831
Total revenue	661,555	645,084
Operating costs and expenses:		
Company-operated restaurants:		
Food and packaging	97,879	98,441
Payroll and other employee benefits	122,640	113,363
Occupancy and other	104,616	100,143
Total company-operated restaurants	325,135	311,947
Franchised restaurants and other	93,626	91,006
Advertising	20,726	19,276
General and administrative	47,953	55,948
Facility action charges, net	2,183	3,589
Total operating costs and expenses	489,623	481,766
Operating income	171,932	163,318
Interest expense	(61,863)	(62,752)
Other income, net	4,790	2,057
Income before income taxes	114,859	102,623
Income tax expense	5,914	4,826
Net income	$ 108,945	$ 97,797

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF MEMBERS' DEFICIT
(In thousands)

	Members' Deficit
Balance as of January 31, 2022	$ (251,817)
Capital contributions	45,394
Distributions to members	(139,428)
Net income	97,797
Cumulative effect of change in accounting principle (Note 9)	(452)
Balance as of January 31, 2023	(248,506)
Capital contributions	35,679
Distributions to members	(133,746)
Net income	108,945
Balance as of January 31, 2024	$ (237,628)

See Accompanying Notes to Combined Consolidated Financial Statements

THE CKE SECURITIZATION ENTITIES
COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal 2024	Fiscal 2023
Cash flows from operating activities:		
Net income	$ 108,945	$ 97,797
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	46,692	44,580
Amortization of deferred financing costs	3,419	3,352
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property	—	(1,285)
Gain on refranchising transaction	(817)	—
(Gain) loss on disposal of other property and equipment	(602)	512
Provision for losses on impairments, accounts receivable and other items, net	4,806	318
Net changes in operating assets and liabilities:		
Receivables, inventories, prepaid expenses and other current and non-current assets	(1,985)	4,247
Accounts payable and other current and long-term liabilities	(3,089)	(13,013)
Operating lease assets and liabilities, net	1,096	511
Net cash provided by operating activities	158,465	137,019
Cash flows from investing activities:		
Proceeds from refranchising transactions	2,092	—
Proceeds from sale of other property and equipment	2,412	1,957
Other investing activities	154	215
Net cash provided by investing activities	4,658	2,172
Cash flows from financing activities:		
Net change in book overdraft	(1,260)	(1,952)
Repayments of Class A-2 Notes	(11,800)	(11,800)
Payment for deferred financing costs of Series 2018-1 VFN Notes	—	(861)
Repayments of finance leases	(1,520)	(1,231)
Repayments of financing method sale-leaseback obligations	(10,164)	(8,836)
Distributions to members	(133,746)	(139,428)
Net advances from affiliates	276	(312)
Net cash used in financing activities	(158,214)	(164,420)
Net increase (decrease) in cash, cash equivalents and restricted cash	4,909	(25,229)
Cash, cash equivalents and restricted cash at beginning of period	23,373	48,602
Cash, cash equivalents and restricted cash at end of period	$ 28,282	$ 23,373

See Accompanying Notes to Combined Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC own, operate and franchise the Carl's Jr.®, Hardee's®, Green Burrito® and Red Burrito® concepts. Domestic Carl's Jr. restaurants are predominantly located in the Western United States, primarily in California. International Carl's Jr. restaurants are located primarily in Mexico, with a growing presence in the rest of Latin America, Asia and Europe. Domestic Hardee's restaurants are predominantly located throughout the Southeastern and Midwestern United States. International Hardee's restaurants have an established and growing presence in the Middle East and Central Asia. The Green Burrito concept is located in dual-branded Carl's Jr. restaurants. The Red Burrito concept is located in dual-branded Hardee's restaurants. As of January 31, 2024, our system-wide restaurant portfolio consisted of:

Company-operated	253
Domestic franchised	2,408
International franchised[(1)]	1,114
Total restaurants	3,775

(1) As of July 7, 2022, we ceased providing any and all services to our master franchisee for the country of Russia. Our master franchisee has one franchised and sixteen subfranchised restaurants in Russia. Additionally, we have ceased collecting any royalties or fees of any type from the operation of these locations and do not approve or authorize additional locations.

Basis of Presentation and Fiscal Year

These Combined Consolidated Financial Statements include the combined accounts of Carl's Jr. SPV Guarantor LLC and its consolidated subsidiaries, consisting of Carl's Jr. Funding LLC and Carl's Jr. Restaurants LLC, and Hardee's SPV Guarantor LLC and its consolidated subsidiaries, consisting of Hardee's Funding LLC and Hardee's Restaurants LLC (collectively, the "CKE Securitization Entities"). The indirect corporate parent of Carl's Jr. SPV Guarantor LLC and Hardee's SPV Guarantor LLC is CKE Restaurants Holdings, Inc. ("CKE Restaurants"), and the indirect corporate parent of CKE Restaurants is CKE Holding Corporation ("CKE"). All of the CKE Securitization Entities are limited liability companies established on January 30, 2013 and were organized in the state of Delaware. The CKE Securitization Entities are special purpose, bankruptcy remote entities that hold substantially all of the restaurant businesses, franchising assets, real estate and other productive assets of CKE Restaurants and its subsidiaries. CKE Restaurants, together with certain other non-securitization entities, acts as the manager ("Manager") by managing and servicing the assets, performing certain franchising, marketing, real estate, intellectual property and operating and reporting services on behalf of the CKE Securitization Entities. References to "we", "us", "our" and the "Company" may relate to any or all of the CKE Securitization Entities, as may be applicable, but do not relate to CKE or CKE Restaurants.

The CKE Securitization Entities were formed in connection with a contemplated financing (the "Securitization Transaction"), which was completed on April 1, 2013. In conjunction with the Securitization Transaction, Carl's Jr. Funding LLC and Hardee's Funding LLC (collectively, the "Co-Issuers") issued $1,050,000 Series 2013-1 4.474% Class A-2 Senior Secured Notes with an anticipated repayment date of March 2020 and a legal final maturity date of March 2043 (the "Class A-2 Notes") and $100,000 Series 2013-1 Variable Funding Class A-1 Senior Secured Notes due September 2018 (the "Variable Funding Notes" and together with the Class A-2 Notes, the "Senior Notes"). In June 2018, the Senior Notes were refinanced. In December 2020, the Series 2018-1 Class A-2-I Notes were refinanced. In June 2021, the Co-Issuers issued $180,000 Series 2021-1 Class A-2 Notes. See Note 8 for further discussion.

These Combined Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All significant intercompany balances and transactions are eliminated in combination and consolidation.

We operate on a retail accounting calendar, ending on the last Monday in January. For clarity of presentation, we generally label all years presented as if the fiscal year ended January 31. The fiscal year ended January 29, 2024 is referred to

herein as fiscal 2024 or the fiscal year ended January 31, 2024. The fiscal year ended January 30, 2023 is referred to herein as fiscal 2023 or the fiscal year ended January 31, 2023. The first quarter of our fiscal year has four periods, or 16 weeks. All other quarters generally have three periods, or 12 weeks.

Our restaurant sales, and therefore our profitability, are subject to seasonal fluctuations and are traditionally higher during the spring and summer months because of factors such as increased travel during school vacations and improved weather conditions, which affect the public's dining habits.

Inflation and Middle East Conflict

Inflationary pressures on labor and commodity price increases directly impacted our results of operations during the year ended January 31, 2024 and January 31, 2023. We attempt to manage any inflationary costs and commodity price increases through selective menu price increases and changes in product mix. Competitive pressures, consumer spending levels and other factors may limit our ability to recover such costs increases in the future.

Beginning October 2023, certain of our Hardee's international markets began being impacted by a military conflict in the Middle East. As a result, international franchised restaurants same-store sales were impacted to varying degrees within the Middle East. Further continuation of this conflict could have an adverse impact on our business and results of operations.

Variable Interest Entities

We do not maintain ownership interests in our franchisees, and none of our assets serve as collateral for the creditors of our franchisees. Under the terms of their franchise agreements, franchise entities hold the power to direct the activities that most significantly impact their economic performance. As a result, we do not consider ourselves the primary beneficiary of any franchise entity that might be a variable interest entity.

Estimations

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Our most significant areas of estimation are:

- estimation of future cash flows used to assess the recoverability of long-lived assets, including intangible assets, finance lease assets and operating lease assets;
- determination of appropriate estimated liabilities for loss contingencies;
- determination of appropriate assumptions to use in evaluating leases for finance versus operating lease treatment, establishing depreciable lives for leasehold improvements and establishing straight-line rent expense periods; and
- estimation of the appropriate allowances associated with franchise and other receivables.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, highly liquid investments purchased with original maturities of three months or less are considered cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $15,942 and $16,053 as of January 31, 2024 and 2023, respectively, consisted of cash and cash equivalents that are held by the trustee of our Senior Notes (as defined in Note 8) to be used for debt service payments on our Series 2018-1, Series 2020-1 and Series 2021-1 Senior Notes.

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value and consist primarily of restaurant food, packaging and supplies.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based on the assets' estimated useful lives, which generally range from three to 40 years.

Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the related lease terms. The amortization period for leasehold improvements includes renewal option periods only in instances in which the exercise of the renewal option is reasonably certain at the acquisition date because failure to exercise such option would result in an economic penalty.

We capitalize direct costs and interest costs associated with construction projects that have a future benefit. If we subsequently make a determination that a site for which development costs have been capitalized will not be acquired or developed, any previously capitalized development costs are expensed and included in general and administrative expenses.

Leases

Lessor Accounting

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term. We recognize variable lease payment income for operating leases in the period when changes in facts and circumstances on which the variable lease payments are based occur. We recognize variable lease payment income for operating and financing leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Lessee Accounting

We recognize an operating lease asset and lease liability at lease commencement, which are measured by discounting lease payments using the estimated risk free rate as the discount rate. We made an accounting policy election to use the risk-free rate as our discount rate to determine the initial and subsequent measurement of operating lease liabilities. Subsequent amortization of the operating lease asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Reductions to the operating lease asset and the change in the lease liability are included in changes in operating lease assets and liabilities, net in the Combined Consolidated Statement of Cash Flows.

A finance lease asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Operating lease and finance lease assets are assessed for impairment in accordance with our long-lived asset impairment policy.

We reassess lease classification and remeasure assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate contract or upon certain other events that require reassessment. We recognize variable lease cost for operating and finance leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Intangible Assets

Our indefinite-lived intangible assets consist of trademarks / tradenames. We test trademarks / tradenames for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. We first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If we conclude that it is more likely than not that the indefinite-lived intangible asset is impaired, we then perform a quantitative test to determine whether the carrying amount is less than the fair value of the indefinite-lived intangible asset and measure the amount of impairment, if any.

Our definite-lived intangible assets consist of franchise agreements and favorable lease agreements and are amortized on a straight-line basis over their estimated useful lives. Our definite-lived intangible assets are tested for impairment when events or circumstances indicate the carrying value may be impaired. Refer to discussion of facility action charges for a discussion of impairment of restaurant-level long-lived assets.

Deferred Financing Costs

Deferred financing costs are capitalized and amortized, utilizing the effective interest method, as a component of interest expense over the terms of the respective financing arrangements. See Note 8 for further discussion.

Book Overdraft

Book overdraft liabilities are included within accounts payable in our accompanying Combined Consolidated Balance Sheets. As of January 31, 2024 and 2023, our book overdraft liability was $367 and $1,627, respectively. We classify changes in book overdraft balances as a financing activity in our accompanying Combined Consolidated Statements of Cash Flows.

Loss Contingencies

We routinely assess loss contingencies to develop estimates of likelihood of loss and range of possible settlement. We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. We do not record liabilities for losses we believe are only reasonably possible to result in an adverse outcome. See Note 14 for further discussion.

Revenue Recognition

Company-operated restaurants revenue is recognized upon the sale of food or beverage to a customer in the restaurant, which is when our obligation to perform is satisfied.

Franchised restaurants and other revenue includes royalties, franchise fees and rent revenue. Royalties from franchised restaurants are based on a percentage of net sales of the franchised restaurant and are recognized as earned. Royalties are typically billed and paid monthly and are usually 4% to 5% per restaurant. Franchise development and commitment fees are deferred when received, allocated to each agreed upon restaurant, and recognized as revenue over the contractual term of each respective franchise agreement, once the restaurant has opened. Initial franchise fees, training fees, renewal fees and transfer fees are recognized as revenue over the contractual term of the franchise agreements, once the restaurant has opened. Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective or when an existing agreement is transferred to another franchisee. These franchise fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. Further, franchise fees are forfeited and recognized as revenue upon the termination of the related commitments to open new franchised restaurants, the franchised restaurants closing prior to the end of the contractual agreement or the franchised restaurants being acquired by the Company. Property revenues consist of rental income from properties we lease or sublease to franchisees. Property revenues are accounted for in accordance with applicable accounting guidance for leases (see Leases above). We present all revenue net of sales tax.

Franchise Operations and Credit Risk

Franchised restaurants and other expense includes rent and occupancy costs related to our franchised restaurants, amortization of franchise agreements, credit losses and other miscellaneous expenses directly related to our franchise operations. These costs are expensed as incurred.

Accounts receivable consists primarily of amounts due from franchisees for royalties, franchise fees and rent. In addition, we have notes and other receivables from certain of our franchisees. The financial condition of our franchisees is, in part, dependent upon the underlying business trends of our brand. This concentration of credit risk is mitigated, in part, by the large number of franchisees and the short-term nature of the receivables.

We record provisions for estimated losses on receivables when we believe our franchisees are unable to make their required payments. We cease accruing royalties and rent revenue from franchisees during the fiscal quarter in which we determine that collectibility of such amounts is not reasonably assured. There are a number of different actions we and/or our

franchisees may take to resolve or mitigate franchise collection issues. These actions may include a reduction or deferral of future royalties, a reduction or deferral of future rent for which we are the landlord or the primary obligor to the landlord, or if necessary, acquiring the restaurants or terminating the franchise agreement.

Advertising

Domestic Carl's Jr. restaurants contribute to a national advertising fund (the "Carl's Jr. Fund") that is administered by Manager. Domestic Hardee's restaurants contribute to Hardee's National Advertising Fund ("HNAF") that is administered by Manager and co-operative advertising funds that are administered by a third party (collectively, the "Hardee's Funds"), but consolidated by Manager since Manager is the primary beneficiary of the Hardee's Funds. Further, both international Carl's Jr. restaurants and Hardee's restaurants contribute to certain international advertising funds that are administered by Manager.

We expense advertising costs for company-operated restaurants' contributions to the Carl's Jr. Fund and the Hardee's Funds as company-operated restaurants revenue is earned since we are obligated to share ratably in the cost of the related advertising programs. The cost of local and incremental advertising that is not funded by the Carl's Jr. Fund or the Hardee's Funds is expensed as incurred.

Facility Action Charges

From time to time, we identify restaurants that have carrying values in excess of their fair values and, as a result, we may record impairment charges. We may also close or refranchise these or other restaurants and lease or sublease the restaurant property to a franchisee or to a business other than one of our restaurant concepts. The financial statement impact resulting from these and similar actions are recorded in our accompanying Combined Consolidated Statements of Income as facility action charges, net and include:

(i) impairment of restaurant-level long-lived assets for restaurants to be disposed of or held and used;
(ii) store closure costs, including rent, taxes, depreciation and other costs incurred for closing a store; and
(iii) gain or loss on the sale of restaurants, including refranchising transactions.

Considerable management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, closure costs, expected sublease income and refranchising proceeds. Accordingly, actual results could vary significantly from our estimates.

(i) Impairment of Restaurant-Level Long-Lived Assets

Whenever events or circumstances indicate that the carrying value of assets may be impaired, we evaluate our restaurant-level long-lived assets for impairment. For purposes of impairment testing, assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, which is generally the individual restaurant level for fixed assets, finance lease assets and operating lease assets. For each asset group, we evaluate whether there are indicators of impairment such as sequential annual cash flow losses or adverse changes in the physical condition or expected use of the asset group. When indicators of impairment exist, we evaluate whether the assets are recoverable by comparing the undiscounted future cash flows that we expect to generate from their use and disposal to their carrying value. Restaurant-level assets that are not deemed to be recoverable are written down to their estimated fair value, which is determined by assessing the highest and best use of the assets and the amounts that would be received for such assets in an orderly transaction between market participants.

Our impairment analyses rely upon a number of estimates, assumptions and measurements with significant Level 2 and Level 3 unobservable inputs (see Note 13), including estimates of future cash flows, assumptions of future same-store sales and projected operating expenses for each of our restaurants over their estimated remaining useful lives in order to evaluate recoverability and estimate fair value. Future cash flows are estimated based upon experience gained, current intentions about refranchising or closing restaurants, recent and expected sales trends, internal plans, the period of time since the restaurant was opened or remodeled, the maturity of the related market and other relevant information. We generally estimate the useful life of restaurants on owned property to be 20 to 40 years and estimate the useful life of restaurants subject to leases to range from the end of the lease term then in effect to the end of such lease term including option periods. If our future cash flows or same-store sales do not meet or exceed our forecasted levels, or if restaurant operating cost increases exceed our forecast and we are unable

to recover such costs through price increases, the carrying value of certain of our restaurants may prove to be unrecoverable, and we may incur additional impairment charges in the future.

(ii) Store Closure Costs

We typically make decisions to close restaurants based on prospects for estimated future profitability. However, sometimes we are forced to close restaurants due to circumstances beyond our control (e.g., a landlord's refusal to negotiate a new lease). When restaurants continue to perform poorly, we consider a number of factors, including the demographics of the location and the likelihood of being able to improve an unprofitable restaurant. Based on the operators' judgment and a financial review, we estimate the future cash flows. If we determine that the restaurant will not, within a reasonable period of time, operate at break-even cash flow or be profitable, and we are not contractually obligated to continue operating the restaurant, we may decide to close the restaurant.

(iii) Gain or Loss on the Sale of Restaurants, Including Refranchising Transactions

We record gains and losses on the sale of restaurants as the difference between the net proceeds received and net carrying values of the net assets of the restaurants sold. If we sublease a restaurant to a franchisee on terms that result in a probable loss, then we will establish a lease subsidy allowance and record a loss at the time we enter into the lease arrangement. As further described above, the amount of the estimated liability for the lease subsidy is the present value of our estimated future payments, net of the present value of the expected sublease income.

Contract Liabilities - Deferred Franchise Fees

The following table provides information about contract liabilities, specifically deferred franchise fees, received from contracts with customers:

	2024	2023
Deferred franchise fees, beginning of year	$ 36,129	$ 37,586
Revenue recognized during the period	(5,084)	(6,120)
New deferrals due to cash received	4,919	4,663
Deferred franchise fees, end of year	$ 35,964	$ 36,129

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

Fiscal:	
2025	$ 3,477
2026	3,016
2027	2,801
2028	2,665
2029	2,546
Thereafter	21,459
Total estimated future amortization income	$ 35,964

Deferred franchise fees are recorded in other current liabilities and other long-term liabilities in our accompanying Consolidated Balance Sheets as of January 31, 2024 and January 31, 2023, respectively.

Distributor Concentration Risk

We currently rely on a limited number of distributors to deliver food, packaging and supplies to our restaurants. Although we could use alternative distributors, an unforeseen change in distributor could cause a delay in receipt of food, packaging or supplies and possibly result in unfavorable costs and loss of sales.

Comprehensive Income

We did not have any items of other comprehensive income during fiscal 2024 and 2023.

Reclassification

Certain prior year amounts in the accompanying Combined Consolidated Statements of Income have been reclassified in order to be comparable with the current year classification. These consist of the reclassification for the year ended January 31, 2023 of certain workers compensation expense of $2,846 from Payroll and other employee benefits to Occupancy and other expense. This reclassification did not arise as a result of any changes to accounting policies and relate entirely to presentation with no effect on previously reported net income.

Subsequent Events

We have evaluated subsequent events through April 10, 2024, the date our Combined Consolidated Financial Statements were available to be issued and except as discussed in Note 8, have determined that no material subsequent events occurred after the balance sheet date.

NOTE 2 — ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS AND ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

New Accounting Standards Adopted

Credit Impairment

In June 2016, the Financial Accounting Standards Board ("FASB") issued a standard that requires measurement and recognition of expected versus incurred credit losses for financial assets held, including trade receivables. The standard is effective for interim and annual reporting periods beginning after December 15, 2019 for public entities. For other entities, the standard is effective for interim and annual reporting periods beginning after December 15, 2022. The Company adopted this amendment during the first quarter of 2024. The adoption of this guidance did not have a material impact on our Combined Consolidated Financial Statements.

New Accounting Standards Not Yet Adopted

Income Tax Disclosures

In December 2023, the FASB issued guidance that enhances income tax disclosures including expanded qualitative effective tax rate reconciliation. The standard also requires annual disclosure of income taxes paid disaggregated by federal, state and foreign taxes. The standard is effective for annual reporting periods beginning after December 15, 2024 for public entities. For other entities, the standard is effective for annual reporting periods beginning after December 15, 2025. Early adoption of the guidance is permitted. We are currently evaluating the impact the adoption of this standard will have on our Combined Consolidated Financial Statements.

NOTE 3 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, as of January 31, 2024 and 2023 consisted of the following:

	2024	2023
Trade receivables	$ 21,364	$ 20,671
Leases receivable	181	206
Notes receivable	2,096	1,372
Allowance for credit losses	(1,893)	(1,550)
Total accounts receivable, net	$ 21,748	$ 20,699

The following table summarizes the activity in the allowance for credit losses:

	Fiscal 2024	Fiscal 2023
Allowance for credit losses, beginning of year	$ 1,550	$ 2,734
Provision	1,316	799
Recoveries	(540)	(1,099)
Charge-offs	(433)	(884)
Allowance for credit losses, end of year	$ 1,893	$ 1,550

NOTE 4 — PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of the following as of January 31, 2024 and 2023:

	Estimated Useful Life	2024	2023
Land		$ 191,712	$ 194,610
Leasehold improvements	3-25 years	98,777	97,064
Buildings and improvements	3-40 years	189,373	189,040
Equipment, furniture and fixtures	3-8 years	108,475	89,836
Finance leases	5-33 years	18,174	9,264
		606,511	579,814
Less accumulated depreciation and amortization[(1)]		(252,618)	(229,926)
Total property and equipment, net		$ 353,893	$ 349,888

(1) The accumulated amortization related to finance leases was $333 and $1,375 as of January 31, 2024 and 2023, respectively.

Depreciation and amortization expense related to property and equipment for fiscal 2024 and 2023 was $31,280 and $30,537, respectively. Amortization of property under finance leases is included within depreciation and amortization expense.

During fiscal 2024 and 2023, we capitalized interest costs in the amounts of $155 and $274, respectively.

NOTE 5 — ACQUISITIONS AND REFRANCHISING ACTIVITY

CKE Restaurants Acquisition

During the year ended January 31, 2024, CKE Restaurants acquired nineteen Hardee's restaurants and one Carl's Jr. restaurant from franchisees and contributed these restaurants to the CKE Securitization Entities (the "CKE Restaurants Acquisition"). In connection with the acquisition of these restaurants, the CKE Securitization Entities recorded the following:

	Fiscal 2024
Net working capital	$ 55
Property and equipment	12,281
Operating lease assets	5,048
Reacquired franchise rights	1,810
Operating leases	(5,048)
Finance leases	(10,708)
Net assets acquired and liabilities assumed	$ 3,438

The resulting acquisitions result in no goodwill.

Refranchising Transaction

During fiscal 2024, CKE Restaurants sold one Hardee's restaurant and certain related inventory and fixed assets with a net book value of $1,265. In connection with the sale of this restaurant, we received aggregate consideration of $2,082, and recognized a net gain of $817, which is included in facility action charges, net, in our accompanying Combined Consolidated Statements of Income. In connection with the refranchising transaction, the franchisee acquired real property and equipment related to the restaurant location.

NOTE 6 — INTANGIBLE ASSETS, NET

The table below presents our intangible assets as of January 31, 2024 and 2023:

		2024			2023		
	Weighted-Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks / tradenames	Indefinite	$ 614,400	$ —	$ 614,400	$ 614,400	$ —	$ 614,400
Franchise agreements	20	321,665	(160,157)	161,508	319,855	(143,300)	176,555
Favorable lease agreements	17	5,875	(4,245)	1,630	9,350	(7,275)	2,075
Total intangible assets		$ 941,940	$ (164,402)	$ 777,538	$ 943,605	$ (150,575)	$ 793,030

Amortization expense related to these intangible assets for fiscal 2024 and 2023 was $17,302 and $17,132, respectively. Our future amortization expense related to these intangible assets is set forth as follows:

Fiscal:	
2025	$ 16,785
2026	16,611
2027	16,532
2028	16,333
2029	16,273
Thereafter	80,604
Total estimated future amortization expense	$ 163,138

NOTE 7 — OTHER CURRENT LIABILITIES

Other current liabilities as of January 31, 2024 and 2023 consisted of the following:

	2024	2023
Financing method sale-leaseback liability, current portion	$ 11,287	$ 10,170
Accrued interest	5,663	5,933
Deferred franchise and development fees	3,477	3,399
Salaries, wages and other benefits	3,231	3,484
Accrued property taxes	2,952	4,449
State sales tax	1,938	2,229
Utilities	1,004	1,028
Income taxes payable	545	368
Other accrued liabilities	4,956	4,256
Total other current liabilities	$ 35,053	$ 35,316

NOTE 8 — LONG-TERM DEBT

Long-term debt as of January 31, 2024 and 2023 consisted of the following:

	2024	2023
Series 2018-1 Class A-2 Notes:		
Series 2018-1 Class A-2-II Notes	$ 331,625	$ 335,125
Series 2018-1 Class A-2-III Notes	236,875	239,375
Series 2020-1 Class A-2 Notes	388,000	392,000
Series 2021-1 Class A-2 Notes	175,500	177,300
Unamortized deferred financing costs on Senior Notes	(12,176)	(15,595)
Long-term debt	1,119,824	1,128,205
Less current portion	(11,800)	(11,800)
Long-term debt, less current portion	$ 1,108,024	$ 1,116,405

As of January 31, 2024, the aggregate maturities of our long-term debt, based on the anticipated repayment date and excluding the effects of amortization of the deferred financing costs on the Series 2018-1, Series 2020-1 Senior Notes and Series 2021-1 Senior Notes are as follows:

Fiscal:	
2025	$ 11,800
2026	336,425
2027	8,300
2028	380,300
2029	395,175
Thereafter	—
Total long-term debt	$ 1,132,000

Series 2018-1 Senior Notes, Series 2020-1 Senior Notes and Series 2021-1 Senior Notes

On June 20, 2018, we completed a company-wide refinancing transaction (the "Series 2018-1 Refinancing"). In connection with the Series 2018-1 Refinancing, the Co- Issuers, our indirect wholly-owned subsidiaries, issued an aggregate principal amount of $1,000,000 Series 2018-1 Fixed Rate Senior Secured Notes, Class A-2, ("Series 2018-1 Class A-2 Notes") and $70,000 Series 2018-1 Class A-1 Variable Funding Senior Secured Notes ("Series 2018-1 Variable Funding Notes", and together with the Series 2018-1 Class A-2 Notes, the "Series 2018-1 Senior Notes"). The indenture governing the Series 2018-1 Senior Notes (the "Indenture") allows the Co-Issuers to issue additional series of notes in the future subject to certain conditions.

The Series 2018-1 Class A-2 Notes were issued in three tranches: (i) $400,000 of Series 2018-1 4.250% Fixed Rate Senior Secured Notes, Class A-2-I, with an anticipated repayment date of June 2022; (ii) $350,000 of Series 2018-1 4.959% Fixed Rate Senior Secured Notes, Class A-2-II, with an anticipated repayment date of June 2025; and (iii) $250,000 of Series 2018-1 5.710% Fixed Rate Senior Secured Notes, Class A-2-III, with an anticipated repayment date of June 2028. The Series 2018-1 Class A-2 Notes have a legal final maturity date of June 2048. The Series 2018-1 Class A-2 Notes require scheduled quarterly principal payments of $2,500 with the first principal payment due December 20, 2018. The interest payments for the Series 2018-1 Class A-2 Notes are due quarterly in arrears on the 20th day of each March, June, September and December.

The Series 2018-1 Variable Funding Notes provide for senior secured revolving facility loans, and subfacilities for swingline loans and letters of credit, in an aggregate amount of $70,000. On October 26, 2022, the Series 2018-1 Variable Funding Notes were amended to extend the maturity date to September 2027, including options for renewal for two additional twelve-month terms (subject to certain conditions, including a minimum debt service coverage ratio). The Series 2018-1 Variable Funding Notes bear interest at a variable interest rate equal to (a) a commercial paper rate plus 3.00%, (b) the term SOFR rate plus 3.00% or (c) 2.00% plus the greater of (i) the Prime Rate, (ii) the Federal Funds rate plus 0.50%,

or (iii) term SOFR plus 1.00%. The actual interest rate incurred is determined by how the borrowings were funded by participating investors, but in any event, will fall under one of the three scenarios described above. The Series 2018-1 Variable Funding Notes require us to pay a commitment fee of 0.50% per annum for unused commitments and letter of credit fees of 3.00% per annum on our outstanding non-cash collateralized letters of credit. Interest and other fees on the Series 2018-1 Variable Funding Notes are due quarterly in arrears on the 20th day of each March, June, September and December. As of January 31, 2024, we had no outstanding loan borrowings, $22,647 of outstanding letters of credit and remaining availability of $47,353 under our Series 2018-1 Variable Funding Notes.

On December 21, 2020, we paid down the entire outstanding principal balance of our Series 2018-1 Class A-2-I Notes with the issuance of an aggregate principal amount of $400,000 of Series 2020-1 3.981% Fixed Rate Senior Secured Notes, Class A-2 (the "Series 2020-1 Class A-2 Notes"). Our Series 2018-1 4.959% Fixed Rate Senior Secured Notes, Class A-2-II and Series 2018-1 5.710% Fixed Rate Senior Secured Notes, Class A-2-III remain outstanding. The Series 2020-1 Class A-2 Notes were issued pursuant to an amendment to the Indenture and have an anticipated repayment date of December 2027. The Series 2020-1 Class A-2 Notes have a legal final maturity date of December 2050. The Series 2020-1 Class A-2 Notes require scheduled quarterly principal payments of $1,000 with the first principal payment due March 22, 2021. The interest payments for the Series 2020-1 Class A-2 Notes are due quarterly in arrears on the 20th day of each March, June, September and December.

On June 24, 2021, we issued an aggregate principal amount of $180,000 of Series 2021-1 2.865% Fixed Rate Senior Secured Notes, Class A-2 (the "Series 2021-1 Class A-2 Notes", and together with the "Series 2020-1 Class A-2 Notes" and the remaining Series 2018-1 Class A-2 Notes, all of which remain outstanding, the "Class A-2 Notes" and, collectively with the Series 2018-1 Variable Funding Notes, the "Senior Notes"). The Series 2021-1 Class A-2 Notes were issued pursuant to an amendment to the Indenture and have an anticipated repayment date of June 2028. The Series 2021-1 Class A-2 Notes have a legal final maturity date of June 2051. The Series 2021-1 Class A-2 Notes require scheduled quarterly principal payments of $450 with the first principal payment due September 20, 2021. The interest payments for the Series 2021-1 Class A-2 Notes are due quarterly in arrears on the 20th day of each March, June, September and December. The remaining outstanding tranches of the Series 2021-1 Class A-2 Notes, the Series 2020-1 Class A-2 Notes and the Series 2018-1 Class A-2 Notes collectively require quarterly principal payments of $2,500.

The Senior Notes are secured by substantially all assets of the CKE Securitization Entities, but are not guaranteed by or secured with the assets of CKE or its other subsidiaries, including CKE Restaurants. The Indenture requires the CKE Securitization Entities to report and remit weekly cash flows of the CKE Securitization Entities to the trustee of the Senior Notes. The weekly cash flows are subject to a priority of payments that provides for the payment of funds to specific trust accounts for debt service and other specified purposes set forth in the Indenture. The amount of weekly cash flow, if any, that exceeds the amounts required by the priorities of payment is remitted to CKE Restaurants in the form of an equity distribution.

We expect to repay or refinance each tranche of the Class A-2 Notes at or before its respective anticipated repayment date. However, in the event that we do not repay any tranche of Class A-2 Notes in full by its anticipated repayment date, such tranche of the Class A-2 Notes would be subject to additional interest at an interest rate of at least 5% per annum, and principal payments on all outstanding Senior Notes would accelerate until the debt is paid in full. If certain conditions are met, including a maximum leverage ratio for the CKE Securitization Entities of 5.0x of total net indebtedness to net cash flow, each as defined in the Indenture, we may elect not to make the scheduled principal payments on the Class A-2 Notes. We may optionally prepay up to 35% of the original principal amount of each tranche of the Series 2018-1 Class A-2 Notes (but not the Series 2020-1 Class A-2 Notes or the Series 2021-1 Class A-2 Notes) at any time at par, other than with proceeds from indebtedness. Generally, any optional (and certain mandatory) prepayments in excess of such amount would be subject to a make-whole premium as defined in the Indenture. Beginning eighteen months prior to the anticipated repayment date for the Series 2018-1 Class A-2-II Notes, thirty months prior to the anticipated repayment date for the Series 2018-1 Class A-2-III Notes, thirty-six months prior to the anticipated repayment date for the Series 2020-1 Class A-2 Notes and forty-two months prior to the anticipated repayment date for the Series 2021-1 Class A-2 Notes, we may repay all or a portion of the remaining principal amount of such applicable tranche of Class A-2 Notes at par.

The Senior Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) required actions to perfect the security interest in certain collateral upon the occurrence of certain performance-related events, (ii) application of certain disposition proceeds as note prepayments, subject to certain exceptions, (iii) maintenance of specified reserve accounts, (iv) maintenance of certain debt service coverage ratios, (v) mandatory prepayments with indemnification payments for defective or ineffective collateral, and (vi) covenants relating to record

keeping, access to information and similar matters. If certain covenants or restrictions are not satisfied or complied with, the Senior Notes are subject to accelerated repayment events and events of default. Although management does not anticipate an event of default, if any such event occurred and was not cured within any applicable cure period, the unpaid amounts outstanding could become immediately due and payable.

In connection with the amendment of the 2018-1 Variable Funding Notes in fiscal year 2023, we incurred debt issuance costs of $861 which were capitalized. These deferred financing costs will be amortized using the effective interest method over the expected term of the 2018-1 Variable Funding Notes.

In the first quarter of fiscal 2025, the Co-Issuers issued an aggregate principal amount of $350,000 of Series 2024-1 7.253% Fixed Rate Senior Secured Notes, Class A-2 (the "Series 2024-1 Class A-2 Term Notes"). The Series 2024-1 Class A-2 Term Notes have an anticipated repayment date of March 2031 and a legal final maturity date of March 2054. The Series 2024-1 Class A-2 Term Notes require scheduled quarterly principal payments of $875 with the first principal payment due June 20, 2024. The interest payments for the Series 2024-1 Class A-2 Term Notes are due quarterly in arrears on the 20th day of each March, June, September and December. A portion of the proceeds of the issuance of the Series 2024-1 Class A-2 Term Notes were used to repay the Series 2018-1 Class A-2-II Term Notes in full, including accrued interest.

Interest Expense

Interest expense consisted of the following:

	Fiscal 2024	Fiscal 2023
Series 2018-1 Class A-2 Notes	$ 30,013	$ 30,364
Series 2020-1 Class A-2 Notes	15,466	15,643
Series 2021-1 Class A-2 Notes	5,034	5,092
Amortization of deferred financing costs	3,419	3,352
Finance leases	1,318	1,302
Financing method sale-leaseback obligations (see Note 10)	5,793	6,276
Letter of credit fees, commitment fees and other	820	723
Total interest expense	$ 61,863	$ 62,752

NOTE 9 — LEASES

We occupy land and buildings under lease agreements expiring on various dates through fiscal 2046. Many leases provide for future rent escalations and renewal options. In addition, variable lease payments such as a percentage of sales in excess of specified levels, is often required. Most leases obligate us to pay costs of maintenance, insurance and property taxes.

Company as Lessor

We lease and sublease land and buildings to others, primarily as a result of the refranchising of certain restaurants. Many of these leases provide for fixed payments, while others provide for variable rent when sales exceed certain levels or for rent based on a percentage of sales. Lessees and sublessees generally bear the cost of maintenance, insurance and property taxes. The carrying values of assets leased to others as of January 31, 2024 and 2023 are as follows:

	2024	2023
Land	$ 104,028	$ 118,052
Leasehold improvements	3,916	8,147
Buildings and improvements	68,563	86,423
	176,507	212,622
Less accumulated depreciation and amortization	(57,231)	(71,465)
Total assets leased to others	$ 119,276	$ 141,157

The components of lease income for January 31, 2024 and 2023 are as follows:

	2024	2023
Rent revenue:		
Minimum rent revenue	$ 87,594	$ 91,482
Variable lease revenue	6,334	6,622
Total rent revenue	$ 93,928	$ 98,104

We sublease to others some of our property under finance leases. These assets are recorded as lease receivables and are included in accounts receivable, net and other assets, net in our accompanying Combined Consolidated Balance Sheet. As of January 31, 2024, future minimum lease and sublease rent revenue expected to be received, are as follows:

	Finance Leases	Operating Leases	
	Subleases	Subleases	Owned Properties
Fiscal:			
2025	$ 246	$ 77,732	$ 7,595
2026	245	69,733	8,191
2027	213	60,351	8,202
2028	190	52,474	7,853
2029	97	41,874	7,129
Thereafter	202	119,002	45,439
Total future minimum lease and sublease rent revenue	1,193	$ 421,166	$ 84,409
Unearned interest income	(229)		
Present value of leases receivable	964		
Less current portion	(180)		
Leases receivable, less current portion	$ 784		

Company as Lessee

The components of lease cost for January 31, 2024 and 2023 are as follows:

	Fiscal 2024	Fiscal 2023
Finance lease cost:		
Amortization of finance lease assets	$ 1,596	$ 2,432
Interest on finance lease liabilities	1,572	1,302
Variable lease cost	2	155
Total finance lease cost	3,170	3,889
Operating lease cost	85,267	84,890
Variable lease cost	1,229	1,135
Total operating lease cost	86,496	86,025
Total lease cost	$ 89,666	$ 89,914

Minimum lease payments for all leases and the present value of minimum lease payments for operating and finance leases as of January 31, 2024 are as follows:

	Finance Leases		Operating Leases	
	Company-Operated	Franchise & Other	Company-Operated	Franchise & Other
Fiscal:				
2025	$ 1,573	$ 1,501	$ 15,730	$ 67,153
2026	1,629	1,426	14,906	59,669
2027	1,658	1,358	13,995	50,431
2028	1,672	1,302	12,851	42,140
2029	1,684	1,161	11,193	31,607
Thereafter	16,147	5,032	49,311	86,809
Total minimum lease payments	24,363	11,780	117,986	337,809
Less amount representing interest	(8,010)	(3,249)	(12,640)	(29,702)
Present value of minimum lease payments	16,353	8,531	105,346	308,107
Less current portion	(634)	(881)	(13,375)	(60,398)
Lease obligations, less current portion	$ 15,719	$ 7,650	$ 91,971	$ 247,709

Net rent under non-cancelable operating leases was as follows:

	Fiscal 2024	Fiscal 2023
Rent revenue:		
Minimum rent revenue	$ 87,594	$ 91,482
Variable rent revenue	6,334	6,622
Total rent revenue	93,928	98,104
Rent expense:		
Operating lease cost	(85,267)	(84,890)
Variable lease cost	(1,229)	(1,135)
Total operating lease cost	(86,496)	(86,025)
Net rent income	$ 7,432	$ 12,079

Lease Term and Discount Rate as of January 31,

Weighted-average remaining lease term:

	2024	2023
Finance leases	12.11 years	10.19 years
Operating leases	7.61 years	7.83 years

Weighted-average discount rate:

	2024	2023
Finance leases	6.5 %	8.1 %
Operating leases	2.4 %	1.8 %

NOTE 10 — SALE-LEASEBACK TRANSACTIONS

For all of our 126 restaurant property financing method sale-leaseback transactions, whether assumed by or completed by the CKE Securitization Entities, the initial minimum lease terms are 20 years and include renewal options. The leases also include provisions that provide us with the ability to repurchase the properties, which for accounting purposes, prevents sale recognition as the leased properties are real estate, and we have concluded that no two real estate assets are substantially the same.

Under the financing method, the sales proceeds received are recorded in other current liabilities and other long-term liabilities until our continuing involvement with the properties is terminated, and the associated properties are reported as owned assets and depreciated over their remaining useful lives. Rent payments for these leases are recorded as principal and interest. The net book value of the associated assets, which is included in property and equipment, net of accumulated depreciation and amortization, in our accompanying Combined Consolidated Balance Sheets was $115,805 and $117,126 as of January 31, 2024 and 2023, respectively.

During fiscal 2023, the lease agreements for two of our restaurant properties were terminated. As we no longer have involvement in the properties, we recognized a net gain of $1,160 associated with the write-off of the assets and liabilities. The net gain is included in facility action charges, net in our accompanying Combined Consolidated Statement of Income for fiscal 2023.

Closing costs and other fees related to sale-leaseback transactions are treated as deferred financing costs, which are recorded as a reduction to the liability balance and amortized to interest expense over the initial minimum lease term.

As of January 31, 2024, our future minimum lease commitments for our financing method sale-leaseback obligations are as follows:

Fiscal:	
2025	$ 16,202
2026	16,212
2027	16,410
2028	17,250
2029	17,813
Thereafter	66,043
Total minimum lease payments	149,930
Less amount representing interest	(32,652)
Residual property obligation[(1)], deferred financing costs and deferred sales proceeds	102,346
Financing method sale-leaseback liability	219,624
Less current portion	(11,287)
Financing method sale-leaseback liability, less current portion	$ 208,337

(1) Although we have legally transferred title of the sale-leaseback properties, we have included an obligation to convey, for accounting purposes, the sale-leaseback assets at the end of the primary lease term. This obligation was established in acquisition accounting and based on the estimated residual value of the sale-leaseback assets at the end of the primary lease term.

NOTE 11 — OTHER LONG-TERM LIABILITIES

Other long-term liabilities as of January 31, 2024 and 2023 consisted of the following:

	2024	2023
Financing method sale-leaseback liability, long-term portion	$ 208,337	$ 219,707
Deferred franchise and development fees	32,487	32,730
Deferred beverage income	5,721	3,645
Unfavorable lease agreements	4,132	6,320
Other	124	108
Total other long-term liabilities	$ 250,801	$ 262,510

NOTE 12 — MEMBERS' DEFICIT

During fiscal 2024 and 2023, the CKE Securitization Entities received capital contributions of $35,679 and $45,394, respectively, consisting principally of property and equipment and assets associated with the CKE Restaurants Acquisition (see Note 5). During fiscal 2024 and 2023, the CKE Securitization Entities paid total cash distributions of $133,746 and $139,428, respectively, to members.

NOTE 13 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents information on our financial instruments as of January 31, 2024 and 2023:

	2024		2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial liabilities:				
Series 2018-1 Class A-2-II Notes	$ 329,928	$ 315,044	$ 332,363	$ 319,515
Series 2018-1 Class A-2-III Notes	234,366	222,070	236,353	227,945
Series 2020-1 Class A-2 Notes	382,905	344,350	385,688	346,802
Series 2021-1 Class A-2 Notes	172,625	146,543	173,801	146,485

The fair value of cash and cash equivalents and restricted cash and cash equivalents each approximate their respective carrying amounts due to the short maturity of the balances. The carrying amounts of notes receivable, net (both current and non-current) of related allowance for credit losses approximate fair value. The estimated fair value of our borrowings under the Series 2018-1 Variable Funding Notes approximates the carrying value due to the expected short maturity of the borrowings. The estimated fair values of our borrowings under the Series 2018-1, Series 2020-1 and Series 2021-1 Class A-2 Notes were determined by obtaining estimated market prices from an investment banking firm as of the balance sheet dates.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Entities are required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value based on the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Our non-financial long-lived assets, including intangible assets and property and equipment, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on a periodic basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, we assess our long-lived assets for impairment. When impairment has occurred, such long-lived assets are written down to fair value. See Note 16 for further information regarding impairment charges.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2024:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 3,311
Assets to be held and used (Level 3)[2]	$ —	$ 1,044

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for two underperforming domestic company-operated restaurants.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2023:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 2,483
Assets to be held and used (Level 3)[2]	$ —	$ 444

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for two underperforming domestic company-operated restaurants.

NOTE 14 — COMMITMENTS AND CONTINGENT LIABILITIES

Lease Commitments

Many of the restaurants we have sold to franchisees are on leased sites, and we have entered into sublease agreements with these franchisees but remained principally liable for the lease obligations. We account for the sublease payments received as rent revenue in franchised restaurants and other revenue, and the payments on the leases as rent expense in franchised restaurants and other expense, in our accompanying Combined Consolidated Statements of Income. As of January 31, 2024, the nominal value of the lease obligations under the remaining master leases' primary terms is $422,539.

Letters of Credit

Pursuant to our Series 2018-1 Variable Funding Notes, we may borrow up to $70,000 for senior secured revolving facility loans, swingline loans and letters of credit (see Note 8). As of January 31, 2024, we had several standby letters of credit outstanding under our Series 2018-1 Variable Funding Notes totaling $22,647, expiring at various dates through October 2024. The outstanding letters of credit consist of a $13,100 letter of credit for benefit of the holders of the Senior Notes as an interest

reserve as required by the Series 2021-1 Indenture and letters of credit of $9,547, which primarily secure our potential workers' compensation, general liability and auto liability obligations.

Unconditional Purchase Obligations

As of January 31, 2024, we had unconditional purchase obligations in the amount of $54,516, which consisted primarily of contracts for goods and services related to restaurant operations. Our unconditional purchase obligations for fiscal 2025, 2026, 2027, 2028 and 2029 are estimated to be $51,179, $937, $937 , $937 and $526, respectively.

Litigation

We are currently involved in legal disputes related to employment, franchising, real estate and other business matters. We intend to vigorously defend against all claims in these lawsuits, and are unable to predict the ultimate outcome of these actions. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes, and as such may not be meaningful indicators of our potential liability or financial exposure. We regularly review contingencies to determine the adequacy of our accruals and related disclosures. The ultimate amount of loss may differ from these estimates.

NOTE 15 — FRANCHISE OPERATIONS

Franchised restaurants and other revenue consisted of the following:

	Fiscal 2024	Fiscal 2023
Royalties	$ 190,123	$ 182,353
Rent and other occupancy	97,506	102,358
Franchise fees	5,084	6,120
Total franchised restaurants and other revenue	$ 292,713	$ 290,831

Franchised restaurants and other expense consisted of the following:

	Fiscal 2024	Fiscal 2023
Rent and other occupancy	$ 75,723	$ 74,326
Amortization of franchise agreements	16,857	16,857
Other	1,046	(177)
Total franchised restaurants and other expense	$ 93,626	$ 91,006

NOTE 16 — FACILITY ACTION CHARGES, NET

The components of facility action charges, net, are as follows:

	Fiscal 2024	Fiscal 2023
Impairment of assets to be disposed of	$ 3,311	$ 2,483
Closed store expenses	2,148	194
Impairment of assets to be held and used	1,044	444
(Gain) loss on disposal of other property and equipment	(3,503)	512
Gain on refranchising transaction	(817)	—
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property (see Note 10)	—	(1,160)
Other losses, net	—	1,116
Total facility action charges, net	$ 2,183	$ 3,589

Impairment charges recorded against property and equipment of 4,355 and $2,927 were recognized in facility action charges, net in fiscal 2024 and 2023, respectively.

NOTE 17 — EMPLOYEE RETIREMENT PLAN

We and CKE Restaurants sponsor a contributory plan ("401(k) Plan") to provide retirement benefits under the provisions of Section 401(k) of the Internal Revenue Code ("IRC"). Participants may elect to contribute a portion of their annual salaries on a pre-tax basis to the 401(k) Plan, subject to the maximum contribution allowed by the IRC. During fiscal 2024 and 2023, our matching contributions to the 401(k) Plan were $113 and $94, respectively.

NOTE 18 — RELATED PARTY TRANSACTIONS

Transactions with CKE Restaurants and its Subsidiaries

The CKE Securitization Entities have a management agreement with CKE Restaurants (the "Management Agreement"), pursuant to which CKE Restaurants, as Manager, is required to manage and service the assets of the CKE Securitization Entities in accordance with the terms set forth in the Management Agreement. The primary responsibilities of Manager are to administer collections on behalf of the CKE Securitization Entities, and to perform certain activities pertaining to franchising, marketing, real estate management, intellectual property matters, operations and reporting on behalf of the CKE Securitization Entities. The CKE Securitization Entities are obligated to pay Manager a management fee using a formula provided within the Management Agreement, which is calculated using a base fee of $15,000 per annum and a variable fee based upon retained collections for the last four quarterly collection periods, subject to certain adjustments, including annual increases for inflation. During fiscal 2024 and 2023, the CKE Securitization Entities incurred management fee expenses of $49,252 and $49,271, respectively, which are included in general and administrative expense in our accompanying Combined Consolidated Statements of Income.

In late fiscal 2019, CKE Restaurants completed the purchase of all remaining non-controlling interests in a joint venture in Shanghai, China. These restaurants paid royalties and franchise fees to us on the same terms and conditions as our other franchisees. During fiscal 2023, total revenue generated from the Shanghai business was $91, which is included in franchised restaurants and other revenue in our accompanying Combined Consolidated Statements of Income. During fiscal year ended January 31, 2023, CKE Restaurants closed all restaurants operated in Shanghai, China.

As of January 31, 2024, we had outstanding receivables from affiliates of $425 and payables to affiliates of $1,989. As of January 31, 2023, we had outstanding receivables from affiliates of $539 and payables to affiliates of $5,077.

NOTE 19 — INCOME TAXES

For fiscal 2024 and 2023, income tax expense consisted of current foreign taxes of $5,914 and $4,826, respectively.

As a direct result of our corporate structure and the Securitization Transaction, the CKE Securitization Entities are each a limited liability company that is disregarded as an entity separate from its indirect owners, CKE and CKE Restaurants, for federal and state income tax purposes, and are not jointly and severally liable for any income taxes owed by the parent corporate entities. Further, no tax sharing agreement exists, or is expected to exist, between the CKE Securitization Entities and their indirect parent companies that would require the CKE Securitization Entities to directly or indirectly reimburse their indirect parent companies for taxes related to the operations of the CKE Securitization Entities.

NOTE 20 — SUPPLEMENTAL CASH FLOW INFORMATION

	Fiscal 2024	Fiscal 2023
Cash paid for:		
Interest, net of amounts capitalized	$ 59,155	$ 60,073
Income taxes	5,737	5,053
Non-cash activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	65,562	46,212
Contributed property and equipment[(1)]	28,511	45,394
Contributed other assets[(1)]	3,730	—
Contributed assets for the CKE Restaurants Acquisition (see Note 5)[(1)]	3,438	—

(1) Contributed property and equipment, contributed other assets and contributed assets for the CKE Restaurants Acquisition represent assets purchased by CKE Restaurants and certain of its wholly owned subsidiaries on behalf of the CKE Securitization Entities pursuant to the Management Agreement. For accounting purposes, these purchases are treated as non-cash contributions to the CKE Securitization Entities.

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING BALANCE SHEET
(In thousands)

	January 31, 2024							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
ASSETS								
Current assets:								
Cash and cash equivalents	$ 2,117	$ 3,996	$ —	$ 3,685	$ 2,542	$ —	$ —	$ 12,340
Cash and cash equivalents - restricted	—	15,942	—	—	—	—	—	15,942
Accounts receivable, net	11,160	—	—	10,588	—	—	—	21,748
Due from affiliates	11,625	20,328	—	56,241	238	—	(88,007)	425
Inventories	559	—	—	2,293	—	—	—	2,852
Prepaid expenses	112	22	—	314	22	—	—	470
Other current assets	79	—	—	—	—	—	—	79
Total current assets	25,652	40,288	—	73,121	2,802	—	(88,007)	53,856
Property and equipment, net	83,156	—	—	270,737	—	—	—	353,893
Operating lease assets	304,577	—	—	91,121	—	—	—	395,698
Intangible assets, net	378,456	—	—	399,082	—	—	—	777,538
Other assets, net	16,259	—	—	15,599	—	—	—	31,858
Total assets	$ 808,100	$ 40,288	$ —	$ 849,660	$ 2,802	$ —	$ (88,007)	$ 1,612,843
LIABILITIES AND MEMBERS' DEFICIT								
Current liabilities:								
Current portion of long-term debt	$ —	$ 5,900	$ —	$ —	$ 5,900	$ —	$ —	$ 11,800
Current portion of finance leases	698	—	—	817	—	—	—	1,515
Current portion of operating leases	57,919	—	—	15,854	—	—	—	73,773
Accounts payable	2,676	—	—	1,791	—	—	—	4,467
Due to affiliates	658	57,049	—	5,579	26,710	—	(88,007)	1,989
Other current liabilities	9,737	2,847	—	19,637	2,832	—	—	35,053
Total current liabilities	71,688	65,796	—	43,678	35,442	—	(88,007)	128,597
Long-term debt, less current portion	—	554,012	—	—	554,012	—	—	1,108,024
Finance leases, less current portion	6,663	—	—	16,706	—	—	—	23,369
Operating leases, less current portion	259,057	—	—	80,623	—	—	—	339,680
Other long-term liabilities	66,746	(1)	—	184,056	—	—	—	250,801
Total liabilities	404,154	619,807	—	325,063	589,454	—	(88,007)	1,850,471
Members' equity (deficit):								
Members' equity (deficit)	403,946	(579,519)	—	524,597	(586,652)	—	—	(237,628)
Total liabilities and members' deficit	$ 808,100	$ 40,288	$ —	$ 849,660	$ 2,802	$ —	$ (88,007)	$ 1,612,843

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING BALANCE SHEET
(In thousands)

	January 31, 2023							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
ASSETS								
Current assets:								
Cash and cash equivalents	$ 1,627	$ 1,161	$ —	$ 3,555	$ 977	$ —	$ —	$ 7,320
Cash and cash equivalents - restricted	—	16,053	—	—	—	—	—	16,053
Accounts receivable, net	10,663	—	—	10,036	—	—	—	20,699
Due from affiliates	6,860	20,696	—	52,060	215	—	(79,292)	539
Inventories	562	—	—	2,411	—	—	—	2,973
Prepaid expenses	—	16	—	137	20	—	—	173
Other current assets	83	—	—	—	—	—	—	83
Total current assets	19,795	37,926	—	68,199	1,212	—	(79,292)	47,840
Property and equipment, net	83,427	—	—	266,461	—	—	—	349,888
Operating lease assets	317,666	—	—	93,790	—	—	—	411,456
Intangible assets, net	384,915	—	—	408,115	—	—	—	793,030
Other assets, net	13,000	—	—	15,810	—	—	—	28,810
Total assets	$ 818,803	$ 37,926	$ —	$ 852,375	$ 1,212	$ —	$ (79,292)	$ 1,631,024
LIABILITIES AND MEMBERS' DEFICIT								
Current liabilities:								
Current portion of long-term debt	$ —	$ 5,900	$ —	$ —	$ 5,900	$ —	$ —	$ 11,800
Current portion of finance leases	627	—	—	641	—	—	—	1,268
Current portion of operating leases	59,930	—	—	16,312	—	—	—	76,242
Accounts payable	2,849	—	—	3,358	—	—	—	6,207
Due to affiliates	(564)	55,477	—	3,779	25,677	—	(79,292)	5,077
Other current liabilities	10,931	2,982	—	18,435	2,968	—	—	35,316
Total current liabilities	73,773	64,359	—	42,525	34,545	—	(79,292)	135,910
Long-term debt, less current portion	—	558,203	—	—	558,202	—	—	1,116,405
Finance leases, less current portion	5,269	—	—	9,159	—	—	—	14,428
Operating leases, less current portion	269,290	—	—	80,987	—	—	—	350,277
Other long-term liabilities	68,431	(1)	—	194,080	—	—	—	262,510
Total liabilities	416,763	622,561	—	326,751	592,747	—	(79,292)	1,879,530
Members' equity (deficit):								
Members' equity (deficit)	402,040	(584,635)	—	525,624	(591,535)	—	—	(248,506)
Total liabilities and members' deficit	$ 818,803	$ 37,926	$ —	$ 852,375	$ 1,212	$ —	$ (79,292)	$ 1,631,024

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING STATEMENT OF OPERATIONS
(In thousands)

	Fiscal 2024							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
Revenue:								
Company-operated restaurants	$ 112,928	$ —	$ —	$ 255,914	$ —	$ —	$ —	$ 368,842
Franchised restaurants and other	175,402	5,643	—	117,311	12,594	—	(18,237)	292,713
Total revenue	288,330	5,643	—	373,225	12,594	—	(18,237)	661,555
Operating costs and expenses:								
Company-operated restaurants:								
Food and packaging	28,645	—	—	69,234	—	—	—	97,879
Payroll and other employee benefits	34,371	—	—	88,269	—	—	—	122,640
Occupancy and other	36,600	—	—	86,253	—	—	(18,237)	104,616
Total company-operated restaurants	99,616	—	—	243,756	—	—	(18,237)	325,135
Franchised restaurants and other	68,884	—	—	24,742	—	—	—	93,626
Advertising	6,889	—	—	13,837	—	—	—	20,726
General and administrative	(2,038)	24,442	—	213	25,336	—	—	47,953
Facility action charges, net	(1,128)	—	—	3,311	—	—	—	2,183
Total operating costs and expenses	172,223	24,442	—	285,859	25,336	—	(18,237)	489,623
Operating income (loss)	116,107	(18,799)	—	87,366	(12,742)	—	—	171,932
Interest expense	(1,460)	(27,431)	—	(5,652)	(27,320)	—	—	(61,863)
Other income (loss), net	3,589	112,499	61,153	406	81,860	36,915	(291,632)	4,790
Income (loss) before income taxes	118,236	66,269	61,153	82,120	41,798	36,915	(291,632)	114,859
Income tax expense	4,453	—	—	1,461	—	—	—	5,914
Net income (loss)	$ 113,783	$ 66,269	$ 61,153	$ 80,659	$ 41,798	$ 36,915	$ (291,632)	$ 108,945

SUPPLEMENTAL SCHEDULE

THE CKE SECURITIZATION ENTITIES
COMBINING CONSOLIDATING STATEMENT OF OPERATIONS
(In thousands)

	Fiscal 2023							
	Carl's Jr. Restaurants LLC	Carl's Jr. Funding LLC	Carl's Jr. SPV Guarantor LLC	Hardee's Restaurants LLC	Hardee's Funding LLC	Hardee's SPV Guarantor LLC	Eliminations	The CKE Securitization Entities
Revenue:								
Company-operated restaurants	$ 111,433	$ —	$ —	$ 242,820	$ —	$ —	$ —	$ 354,253
Franchised restaurants and other	168,244	5,579	—	122,587	11,835	—	(17,414)	290,831
Total revenue	279,677	5,579	—	365,407	11,835	—	(17,414)	645,084
Operating costs and expenses:								
Company-operated restaurants:								
Food and packaging	28,226	—	—	70,215	—	—	—	98,441
Payroll and other employee benefits	32,897	—	—	80,466	—	—	—	113,363
Occupancy and other	35,240	—	—	82,317	—	—	(17,414)	100,143
Total company-operated restaurants	96,363	—	—	232,998	—	—	(17,414)	311,947
Franchised restaurants and other	66,917	—	—	24,089	—	—	—	91,006
Advertising	6,774	—	—	12,502	—	—	—	19,276
General and administrative	6,694	23,462	1	(724)	26,515	—	—	55,948
Facility action charges, net	526	—	—	3,063	—	—	—	3,589
Total operating costs and expenses	177,274	23,462	1	271,928	26,515	—	(17,414)	481,766
Operating income (loss)	102,403	(17,883)	(1)	93,479	(14,680)	—	—	163,318
Interest expense	(1,557)	(27,649)	—	(6,021)	(27,525)	—	—	(62,752)
Other income (loss), net	1,131	96,478	60,645	690	80,449	33,389	(270,725)	2,057
Income (loss) before income taxes	101,977	50,946	60,644	88,148	38,244	33,389	(270,725)	102,623
Income tax expense	3,282	—	—	1,544	—	—	—	4,826
Net income (loss)	$ 98,695	$ 50,946	$ 60,644	$ 86,604	$ 38,244	$ 33,389	$ (270,725)	$ 97,797



CKE RESTAURANTS HOLDINGS, INC.

Consolidated Financial Statements
for the fiscal years ended January 27, 2025 and January 29, 2024

(With Independent Auditors' Report Thereon)

KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville, TN 37203

Independent Auditors' Report

The Board of Directors
CKE Restaurants Holdings, Inc.:

Opinion

We have audited the consolidated financial statements of CKE Restaurants Holdings, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of January 27, 2025 and January 29, 2024, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the fiscal 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 the Company as of January 27, 2025 and January 29, 2024, and the results of its operations and its cash flows for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company 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.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of 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 auditors' 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.

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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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Nashville, Tennessee
April 2, 2025

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except shares and par values)

	January 31, 2025	January 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 52,718	$ 130,566
Cash and cash equivalents - restricted	18,147	15,942
Accounts receivable, net	44,799	38,438
Inventories	3,386	3,029
Prepaid expenses	9,843	13,562
Other current assets	—	80
Total current assets	128,893	201,617
Property and equipment, net	371,065	377,436
Operating lease assets	394,542	424,719
Goodwill	539,421	539,421
Intangible assets, net	760,749	777,538
Other assets, net	39,316	40,485
Total assets	$ 2,233,986	$ 2,361,216
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 11,800	$ 11,800
Current portion of finance leases	1,512	1,515
Current portion of operating leases	77,505	79,623
Accounts payable	24,652	23,855
Other current liabilities	67,186	71,641
Total current liabilities	182,655	188,434
Long-term debt, less current portion	1,112,394	1,108,022
Finance leases, less current portion	21,279	23,370
Operating leases, less current portion	338,608	366,233
Deferred income tax liabilities, net	159,524	171,393
Other long-term liabilities	246,968	263,631
Total liabilities	2,061,428	2,121,083
Commitments and contingencies (Notes 8, 9, 10 and 14)		
Equity:		
Common stock, $0.01 par value; 100 shares authorized, issued and outstanding as of January 31, 2025 and 2024	—	—
Additional paid-in capital	736,970	736,438
Accumulated deficit	(564,357)	(495,148)
Accumulated other comprehensive loss	(55)	(1,157)
Total equity	172,558	240,133
Total liabilities and equity	$ 2,233,986	$ 2,361,216

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Fiscal 2025	Fiscal 2024
Revenue:		
Company-operated restaurants	$ 383,304	$ 368,842
Franchised restaurants and other	298,274	299,954
Advertising funds revenue	168,060	172,032
Total revenue	849,638	840,828
Operating costs and expenses:		
Company-operated restaurants:		
Food and packaging	98,751	97,879
Payroll and other employee benefits	129,677	122,640
Occupancy and other	110,857	106,650
Total company-operated restaurants	339,285	327,169
Franchised restaurants and other	102,304	96,654
Advertising funds expense	197,885	184,744
General and administrative	121,416	118,797
Facility action charges, net	210	2,852
Total operating costs and expenses	761,100	730,216
Operating income	88,538	110,612
Interest expense	(68,902)	(62,089)
Other income, net	5,421	13,108
Income before income taxes	25,057	61,631
Income tax expense	4,266	16,502
Net income	$ 20,791	$ 45,129

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Fiscal 2025	Fiscal 2024
Net income	$ 20,791	$ 45,129
Other comprehensive income (loss):		
Foreign currency translation adjustments	(17)	(22)
Amounts reclassified to earnings for Shanghai business liquidation	1,119	—
Other comprehensive income (loss)	1,102	(22)
Comprehensive income	$ 21,893	$ 45,107

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except shares)

	CKE Restaurants Holdings, Inc. Stockholder's Equity					
	Common Stock					
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance as of January 31, 2023	100	$ —	$ 734,314	$ (540,277)	$ (1,135)	$192,902
Share-based compensation	—	—	2,124	—	—	2,124
Other comprehensive loss	—	—	—	—	(22)	(22)
Net Income	—	—	—	45,129	—	45,129
Balance as of January 31, 2024	100	—	736,438	(495,148)	(1,157)	240,133
Share-based compensation	—	—	444	—	—	444
Other comprehensive income	—	—	—	—	1,102	1,102
Other loss	—	—	88	—	—	88
Cash dividends to CKE Holding Corporation	—	—	—	(90,000)	—	(90,000)
Net income	—	—	—	20,791	—	20,791
Balance as of January 31, 2025	100	$ —	$ 736,970	$ (564,357)	$ (55)	$172,558

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal 2025	Fiscal 2024
Cash flows from operating activities:		
Net income	$ 20,791	$ 45,129
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	52,776	51,372
Amortization of deferred financing costs	3,499	3,417
Loss on early extinguishment of Series 2018-1 Class A-2-II Notes	1,283	—
Share-based compensation	444	2,124
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property	(1,386)	—
Gain on refranchising transaction	—	(153)
Gain on disposal of other property and equipment	(2,635)	(602)
Deferred income taxes	(11,869)	(3,738)
Provision for losses on impairments, accounts receivable and other items, net	11,625	508
Net changes in operating assets and liabilities:		
Receivables, inventories, prepaid expenses and other current and non-current assets	(15,444)	(14,140)
Estimated liability for self-insurance	(1,009)	(1,253)
Accounts payable and other current and long-term liabilities	(2,264)	7,604
Operating lease asset and liabilities, net	(241)	581
Net cash provided by operating activities	55,570	90,849
Cash flows from investing activities:		
Purchases of property and equipment	(36,620)	(35,514)
Acquisitions of restaurants, net of cash received	(111)	(3,019)
Proceeds from refranchising transactions	—	2,092
Proceeds from sale of other property and equipment	8,128	2,346
Other investing activities	219	(7,346)
Net cash used in investing activities	(28,384)	(41,441)
Cash flows from financing activities:		
Net change in book overdraft	(298)	(1,472)
Repayments of Class A-2 Notes	(11,800)	(11,800)
Payments for deferred financing costs of Series 2018-1 VFN Notes	(2,068)	—
Payments for deferred financing costs of Series 2024-1 Class A-2 Notes	(5,792)	—
Payments for early extinguishment of Series 2018-1 Class A-2-II Notes	(330,750)	—
Issuance of Series 2024-1 Class A-2 Notes	350,000	—
Repayments of other notes	—	(1,900)
Repayments of finance leases	(1,571)	(1,519)
Repayments of financing method sale-leaseback obligations	(10,582)	(10,164)
Cash dividends to CKE Holding Corporation	(90,000)	—
Net cash used in financing activities	(102,861)	(26,855)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	32	49
Net (decrease) increase in cash, cash equivalents and restricted cash	(75,643)	22,602
Cash, cash equivalents and restricted cash at beginning of period	146,508	123,906
Cash, cash equivalents and restricted cash at end of period	$ 70,865	$ 146,508

See Accompanying Notes to Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

CKE Restaurants Holdings, Inc. ("CKE Restaurants") is not a franchisor and conducts substantially all of its restaurant activities and operations through its subsidiaries. Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC own, operate and franchise the Carl's Jr.®, Hardee's®, Green Burrito® and Red Burrito® concepts. References to "we", "us", "our" and the "Company" may relate to CKE Restaurants and/or its subsidiaries, as may be applicable.

Domestic Carl's Jr. restaurants are predominantly located in the Western United States, primarily in California. International Carl's Jr. restaurants are located primarily in Mexico, with a growing presence in the rest of Latin America, Asia, Canada and Europe. Domestic Hardee's restaurants are predominantly located throughout the Southeastern and Midwestern United States. International Hardee's restaurants have an established and growing presence in the Middle East and Central Asia. The Green Burrito concept is located in dual-branded Carl's Jr. restaurants. The Red Burrito concept is located in dual-branded Hardee's restaurants. As of January 31, 2025, our system-wide restaurant portfolio consisted of:

Company-operated	252
Domestic franchised	2,351
International franchised	1,160
Total restaurants	3,763

Basis of Presentation and Fiscal Year

Our accompanying Consolidated Financial Statements include the accounts of CKE Restaurants, its consolidated subsidiaries and its consolidated variable interest entities ("VIEs"). CKE Restaurants does not have any non-controlling interests in other entities. These Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All significant intercompany balances and transactions are eliminated in consolidation.

We operate on a retail accounting calendar, ending on the last Monday in January. For clarity of presentation, we generally label all years presented as if the fiscal year ended January 31. The fiscal year ended January 27, 2025 is referred to herein as fiscal 2025 or the fiscal year ended January 31, 2025. The fiscal year ended January 29, 2024 is referred to herein as fiscal 2024 or the fiscal year ended January 31, 2024. The first quarter of our fiscal year has four periods, or 16 weeks. All other quarters generally have three periods, or 12 weeks.

Our restaurant sales, and therefore our profitability, are subject to seasonal fluctuations and are traditionally higher during the spring and summer months because of factors such as increased travel during school vacations and improved weather conditions, which affect the public's dining habits.

Inflation and Middle East Conflict

Inflationary pressures on labor and commodity price increases directly impacted our results of operations during the years ended January 31, 2025 and January 31, 2024. We attempt to manage any inflationary costs and commodity price increases through selective menu price increases and changes in product mix. Competitive pressures, consumer spending levels and other factors may limit our ability to recover such costs increases in the future.

Beginning October 2023, certain of our Hardee's international markets began being impacted by a military conflict in the Middle East. As a result, international franchised restaurants same-store sales were impacted to varying degrees within the Middle East. Further continuation of this conflict could have an adverse impact on our business and results of operations.

Variable Interest Entities

Hardee's Funds consideration

We consolidate the Hardee's National Advertising Fund ("HNAF") and approximately 73 Hardee's local co-operative advertising funds ("Hardee's Co-ops") (collectively, the "Hardee's Funds") since we have determined that the Hardee's Funds are VIEs and that we are the primary beneficiary. We considered a variety of factors in identifying the primary beneficiary of the Hardee's Funds including, but not limited to, who holds the power to direct the activities that most significantly impact the economic performance of the Hardee's Funds, as well as what party has the obligation to absorb any losses of the Hardee's Funds. Based upon these considerations, we concluded that we are the primary beneficiary.

The Hardee's Co-ops are consolidated as of December 31, 2024. Any potential difference between the calendar year presentation and our fiscal year calendar is not considered material to the Consolidated Financial Statements. We have included $26,600 and $28,066 of total assets and total liabilities and equity related to Hardee's Funds in our accompanying Consolidated Balance Sheets as of January 31, 2025 and 2024, respectively. We have no rights to the assets, other than those disclosed above, nor do we have any obligation with respect to the liabilities, of the Hardee's Funds, and none of our assets serve as collateral for the creditors of these VIEs.

Franchisee consideration

We do not maintain ownership interests in our franchisees, and none of our assets serve as collateral for the creditors of our franchisees. Under the terms of their franchise agreements, franchise entities hold the power to direct the activities that most significantly impact their economic performance. As a result, we do not consider ourselves the primary beneficiary of any franchise entity that might be a VIE.

Shanghai Business

The Shanghai, China business ("Shanghai business") was established for the purpose of locating, developing and operating Carl's Jr. restaurants within the municipality of Shanghai, China and certain nearby provinces. During the fiscal year ended January 31, 2023, the Company closed all restaurants operated by our Shanghai business. During the fiscal year ended January 31, 2025, the Company liquidated the Shanghai business.

Estimations

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Our most significant areas of estimation are:

- estimation of future cash flows used to assess the recoverability of long-lived assets, including intangible assets, goodwill, finance lease assets and operating lease assets;
- estimation, using actuarially determined methods, of our self-insured claim losses under our workers' compensation, general liability and auto liability insurance programs;
- determination of appropriate estimated liabilities for loss contingencies;
- determination of appropriate assumptions to use in evaluating leases for finance versus operating lease treatment, establishing depreciable lives for leasehold improvements and establishing straight-line rent expense periods;
- estimation of the appropriate allowances associated with franchise and other receivables;
- determination of the appropriate assumptions to estimate gift card breakage;

- determination of the appropriate assumptions to estimate the fair value of share-based compensation; and
- estimation of our deferred income tax asset valuation allowance, liabilities related to uncertain tax positions and effective tax rate.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, highly liquid investments purchased with original maturities of three months or less are considered cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $18,147 and $15,942 as of January 31, 2025 and 2024, respectively, consisted of cash and cash equivalents that are held by the trustee of our Series 2018-1 Senior Notes, Series 2020-1 Senior Notes, Series 2021-1 Senior Notes and Series 2024-1 Senior Notes (as defined in Note 8) to be used for debt service payments on our Senior Notes.

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value and consist primarily of restaurant food, packaging and supplies.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based on the assets' estimated useful lives, which generally range from three to 40 years.

Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the related lease terms. The amortization period for leasehold improvements includes renewal option periods only in instances in which the exercise of the renewal option is reasonably certain at the acquisition date because failure to exercise such option would result in an economic penalty.

We capitalize direct costs associated with construction projects that have a future benefit. If we subsequently make a determination that a site for which development costs have been capitalized will not be acquired or developed, any previously capitalized development costs are expensed and included in general and administrative expenses.

Leases

Lessor Accounting

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term. We recognize variable lease payment income for operating leases in the period when changes in facts and circumstances on which the variable lease payments are based occur. We recognize variable lease payment income for operating and financing leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Lessee Accounting

We recognize an operating lease asset and lease liability at lease commencement, which are measured by discounting lease payments using the estimated risk free rate as the discount rate. We made an accounting policy election to use the risk-free rate as our discount rate to determine the initial and subsequent measurement of operating lease liabilities. Subsequent amortization of the operating lease asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Reductions to the operating lease asset and the change in the lease liability are included in changes in operating lease assets and liabilities, net in the Consolidated Statements of Cash Flows.

A finance lease asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Operating lease and finance lease assets are assessed for impairment in accordance with our long-lived asset impairment policy.

We reassess lease classification and remeasure assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate contract or upon certain other events that require reassessment. We recognize variable lease cost for operating and finance leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Goodwill and Intangible Assets

Goodwill represents the excess, if any, of the purchase price over the fair value of identifiable net assets acquired in an acquisition. As of January 31, 2025, our goodwill balance primarily consisted of goodwill recorded in connection with the acquisition of CKE Inc., the Company's sole stockholder, that occurred on December 24, 2013. Goodwill may also be recorded in connection with the acquisition of restaurants from franchisees.

We test goodwill for impairment on an annual basis, or more frequently if events and/or circumstances indicate that goodwill might be impaired. The impairment test is performed at the reporting unit level, and an impairment loss is recognized to the extent that the carrying amount of the reporting unit exceeds its fair value. We consider our reporting units to be company-operated restaurants, domestic franchised restaurants and international franchised restaurants as the components (e.g., restaurants) within each reporting unit have similar economic characteristics, including products and services, production processes, types or classes of customers and distribution methods.

We perform our annual goodwill impairment test on the last day of the first accounting period in our fiscal fourth quarter, which was December 2, 2024 for fiscal 2025. In accordance with authoritative guidance, we first assess qualitative factors to determine whether it is more likely than not that the fair values of our reporting units are less than their carrying amounts. If we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we then conduct a single-step quantitative goodwill impairment test, consisting of a comparison of the fair values of the reporting units to the carrying values of the reporting units. If the carrying value of a reporting unit exceeds its fair value, then an impairment charge will be recognized for the amount by which the carrying value exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

When we sell restaurants to franchisees, we remove the related goodwill, which is based on the relative fair value of the restaurants sold and the reporting unit as a whole, from our company-operated restaurants reporting unit. A portion of the goodwill, representing the cash flows disposed, is included in the carrying amount of the restaurants in determining the gain or loss on refranchising. The portion of the goodwill disposed is generally based on the price paid to the Company to acquire the restaurants in relation to the fair value of the reporting unit as a whole. The fair value of the reporting unit is based upon the price a willing buyer would pay for the reporting unit. The remaining goodwill related to the divested restaurants, which is attributable to retained cash flows, is transferred from our company-operated restaurants reporting unit to our domestic franchised restaurants reporting unit.

Our indefinite-lived intangible assets consist of trademarks / tradenames. We test trademarks / tradenames for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. We first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If we conclude that it is more likely than not that the indefinite-lived intangible asset is impaired, we then perform a quantitative test to determine whether the carrying amount is less than the fair value of the indefinite-lived intangible asset and measure the amount of impairment, if any.

Our definite-lived intangible assets consist of franchise agreements and favorable lease agreements and are amortized on a straight-line basis over their estimated useful lives. Our definite-lived intangible assets are tested for impairment when events or circumstances indicate the carrying value may be impaired. Refer to discussion of facility action charges (see Note 16) for a discussion of impairment of restaurant-level long-lived assets.

Deferred Financing Costs

Deferred financing costs are capitalized and amortized, utilizing the effective interest method, as a component of interest expense over the terms of the respective financing arrangements. See Note 8 for further discussion.

Book Overdraft

Book overdraft liabilities are included within accounts payable in our accompanying Consolidated Balance Sheets. As of January 31, 2025 and 2024, our book overdraft liability was $118 and $416, respectively. We classify changes in book overdraft balances as a financing activity in our accompanying Consolidated Statements of Cash Flows.

Self-Insurance

We are self-insured for a portion of losses related to workers' compensation, general liability and auto liability claims. We establish liabilities for self-insurance, with the assistance of actuaries, using assumptions based on the average historical losses on claims we have incurred, actuarial observations of historical claim loss development and actuarial estimates of unpaid losses for each loss category. Our workers' compensation, general liability and auto liability claims are discounted using an estimated risk-free interest rate of 3.5% as of January 31, 2025. As of January 31, 2025 and 2024, our estimated liability for self-insurance was $12,134 and $13,113, respectively.

Loss Contingencies

We routinely assess loss contingencies to develop estimates of likelihood of loss and range of possible settlement. We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. We do not record liabilities for losses we believe are only reasonably possible to result in an adverse outcome. See Note 14 for further discussion.

Revenue Recognition

Company-operated restaurants revenue is recognized upon the sale of food or beverage to a customer in the restaurant, which is when our obligation to perform is satisfied.

Franchised restaurants and other revenue includes royalties, franchise fees, and rent revenue. Royalties from franchised restaurants are based on a percentage of net sales of the franchised restaurant and are recognized as earned. Royalties are typically billed and paid monthly and are usually 4% to 5% per restaurant. Franchise development and commitment fees are deferred when received, allocated to each agreed upon restaurant, and recognized as revenue over the contractual term of each respective franchise agreement, once the restaurant has opened. Initial franchise fees, training fees, renewal fees and transfer fees are recognized as revenue over the contractual term of the franchise agreements, once the restaurant has opened. Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective or when an existing agreement is transferred to another franchisee. These franchise fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. Further, franchise fees are forfeited and recognized as revenue upon the termination of the related commitments to open new franchised restaurants, the franchised restaurants closing prior to the end of the contractual agreement or the franchised restaurants being acquired by the Company. Property revenues consist of rental income from properties we lease or sublease to franchisees. Property revenues are accounted for in accordance with applicable accounting guidance for leases (see Leases above). We present all revenue net of sales tax.

Advertising funds revenue includes contributions to HNAF, Hardee's Co-ops, the Carl's Jr. national advertising fund (the "Carl's Jr. Fund") and certain international advertising funds (collectively, the "Advertising Funds") by franchisees. Revenue related to these contributions is based on a percentage of sales of the franchised restaurants and is recognized as earned.

Our company-operated restaurants and franchised restaurants sell gift cards within the restaurants and through independent retailers that are redeemable for products in our Carl's Jr. and Hardee's restaurants. The Company manages the gift card program for the domestic system and collects all funds from the activation of gift cards. We recognize revenue when cards are redeemed in our company-operated restaurants and reimburse franchisees for the redemption of gift cards in their

restaurants. A liability for unredeemed gift cards is included in other current liabilities in our accompanying Consolidated Balance Sheets (see Note 7).

There are no expiration dates on our gift cards, and we do not charge any service fees. While our company-operated restaurants and franchisees continue to honor all gift cards presented for payment, we may determine the likelihood of redemption to be remote for certain cards due to long periods of inactivity. In these circumstances, we may recognize income from unredeemed gift cards ("breakage revenue") if they are not subject to unclaimed property laws. Breakage revenue on all Carl's Jr. and Hardee's gift cards is estimated and recognized over time in proportion to actual gift card redemptions, based on historical redemption rates. We account for breakage revenue in franchised restaurants and other revenue in our accompanying Consolidated Statement of Operations (see Note 15).

Franchise Operations and Credit Risk

Franchised restaurants and other expense includes rent and occupancy costs related to our franchised restaurants, amortization of franchise agreements, credit losses, and other miscellaneous expenses directly related to our franchise operations. These costs are expensed as incurred.

Accounts receivable consists primarily of amounts due from franchisees for royalties, advertising, franchise fees, and rent. In addition, we have notes and other receivables from certain of our franchisees. The financial condition of our franchisees is, in part, dependent upon the underlying business trends of our brand. This concentration of credit risk is mitigated, in part, by the large number of franchisees and the short-term nature of the receivables.

We record provisions for estimated credit losses on receivables when we believe our franchisees are unable to make their required payments. We cease accruing royalties and rent revenue from franchisees during the fiscal quarter in which we determine that collectibility of such amounts is not reasonably assured. There are a number of different actions we and/or our franchisees may take to resolve or mitigate franchise collection issues. These actions may include a reduction or deferral of future royalties, a reduction or deferral of future rent for which we are the landlord or the primary obligor to the landlord, invoking personal guarantees, or if necessary, acquiring the restaurants or terminating the franchise agreement.

Advertising

Company-operated and franchised restaurants jointly share in the cost of various advertising and marketing programs. Advertising and marketing contributions for both company-operated and franchised restaurants are generally determined based on a percentage of revenue and contributed to the applicable funds ratably throughout the year. We administer internally the Carl's Jr. Fund advertising and marketing programs, certain international advertising funds and HNAF. A third party administers the Hardee's Co-ops.

Advertising costs for company-operated restaurants' contributions to the Advertising Funds is eliminated in consolidation. Advertising contributions by company-operated restaurants totaled $19,626 and $18,735 for fiscal 2025 and fiscal 2024, respectively. The cost of local and incremental advertising that is not funded by the Advertising Funds is expensed as incurred.

Share-Based Compensation

We issue equity-based awards to our executive management team, certain key employees, and directors under our equity-based compensation plans. Under the fair value recognition provisions of the authoritative guidance for equity-based compensation awards, we measure the fair value of equity-based awards at the grant date and the fair value is recognized as expense over the requisite service period.

Our equity-based compensation structure includes both time vesting and performance vesting profit sharing interests. We recognize compensation expense relating to time vesting profit sharing interests ratably over the requisite service period for the entire award. Performance vesting profit sharing interests vest through meeting performance and service conditions. We record compensation expense for performance vesting profit sharing interests when we deem the achievement of the performance goals to be probable. We recognize compensation expense for each separately vesting portion of performance vesting profit sharing interests ratably over the requisite service period that is determined to be the most likely outcome. We

record reversals of share-based compensation expense for forfeitures as they occur. Our share-based compensation structure is described more fully in Note 17.

Facility Action Charges

From time to time, we identify restaurants that have carrying values in excess of their fair values and, as a result, we may record impairment charges. We may also close or refranchise these or other restaurants and lease or sublease the restaurant property to a franchisee or to a business other than one of our restaurant concepts. The financial statement impact resulting from these and similar actions are recorded in our accompanying Consolidated Statements of Operations as facility action charges, net and include:

(i) impairment of restaurant-level long-lived assets for restaurants to be disposed of or held and used;
(ii) store closure costs, including rent, taxes, depreciation and other costs incurred for closing a store; and
(iii) gain or loss on the sale of restaurants, including refranchising transactions.

Considerable management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, closure costs, expected sublease income and refranchising proceeds. Accordingly, actual results could vary significantly from our estimates.

(i) Impairment of Restaurant-Level Long-Lived Assets

Whenever events or circumstances indicate that the carrying value of assets may be impaired, we evaluate our restaurant-level long-lived assets for impairment. For purposes of impairment testing, assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, which is generally the individual restaurant level for fixed assets, finance lease assets and operating lease assets. For each asset group, we evaluate whether there are indicators of impairment such as sequential annual cash flow losses or adverse changes in the physical condition or expected use of the asset group. When indicators of impairment exist, we evaluate whether the assets are recoverable by comparing the undiscounted future cash flows that we expect to generate from their use and disposal to their carrying value. Restaurant-level assets that are not deemed to be recoverable are written down to their estimated fair value, which is determined by assessing the highest and best use of the assets and the amounts that would be received for such assets in an orderly transaction between market participants.

Our impairment analyses rely upon a number of estimates, assumptions and measurements with significant Level 2 and Level 3 unobservable inputs (see Note 13), including estimates of future cash flows, assumptions of future same-store sales and projected operating expenses for each of our restaurants over their estimated remaining useful lives in order to evaluate recoverability and estimate fair value. Future cash flows are estimated based upon experience gained, current intentions about refranchising or closing restaurants, recent and expected sales trends, internal plans, the period of time since the restaurant was opened or remodeled, the maturity of the related market and other relevant information. We generally estimate the useful life of restaurants on owned property to be 20 to 40 years and estimate the useful life of restaurants subject to leases to range from the end of the lease term then in effect to the end of such lease term including option periods. If our future cash flows or same-store sales do not meet or exceed our forecasted levels, or if restaurant operating cost increases exceed our forecast and we are unable to recover such costs through price increases, the carrying value of certain of our restaurants may prove to be unrecoverable, and we may incur additional impairment charges in the future.

(ii) Store Closure Costs

We typically make decisions to close restaurants based on prospects for estimated future profitability. However, sometimes we are forced to close restaurants due to circumstances beyond our control (e.g., a landlord's refusal to negotiate a new lease). When restaurants perform poorly for an extended period of time, we consider a number of factors, including the demographics of the location and the likelihood of being able to improve an unprofitable restaurant. Based on the operators' judgment and a financial review, we estimate the future cash flows. If we determine that the restaurant will not, within a reasonable period of time, operate at break-even cash flow or be profitable, and we are not contractually obligated to continue operating the restaurant, we may decide to close the restaurant.

(iii) Gain or Loss on the Sale of Restaurants, Including Refranchising Transactions

We record gains and losses on the sale of restaurants as the difference between the net proceeds received and net carrying values of the net assets of the restaurants sold. As discussed within the section "Goodwill and Intangible Assets" in this Note 1, we include goodwill in the carrying amount of the restaurants in determining the gain or loss on disposal. If we sublease a restaurant to a franchisee on terms that result in a probable loss, then we will establish a lease subsidy allowance and record a loss at the time we enter into the lease arrangement. As further described above, the amount of the estimated liability for the lease subsidy is the present value of our estimated future payments, net of the present value of the expected sublease income.

Contract Liabilities - Deferred Franchise Fees

The following table provides information about contract liabilities, specifically deferred franchise fees, received from contracts with customers:

	2025	2024
Deferred franchise fees, beginning of year	$ 35,941	$ 35,942
Revenue recognized during the period	(5,395)	(4,917)
New deferrals due to cash received	3,798	4,916
Deferred franchise fees, end of year	$ 34,344	$ 35,941

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

Fiscal:	
2026	$ 3,340
2027	2,961
2028	2,815
2029	2,693
2030	2,551
Thereafter	19,984
Total estimated future amortization income	$ 34,344

Deferred franchise fees are recorded in other current liabilities and other long-term liabilities in our accompanying Consolidated Balance Sheets as of January 31, 2025 and January 31, 2024, respectively.

Income Taxes

We are included in the consolidated federal income tax returns and combined state income tax returns of CKE Holding Corporation ("CKE"). For the purpose of determining the income taxes attributable to CKE Restaurants and its subsidiaries, we prepare our income tax provision as if we were a separate taxpayer. As a result of this treatment, we make income tax payments to our corporate parent based upon our separate return taxable income. We additionally make income tax payments directly to federal, state, local and foreign taxing jurisdictions.

Our current provision for income taxes is based on our estimated taxable income in each of the jurisdictions in which we operate, after considering the impact on our taxable income of temporary differences resulting from disparate treatment of items, such as depreciation, interest expense, advertising funds, sale-leaseback transactions, various reserves, tax credits and net operating losses ("NOL"), for tax and financial reporting purposes. We record deferred income taxes for the estimated future income tax effect of temporary differences between the financial and tax bases of assets and liabilities using the asset and liability method. Deferred income tax assets are also recorded for NOL and income tax credit carryforwards. A valuation allowance to reduce the carrying amount of deferred income tax assets is established when it is more likely than not that we will

not realize some portion or all of the tax benefit of our deferred income tax assets. We evaluate, on a quarterly basis, whether it is more likely than not that our deferred income tax assets are realizable. In performing this analysis, we consider all available evidence, both positive and negative, including historical operating results, the estimated timing of future reversals of existing taxable temporary differences, estimated future taxable income exclusive of reversing temporary differences and carryforwards and potential tax planning strategies that may be employed to prevent NOL or tax credit carryforwards from expiring unused. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

From time to time, we may take positions in filing our income tax returns that differ from the treatment of the same items for financial reporting purposes. The ultimate outcome of these items will not be known until the Internal Revenue Service, or similar state taxing authority, has completed its examination or until the statute of limitations has expired.

We maintain a liability for underpayment of income taxes and related interest and penalties, if any, related to uncertain income tax positions. The tax benefit from an uncertain tax position is recognized either upon the expiration of the statutory audit period or when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Our policy on the classification of interest and penalties related to the underpayment of income taxes and uncertain tax positions is to record interest in interest expense, and to record penalties, if any, in general and administrative expense, in our accompanying Consolidated Statements of Operations. Accrued interest and penalties are included in our liability for uncertain tax positions.

Distributor Concentration Risk

We currently rely on a limited number of distributors to deliver food, packaging and supplies to our restaurants. Although we could use alternative distributors, an unforeseen change in distributor could cause a delay in receipt of food, packaging or supplies and possibly result in unfavorable costs and loss of sales.

Foreign Currency

The functional currency of our foreign entities is the currency of the primary economic environment in which the entity operates. Functional currency determinations are made based upon a number of economic factors, including but not limited to cash flows and financing transactions. The operations, assets and liabilities of our entities outside the United States are initially measured using the functional currency of that entity. The income and expense accounts are then translated into U.S. dollars at the average exchange rates prevailing during the period. The assets and liabilities are translated into U.S. dollars at exchange rates in effect at the balance sheet date.

Comprehensive Income

We present comprehensive income in our accompanying Consolidated Statements of Comprehensive Income. Comprehensive income includes, in addition to net income, changes in equity that are excluded from our Consolidated Statements of Operations and are recorded directly into a separate section of equity on our Consolidated Balance Sheets. Accumulated other comprehensive income is comprised of foreign currency translation adjustments attributable to CKE Restaurants Holdings, Inc. and the Shanghai business liquidation in fiscal year 2025.

Subsequent Events

We have evaluated subsequent events through April 2, 2025, the date our Consolidated Financial Statements were available to be issued. We concluded that no subsequent events required disclosure in these financial statements.

NOTE 2 — ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

Income Tax Disclosures

In December 2023, the FASB issued guidance that enhances income tax disclosures including expanded qualitative effective tax rate reconciliation. The standard also requires annual disclosure of income taxes paid disaggregated by federal, state and foreign taxes. The standard is effective for annual reporting periods beginning after December 15, 2024 for public entities. For other entities, the standard is effective for annual reporting periods beginning after December 15, 2025. Early adoption of the guidance is permitted. We are currently evaluating the impact the adoption of this standard will have on our Consolidated Financial Statements.

NOTE 3 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Trade receivables	$ 45,755	$ 37,850
Leases receivable	217	180
Taxes receivable	964	24
Notes receivable	2,542	2,759
Allowance for credit losses	(4,679)	(2,375)
Total accounts receivable, net	$ 44,799	$ 38,438

The following table summarizes the activity in the allowance for credit losses:

	Fiscal 2025	Fiscal 2024
Allowance for credit losses, beginning of year	$ 2,375	$ 2,033
Provision	3,246	2,133
Recoveries	(526)	(894)
Charge-offs	(416)	(897)
Allowance for credit losses, end of year	$ 4,679	$ 2,375

NOTE 4 — PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of the following as of January 31, 2025 and 2024:

	Estimated Useful Life	2025	2024
Land	Indefinite	$ 190,599	$ 192,390
Leasehold improvements	3-25 years	115,242	105,359
Buildings and improvements	3-40 years	171,355	191,141
Equipment, furniture and fixtures	3-8 years	160,079	140,630
Finance leases	5-33 years	15,173	18,174
		652,448	647,694
Less accumulated depreciation and amortization[(1)]		(281,383)	(270,258)
Total property and equipment, net		$ 371,065	$ 377,436

(1) The accumulated amortization related to finance leases was $1,195 and $333 as of January 31, 2025 and 2024, respectively.

Depreciation and amortization expense related to property and equipment for fiscal 2025 and 2024 was $36,183 and $36,202, respectively. Amortization of property under finance leases is included within depreciation and amortization expense.

NOTE 5 — ACQUISITIONS AND REFRANCHISING ACTIVITY

Acquisition of Restaurants

During the fiscal year ended January 31, 2025, we purchased one Carl's Jr. restaurant from a franchisee for the purchase price of $111. During the fiscal year ended January 31, 2024, we purchased nineteen Hardee's restaurants and one Carl's Jr. restaurant from franchisees for purchase price consideration of $3,342, which in combination with certain assets subject to pre-existing relations with these franchisees, results in aggregate consideration transferred for $3,438. As a result of these transactions, we recorded the following:

	Fiscal 2025	Fiscal 2024
Net working capital	$ 5	$ 55
Property and equipment	106	12,281
Operating lease assets	—	5,048
Reacquired franchise rights	—	1,810
Operating leases	—	(5,048)
Finance leases	—	(10,708)
Net assets acquired and liabilities assumed	$ 111	$ 3,438

The acquisitions result in no goodwill. Legal, travel and other expenses related to these acquisitions for fiscal 2025 and 2024 were $101 and $1,075, respectively, which are included in general and administrative expense in the Consolidated Statements of Operations.

Refranchising Transaction

During fiscal 2024, we sold one Hardee's restaurant and certain related inventory and fixed assets with a net book value of $1,267 and disposed of its allocated goodwill of $662. In connection with the sale of this restaurant, we received aggregate consideration of $2,082, and recognized a net gain of $153, which is included in facility action charges, net, in our

accompanying Consolidated Statements of Operations. In connection with the refranchising transaction, the franchisee acquired real property and equipment related to the restaurant location.

NOTE 6 — GOODWILL AND INTANGIBLE ASSETS, NET

During the fourth quarter of fiscal 2025 and 2024, we performed our annual impairment tests for goodwill and indefinite-lived intangible assets using a qualitative approach and determined that it is more likely than not that the fair value is greater than the carrying value. Accordingly, no impairment losses were recorded in fiscal 2025 or 2024.

The table below presents our intangible assets as of January 31, 2025 and 2024:

		2025			2024		
	Weighted-Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks / tradenames	Indefinite	$ 614,400	$ —	$ 614,400	$ 614,400	$ —	$ 614,400
Franchise agreements	20	321,665	(176,641)	145,024	321,665	(160,157)	161,508
Favorable lease agreements	17	5,429	(4,104)	1,325	5,875	(4,245)	1,630
Total intangible assets		$ 941,494	$ (180,745)	$ 760,749	$ 941,940	$ (164,402)	$ 777,538

Amortization expense related to these intangible assets for fiscal 2025 and 2024 was $16,789 and $17,302, respectively. Our estimated future amortization expense related to these intangible assets is set forth as follows:

Fiscal:	
2026	$ 16,611
2027	16,532
2028	16,333
2029	16,273
2030	16,245
Thereafter	64,355
Total estimated future amortization expense	$ 146,349

NOTE 7 — OTHER CURRENT LIABILITIES

Other current liabilities as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Income taxes payable	$ 13,131	$ 13,955
Financing method sale-leaseback liability, current portion	11,658	11,287
Salaries, wages and other benefits	10,627	15,610
Accrued interest	6,358	5,663
Accrued property taxes	4,321	3,089
Estimated liability for self-insurance, current portion	3,577	3,545
Deferred franchise and development fees	3,340	3,454
Gift card and gift certificate liabilities	3,145	4,479
State sales tax	1,670	2,017
Utilities	992	1,004
Other accrued liabilities	8,367	7,538
Total other current liabilities	$ 67,186	$ 71,641

NOTE 8 — LONG-TERM DEBT

Long-term debt as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Class A-2 Notes:		
4.959% Series 2018-1 Class A-2-II Notes, repaid in April 2024	$ —	$ 331,625
5.710% Series 2018-1 Class A-2-III Notes, anticipated repayment date June 2028	234,375	236,875
3.981% Series 2020-1 Class A-2 Notes, anticipated repayment date December 2027	384,000	388,000
2.865% Series 2021-1 Class A-2 Notes, anticipated repayment date June 2028	173,700	175,500
7.253% Series 2024-1 Class A-2 Notes, anticipated repayment date March 2031	347,375	—
Unamortized deferred financing costs on Senior Notes	(15,256)	(12,178)
Total debt, net	1,124,194	1,119,822
Less current portion	(11,800)	(11,800)
Long-term debt, less current portion	$ 1,112,394	$ 1,108,022

As of January 31, 2025, the aggregate maturities of our long-term debt, based on the anticipated repayment date and excluding the effects of amortization of the deferred financing costs on the Class A-2 Notes are as follows:

Fiscal:	
2026	$ 11,800
2027	11,800
2028	383,800
2029	398,675
2030	3,500
Thereafter	329,875
Total long-term debt	$ 1,139,450

Senior Notes

In April 2013, Carl's Jr. Funding LLC and Hardee's Funding LLC (collectively, the "Co- Issuers"), our indirect wholly-owned subsidiaries, issued outstanding senior secured notes under securitized facility loans. The indenture governing the facility loans (the "Indenture") allows the Co-Issuers to issue additional series of notes in the future subject to certain conditions.

As of January 31, 2025, the Co-Issuers had issued the following outstanding series of fixed rate senior secured notes: (i) 2018-1 Class A-2-III Notes with an initial principal amount of $250,000; (ii) 2020-1 Class A-2 Notes with an initial principal amount of $400,000; (iii) 2021-1 Class A-2 Notes with an initial principal amount of $180,000 and (iv) 2024-1 Class A-2 Notes with an initial principal amount of $350,000 (collectively, the notes described in (i) to (iv) are referred to herein as the "Class A-2 Notes").

The Series 2018-1 Variable Funding Notes provide for senior secured revolving facility loans, including subfacilities for swingline loans and letters of credit, in an aggregate amount of $125,000. On April 5, 2024, the Series 2018-1 Variable Funding Notes were amended to increase the borrowing capacity from $70,000 to $125,000 and extend the maturity date to March 2029, including options for renewal for two additional twelve-month terms (subject to certain conditions, including a minimum debt service coverage ratio). The Series 2018-1 Variable Funding Notes bear interest at a variable interest rate equal to (a) a commercial paper rate plus 3.00%, (b) the term SOFR rate plus 3.00% or (c) 2.00% plus the greater of (i) the Prime Rate, (ii) the Federal Funds rate plus 0.50%, or (iii) term SOFR plus 1.00%. The actual interest rate incurred is determined by how the borrowings were funded by participating investors, but in any event, will fall under one of the three scenarios described above. The Series 2018-1 Variable Funding Notes require us to pay a commitment fee of 0.50% per annum for unused commitments and letter of credit fees of 3.00% per annum on our outstanding non-cash collateralized letters of credit. Interest and other fees on the Series 2018-1 Variable Funding Notes are due quarterly in arrears on the 20th day of each March, June, September and December. As of January 31, 2025, the Co-Issuers had zero outstanding loan borrowings, $24,245 of outstanding letters of credit and remaining availability of $100,755 under our Series 2018-1 Variable Funding Notes. The Class A-2 Notes and the 2018-1 Variable Funding Notes are collectively referred to as the "Senior Notes."

The Senior Notes are secured by substantially all assets of the Co-Issuers and their subsidiaries and immediate holding companies (collectively, the "CKE Securitization Entities"), but are not guaranteed by or secured with the assets of CKE or its other subsidiaries, including CKE Restaurants. The Indenture requires the CKE Securitization Entities to report and remit weekly cash flows of the CKE Securitization Entities to the trustee of the Senior Notes. The weekly cash flows are subject to a priority of payments that provides for the payment of funds to specific trust accounts for debt service and other specified purposes set forth in the Indenture. The amount of weekly cash flow, if any, that exceeds the amounts required by the priorities of payment is remitted to CKE Restaurants in the form of an equity distribution.

Interest and principal payments on the Class A-2 Notes are payable on a quarterly basis. The Class A-2 Notes require scheduled quarterly principal payments of $2,950 that are due on the 20th of each March, June, September and December. The requirement to make such quarterly principal payments on the Class A-2 Notes is subject to certain financial conditions set forth in the Indenture. The legal final maturity dates for the Class A-2 Notes range from 2048-2054. If the Co-Issuers have not repaid or refinanced the Class A-2 Notes prior to their respective anticipated repayment dates, which range from 2027-2031, additional interest will accrue pursuant to the Indenture.

We expect that the Co-Issuers will repay or refinance each tranche of the Class A-2 Notes at or before its respective anticipated repayment date. However, in the event that the Co-Issuers do not repay any tranche of Class A-2 Notes in full by its anticipated repayment date, such tranche of the Class A-2 Notes would be subject to additional interest at an interest rate of at least 5% per annum on the outstanding principal amount, and principal payments on all outstanding Senior Notes would accelerate until the debt is paid in full. If certain conditions are met, including a maximum leverage ratio for the CKE Securitization Entities of 5.0x of total net indebtedness to net cash flow, each as defined in the Indenture, the Co-Issuers may elect not to make the scheduled principal payments on the Class A-2 Notes. The Co-Issuers may optionally prepay up to 35% of the original principal amount of the Series 2018-1 Class A-2-III Note at any time at par, other than with proceeds from indebtedness. Generally, any optional (and certain mandatory) prepayments in excess of such amount would be subject to a make-whole premium as defined in the Indenture. Beginning thirty months prior to the anticipated repayment date for the Series 2018-1 Class A-2-III Notes, thirty-six months prior to the anticipated repayment date for the Series 2020-1 Class A-2 Notes, forty-two months prior to the anticipated repayment date for the Series 2021-1 Class A-2 Notes and twenty-four months prior to

the anticipated repayment date for the Series 2024-1 Class A-2 Notes, the Co-Issuers may repay all or a portion of the remaining principal amount of such applicable tranche of Class A-2 Notes at par.

Covenants and Restrictions

The Senior Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) required actions to protect the security interest in certain collateral upon the occurrence of certain performance-related events, (ii) application of certain disposition proceeds as note prepayments, subject to certain exceptions, (iii) maintenance of specified reserve accounts, (iv) maintenance of certain debt service coverage ratios, (v) mandatory prepayments with indemnification payments for defective or ineffective collateral, and (vi) covenants relating to record keeping, access to information and similar matters. If certain covenants or restrictions are not satisfied or complied with, the Senior Notes are subject to accelerated repayment events and events of default. Although management does not anticipate an event of default, if any such event occurred and was not cured within any applicable cure period, the unpaid amounts outstanding could become immediately due and payable.

Refinancing Transaction

In April 2024, the Co-Issuers completed a refinancing transaction (the "Series 2024-1 Refinancing") under which the Co-Issuers issued the Series 2024-1 Class A-2 Notes. A portion of the net proceeds from the sale of the Series 2024-1 Class A-2 Notes were used to repay in full the Co-Issuer's outstanding Series 2018-1 Class A-2-II Notes, including transaction costs. As a result of the refinancing, the Company recorded a loss on early extinguishment of debt of $1,283 during fiscal 2025, which was comprised of the write-off of the Series 2018-1 Class A-2-II Notes unamortized deferred financing costs. The loss is included in other income, net in the Consolidated Statements of Operations.

Debt issuance costs

In connection with the Series 2024-1 Refinancing and the amendment of the Series 2018-1 Variable Funding Notes, we incurred debt issuance costs of $7,860, which were capitalized and allocated between the Series 2024-1 Class A-2 Notes and the Series 2018-1 Variable Funding Notes. These deferred financing costs will be amortized to interest expense within the Consolidated Statements of Operations using the effective interest method over the expected term of the Series 2024-1 Class A-2 Notes of seven years and five years for the Series 2018-1 Variable Funding Notes.

Other Notes

In connection with the acquisition of Hardee's restaurants from a franchisee, we assumed a $2,100 unsecured note. On November 20, 2020, we paid down $200. On July 25, 2023, we paid down the remaining $1,900.

Interest Expense

Interest expense consisted of the following:

	Fiscal 2025	Fiscal 2024
Series 2018-1 Class A-2-III Notes	$ 16,386	$ 30,013
Series 2020-1 Class A-2 Notes	15,303	15,466
Series 2021-1 Class A-2 Notes	4,981	5,034
Series 2024-1 Class A-2 Notes	20,593	—
Amortization of deferred financing costs	3,499	3,417
Finance leases	1,379	1,318
Financing method sale-leaseback obligations (see Note 10)	5,363	5,793
Letter of credit fees, commitment fees and other	1,398	1,048
Total interest expense	$ 68,902	$ 62,089

NOTE 9 — LEASES

We occupy land and buildings under lease agreements expiring on various dates through fiscal 2046. Many leases provide for future rent escalations and renewal options. In addition, variable lease payments, such as a percentage of sales in excess of specified levels, are often required. Most leases obligate us to pay costs of maintenance, insurance and property taxes.

Company as Lessor

We lease and sublease land and buildings to others, primarily as a result of the refranchising of certain restaurants. Many of these leases provide for fixed payments, while others provide for variable rent when sales exceed certain levels or for rent based on a percentage of sales. Lessees and sublessees generally bear the cost of maintenance, insurance and property taxes. The carrying values of assets leased to others as of January 31, 2025 and 2024 are as follows:

	2025	2024
Land	$ 99,835	$ 104,028
Leasehold improvements	3,253	3,916
Buildings and improvements	65,883	68,563
	168,971	176,507
Less accumulated depreciation and amortization	(55,096)	(57,231)
Total assets leased to others	$ 113,875	$ 119,276

The components of lease income for January 31, 2025 and 2024 are as follows:

	2025	2024
Rent revenue:		
Minimum rent revenue	$ 86,996	$ 90,450
Variable lease payments	5,713	6,700
Total rent revenue	$ 92,709	$ 97,150

We sublease to others some of our property under finance leases. These assets are recorded as lease receivables and are included in accounts receivable, net and other assets, net in our accompanying Consolidated Balance Sheets. As of January 31, 2025, future minimum lease and sublease rent revenue expected to be received, are as follows:

	Finance Leases	Operating Leases	
	Subleases	Subleases	Owned Properties
Fiscal:			
2026	$ 366	$ 75,885	$ 7,719
2027	359	68,404	7,764
2028	347	60,546	7,441
2029	254	49,805	6,752
2030	218	39,494	6,485
Thereafter	2,741	98,112	38,093
Total future minimum lease and sublease rent revenue	4,285	$ 392,246	$ 74,254
Unearned interest income	(1,315)		
Present value of leases receivable	2,970		
Less current portion	(217)		
Leases receivable, less current portion	$ 2,753		

Company as Lessee

The components of lease cost for January 31, 2025 and are as follows:

	Fiscal 2025	Fiscal 2024
Finance lease cost:		
Amortization of finance lease assets	$ 1,339	$ 1,596
Interest on finance lease liabilities	1,670	1,572
Variable lease cost	9	2
Total finance lease cost	3,018	3,170
Operating lease cost	88,491	92,340
Variable lease cost	1,593	1,854
Total operating lease cost	90,084	94,194
Total lease cost	$ 93,102	$ 97,364

Minimum lease payments for all leases and the present value of minimum lease payments for operating and finance leases as of January 31, 2025 are as follows:

	Finance Leases		Operating Leases	
	Company-Operated	Franchise & Other	Company-Operated	Franchise & Other
Fiscal:				
2026	$ 1,593	$ 1,304	$ 16,542	$ 69,475
2027	1,617	1,245	15,644	61,728
2028	1,631	1,190	14,576	53,511
2029	1,642	1,049	12,897	42,803
2030	1,678	977	9,490	32,354
Thereafter	14,464	3,766	42,393	88,309
Total minimum lease payments	22,625	9,531	111,542	348,180
Less amount representing interest	(6,913)	(2,452)	(11,802)	(31,807)
Present value of minimum lease payments	15,712	7,079	99,740	316,373
Less current portion	(726)	(786)	(14,291)	(63,214)
Lease obligations, less current portion	$ 14,986	$ 6,293	$ 85,449	$ 253,159

Net rent under non-cancelable operating leases was as follows:

	Fiscal 2025	Fiscal 2024
Rent revenue:		
Minimum rent revenue	$ 86,996	$ 90,450
Variable lease payments	5,713	6,700
Total rent revenue	92,709	97,150
Rent expense:		
Operating lease cost	(88,491)	(92,340)
Variable lease cost	(1,593)	(1,854)
Total operating lease cost	(90,084)	(94,194)
Net rent income	$ 2,625	$ 2,956

Lease Term and Discount Rate as of January 31,

Weighted-average remaining lease term:

	2025	2024
Finance leases	12.28 years	12.11 years
Operating leases	7.25 years	7.67 years

Weighted-average discount rate:

	2025	2024
Finance leases	6.2 %	6.5 %
Operating leases	2.6 %	2.4 %

NOTE 10 — SALE-LEASEBACK TRANSACTIONS

We currently have entered into agreements with independent third parties under which we sold and leased back a total of 125 restaurant properties. The initial minimum lease terms are 20 years and include renewal options. The leases also include provisions that provide us with the ability to repurchase the properties, which for accounting purposes, prevents sale recognition as the leased properties are real estate, and we have concluded that no two real estate assets are substantially the same.

Under the financing method, the sales proceeds received are recorded in other current liabilities and other long-term liabilities until our continuing involvement with the properties is terminated, and the associated properties are reported as owned assets and depreciated over their remaining useful lives. Rent payments for these leases are recorded as principal and interest. The net book value of the associated assets, which is included in property and equipment, net of accumulated depreciation and amortization, in our accompanying Consolidated Balance Sheets was $113,775 and $115,805 as of January 31, 2025 and 2024, respectively.

During fiscal 2025, the lease agreement for one of our restaurant properties was terminated. As we no longer have continuing involvement in the properties, we recognized a net gain of $1,086 associated with the write-off of the assets and liabilities. The net gain is included in facility action charges, net in our accompanying Consolidated Statements of Operations.

Closing costs and other fees related to sale-leaseback transactions are treated as deferred financing costs, which are recorded as a reduction to the liability balance and amortized to interest expense over the initial minimum lease term.

As of January 31, 2025, our future minimum lease commitments for our financing method sale-leaseback obligations are as follows:

Fiscal:	
2026	$ 16,074
2027	16,267
2028	17,099
2029	17,661
2030	17,666
Thereafter	48,094
Total minimum lease payments	132,861
Less amount representing interest	(26,955)
Residual property obligation[(1)], deferred financing costs and deferred sales proceeds	101,959
Financing method sale-leaseback liability	207,865
Less current portion	(11,658)
Financing method sale-leaseback liability, less current portion	$ 196,207

(1) Although we have legally transferred title of the sale-leaseback properties, we have included an obligation to convey, for accounting purposes, the sale-leaseback assets at the end of the primary lease term. This obligation was established in acquisition accounting and based on the estimated residual value of the sale-leaseback assets at the end of the primary lease term.

NOTE 11 — OTHER LONG-TERM LIABILITIES

Other long-term liabilities as of January 31, 2025 and 2024 consisted of the following:

	2025	2024
Financing method sale-leaseback liability, long-term portion	$ 196,207	$ 208,337
Deferred franchise and development fees	31,004	32,487
Estimated liability for self-insurance, long-term portion	8,557	9,568
Deferred beverage income	5,391	5,721
Unfavorable lease agreements	2,975	4,480
Other	2,834	3,038
Total other long-term liabilities	$ 246,968	$ 263,631

NOTE 12 — EQUITY

As of January 31, 2025 and 2024, a total of 100 shares of $0.01 par value common stock of CKE Restaurants are issued and outstanding. Each share of common stock entitles the shareholder to one vote per share and is eligible to receive dividend payments when declared. As discussed more fully in Note 8, the Indenture governing the Senior Notes includes certain covenants and restrictions that may limit CKE Restaurants' ability to declare and pay dividends. During fiscal 2025, we paid a cash dividend of $90,000 to CKE Holding Corporation, our sole stockholder. No dividends were declared and paid in fiscal 2024.

NOTE 13 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents information on our financial instruments as of January 31, 2025 and 2024:

	2025		2024	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial liabilities:				
Series 2018-1 Class A-2-II Notes	$ —	$ —	$ 329,928	$ 315,044
Series 2018-1 Class A-2-III Notes	232,031	227,297	234,366	222,070
Series 2020-1 Class A-2 Notes	379,552	362,842	382,905	344,350
Series 2021-1 Class A-2 Notes	171,186	154,454	172,623	146,543
Series 2024-1 Class A-2 Notes	341,425	364,858	—	—

The fair value of cash and cash equivalents and restricted cash and cash equivalents each approximate their respective carrying amounts due to the short maturity of the balances. The carrying amounts of notes receivable, net (both current and non-current) of related allowance for credit losses approximate fair value. The estimated fair values of our borrowings under the Class A-2 Notes were determined by obtaining estimated market prices from an investment banking firm as of the balance sheet dates.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Entities are required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value based on the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Our non-financial long-lived assets, including goodwill, intangible assets and property and equipment, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on a periodic basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, we assess our long-lived assets for impairment. When impairment has occurred, such long-lived assets are written down to fair value. See Note 16 for further information regarding impairment charges.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2025:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 1,273
Assets to be held and used (Level 3)[2]	—	1,667

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.

(2) Represents impairment recorded for five domestic company-operated restaurants.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2024:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 3,311
Assets to be held and used (Level 3)[2]	—	1,044

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for two domestic company-operated restaurants.

NOTE 14 — COMMITMENTS AND CONTINGENT LIABILITIES

Lease Commitments

Many of the restaurants we have sold to franchisees are on leased sites, and we have entered into sublease agreements with these franchisees but remained principally liable for the lease obligations. We account for the sublease payments received as rent revenue in franchised restaurants and other revenue, and the payments on the leases as rent expense in franchised restaurants and other expense, in our accompanying Consolidated Statements of Operations. As of January 31, 2025, the nominal value of the lease obligations under the remaining master leases' primary terms is $409,868.

Letters of Credit

Pursuant to our Series 2018-1 Variable Funding Notes, we may borrow up to $125,000 for senior secured revolving facility loans, swingline loans and letters of credit (see Note 8). As of January 31, 2025, we had several standby letters of credit outstanding under our Series 2018-1 Variable Funding Notes totaling $24,245, expiring at various dates through October 2025. The outstanding letters of credit consist of a $15,150 letter of credit for benefit of the holders of the Senior Notes as an interest reserve as required by the Indenture and letters of credit of $9,095, which primarily secure our potential workers' compensation, general liability and auto liability obligations.

Unconditional Purchase Obligations

As of January 31, 2025, we had unconditional purchase obligations in the amount of $68,297, which consisted primarily of contracts for goods and services related to restaurant operations and contractual commitments for marketing and sponsorship arrangements. Our unconditional purchase obligations for fiscal 2026, 2027, 2028, 2029 and 2030 are estimated to be $63,623, $2,020, $1,284, $838 and $532, respectively.

Litigation

We are currently involved in legal disputes related to employment, franchising, real estate and other business matters. We intend to vigorously defend against all claims in these lawsuits, and are unable to predict the ultimate outcome of these actions. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes, and as such may not be meaningful indicators of

our potential liability or financial exposure. We regularly review contingencies to determine the adequacy of our accruals and related disclosures. The ultimate amount of loss may differ from these estimates.

NOTE 15 — FRANCHISE OPERATIONS

Franchised restaurants and other revenue consisted of the following:

	Fiscal 2025	Fiscal 2024
Royalties	$ 190,783	$ 190,073
Rent and other occupancy	94,420	100,611
Franchise fees	5,395	4,917
Other	7,676	4,353
Total franchised restaurants and other revenue	$ 298,274	$ 299,954

Franchised restaurants and other expense consisted of the following:

	Fiscal 2025	Fiscal 2024
Rent and other occupancy	$ 75,110	$ 78,697
Amortization of franchise agreements	16,483	16,857
Other	10,711	1,100
Total franchised restaurants and other expense	$ 102,304	$ 96,654

NOTE 16 — FACILITY ACTION CHARGES, NET

The components of facility action charges, net, are as follows:

	Fiscal 2025	Fiscal 2024
Closed store expenses	$ 2,197	$ 2,219
Impairment of assets to be held and used	1,667	1,044
Impairment of assets to be disposed of	1,273	3,311
Other losses (gains), net	28	(66)
Gain on disposal of other property and equipment	(3,869)	(3,503)
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property (see Note 10)	(1,086)	—
Gain on refranchising transaction	—	(153)
Total facility action charges, net	$ 210	$ 2,852

Impairment charges recorded against property and equipment and operating lease assets of $2,940 and $4,355 were recognized in facility action charges, net in fiscal 2025 and 2024, respectively.

NOTE 17 — SHARE-BASED COMPENSATION

Share-based compensation consisted of the following:

	Fiscal 2025	Fiscal 2024
Share-based compensation related to profit sharing interests that contain performance conditions[(1)]	$ —	$ 1,168
Share-based compensation related to all other profit sharing interests[(1)]	444	956
Total share-based compensation expense	$ 444	$ 2,124

(1) During fiscal 2025 and fiscal 2024, we recorded reversals of $545 and $113, respectively, of share-based compensation expense in connection with the forfeiture of profit sharing interests.

Share-Based Compensation Arrangements

CKE Holdings LP, a limited partnership (the "Partnership") that was formed by Roark Capital Management, LLC ("Roark") and certain members of our senior management team and Board of Directors in December 2013, is CKE's sole stockholder as of January 31, 2025 and 2024. The Limited Partnership Agreement, as amended ("Limited Partnership Agreement"), allows for the issuance of profit sharing interests ("Units") in the Partnership in the form of "Class B" and "Class C" Units. The Units provide the holders a profit sharing interest in the Partnership as defined in the partnership agreement and the individual grant agreements. There are no income tax benefits associated with any of the Class B Units or Class C Units.

Time vesting Class B Units vest in four equal annual installments from the date of grant. Performance vesting Class B Units provide for vesting or conversion to a time vesting schedule upon achievement of certain financial or investment targets. Time vesting Class C Units vest in various installments as specified in the individual grant agreements, but in all instances have vesting periods no longer than five years from the date of grant. There are no unvested time vesting and performance vesting Class B Units as of January 31, 2025 and 2024.

As a result of a previous amendment to the Limited Partnership Agreement, all performance vesting Class B Units that had not vested or converted to a time vesting schedule prior to December 24, 2017, became fully vested and non-forfeitable Class B Units, subject to certain restrictions (the "Restricted Class B Performance Units"). The Restricted Class B Performance Units are only entitled to realize a profit sharing interest in the Partnership to the extent that certain future performance and/or market conditions are met. These conditions require the value generated or calculated as a result of a substantial initial public offering, change in control or cumulative cash distributions, each as defined in the Limited Partnership Agreement, to result in the achievement of a specified return to the Partnership.

During fiscal 2025, the Partnership granted 334,800 time vesting and 186,000 performance vesting Class C Units. The time vesting class C Units vest in either three, four or five equal annual installments from the dates of grant. The performance vesting Class C Units consists of either three, four or five equal tranches that vest upon achievement of certain annual financial targets for fiscal years 2025 through 2029 as set forth in the grant agreements.

During fiscal 2024, the Partnership granted 502,100 time vesting and 502,100 performance vesting Class C Units. The time vesting Class C Units vest in either three or five equal annual installments from the dates of grant. The performance vesting Class C Units consist of either three or five equal tranches that vest upon achievement of certain annual financial targets for fiscal years 2024 through 2030 as set forth in the grant agreements.

The following presents the time vesting and performance vesting Unit activity for fiscal 2025:

	Time Vesting Units	Performance Vesting Units	Total Units	Weighted-Average Grant Date Fair Value
Unvested Units outstanding as of January 31, 2024	731,282	743,733	1,475,015	$ 5.79
Granted Units	334,800	186,000	520,800	5.77
Forfeited Units	(498,538)	(517,633)	(1,016,171)	5.79
Vested Units	(135,386)	—	(135,386)	5.72
Unvested Units outstanding as of January 31, 2025	432,158	412,100	844,258	5.78
Vested Units outstanding as of January 31, 2025			4,991,816	

As of January 31, 2025, there was $5,076 of maximum unrecognized compensation costs for the unvested Units which have the potential for recognition over a weighted average amortization period of 2.06 years.

NOTE 18 — EMPLOYEE RETIREMENT PLAN

We sponsor a contributory plan ("401(k) Plan") to provide retirement benefits under the provisions of Section 401(k) of the Internal Revenue Code ("IRC"). Participants may elect to contribute a portion of their annual salaries on a pre-tax basis to the 401(k) Plan, subject to the maximum contribution allowed by the IRC. During fiscal 2025 and 2024, our matching contributions to the 401(k) Plan were $702 and $630, respectively.

NOTE 19 — RELATED PARTY TRANSACTIONS

Transactions with Roark Capital Management, LLC

We have a management advisory and consulting services agreement with Roark. In exchange for advice concerning management, finance, marketing, strategic planning and other advisory and consulting services provided to us by Roark and its affiliates, Roark receives consulting fees and reimbursement of reasonable expenses. The current annual consulting fee of $3,461 is payable in equal quarterly installments and subject to an increase of three percent per year during the ten year term of the agreement. We recorded $3,358 and $3,249 of consulting fees, which are included in general and administrative expense in our accompanying Consolidated Statements of Operations for fiscal 2025 and 2024, respectively.

The management advisory and consulting services agreement also provides that Roark may earn future fees in connection with certain business acquisition transactions, an initial public offering or a change of control transaction. The management advisory and consulting services agreement includes customary exculpation and indemnification provisions in favor of Roark and its affiliates.

NOTE 20 — INCOME TAXES

Income tax expense consisted of the following:

	Fiscal 2025	Fiscal 2024
Current:		
Federal	$ 7,282	$ 11,248
State	2,449	3,066
Foreign	6,404	5,926
	16,135	20,240
Deferred:		
Federal	(8,988)	(4,512)
State	(2,857)	714
Foreign	(24)	60
	(11,869)	(3,738)
Total income tax expense	$ 4,266	$ 16,502

The following is a reconciliation of income tax expense at the federal statutory rate of 21.0% to our income tax expense for fiscal 2025 and 2024, respectively:

	Fiscal 2025	Fiscal 2024
Income tax expense at statutory rate	$ 5,262	$ 12,942
State income taxes, net of federal income tax effect	(322)	2,986
Nondeductible share-based compensation	93	446
General business credits	(379)	(640)
Nondeductible foreign losses	2,010	230
Uncertain tax positions	(383)	591
Foreign derived intangible income deduction	(1,975)	(2,003)
Other, net	(40)	1,950
Total income tax expense	$ 4,266	$ 16,502

Deferred income tax liabilities, net consisted of the following at January 31, 2025 and 2024:

	2025	2024
Deferred income tax assets:		
Operating lease liabilities	$ 107,272	$ 115,175
Financing method sale-leaseback obligations	27,325	32,229
Interest limitation carryforward	18,511	13,345
Reserves and allowances	9,049	5,546
Franchise fees	7,767	7,803
Net operating loss carryforwards	290	4,749
Federal and state tax credits	129	4,536
Valuation allowance	(204)	(8,747)
Total deferred income tax assets	170,139	174,636
Deferred income tax liabilities:		
Goodwill and other intangible assets	(193,715)	(198,306)
Operating lease assets	(101,711)	(110,061)
Basis difference in property and equipment	(22,829)	(24,477)
Advertising funds	(5,618)	(8,234)
Other items	(5,790)	(4,951)
Total deferred income tax liabilities	(329,663)	(346,029)
Deferred income tax liabilities, net	$ (159,524)	$ (171,393)

We are included in the consolidated federal income tax returns and combined state income tax returns of CKE Holding Corporation. For the purpose of determining the income taxes attributable to CKE Restaurants and its subsidiaries, we prepare our income tax provision as if we were a separate taxpayer. As a result of this treatment, we make income tax payments to our corporate parent based upon our separate return taxable income. We additionally make income tax payments directly to federal, state, local and foreign taxing jurisdictions. As of January 31, 2025 and 2024, our income tax payable to our corporate parent was $13,459 and $13,269, respectively. During fiscal 2025 and 2024, we did not make any income tax payments to CKE Holding Corporation and made $17,342 and $15,426 in income tax payments net of refunds directly to taxing authorities.

As of January 31, 2025 and 2024, we maintained a valuation allowance of $204 and $8,747, respectively, for a portion of our state income tax credits and certain state and foreign net operating loss NOL carryforwards because we had concluded that realization of the tax benefit of such deferred income tax assets was not more likely than not. As of fiscal 2025, we only maintain a valuation against state NOL carryforwards as state enterprise zone credits expired after fiscal 2024 and we liquidated our Shanghai entity, removing the need for a valuation allowance against foreign NOL carryforwards. In evaluating the need for a valuation allowance, we consider all available evidence, positive and negative, including cumulative historical earnings in recent years, future reversals of existing temporary differences, estimated future taxable income exclusive of reversing temporary differences on a jurisdictional basis and statutory expiration dates of NOL and income tax credit carryforwards. During fiscal 2025, we decreased our valuation allowance by $8,543.

As of January 31, 2025, we have state tax credit carryforwards of $129, that will expire, if unused, in fiscal 2043. As of January 31, 2025, we have state NOL carryforwards in the amount of approximately $24,752, which expire in varying amounts from fiscal 2026 through 2034. As of January 31, 2025, we have $81 of net deferred income tax assets related to our state NOL carryforwards, which represent our expected future tax savings from such carryforwards, after considering the impact of past ownership changes on our ability to utilize such carryforwards. The utilization of our NOL carryforwards to offset future taxable income may be subject to an annual limitation as a result of past or future ownership changes. As of January 31, 2025, we have recognized a nominal amount of deferred income tax assets associated with foreign operations.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits:

	Fiscal 2025	Fiscal 2024
Unrecognized tax benefits, beginning of year	$ 3,347	$ 3,628
Gross increases related to tax positions taken in prior years	55	529
Gross decreases related to tax positions taken in prior years	(657)	(1,002)
Gross increases related to tax positions taken in the current year	293	478
Reductions to tax positions due to settlements with taxing authorities and lapses of statutes of limitations	(380)	(286)
Unrecognized tax benefits, end of year	$ 2,658	$ 3,347

Included in the balance of unrecognized tax benefits as of January 31, 2025, are $1,626 of tax benefits that, if recognized, would affect the effective tax rate. Also included in the balance of unrecognized tax benefits as of January 31, 2025, are $1,032 of tax benefits that, if recognized, would result in adjustments to other tax accounts, primarily deferred income taxes, income taxes payable and valuation allowance. Amounts recorded for interest and penalties in connection with the unrecognized tax benefits noted above were not significant as of January 31, 2025 and 2024.

We believe that it is reasonably possible that decreases in unrecognized tax benefits of up to $811 may be necessary within the coming fiscal year as a result of statutes closing on such items. In addition, we believe that it is reasonably possible that our unrecognized tax benefits may increase as a result of tax positions that may be taken in fiscal 2025.

We file income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. We have carried forward various state NOL and income tax credits to income tax years that remain open by statute. As a result, such NOL and income tax credit carryforwards remain subject to adjustment by the respective tax authorities. Our federal income tax returns from fiscal 2022 and subsequent years are open for examination. In addition, our state income tax returns generally have statutes of limitations ranging from three to four years from the filing date.

NOTE 21 — SUPPLEMENTAL CASH FLOW INFORMATION

The following table presents supplemental cash flow information:

	Fiscal 2025	Fiscal 2024
Cash paid for:		
Interest, net of amounts capitalized	$ 64,857	$ 59,155
Income taxes, net of refunds received	17,342	15,426
Non-cash operating and investing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	53,737	65,610
Accrued property and equipment purchases	902	928
Accounts receivable settled in purchase price consideration	—	323
Other settlements associated with acquisition of restaurants	—	97



CKE RESTAURANTS HOLDINGS, INC.

Consolidated Financial Statements
for the fiscal years ended January 29, 2024 and January 30, 2023

(With Independent Auditors' Report Thereon)

KPMG LLP
1201 Demonbreun Street
Suite 1100
Nashville, TN 37203

Independent Auditors' Report

The Board of Directors
CKE Restaurants Holdings, Inc.:

Opinion

We have audited the consolidated financial statements of CKE Restaurants Holdings, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of January 29, 2024 and January 30, 2023, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the fiscal 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 the Company as of January 29, 2024 and January 30, 2023, and the results of its operations and its cash flows for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company 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.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of 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 auditors' 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.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Nashville, Tennessee
April 10, 2024

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except shares and par values)

	January 31, 2024	January 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 130,566	$ 107,853
Cash and cash equivalents - restricted	15,942	16,053
Accounts receivable, net	38,438	37,541
Inventories	3,029	2,999
Prepaid expenses	13,562	6,183
Other current assets	80	83
Total current assets	201,617	170,712
Property and equipment, net	377,436	371,572
Operating lease assets	424,719	448,064
Goodwill	539,421	540,083
Intangible assets, net	777,538	793,030
Other assets, net	40,485	29,806
Total assets	$ 2,361,216	$ 2,353,267
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 11,800	$ 13,700
Current portion of finance leases	1,515	1,268
Current portion of operating leases	79,623	85,529
Accounts payable	23,855	28,159
Other current liabilities	71,641	66,753
Total current liabilities	188,434	195,409
Long-term debt, less current portion	1,108,022	1,116,405
Finance leases, less current portion	23,370	14,428
Operating leases, less current portion	366,233	381,495
Deferred income tax liabilities, net	171,393	175,131
Other long-term liabilities	263,631	277,497
Total liabilities	2,121,083	2,160,365
Commitments and contingencies (Notes 8, 9, 10 and 14)		
Equity:		
Common stock, $0.01 par value; 100 shares authorized, issued and outstanding as of January 31, 2024 and 2023	—	—
Additional paid-in capital	736,438	734,314
Accumulated deficit	(495,148)	(540,277)
Accumulated other comprehensive loss	(1,157)	(1,135)
Total equity	240,133	192,902
Total liabilities and equity	$ 2,361,216	$ 2,353,267

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Fiscal 2024	Fiscal 2023
Revenue:		
Company-operated restaurants	$ 368,842	$ 356,810
Franchised restaurants and other	299,954	302,674
Advertising funds revenue	172,032	172,854
Total revenue	840,828	832,338
Operating costs and expenses:		
Company-operated restaurants:		
Food and packaging	97,879	99,374
Payroll and other employee benefits	122,640	114,508
Occupancy and other	106,650	103,929
Total company-operated restaurants	327,169	317,811
Franchised restaurants and other	96,654	94,432
Advertising funds expense	184,744	200,436
General and administrative	118,797	119,083
Facility action charges, net	2,852	4,802
Total operating costs and expenses	730,216	736,564
Operating income	110,612	95,774
Interest expense	(62,089)	(62,900)
Other income, net	13,108	3,751
Income before income taxes	61,631	36,625
Income tax expense	16,502	8,865
Net income	$ 45,129	$ 27,760

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Fiscal 2024	Fiscal 2023
Net income	$ 45,129	$ 27,760
Other comprehensive loss:		
Foreign currency translation adjustments	(22)	(250)
Other comprehensive loss	(22)	(250)
Comprehensive income	$ 45,107	$ 27,510

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except shares)

	CKE Restaurants Holdings, Inc. Stockholder's Equity						
	Common Stock		Additional Paid-In Capital	Notes Receivable from CKE Inc.	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Amount					
Balance as of January 31, 2022	100	$ —	$ 733,537	$(441,866)	$(125,600)	$ (885)	$165,186
Share-based compensation	—	—	777	—	—	—	777
Other comprehensive loss	—	—	—	—	—	(250)	(250)
CKE Inc. merger with CKE Restaurants Holdings, Inc.	—	—	—	441,866	(441,866)	—	—
Net Income	—	—	—	—	27,760	—	27,760
Cumulative effect of change in accounting principle	—	—	—	—	(571)	—	(571)
Balance as of January 31, 2023	100	—	734,314	—	(540,277)	(1,135)	192,902
Share-based compensation	—	—	2,124	—	—	—	2,124
Other comprehensive loss	—	—	—	—	—	(22)	(22)
Net income	—	—	—	—	45,129	—	45,129
Balance as of January 31, 2024	100	$ —	$ 736,438	$ —	$(495,148)	$ (1,157)	$240,133

See Accompanying Notes to Consolidated Financial Statements

CKE RESTAURANTS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal 2024	Fiscal 2023
Cash flows from operating activities:		
Net income	$ 45,129	$ 27,760
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	51,372	49,302
Amortization of deferred financing costs	3,417	3,352
Share-based compensation	2,124	777
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property	—	(1,285)
Gain on refranchising transaction	(153)	—
(Gain) loss on disposal of other property and equipment	(602)	512
Deferred income taxes	(3,738)	(178)
Provision for losses on impairments, accounts receivable and other items, net	508	(9,704)
Net changes in operating assets and liabilities:		
Receivables, inventories, prepaid expenses and other current and non-current assets	(14,140)	14,470
Estimated liability for closed restaurants and estimated liability for self-insurance	(1,253)	(1,709)
Accounts payable and other current and long-term liabilities	7,604	(33,356)
Operating lease asset and liabilities, net	581	530
Net cash provided by operating activities	90,849	50,471
Cash flows from investing activities:		
Purchases of property and equipment	(35,514)	(50,837)
Acquisitions of restaurants, net of cash received	(3,019)	—
Proceeds from refranchising transactions	2,092	—
Proceeds from sale of other property and equipment	2,346	1,957
CKE Inc. Merger with CKE Restaurants	—	316
Other investing activities	(7,346)	215
Net cash used in investing activities	(41,441)	(48,349)
Cash flows from financing activities:		
Net change in book overdraft	(1,472)	(1,912)
Repayments of Class A-2 Notes	(11,800)	(11,800)
Repayments of other notes	(1,900)	—
Payment for deferred financing costs of Series 2018-1 VFN Notes	—	(861)
Repayments of finance leases	(1,519)	(1,231)
Repayments of financing method sale-leaseback obligations	(10,164)	(8,836)
Net cash used in financing activities	(26,855)	(24,640)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	49	(143)
Net increase (decrease) in cash, cash equivalents and restricted cash	22,602	(22,661)
Cash, cash equivalents and restricted cash at beginning of period	123,906	146,567
Cash, cash equivalents and restricted cash at end of period	$ 146,508	$ 123,906

See Accompanying Notes to Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

CKE Restaurants Holdings, Inc. ("CKE Restaurants") is not a franchisor and conducts substantially all of its restaurant activities and operations through its subsidiaries. Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC own, operate and franchise the Carl's Jr.®, Hardee's®, Green Burrito® and Red Burrito® concepts. References to "we", "us", "our" and the "Company" may relate to CKE Restaurants and/or its subsidiaries, as may be applicable.

Domestic Carl's Jr. restaurants are predominantly located in the Western United States, primarily in California. International Carl's Jr. restaurants are located primarily in Mexico, with a growing presence in the rest of Latin America, Asia and Europe. Domestic Hardee's restaurants are predominantly located throughout the Southeastern and Midwestern United States. International Hardee's restaurants have an established and growing presence in the Middle East and Central Asia. The Green Burrito concept is located in dual-branded Carl's Jr. restaurants. The Red Burrito concept is located in dual-branded Hardee's restaurants. As of January 31, 2024, our system-wide restaurant portfolio consisted of:

Company-operated	253
Domestic franchised	2,408
International franchised [(1)]	1,114
Total restaurants	3,775

(1) As of July 7, 2022, we ceased providing any and all services to our master franchisee for the country of Russia. Our master franchisee has one franchised and sixteen subfranchised restaurants in Russia. Additionally, we have ceased collecting any royalties or fees of any type from the operation of these locations and do not approve or authorize additional locations.

Basis of Presentation and Fiscal Year

Our accompanying Consolidated Financial Statements include the accounts of CKE Restaurants, its consolidated subsidiaries and its consolidated variable interest entities ("VIEs"). CKE Restaurants does not have any non-controlling interests in other entities. These Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All significant intercompany balances and transactions are eliminated in consolidation.

We operate on a retail accounting calendar, ending on the last Monday in January. For clarity of presentation, we generally label all years presented as if the fiscal year ended January 31. The fiscal year ended January 29, 2024 is referred to herein as fiscal 2024 or the fiscal year ended January 31, 2024. The fiscal year ended January 30, 2023 is referred to herein as fiscal 2023 or the fiscal year ended January 31, 2023. The first quarter of our fiscal year has four periods, or 16 weeks. All other quarters generally have three periods, or 12 weeks.

Our restaurant sales, and therefore our profitability, are subject to seasonal fluctuations and are traditionally higher during the spring and summer months because of factors such as increased travel during school vacations and improved weather conditions, which affect the public's dining habits.

Inflation and Middle East Conflict

Inflationary pressures on labor and commodity price increases directly impacted our results of operations during the year ended January 31, 2024 and January 31, 2023. We attempt to manage any inflationary costs and commodity price increases through selective menu price increases and changes in product mix. Competitive pressures, consumer spending levels and other factors may limit our ability to recover such costs increases in the future.

Beginning October 2023, certain of our Hardee's international markets began being impacted by a military conflict in the Middle East. As a result, international franchised restaurants same-store sales were impacted to varying degrees within the Middle East. Further continuation of this conflict could have an adverse impact on our business and results of operations.

Variable Interest Entities

We consolidate the Hardee's National Advertising Fund ("HNAF") and approximately 80 local co-operative advertising funds (collectively, the "Hardee's Funds") since we have determined that the Hardee's Funds are VIEs and that we are the primary beneficiary. We considered a variety of factors in identifying the primary beneficiary of the Hardee's Funds including, but not limited to, who holds the power to direct the activities that most significantly impact the economic performance of the Hardee's Funds, as well as what party has the obligation to absorb any losses of the Hardee's Funds. Based upon these considerations, we concluded that we are the primary beneficiary. We have included $28,066 and $24,713 of total assets and total liabilities and equity in our accompanying Consolidated Balance Sheets as of January 31, 2024 and 2023, respectively. We have no rights to the assets, other than those disclosed below, nor do we have any obligation with respect to the liabilities, of the Hardee's Funds, and none of our assets serve as collateral for the creditors of these VIEs.

We do not maintain ownership interests in our franchisees, and none of our assets serve as collateral for the creditors of our franchisees. Under the terms of their franchise agreements, franchise entities hold the power to direct the activities that most significantly impact their economic performance. As a result, we do not consider ourselves the primary beneficiary of any franchise entity that might be a VIE.

Shanghai Business

The Shanghai, China business ("Shanghai business") was established for the purpose of locating, developing and operating Carl's Jr. restaurants within the municipality of Shanghai, China and certain nearby provinces. During the fiscal year ended January 31, 2023, the Company closed all restaurants operated by our Shanghai business.

Estimations

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Our most significant areas of estimation are:

- estimation of future cash flows used to assess the recoverability of long-lived assets, including intangible assets, goodwill, finance lease assets and operating lease assets;
- estimation, using actuarially determined methods, of our self-insured claim losses under our workers' compensation, general liability and auto liability insurance programs;
- determination of appropriate estimated liabilities for loss contingencies;
- determination of appropriate assumptions to use in evaluating leases for finance versus operating lease treatment, establishing depreciable lives for leasehold improvements and establishing straight-line rent expense periods;
- estimation of the appropriate allowances associated with franchise and other receivables;
- determination of the appropriate assumptions to estimate gift card breakage;
- determination of the appropriate assumptions to estimate the fair value of share-based compensation; and
- estimation of our deferred income tax asset valuation allowance, liabilities related to uncertain tax positions and effective tax rate.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, highly liquid investments purchased with original maturities of three months or less are considered cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $15,942 and $16,053 as of January 31, 2024 and 2023, respectively, consisted of cash and cash equivalents that are held by the trustee of our Series 2018-1 Senior Notes, Series 2020-1 Senior Notes and Series 2021-1 Senior Notes (as defined in Note 8) to be used for debt service payments on our Senior Notes.

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value and consist primarily of restaurant food, packaging and supplies.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based on the assets' estimated useful lives, which generally range from three to 40 years.

Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the related lease terms. The amortization period for leasehold improvements includes renewal option periods only in instances in which the exercise of the renewal option is reasonably certain at the acquisition date because failure to exercise such option would result in an economic penalty.

We capitalize direct costs and interest costs associated with construction projects that have a future benefit. If we subsequently make a determination that a site for which development costs have been capitalized will not be acquired or developed, any previously capitalized development costs are expensed and included in general and administrative expenses.

Leases

Lessor Accounting

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term. We recognize variable lease payment income for operating leases in the period when changes in facts and circumstances on which the variable lease payments are based occur. We recognize variable lease payment income for operating and financing leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Lessee Accounting

We recognize an operating lease asset and lease liability at lease commencement, which are measured by discounting lease payments using the estimated risk free rate as the discount rate. We made an accounting policy election to use the risk-free rate as our discount rate to determine the initial and subsequent measurement of operating lease liabilities. Subsequent amortization of the operating lease asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Reductions to the operating lease asset and the change in the lease liability are included in changes in operating lease assets and liabilities, net in the Consolidated Statement of Cash Flows.

A finance lease asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Operating lease and finance lease assets are assessed for impairment in accordance with our long-lived asset impairment policy.

We reassess lease classification and remeasure assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate contract or upon certain other events that require reassessment. We recognize variable lease cost for operating and finance leases in the period when changes in facts and circumstances on which the variable lease payments are based occur.

Goodwill and Intangible Assets

Goodwill represents the excess, if any, of the purchase price over the fair value of identifiable net assets acquired in an acquisition. As of January 31, 2024, our goodwill balance primarily consisted of goodwill recorded in connection with the acquisition of CKE Inc., the Company's sole stockholder, that occurred on December 24, 2013. Goodwill may also be recorded in connection with the acquisition of restaurants from franchisees.

We test goodwill for impairment on an annual basis, or more frequently if events and/or circumstances indicate that goodwill might be impaired. The impairment test is performed at the reporting unit level, and an impairment loss is recognized to the extent that the carrying amount of the reporting unit exceeds its fair value. We consider our reporting units to be company-operated restaurants, domestic franchised restaurants and international franchised restaurants as the components (e.g., restaurants) within each reporting unit have similar economic characteristics, including products and services, production processes, types or classes of customers and distribution methods.

We perform our annual goodwill impairment test on the last day of the first accounting period in our fiscal fourth quarter, which was December 4, 2023 for fiscal 2024. In accordance with authoritative guidance, we first assess qualitative factors to determine whether it is more likely than not that the fair values of our reporting units are less than their carrying amounts. If we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we then conduct a single-step quantitative goodwill impairment test, consisting of a comparison of the fair values of the reporting units to the carrying values of the reporting units. If the carrying value of a reporting unit exceeds its fair value, then an impairment charge will be recognized for the amount by which the carrying value exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

When we sell restaurants to franchisees, we remove the related goodwill, which is based on the relative fair value of the restaurants sold and the reporting unit as a whole, from our company-operated restaurants reporting unit. A portion of the goodwill, representing the cash flows disposed, is included in the carrying amount of the restaurants in determining the gain or loss on refranchising. The portion of the goodwill disposed is generally based on the price paid to the Company to acquire the restaurants in relation to the fair value of the reporting unit as a whole. The fair value of the reporting unit is based upon the price a willing buyer would pay for the reporting unit. The remaining goodwill related to the divested restaurants, which is attributable to retained cash flows, is transferred from our company-operated restaurants reporting unit to our domestic franchised restaurants reporting unit.

Our indefinite-lived intangible assets consist of trademarks / tradenames. We test trademarks / tradenames for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. We first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If we conclude that it is more likely than not that the indefinite-lived intangible asset is impaired, we then perform a quantitative test to determine whether the carrying amount is less than the fair value of the indefinite-lived intangible asset and measure the amount of impairment, if any.

Our definite-lived intangible assets consist of franchise agreements and favorable lease agreements and are amortized on a straight-line basis over their estimated useful lives. Our definite-lived intangible assets are tested for impairment when events or circumstances indicate the carrying value may be impaired. Refer to discussion of facility action charges for a discussion of impairment of restaurant-level long-lived assets.

Deferred Financing Costs

Deferred financing costs are capitalized and amortized, utilizing the effective interest method, as a component of interest expense over the terms of the respective financing arrangements. See Note 8 for further discussion.

Book Overdraft

Book overdraft liabilities are included within accounts payable in our accompanying Consolidated Balance Sheets. As of January 31, 2024 and 2023, our book overdraft liability was $416 and $1,888, respectively. We classify changes in book overdraft balances as a financing activity in our accompanying Consolidated Statements of Cash Flows.

Self-Insurance

We are self-insured for a portion of losses related to workers' compensation, general liability and auto liability claims. We establish liabilities for self-insurance, with the assistance of actuaries, using assumptions based on the average historical losses on claims we have incurred, actuarial observations of historical claim loss development and actuarial estimates of unpaid losses for each loss category. Our workers' compensation, general liability and auto liability claims are discounted using an estimated risk-free interest rate of 2.5% as of January 31, 2024. As of January 31, 2024 and 2023, our estimated liability for self-insurance was $13,113 and $17,996, respectively.

Loss Contingencies

We routinely assess loss contingencies to develop estimates of likelihood of loss and range of possible settlement. We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. We do not record liabilities for losses we believe are only reasonably possible to result in an adverse outcome. See Note 14 for further discussion.

Revenue Recognition

Company-operated restaurants revenue is recognized upon the sale of food or beverage to a customer in the restaurant, which is when our obligation to perform is satisfied.

Franchised restaurants and other revenue includes royalties, franchise fees, and rent revenue. Royalties from franchised restaurants are based on a percentage of net sales of the franchised restaurant and are recognized as earned. Royalties are typically billed and paid monthly and are usually 4% to 5% per restaurant. Franchise development and commitment fees are deferred when received, allocated to each agreed upon restaurant, and recognized as revenue over the contractual term of each respective franchise agreement, once the restaurant has opened. Initial franchise fees, training fees, renewal fees and transfer fees are recognized as revenue over the contractual term of the franchise agreements, once the restaurant has opened. Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective or when an existing agreement is transferred to another franchisee. These franchise fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. Further, franchise fees are forfeited and recognized as revenue upon the termination of the related commitments to open new franchised restaurants, the franchised restaurants closing prior to the end of the contractual agreement or the franchised restaurants being acquired by the Company. Property revenues consist of rental income from properties we lease or sublease to franchisees. Property revenues are accounted for in accordance with applicable accounting guidance for leases (see Leases above). We present all revenue net of sales tax.

Advertising funds revenue includes contributions to HNAF, Hardee's Co-ops, the Carl's Jr. national advertising fund (the "Carl's Jr. Fund") and certain international advertising funds (collectively, the "Advertising Funds") by franchisees. Revenue related to these contributions is based on a percentage of sales of the franchised restaurants and is recognized as earned.

Our company-operated restaurants and franchised restaurants sell gift cards within the restaurants and through independent retailers that are redeemable for products in our Carl's Jr. and Hardee's restaurants. The Company manages the gift card program and collects all funds from the activation of gift cards. We recognize revenue when cards are redeemed in our company-operated restaurants and reimburse franchisees for the redemption of gift cards in their restaurants. A liability for unredeemed gift cards is included in other current liabilities in our accompanying Consolidated Balance Sheets (see Note 7).

There are no expiration dates on our gift cards, and we do not charge any service fees. While our company-operated restaurants and franchisees continue to honor all gift cards presented for payment, we may determine the likelihood of redemption to be remote for certain cards due to long periods of inactivity. In these circumstances, we may recognize income from unredeemed gift cards ("breakage revenue") if they are not subject to unclaimed property laws. Breakage revenue on all Carl's Jr. and Hardee's gift cards is estimated and recognized over time in proportion to actual gift card redemptions, based on historical redemption rates. We account for breakage revenue in franchised restaurants and other revenue in our accompanying Consolidated Statement of Operations (see Note 15).

Franchise Operations and Credit Risk

Franchised restaurants and other expense includes rent and occupancy costs related to our franchised restaurants, amortization of franchise agreements, credit losses, and other miscellaneous expenses directly related to our franchise operations. These costs are expensed as incurred.

Accounts receivable consists primarily of amounts due from franchisees for royalties, advertising, franchise fees, and rent. In addition, we have notes and other receivables from certain of our franchisees. The financial condition of our franchisees is, in part, dependent upon the underlying business trends of our brand. This concentration of credit risk is mitigated, in part, by the large number of franchisees and the short-term nature of the receivables.

We record provisions for estimated losses on receivables when we believe our franchisees are unable to make their required payments. We cease accruing royalties and rent revenue from franchisees during the fiscal quarter in which we determine that collectibility of such amounts is not reasonably assured. There are a number of different actions we and/or our franchisees may take to resolve or mitigate franchise collection issues. These actions may include a reduction or deferral of future royalties, a reduction or deferral of future rent for which we are the landlord or the primary obligor to the landlord, invoking personal guarantees, or if necessary, acquiring the restaurants or terminating the franchise agreement.

Advertising

Company-operated and franchised restaurants jointly share in the cost of various advertising and marketing programs. Advertising and marketing contributions for both company-operated and franchised restaurants are generally determined based on a percentage of revenue and contributed to the applicable funds ratably throughout the year. We administer internally the Carl's Jr. Fund advertising and marketing programs, certain international advertising funds and HNAF. A third party administers the Hardee's local co-operative advertising funds.

Advertising costs for company-operated restaurants' contributions to the Advertising Funds is eliminated in consolidation. Advertising contributions by company-operated restaurants totaled $18,735 and $17,934 for fiscal 2024 and fiscal 2023, respectively. The cost of local and incremental advertising that is not funded by the Advertising Funds is expensed as incurred.

Share-Based Compensation

We issue equity-based awards to our executive management team, certain key employees, and directors under our equity-based compensation plans. Under the fair value recognition provisions of the authoritative guidance for equity-based compensation awards, we measure the fair value of equity-based awards at the grant date and the fair value is recognized as expense over the requisite service period.

Our equity-based compensation structure includes both time vesting and performance vesting profit sharing interests. We recognize compensation expense relating to time vesting profit sharing interests ratably over the requisite service period for the entire award. Performance vesting profit sharing interests vest through meeting performance and service conditions. We record compensation expense for performance vesting profit sharing interests when we deem the achievement of the performance goals to be probable. We recognize compensation expense for each separately vesting portion of performance vesting profit sharing interests ratably over the requisite service period that is determined to be the most likely outcome. We record reversals of share-based compensation expense for forfeitures as they occur. Our share-based compensation structure is described more fully in Note 17.

Facility Action Charges

From time to time, we identify restaurants that have carrying values in excess of their fair values and, as a result, we may record impairment charges. We may also close or refranchise these or other restaurants and lease or sublease the restaurant property to a franchisee or to a business other than one of our restaurant concepts. The financial statement impact resulting from these and similar actions are recorded in our accompanying Consolidated Statements of Operations as facility action charges, net and include:

(i) impairment of restaurant-level long-lived assets for restaurants to be disposed of or held and used;

(ii) store closure costs, including rent, taxes, depreciation and other costs incurred for closing a store; and
(iii) gain or loss on the sale of restaurants, including refranchising transactions.

Considerable management judgment is necessary to estimate future cash flows, including cash flows from continuing use, terminal value, closure costs, expected sublease income and refranchising proceeds. Accordingly, actual results could vary significantly from our estimates.

(i) Impairment of Restaurant-Level Long-Lived Assets

Whenever events or circumstances indicate that the carrying value of assets may be impaired, we evaluate our restaurant-level long-lived assets for impairment. For purposes of impairment testing, assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, which is generally the individual restaurant level for fixed assets, finance lease assets and operating lease assets. For each asset group, we evaluate whether there are indicators of impairment such as sequential annual cash flow losses or adverse changes in the physical condition or expected use of the asset group. When indicators of impairment exist, we evaluate whether the assets are recoverable by comparing the undiscounted future cash flows that we expect to generate from their use and disposal to their carrying value. Restaurant-level assets that are not deemed to be recoverable are written down to their estimated fair value, which is determined by assessing the highest and best use of the assets and the amounts that would be received for such assets in an orderly transaction between market participants.

Our impairment analyses rely upon a number of estimates, assumptions and measurements with significant Level 2 and Level 3 unobservable inputs (see Note 13), including estimates of future cash flows, assumptions of future same-store sales and projected operating expenses for each of our restaurants over their estimated remaining useful lives in order to evaluate recoverability and estimate fair value. Future cash flows are estimated based upon experience gained, current intentions about refranchising or closing restaurants, recent and expected sales trends, internal plans, the period of time since the restaurant was opened or remodeled, the maturity of the related market and other relevant information. We generally estimate the useful life of restaurants on owned property to be 20 to 40 years and estimate the useful life of restaurants subject to leases to range from the end of the lease term then in effect to the end of such lease term including option periods. If our future cash flows or same-store sales do not meet or exceed our forecasted levels, or if restaurant operating cost increases exceed our forecast and we are unable to recover such costs through price increases, the carrying value of certain of our restaurants may prove to be unrecoverable, and we may incur additional impairment charges in the future.

(ii) Store Closure Costs

We typically make decisions to close restaurants based on prospects for estimated future profitability. However, sometimes we are forced to close restaurants due to circumstances beyond our control (e.g., a landlord's refusal to negotiate a new lease). When restaurants continue to perform poorly, we consider a number of factors, including the demographics of the location and the likelihood of being able to improve an unprofitable restaurant. Based on the operators' judgment and a financial review, we estimate the future cash flows. If we determine that the restaurant will not, within a reasonable period of time, operate at break-even cash flow or be profitable, and we are not contractually obligated to continue operating the restaurant, we may decide to close the restaurant.

(iii) Gain or Loss on the Sale of Restaurants, Including Refranchising Transactions

We record gains and losses on the sale of restaurants as the difference between the net proceeds received and net carrying values of the net assets of the restaurants sold. As discussed within the section “Goodwill and Intangible Assets” in this Note 1, we include goodwill in the carrying amount of the restaurants in determining the gain or loss on disposal. If we sublease a restaurant to a franchisee on terms that result in a probable loss, then we will establish a lease subsidy allowance and record a loss at the time we enter into the lease arrangement. As further described above, the amount of the estimated liability for the lease subsidy is the present value of our estimated future payments, net of the present value of the expected sublease income.

Contract Liabilities - Deferred Franchise Fees

The following table provides information about contract liabilities, specifically deferred franchise fees, received from contracts with customers:

	2024	2023
Deferred franchise fees, beginning of year	$ 35,942	$ 37,420
Revenue recognized during the period	(4,917)	(6,142)
New deferrals due to cash received	4,916	4,664
Deferred franchise fees, end of year	$ 35,941	$ 35,942

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period:

Fiscal:	
2025	$ 3,454
2026	3,018
2027	2,801
2028	2,665
2029	2,546
Thereafter	21,457
Total estimated future amortization income	$ 35,941

Deferred franchise fees are recorded in other current liabilities and other long-term liabilities in our accompanying Consolidated Balance Sheets as of January 31, 2024 and January 31, 2023, respectively.

Income Taxes

We are included in the consolidated federal income tax returns and combined state income tax returns of CKE Holding Corporation ("CKE"). For the purpose of determining the income taxes attributable to CKE Restaurants and its subsidiaries, we prepare our income tax provision as if we were a separate taxpayer. As a result of this treatment, we make income tax payments to our corporate parent based upon our separate return taxable income. We additionally make income tax payments directly to federal, state, local and foreign taxing jurisdictions.

Our current provision for income taxes is based on our estimated taxable income in each of the jurisdictions in which we operate, after considering the impact on our taxable income of temporary differences resulting from disparate treatment of items, such as depreciation, interest expense, advertising funds, sale-leaseback transactions, various reserves, tax credits and net operating losses ("NOL"), for tax and financial reporting purposes. We record deferred income taxes for the estimated future income tax effect of temporary differences between the financial and tax bases of assets and liabilities using the asset and liability method. Deferred income tax assets are also recorded for NOL and income tax credit carryforwards. A valuation allowance to reduce the carrying amount of deferred income tax assets is established when it is more likely than not that we will not realize some portion or all of the tax benefit of our deferred income tax assets. We evaluate, on a quarterly basis, whether it is more likely than not that our deferred income tax assets are realizable. In performing this analysis, we consider all available evidence, both positive and negative, including historical operating results, the estimated timing of future reversals of existing taxable temporary differences, estimated future taxable income exclusive of reversing temporary differences and carryforwards and potential tax planning strategies that may be employed to prevent NOL or tax credit carryforwards from expiring unused. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

From time to time, we may take positions in filing our income tax returns that differ from the treatment of the same items for financial reporting purposes. The ultimate outcome of these items will not be known until the Internal Revenue Service, or similar state taxing authority, has completed its examination or until the statute of limitations has expired.

We maintain a liability for underpayment of income taxes and related interest and penalties, if any, related to uncertain income tax positions. The tax benefit from an uncertain tax position is recognized either upon the expiration of the statutory audit period or when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Our policy on the classification of interest and penalties related to the underpayment of income taxes and uncertain tax positions is to record interest in interest expense, and to record penalties, if any, in general and administrative expense, in our accompanying Consolidated Statements of Operations. Accrued interest and penalties are included in our liability for uncertain tax positions.

Distributor Concentration Risk

We currently rely on a limited number of distributors to deliver food, packaging and supplies to our restaurants. Although we could use alternative distributors, an unforeseen change in distributor could cause a delay in receipt of food, packaging or supplies and possibly result in unfavorable costs and loss of sales.

Foreign Currency

The functional currency of our foreign entities is the currency of the primary economic environment in which the entity operates. Functional currency determinations are made based upon a number of economic factors, including but not limited to cash flows and financing transactions. The operations, assets and liabilities of our entities outside the United States are initially measured using the functional currency of that entity. The income and expense accounts are then translated into U.S. dollars at the average exchange rates prevailing during the period. The assets and liabilities are translated into U.S. dollars at exchange rates in effect at the balance sheet date.

Comprehensive Income

We present comprehensive income in our accompanying Consolidated Statements of Comprehensive Income. Comprehensive income includes, in addition to net income, changes in equity that are excluded from our Consolidated Statements of Operations and are recorded directly into a separate section of equity on our Consolidated Balance Sheets. Accumulated other comprehensive income is comprised entirely of foreign currency translation adjustments attributable to CKE Restaurants Holdings, Inc.

Reclassification

Certain prior year amounts in the Consolidated Statements of Operations have been reclassified in order to be comparable with the current year classification. These consist of the reclassification for the year ended January 31, 2023 certain workers compensation expense of $2,846 from Payroll and other employee benefits to Occupancy and other expense. These reclassifications did not arise as a result of any changes to accounting policies and relate entirely to presentation with no effect on previously reported net income.

Subsequent Events

We have evaluated subsequent events through April 10, 2024, the date our Consolidated Financial Statements were available to be issued and except as discussed in Note 8, have determined that no material subsequent events occurred after the balance sheet date.

NOTE 2 — ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS AND ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

New Accounting Standards Adopted

Credit Impairment

In June 2016, the Financial Accounting Standards Board ("FASB") issued a standard that requires measurement and recognition of expected versus incurred credit losses for financial assets held, including trade receivables. The standard is effective for interim and annual reporting periods beginning after December 15, 2019 for public entities. For other entities, the standard is effective for interim and annual reporting periods beginning after December 15, 2022. The Company adopted this amendment during the first quarter of 2024. The adoption of this guidance did not have a material impact on our Consolidated Financial Statements.

New Accounting Standards Not Yet Adopted

Income Tax Disclosures

In December 2023, the FASB issued guidance that enhances income tax disclosures including expanded qualitative effective tax rate reconciliation. The standard also requires annual disclosure of income taxes paid disaggregated by federal, state and foreign taxes. The standard is effective for annual reporting periods beginning after December 15, 2024 for public entities. For other entities, the standard is effective for annual reporting periods beginning after December 15, 2025. Early adoption of the guidance is permitted. We are currently evaluating the impact the adoption of this standard will have on our Consolidated Financial Statements.

NOTE 3 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, as of January 31, 2024 and 2023 consisted of the following:

	2024	2023
Trade receivables	$ 37,850	$ 37,474
Leases receivable	180	206
Taxes receivable	24	183
Notes receivable	2,759	1,711
Allowance for credit losses	(2,375)	(2,033)
Total accounts receivable, net	$ 38,438	$ 37,541

The following table summarizes the activity in the allowance for credit losses:

	Fiscal 2024	Fiscal 2023
Allowance for credit losses, beginning of year	$ 2,033	$ 3,413
Provision	2,133	1,270
Recoveries	(894)	(1,701)
Charge-offs	(897)	(949)
Allowance for credit losses, end of year	$ 2,375	$ 2,033

NOTE 4 — PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of the following as of January 31, 2024 and 2023:

	Estimated Useful Life	2024	2023
Land		$ 192,390	$ 195,288
Leasehold improvements	3-25 years	105,359	103,637
Buildings and improvements	3-40 years	191,141	190,542
Equipment, furniture and fixtures	3-8 years	140,630	115,486
Finance leases	5-33 years	18,174	9,264
		647,694	614,217
Less accumulated depreciation and amortization[(1)]		(270,258)	(242,645)
Total property and equipment, net		$ 377,436	$ 371,572

(1) The accumulated amortization related to finance leases was $333 and $1,375 as of January 31, 2024 and 2023, respectively.

Depreciation and amortization expense related to property and equipment for fiscal 2024 and 2023 was $36,202 and $35,375, respectively. Amortization of property under finance leases is included within depreciation and amortization expense.

During fiscal 2024 and 2023, we capitalized interest costs in the amounts of $180 and $325, respectively.

NOTE 5 — ACQUISITIONS AND REFRANCHISING ACTIVITY

Acquisition of Restaurants

During the fiscal year ended January 31, 2024, we purchased nineteen Hardee's restaurants and one Carl's Jr. restaurant from franchisees for purchase price consideration of $3,342, which in combination with certain assets subject to pre-existing relations with these franchisees, results in aggregate consideration transferred for $3,438. As a result of these transactions, we recorded the following:

	Fiscal 2024
Net working capital	$ 55
Property and equipment	12,281
Operating lease assets	5,048
Reacquired franchise rights	1,810
Operating leases	(5,048)
Finance leases	(10,708)
Net assets acquired and liabilities assumed	$ 3,438

The resulting acquisitions result in no goodwill. Legal, travel and other expenses related to theses acquisitions totaled $1,075 during the fiscal year ended January 31, 2024.

Refranchising Transaction

During fiscal 2024, we sold one Hardee's restaurant and certain related inventory and fixed assets with a net book value of $1,267 and disposed of its allocated goodwill of $662. In connection with the sale of this restaurant, we received aggregate consideration of $2,082, and recognized a net gain of $153, which is included in facility action charges, net, in our

accompanying Consolidated Statements of Operations. In connection with the refranchising transaction, the franchisee acquired real property and equipment related to the restaurant location.

NOTE 6 — GOODWILL AND INTANGIBLE ASSETS, NET

During the fourth quarter of fiscal 2024 and 2023, we performed our annual impairment tests for goodwill and indefinite-lived intangible assets using a qualitative approach and determined that it is more likely than not that the fair value is greater than the carrying value. Accordingly, no impairment losses were recorded in fiscal 2024 or 2023.

The table below presents our intangible assets as of January 31, 2024 and 2023:

		2024			2023		
	Weighted-Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks / tradenames	Indefinite	$ 614,400	$ —	$ 614,400	$ 614,400	$ —	$ 614,400
Franchise agreements	20	321,665	(160,157)	161,508	319,855	(143,300)	176,555
Favorable lease agreements	17	5,875	(4,245)	1,630	9,688	(7,613)	2,075
Total intangible assets		$ 941,940	$ (164,402)	$ 777,538	$ 943,943	$ (150,913)	$ 793,030

Amortization expense related to these intangible assets for fiscal 2024 and 2023 was $17,302 and $17,132, respectively. Our estimated future amortization expense related to these intangible assets is set forth as follows:

Fiscal:	
2025	$ 16,785
2026	16,611
2027	16,532
2028	16,333
2029	16,273
Thereafter	80,604
Total estimated future amortization expense	$ 163,138

NOTE 7 — OTHER CURRENT LIABILITIES

Other current liabilities as of January 31, 2024 and 2023 consisted of the following:

	2024	2023
Salaries, wages and other benefits	$ 15,610	$ 8,802
Income taxes payable	13,955	9,887
Financing method sale-leaseback liability, current portion	11,287	10,170
Accrued interest	5,663	5,934
Gift card and gift certificate liabilities	4,479	4,651
Estimated liability for self-insurance, current portion	3,545	5,813
Deferred franchise and development fees	3,454	3,376
Accrued property taxes	3,089	4,573
State sales tax	2,017	2,288
Utilities	1,004	1,028
Other accrued liabilities	7,538	10,231
Total other current liabilities	$ 71,641	$ 66,753

NOTE 8 — LONG-TERM DEBT

Long-term debt as of January 31, 2024 and 2023 consisted of the following:

	2024	2023
Series 2018-1 Class A-2 Notes:		
Series 2018-1 Class A-2-II Notes	$ 331,625	$ 335,125
Series 2018-1 Class A-2-III Notes	236,875	239,375
Series 2020-1 Class A-2 Notes	388,000	392,000
Series 2021-1 Class A-2 Notes	175,500	177,300
Other Notes	—	1,900
Unamortized deferred financing costs on Senior Notes	(12,178)	(15,595)
Long-term debt	1,119,822	1,130,105
Less current portion	(11,800)	(13,700)
Long-term debt, less current portion	$ 1,108,022	$ 1,116,405

As of January 31, 2024, the aggregate maturities of our long-term debt, based on the anticipated repayment date and excluding the effects of amortization of the deferred financing costs on the Series 2018-1 Senior Notes, Series 2020-1 Senior Notes, Series 2021-1 Senior Notes and Other Notes are as follows:

Fiscal:	
2025	$ 11,800
2026	336,425
2027	8,300
2028	380,300
2029	395,175
Thereafter	—
Total long-term debt	$ 1,132,000

Series 2018-1 Senior Notes, Series 2020-1 Senior Notes and Series 2021-1 Senior Notes

On June 20, 2018, we completed a company-wide refinancing transaction (the "Series 2018-1 Refinancing"). In connection with the Series 2018-1 Refinancing, Carl's Jr. Funding LLC and Hardee's Funding LLC (collectively, the "Co-Issuers"), our indirect wholly-owned subsidiaries, issued an aggregate principal amount of $1,000,000 Series 2018-1 Fixed Rate Senior Secured Notes, Class A-2, ("Series 2018-1 Class A-2 Notes") and $70,000 Series 2018-1 Class A-1 Variable Funding Senior Secured Notes ("Series 2018-1 Variable Funding Notes", and together with the Series 2018-1 Class A-2 Notes, the "Series 2018-1 Senior Notes"). The indenture governing the Series 2018-1 Senior Notes (the "Indenture") allows the Co-Issuers to issue additional series of notes in the future subject to certain conditions.

The Series 2018-1 Class A-2 Notes were issued in three tranches: (i) $400,000 of Series 2018-1 4.250% Fixed Rate Senior Secured Notes, Class A-2-I, with an anticipated repayment date of June 2022; (ii) $350,000 of Series 2018-1 4.959% Fixed Rate Senior Secured Notes, Class A-2-II, with an anticipated repayment date of June 2025; and (iii) $250,000 of Series 2018-1 5.710% Fixed Rate Senior Secured Notes, Class A-2-III, with an anticipated repayment date of June 2028. The Series 2018-1 Class A-2 Notes have a legal final maturity date of June 2048. The Series 2018-1 Class A-2 Notes require scheduled quarterly principal payments of $2,500 with the first principal payment due December 20, 2018. The interest payments for the Series 2018-1 Class A-2 Notes are due quarterly in arrears on the 20th day of each March, June, September and December.

The Series 2018-1 Variable Funding Notes provide for senior secured revolving facility loans, and subfacilities for swingline loans and letters of credit, in an aggregate amount of $70,000. On October 26, 2022, the Series 2018-1 Variable Funding Notes were amended to extend the maturity date to September 2027, including options for renewal for two additional twelve-month terms (subject to certain conditions, including a minimum debt service coverage ratio). The Series 2018-1 Variable Funding Notes bear interest at a variable interest rate equal to (a) a commercial paper rate plus 3.00%, (b) the term SOFR rate plus 3.00% or (c) 2.00% plus the greater of (i) the Prime Rate, (ii) the Federal Funds rate plus 0.50%, or (iii) term SOFR plus 1.00%. The actual interest rate incurred is determined by how the borrowings were funded by participating investors, but in any event, will fall under one of the three scenarios described above. The Series 2018-1 Variable Funding Notes require us to pay a commitment fee of 0.50% per annum for unused commitments and letter of credit fees of 3.00% per annum on our outstanding non-cash collateralized letters of credit. Interest and other fees on the Series 2018-1 Variable Funding Notes are due quarterly in arrears on the 20th day of each March, June, September and December. As of January 31, 2024, we had no outstanding loan borrowings, $22,647 of outstanding letters of credit and remaining availability of $47,353 under our Series 2018-1 Variable Funding Notes.

On December 21, 2020, the Co-Issuers paid down the entire outstanding principal balance of our Series 2018-1 Class A-2-I Notes with the issuance of an aggregate principal amount of $400,000 of Series 2020-1 3.981% Fixed Rate Senior Secured Notes, Class A-2 (the "Series 2020-1 Class A-2 Notes"). Our Series 2018-1 4.959% Fixed Rate Senior Secured Notes, Class A-2-II and Series 2018-1 5.710% Fixed Rate Senior Secured Notes, Class A-2-III remain outstanding. The Series 2020-1 Class A-2 Notes were issued pursuant to an amendment to the Indenture and have an anticipated repayment date of December 2027. The Series 2020-1 Class A-2 Notes have a legal final maturity date of December 2050. The Series 2020-1 Class A-2 Notes require scheduled quarterly principal payments of $1,000 beginning March 22, 2021. The interest payments for the Series 2020-1 Class A-2 Notes are due quarterly in arrears on the 20th day of each March, June, September and December.

On June 24, 2021, the Co-Issuers issued an aggregate principal amount of $180,000 of Series 2021-1 2.865% Fixed Rate Senior Secured Notes, Class A-2 (the "Series 2021-1 Class A-2 Notes", and together with the "Series 2020-1 Class A-2 Notes" and the remaining Series 2018-1 Class A-2 Notes, all of which remain outstanding, the "Class A-2 Notes" and, collectively with the Series 2018-1 Variable Funding Notes, the "Senior Notes"). The Series 2021-1 Class A-2 Notes were issued pursuant to an amendment to the Indenture and have an anticipated repayment date of June 2028. The Series 2021-1 Class A-2 Notes have a legal final maturity date of June 2051. The Series 2021-1 Class A-2 Notes require scheduled quarterly principal payments of $450 with the first principal payment due September 20, 2021. The interest payments for the Series 2021-1 Class A-2 Notes are due quarterly in arrears on the 20th day of each March, June, September and December. The remaining outstanding tranches of the Series 2021-1 Class A-2 Notes, the Series 2020-1 Class A-2 Notes and the Series 2018-1 Class A-2 Notes collectively require quarterly principal payments of $2,500.

The Senior Notes are secured by substantially all assets of the Co-Issuers and their subsidiaries and immediate holding companies (collectively, the "CKE Securitization Entities"), but are not guaranteed by or secured with the assets of CKE or its other subsidiaries, including CKE Restaurants. The Indenture requires the CKE Securitization Entities to report and remit weekly cash flows of the CKE Securitization Entities to the trustee of the Senior Notes. The weekly cash flows are subject to a priority of payments that provides for the payment of funds to specific trust accounts for debt service and other specified purposes set forth in the Indenture. The amount of weekly cash flow, if any, that exceeds the amounts required by the priorities of payment is remitted to CKE Restaurants in the form of an equity distribution.

We expect that the Co-Issuers will repay or refinance each tranche of the Class A-2 Notes at or before its respective anticipated repayment date. However, in the event that the Co-Issuers do not repay any tranche of Class A-2 Notes in full by its anticipated repayment date, such tranche of the Class A-2 Notes would be subject to additional interest at an interest rate of at least 5% per annum, and principal payments on all outstanding Senior Notes would accelerate until the debt is paid in full. If certain conditions are met, including a maximum leverage ratio for the CKE Securitization Entities of 5.0x of total net indebtedness to net cash flow, each as defined in the Indenture, the Co-Issuers may elect not to make the scheduled principal payments on the Class A-2 Notes. The Co-Issuers may optionally prepay up to 35% of the original principal amount of each tranche of the Series 2018-1 Class A-2 Notes (but not the Series 2020-1 Class A-2 Notes or the Series 2021-1 Class A-2 Notes) at any time at par, other than with proceeds from indebtedness. Generally, any optional (and certain mandatory) prepayments in excess of such amount would be subject to a make-whole premium as defined in the Indenture. Beginning eighteen months prior to the anticipated repayment date for the Series 2018-1 Class A-2-II Notes, thirty months prior to the anticipated repayment date for the Series 2018-1 Class A-2-III Notes, thirty-six months prior to the anticipated repayment date for the Series 2020-1 Class A-2 Notes and forty-two months prior to the anticipated repayment date for the Series 2021-1 Class A-2 Notes, the Co-Issuers may repay all or a portion of the remaining principal amount of such applicable tranche of Class A-2 Notes at par.

The Senior Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) required actions to perfect the security interest in certain collateral upon the occurrence of certain performance-related events, (ii) application of certain disposition proceeds as note prepayments, subject to certain exceptions, (iii) maintenance of specified reserve accounts, (iv) maintenance of certain debt service coverage ratios, (v) mandatory prepayments with indemnification payments for defective or ineffective collateral, and (vi) covenants relating to record keeping, access to information and similar matters. If certain covenants or restrictions are not satisfied or complied with, the Senior Notes are subject to accelerated repayment events and events of default. Although management does not anticipate an event of default, if any such event occurred and was not cured within any applicable cure period, the unpaid amounts outstanding could become immediately due and payable.

In connection with the amendment of the 2018-1 Variable Funding Notes in fiscal year 2023, we incurred debt issuance costs of $861 which were capitalized. These deferred financing costs will be amortized using the effective interest method over the expected term of the 2018-1 Variable Funding Notes.

In the first quarter of fiscal 2025, the Co-Issuers issued an aggregate principal amount of $350,000 of Series 2024-1 7.253% Fixed Rate Senior Secured Notes, Class A-2 (the "Series 2024-1 Class A-2 Term Notes"). The Series 2024-1 Class A-2 Term Notes have an anticipated repayment date of March 2031 and a legal final maturity date of March 2054. The Series 2024-1 Class A-2 Term Notes require scheduled quarterly principal payments of $875 with the first principal payment due June 20, 2024. The interest payments for the Series 2024-1 Class A-2 Term Notes are due quarterly in arrears on the 20th day of

each March, June, September and December. A portion of the proceeds of the issuance of the Series 2024-1 Class A-2 Term Notes were used to repay the Series 2018-1 Class A-2-II Term Notes in full, including accrued interest.

Other Notes

In connection with the acquisition of Hardee's restaurants from a franchisee, we assumed a $2,100 unsecured note. On November 20, 2020, we paid down $200. On July 25, 2023, we paid down the remaining $1,900.

Interest Expense

Interest expense consisted of the following:

	Fiscal 2024	Fiscal 2023
Series 2018-1 Class A-2 Notes	$ 30,013	$ 30,364
Series 2020-1 Class A-2 Notes	15,466	15,643
Series 2021-1 Class A-2 Notes	5,034	5,092
Amortization of deferred financing costs	3,417	3,352
Finance leases	1,318	1,302
Financing method sale-leaseback obligations (see Note 10)	5,793	6,276
Letter of credit fees, commitment fees and other	1,048	871
Total interest expense	$ 62,089	$ 62,900

NOTE 9 — LEASES

We occupy land and buildings under lease agreements expiring on various dates through fiscal 2046. Many leases provide for future rent escalations and renewal options. In addition, variable lease payments such as a percentage of sales in excess of specified levels, is often required. Most leases obligate us to pay costs of maintenance, insurance and property taxes.

Company as Lessor

We lease and sublease land and buildings to others, primarily as a result of the refranchising of certain restaurants. Many of these leases provide for fixed payments, while others provide for variable rent when sales exceed certain levels or for rent based on a percentage of sales. Lessees and sublessees generally bear the cost of maintenance, insurance and property taxes. The carrying values of assets leased to others as of January 31, 2024 and 2023 are as follows:

	2024	2023
Land	$ 104,028	$ 118,730
Leasehold improvements	3,916	8,285
Buildings and improvements	68,563	88,190
	176,507	215,205
Less accumulated depreciation and amortization	(57,231)	(72,873)
Total assets leased to others	$ 119,276	$ 142,332

The components of lease income for January 31, 2024 and 2023 are as follows:

	2024	2023
Rent revenue:		
Minimum rent revenue	$ 90,450	$ 94,426
Variable lease payments	6,700	6,875
Total rent revenue	$ 97,150	$ 101,301

We sublease to others some of our property under finance leases. These assets are recorded as lease receivables and are included in accounts receivable, net and other assets, net in our accompanying Consolidated Balance Sheets. As of January 31, 2024, future minimum lease and sublease rent revenue expected to be received, are as follows:

	Finance Leases	Operating Leases	
	Subleases	Subleases	Owned Properties
Fiscal:			
2025	$ 246	$ 79,579	$ 7,595
2026	245	71,374	8,191
2027	213	61,550	8,202
2028	190	53,678	7,853
2029	97	42,996	7,129
Thereafter	202	123,329	45,439
Total future minimum lease and sublease rent revenue	1,193	$ 432,506	$ 84,409
Unearned interest income	(229)		
Present value of leases receivable	964		
Less current portion	(180)		
Leases receivable, less current portion	$ 784		

Company as Lessee

The components of lease cost for January 31, 2024 and are as follows:

	Fiscal 2024	Fiscal 2023
Finance lease cost:		
Amortization of finance lease assets	$ 1,596	$ 2,432
Interest on finance lease liabilities	1,572	1,302
Variable lease cost	2	173
Total finance lease cost	3,170	3,907
Operating lease cost	92,340	93,249
Variable lease cost	1,854	1,391
Total operating lease cost	94,194	94,640
Total lease cost	$ 97,364	$ 98,547

Minimum lease payments for all leases and the present value of minimum lease payments for operating and finance leases as of January 31, 2024 are as follows:

	Finance Leases		Operating Leases	
	Company-Operated	Franchise & Other	Company-Operated	Franchise & Other
Fiscal:				
2025	$ 1,573	$ 1,501	$ 15,730	$ 70,729
2026	1,629	1,426	14,906	63,671
2027	1,658	1,358	13,995	54,043
2028	1,672	1,302	12,851	45,818
2029	1,684	1,161	11,193	35,269
Thereafter	16,147	5,032	49,311	103,314
Total minimum lease payments	24,363	11,780	117,986	372,844
Less amount representing interest	(8,010)	(3,248)	(12,640)	(32,334)
Present value of minimum lease payments	16,353	8,532	105,346	340,510
Less current portion	(634)	(881)	(13,375)	(66,248)
Lease obligations, less current portion	$ 15,719	$ 7,651	$ 91,971	$ 274,262

Net rent under non-cancelable operating leases was as follows:

	Fiscal 2024	Fiscal 2023
Rent revenue:		
Minimum rent revenue	$ 90,450	$ 94,426
Variable lease payments	6,700	6,875
Total rent revenue	97,150	101,301
Rent expense:		
Operating lease cost	(92,340)	(93,249)
Variable lease cost	(1,854)	(1,391)
Total operating lease cost	(94,194)	(94,640)
Net rent income	$ 2,956	$ 6,661

Lease Term and Discount Rate as of January 31,

Weighted-average remaining lease term:

	2024	2023
Finance leases	12.11 years	10.19 years
Operating leases	7.67 years	7.89 years

Weighted-average discount rate:

	2024	2023
Finance leases	6.5 %	8.1 %
Operating leases	2.4 %	1.8 %

NOTE 10 — SALE-LEASEBACK TRANSACTIONS

We currently have entered into agreements with independent third parties under which we sold and leased back a total of 126 restaurant properties. The initial minimum lease terms are 20 years and include renewal options. The leases also include provisions that provide us with the ability to repurchase the properties, which for accounting purposes, prevents sale recognition as the leased properties are real estate, and we have concluded that no two real estate assets are substantially the same.

Under the financing method, the sales proceeds received are recorded in other current liabilities and other long-term liabilities until our continuing involvement with the properties is terminated, and the associated properties are reported as owned assets and depreciated over their remaining useful lives. Rent payments for these leases are recorded as principal and interest. The net book value of the associated assets, which is included in property and equipment, net of accumulated depreciation and amortization, in our accompanying Consolidated Balance Sheets was $115,805 and $117,126 as of January 31, 2024 and 2023, respectively.

During fiscal 2023, the lease agreements for two of our restaurant properties were terminated. As we no longer have continuing involvement in the properties, we recognized a net gain of $1,160 associated with the write-off of the assets and liabilities. The net gain is included in facility action charges, net in our accompanying Consolidated Statement of Operations for fiscal 2023.

Closing costs and other fees related to sale-leaseback transactions are treated as deferred financing costs, which are recorded as a reduction to the liability balance and amortized to interest expense over the initial minimum lease term.

As of January 31, 2024, our future minimum lease commitments for our financing method sale-leaseback obligations are as follows:

Fiscal:	
2025	$ 16,202
2026	16,212
2027	16,410
2028	17,250
2029	17,813
Thereafter	66,043
Total minimum lease payments	149,930
Less amount representing interest	(32,652)
Residual property obligation[(1)], deferred financing costs and deferred sales proceeds	102,346
Financing method sale-leaseback liability	219,624
Less current portion	(11,287)
Financing method sale-leaseback liability, less current portion	$ 208,337

(1) Although we have legally transferred title of the sale-leaseback properties, we have included an obligation to convey, for accounting purposes, the sale-leaseback assets at the end of the primary lease term. This obligation was established in acquisition accounting and based on the estimated residual value of the sale-leaseback assets at the end of the primary lease term.

NOTE 11 — OTHER LONG-TERM LIABILITIES

Other long-term liabilities as of January 31, 2024 and 2023 consisted of the following:

	2024	2023
Financing method sale-leaseback liability, long-term portion	$ 208,337	$ 219,707
Deferred franchise and development fees	32,487	32,566
Estimated liability for self-insurance, long-term portion	9,568	12,183
Deferred beverage income	5,721	3,645
Unfavorable lease agreements	4,480	6,911
Other	3,038	2,485
Total other long-term liabilities	$ 263,631	$ 277,497

NOTE 12 — EQUITY

As of January 31, 2024 and 2023, a total of 100 shares of $0.01 par value common stock of CKE Restaurants are issued and outstanding. Each share of common stock entitles the shareholder to one vote per share and is eligible to receive dividend payments when declared. As discussed more fully in Note 8, the Indenture governing the Senior Notes includes certain covenants and restrictions that may limit CKE Restaurants' ability to declare and pay dividends. No dividends were declared and paid in fiscal 2024 and 2023.

During fiscal 2023, CKE Inc. merged with CKE Restaurants which survives the merger. As a result of the merger, all assets, liabilities and debts of CKE, Inc. transferred to CKE Restaurants. The intercompany note agreements between the entities were cancelled, and the CKE Restaurants note receivable from CKE Inc. in the amount of $441,866 was reclassified to accumulated deficit. In addition, $316 of cash held by CKE Inc. was consolidated into CKE Restaurants.

NOTE 13 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents information on our financial instruments as of January 31, 2024 and 2023:

	2024		2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial liabilities:				
Series 2018-1 Class A-2-II Notes	$ 329,928	$ 315,044	$ 332,363	$ 319,515
Series 2018-1 Class A-2-III Notes	234,366	222,070	236,353	227,945
Series 2020-1 Class A-2 Notes	382,905	344,350	385,688	346,802
Series 2021-1 Class A-2 Notes	172,623	146,543	173,801	146,485
Other Notes	—	—	1,900	1,900

The fair value of cash and cash equivalents and restricted cash and cash equivalents each approximate their respective carrying amounts due to the short maturity of the balances. The carrying amounts of notes receivable, net (both current and non-current) of related allowance for credit losses approximate fair value. The estimated fair values of our borrowings under the Series 2018-1, Series 2020-1 and Series 2021-1 Class A-2 Notes were determined by obtaining estimated market prices from an investment banking firm as of the balance sheet dates. The carrying amount of the other notes approximates fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market

participants on the measurement date. Entities are required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value based on the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Our non-financial long-lived assets, including goodwill, intangible assets and property and equipment, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on a periodic basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, we assess our long-lived assets for impairment. When impairment has occurred, such long-lived assets are written down to fair value. See Note 16 for further information regarding impairment charges.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2024:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 3,311
Assets to be held and used (Level 3)[2]	—	1,044

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants.
(2) Represents impairment recorded for two underperforming domestic company-operated restaurants.

The following table presents long-lived assets measured at fair value on a non-recurring basis during fiscal 2023:

	Fair Value Measurements	Impairment Charges
Assets to be disposed of (Level 2)[1]	$ —	$ 3,657
Assets to be held and used (Level 3)[2]	—	444

(1) Represents the impairment of long-lived assets including property & equipment, net and operating lease assets for multiple domestic company-operated closed restaurants as well as multiple restaurants operated by the Shanghai business.
(2) Represents impairment recorded for two underperforming domestic company-operated restaurants.

NOTE 14 — COMMITMENTS AND CONTINGENT LIABILITIES

Lease Commitments

Many of the restaurants we have sold to franchisees are on leased sites, and we have entered into sublease agreements with these franchisees but remained principally liable for the lease obligations. We account for the sublease payments received as rent revenue in franchised restaurants and other revenue, and the payments on the leases as rent expense in franchised restaurants and other expense, in our accompanying Consolidated Statements of Operations. As of January 31, 2024, the nominal value of the lease obligations under the remaining master leases' primary terms is $434,638.

Letters of Credit

Pursuant to our Series 2018-1 Variable Funding Notes, we may borrow up to $70,000 for senior secured revolving facility loans, swingline loans and letters of credit (see Note 8). As of January 31, 2024, we had several standby letters of credit outstanding under our Series 2018-1 Variable Funding Notes totaling $22,647, expiring at various dates through October 2024. The outstanding letters of credit consist of a $13,100 letter of credit for benefit of the holders of the Senior Notes as an interest reserve as required by the Series 2021-1 Indenture and letters of credit of $9,547, which primarily secure our potential workers' compensation, general liability and auto liability obligations.

Unconditional Purchase Obligations

As of January 31, 2024, we had unconditional purchase obligations in the amount of $59,462, which consisted primarily of contracts for goods and services related to restaurant operations and contractual commitments for marketing and sponsorship arrangements. Our unconditional purchase obligations for fiscal 2025, 2026, 2027, 2028 and 2029 are estimated to be $55,863, $1,199, $937, $937 and $526, respectively.

Litigation

We are currently involved in legal disputes related to employment, franchising, real estate and other business matters. We intend to vigorously defend against all claims in these lawsuits, and are unable to predict the ultimate outcome of these actions. Although the outcome of these matters cannot be predicted with certainty and some of these matters may be resolved unfavorably to the Company, based on currently available information, including legal defenses available to the Company and its legal reserves and insurance coverages, the Company does not believe that the outcome of these legal matters will have a material adverse effect on its consolidated financial position, results of operations or cash flow.

We accrue those loss contingencies that are deemed to be probable, and for which the amount of expected loss is reasonably estimable. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes, and as such may not be meaningful indicators of our potential liability or financial exposure. We regularly review contingencies to determine the adequacy of our accruals and related disclosures. The ultimate amount of loss may differ from these estimates.

NOTE 15 — FRANCHISE OPERATIONS

Franchised restaurants and other revenue consisted of the following:

	Fiscal 2024	Fiscal 2023
Royalties	$ 190,073	$ 182,255
Rent and other occupancy	100,611	105,248
Franchise fees	4,917	6,142
Other	4,353	9,029
Total franchised restaurants and other revenue	$ 299,954	$ 302,674

Franchised restaurants and other expense consisted of the following:

	Fiscal 2024	Fiscal 2023
Rent and other occupancy	$ 78,697	$ 77,492
Amortization of franchise agreements	16,857	16,857
Other	1,100	83
Total franchised restaurants and other expense	$ 96,654	$ 94,432

NOTE 16 — FACILITY ACTION CHARGES, NET

The components of facility action charges, net, are as follows:

	Fiscal 2024	Fiscal 2023
Impairment of assets to be disposed of	$ 3,311	$ 3,657
Closed store expenses	2,219	219
Impairment of assets to be held and used	1,044	444
(Gain) loss on disposal of other property and equipment	(3,503)	512
Gain on refranchising transaction	(153)	—
Other (gains) losses, net	(66)	1,130
Gain on early termination of lease agreement associated with a financing method sale-leaseback restaurant property (see Note 10)	—	(1,160)
Total facility action charges, net	$ 2,852	$ 4,802

Impairment charges recorded against property and equipment and operating lease assets of $4,355 and $4,101 were recognized in facility action charges, net in fiscal 2024 and 2023, respectively.

NOTE 17 — SHARE-BASED COMPENSATION

Share-based compensation consisted of the following:

	Fiscal 2024	Fiscal 2023
Share-based compensation related to profit sharing interests that contain performance conditions[(1)]	$ 1,168	$ —
Share-based compensation related to all other profit sharing interests[(1)]	956	777
Total share-based compensation expense	$ 2,124	$ 777

(1) During fiscal 2024 and fiscal 2023, we recorded reversals of $113 and $123, respectively, of share-based compensation expense in connection with the forfeiture of profit sharing interests.

Share-Based Compensation Arrangements

CKE Holdings LP, a limited partnership (the "Partnership") that was formed by Roark Capital Management, LLC ("Roark") and certain members of our senior management team and Board of Directors in December 2013, is CKE's sole stockholder as of January 31, 2024 and 2023. The Limited Partnership Agreement, as amended ("Limited Partnership Agreement"), allows for the issuance of profit sharing interests ("Units") in the Partnership in the form of "Class B" and "Class C" Units. The Units provide the holders a profit sharing interest in the Partnership as defined in the partnership agreement and the individual grant agreements. There are no income tax benefits associated with any of the Class B Units or Class C Units.

Time vesting Class B Units vest in four equal annual installments from the date of grant. Performance vesting Class B Units provide for vesting or conversion to a time vesting schedule upon achievement of certain financial or investment targets. Time vesting Class C Units vest in various installments as specified in the individual grant agreements, but in all instances have vesting periods no longer than five years from the date of grant. There are no unvested time vesting and performance vesting Class B Units as of January 31, 2024 and 2023.

As a result of a previous amendment to the Limited Partnership Agreement, all performance vesting Class B Units that had not vested or converted to a time vesting schedule prior to December 24, 2017, became fully vested and non-forfeitable Class B Units, subject to certain restrictions (the "Restricted Class B Performance Units"). The Restricted Class B Performance Units are only entitled to realize a profit sharing interest in the Partnership to the extent that certain future performance and/or market conditions are met. These conditions require the value generated or calculated as a result of a substantial initial public offering, change in control or cumulative cash distributions, each as defined in the Limited Partnership Agreement, to result in the achievement of a specified return to the Partnership.

During fiscal 2024, the Partnership granted 502,100 time vesting and 502,100 performance vesting Class C Units. The time vesting class C Units vest in either three or five equal annual installments from the dates of grant. the performance vesting Class C Units consists of either three or five equal tranches that vest upon achievement of certain annual financial targets for fiscal years 2024 through 2030 as set forth in the grant agreements.

During fiscal 2023, the Partnership granted 358,335 time vesting and 358,331 performance vesting Class C Units. The time vesting Class C Units vest in either three or five equal annual installments from the dates of grant. The performance vesting Class C Units consist of either three or five equal tranches that vest upon achievement of certain annual financial targets for fiscal years 2023 through 2027 as set forth in the grant agreements.

The following presents the time vesting and performance vesting Unit activity for fiscal 2024:

	Time Vesting Units	Performance Vesting Units	Total Units	Weighted-Average Grant Date Fair Value
Unvested Units outstanding as of January 31, 2023	525,417	598,383	1,123,800	$ 5.25
Granted Units	502,100	502,100	1,004,200	5.79
Forfeited Units	(162,500)	(176,750)	(339,250)	5.79
Vested Units	(133,735)	(180,000)	(313,735)	5.79
Unvested Units outstanding as of January 31, 2024	731,282	743,733	1,475,015	5.79
Vested Units outstanding as of January 31, 2024			4,856,429	

As of January 31, 2024, there was $8,534 of maximum unrecognized compensation costs for the unvested Units which have the potential for recognition over a weighted average amortization period of 2.26 years.

NOTE 18 — EMPLOYEE RETIREMENT PLAN

We sponsor a contributory plan ("401(k) Plan") to provide retirement benefits under the provisions of Section 401(k) of the Internal Revenue Code ("IRC"). Participants may elect to contribute a portion of their annual salaries on a pre-tax basis to the 401(k) Plan, subject to the maximum contribution allowed by the IRC. During fiscal 2024 and 2023, our matching contributions to the 401(k) Plan were $630 and $622, respectively.

NOTE 19 — RELATED PARTY TRANSACTIONS

Transactions with Roark Capital Management, LLC

We have a management advisory and consulting services agreement with Roark. In exchange for advice concerning management, finance, marketing, strategic planning and other advisory and consulting services provided to us by Roark and its affiliates, Roark receives consulting fees and reimbursement of reasonable expenses. The current annual consulting fee of $3,360 is payable in equal quarterly installments and subject to an increase of three percent per year during the ten year term of the agreement. We recorded $3,249 and $3,197 of consulting fees, which are included in general and administrative expense in our accompanying Consolidated Statements of Operations for fiscal 2024 and 2023, respectively.

The management advisory and consulting services agreement also provides that Roark may earn future fees in connection with certain business acquisition transactions, an initial public offering or a change of control transaction. The management advisory and consulting services agreement includes customary exculpation and indemnification provisions in favor of Roark and its affiliates.

NOTE 20 — INCOME TAXES

Income tax expense consisted of the following:

	Fiscal 2024	Fiscal 2023
Current:		
Federal	$ 11,248	$ 3,424
State	3,066	858
Foreign	5,926	4,866
	20,240	9,148
Deferred:		
Federal	(4,512)	(1,016)
State	714	765
Foreign	60	(32)
	(3,738)	(283)
Total income tax expense	$ 16,502	$ 8,865

The following is a reconciliation of income tax expense at the federal statutory rate of 21.0% to our income tax expense for fiscal 2024 and 2023, respectively:

	Fiscal 2024	Fiscal 2023
Income tax expense at statutory rate	$ 12,942	$ 7,691
State income taxes, net of federal income tax effect	2,986	1,281
Nondeductible share-based compensation	446	163
General business credits	(640)	(503)
Nondeductible foreign losses	230	1,010
Uncertain tax positions	591	52
Intercompany interest	—	211
Foreign derived intangible income deduction	(2,003)	(1,527)
Other, net	1,950	487
Total income tax expense	$ 16,502	$ 8,865

Deferred income tax liabilities, net consisted of the following at January 31, 2024 and 2023:

	2024	2023
Deferred income tax assets:		
Operating lease liabilities	$ 115,175	$ 120,996
Financing method sale-leaseback obligations	32,229	34,819
Interest limitation carryforward	13,345	10,245
Reserves and allowances	5,546	8,512
Franchise fees	7,803	8,023
Net operating loss carryforwards	4,749	5,982
Federal and state tax credits	4,536	4,624
Valuation allowance	(8,747)	(9,405)
Total deferred income tax assets	174,636	183,796
Deferred income tax liabilities:		
Goodwill and other intangible assets	(198,306)	(202,837)
Operating lease assets	(110,061)	(115,773)
Basis difference in property and equipment	(24,477)	(29,351)
Advertising funds	(8,234)	(6,640)
Other items	(4,951)	(4,326)
Total deferred income tax liabilities	(346,029)	(358,927)
Deferred income tax liabilities, net	$ (171,393)	$ (175,131)

We are included in the consolidated federal income tax returns and combined state income tax returns of CKE Holding Corporation. For the purpose of determining the income taxes attributable to CKE Restaurants and its subsidiaries, we prepare our income tax provision as if we were a separate taxpayer. As a result of this treatment, we make income tax payments to our corporate parent based upon our separate return taxable income. We additionally make income tax payments directly to federal, state, local and foreign taxing jurisdictions. As of January 31, 2024 and 2023, our income tax payable to our corporate parent was $13,269 and $13,318, respectively. During fiscal 2024 and 2023, we did not make any income tax payments to CKE Holding Corporation and made $15,426 and $11,325 in income tax payments net of refunds directly to taxing authorities.

As of January 31, 2024 and 2023, we maintained a valuation allowance of $8,747 and $9,405, respectively, for a portion of our state income tax credits and certain state and foreign net operating loss NOL carryforwards because we had concluded that realization of the tax benefit of such deferred income tax assets was not more likely than not. In evaluating the need for a valuation allowance, we consider all available evidence, positive and negative, including cumulative historical earnings in recent years, future reversals of existing temporary differences, estimated future taxable income exclusive of reversing temporary differences on a jurisdictional basis and statutory expiration dates of NOL and income tax credit carryforwards. During fiscal 2024, we decreased our valuation allowance by $658.

As of January 31, 2024, we have foreign tax credit carryforwards of $406, that will expire, if unused, in fiscal 2034. As of January 31, 2024, we have state tax credit carryforwards of $4,130 that are projected to expire if unused after fiscal 2024. As of January 31, 2024, we have state NOL carryforwards in the amount of approximately $32,402, which expire in varying amounts from fiscal 2025 through 2034. As of January 31, 2024, we have $125 of net deferred income tax assets related to our state NOL carryforwards, which represent our expected future tax savings from such carryforwards, after considering the impact of past ownership changes on our ability to utilize such carryforwards. The utilization of our NOL carryforwards to offset future taxable income may be subject to an annual limitation as a result of past or future ownership changes. As of January 31, 2024, we have recognized a nominal amount of deferred income tax assets associated with foreign operations.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits:

	Fiscal 2024	Fiscal 2023
Unrecognized tax benefits, beginning of year	$ 3,628	$ 4,424
Gross increases related to tax positions taken in prior years	529	37
Gross decreases related to tax positions taken in prior years	(1,002)	(768)
Gross increases related to tax positions taken in the current year	478	417
Reductions to tax positions due to settlements with taxing authorities and lapses of statutes of limitations	(286)	(482)
Unrecognized tax benefits, end of year	$ 3,347	$ 3,628

Included in the balance of unrecognized tax benefits as of January 31, 2024, are $2,004 of tax benefits that, if recognized, would affect the effective tax rate. Also included in the balance of unrecognized tax benefits as of January 31, 2024, are $1,343 of tax benefits that, if recognized, would result in adjustments to other tax accounts, primarily deferred income taxes, income taxes payable and valuation allowance. Amounts recorded for interest and penalties in connection with the unrecognized tax benefits noted above were not significant as of January 31, 2024 and 2023.

We believe that it is reasonably possible that decreases in unrecognized tax benefits of up to $380 may be necessary within the coming fiscal year as a result of statutes closing on such items. In addition, we believe that it is reasonably possible that our unrecognized tax benefits may increase as a result of tax positions that may be taken in fiscal 2024.

We file income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. We have carried forward various state NOL and income tax credits to income tax years that remain open by statute. As a result, such NOL and income tax credit carryforwards remain subject to adjustment by the respective tax authorities. Our federal income tax returns from fiscal 2021 and subsequent years are open for examination. In addition, our state income tax returns generally have statutes of limitations ranging from three to four years from the filing date.

NOTE 21 — SUPPLEMENTAL CASH FLOW INFORMATION

The following table presents supplemental cash flow information:

	Fiscal 2024	Fiscal 2023
Cash paid for:		
Interest, net of amounts capitalized	$ 59,155	$ 60,073
Income taxes, net of refunds received	15,426	11,325
Non-cash operating and investing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	65,610	50,875
Accrued property and equipment purchases	928	217
Accounts receivable settled in purchase price consideration	323	—
Other settlements associated with acquisition of restaurants	97	—

GUARANTEE OF PERFORMANCE

For value received, Carl's Jr. Funding LLC, a Delaware limited liability company, (the "Guarantor"), located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, absolutely and unconditionally guarantees to assume the duties and obligations of **Hardee's Restaurants LLC, a Delaware limited liability company, located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067** (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Franklin, Tennessee on the 24th day of May, 2025.

Guarantor: CARL'S JR. FUNDING LLC

By: _____

Print Name: Kerry Olson

Print Title: General Counsel & Chief Legal Officer

GUARANTEE OF PERFORMANCE

For value received, Carl's Jr. Restaurants LLC, a Delaware limited liability company, (the "Guarantor"), located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, absolutely and unconditionally guarantees to assume the duties and obligations of **Hardee's Restaurants LLC, a Delaware limited liability company, located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067** (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Franklin, Tennessee on the 24th day of May, 2025.

Guarantor: CARL'S JR. RESTAURANTS LLC

By: _____

Print Name: Kerry Olson

Print Title: General Counsel & Chief Legal Officer

GUARANTEE OF PERFORMANCE

For value received, Carl's Jr. SPV Guarantor LLC, a Delaware limited liability company, (the "Guarantor"), located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, absolutely and unconditionally guarantees to assume the duties and obligations of **Hardee's Restaurants LLC, a Delaware limited liability company, located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067** (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Franklin, Tennessee on the 24th day of May, 2025.

Guarantor: CARL'S JR. SPV GUARANTOR LLC

By: _____

Print Name: Kerry Olson

Print Title: General Counsel & Chief Legal Officer

GUARANTEE OF PERFORMANCE

For value received, Hardee's Funding LLC, a Delaware limited liability company, (the "Guarantor"), located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, absolutely and unconditionally guarantees to assume the duties and obligations of **Hardee's Restaurants LLC, a Delaware limited liability company, located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067** (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Franklin, Tennessee on the 24th day of May, 2025.

Guarantor: HARDEE'S FUNDING LLC

By: _____

Print Name: Kerry Olson

Print Title: General Counsel & Chief Legal Officer

GUARANTEE OF PERFORMANCE

For value received, Hardee's SPV Guarantor LLC, a Delaware limited liability company, (the "Guarantor"), located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067, absolutely and unconditionally guarantees to assume the duties and obligations of **Hardee's Restaurants LLC, a Delaware limited liability company, located at 6700 Tower Circle, Suite 1000, Franklin, Tennessee 37067** (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Franklin, Tennessee on the 24th day of May, 2025.

Guarantor: HARDEE'S SPV GUARANTOR LLC

By: _____

Print Name: Kerry Olson

Print Title: General Counsel & Chief Legal Officer

EXHIBIT K

DEVELOPMENT INCENTIVE PROGRAM
ADDENDUM TO FRANCHISE AGREEMENT

DEVELOPMENT INCENTIVE PROGRAM ADDENDUM
TO THE HARDEE'S RESTAURANT FRANCHISE AGREEMENT

THIS ADDENDUM to the Hardee's Restaurant Franchise Agreement dated as of _____, ____ ("Franchise Agreement") between Hardee's Restaurants LLC ("HR") and _____ ("Franchisee") is entered into simultaneously with the Franchise Agreement.

RECITALS

A. In order to stimulate the development of new franchised Hardee's Restaurants and the continued expansion of the System, HR has established the 2024 HR development incentive program ("Program") for franchisees in that are growth ready and satisfy HR's financial requirements for new restaurant development and that open a newly-constructed Hardee's Restaurant at a location accepted by HR pursuant to a Franchise Agreement with HR signed no later than May 31, 2026 (the "New Restaurant Franchise Agreement"), provided that the Hardee's Restaurant is opened in accordance with the timeline set forth in the Franchise Agreement.

B. Franchisee and HR entered into a Franchise Agreement as of _____, _____.

C. Franchisee and the Franchised Restaurant are eligible to participate in the Program.

D. Consequently, HR and Franchisee are entering into this Addendum to modify the Franchise Agreement to reflect the Franchisee's participation in the Program incentives.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, the parties, intending to be legally bound, agree to amend the Franchise Agreement as follows:

1. Reduced Royalty and APO for Limited Period of Time.
Notwithstanding anything to the contrary contained in the Franchise Agreement, HR agrees that each of the royalty fee and APO to be paid by Franchisee for the Franchised Restaurant will be reduced by: **(A)** 3% of Gross Sales for Gross Sales accruing during the Franchised Restaurant's first 12 months of operation under the Franchise Agreement; **(B)** 2% of Gross Sales for Gross Sales accruing during the Franchised Restaurant's second 12 months of operation under the Franchise Agreement; and **(C)** 1% of Gross Sales for Gross Sales accruing during the Franchised Restaurant's third 12 months of operation under the Franchise Agreement. Thereafter, the royalty fee and APO will revert to the royalty fee and APO set forth in the Franchise Agreement. The royalty fee and APO to be paid pursuant to this Addendum are set forth in Exhibit 1.

2. Other Development Incentive Programs. Franchisee acknowledges and agrees that, by signing this Addendum, it will not be entitled, with respect to the Franchised Restaurant, to any other incentive that have been or may be offered by HR.

3. Termination of Program Incentives. This Addendum and the Program will terminate following written notice to Franchisee if:

A. Franchisee fails to open the Franchised Restaurant on or before 120 days after the contractual opening date pursuant to the terms of the Franchisee's Development Agreement or Franchise Agreement or

B. Franchisee or any affiliate of Franchisee receives, during the first three years of operation of the Franchised Restaurant under the Franchise Agreement, a written notice of default under any agreement between Franchisee or any affiliate of Franchisee and HR or any affiliate of HR and fails to cure the default within the applicable cure period, if any.

4. Effect of Termination.

If this Addendum is terminated during the first three years of the Franchised Restaurant's operation under the Franchise Agreement, the royalty fee and APO for the Franchised Restaurant will immediately revert to the applicable amounts set forth in the Franchise Agreement.

5. Capitalized Terms. Any capitalized term that is not defined in this Addendum will have the meaning given it in the Franchise Agreement.

6. Limited Modification. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the day and year first above written.

HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT 1

1. Royalty Fee and APO Due (Section 2 of the Addendum):

During the first three years of operation of the Franchised Restaurant, Franchisee will pay HR the following for Royalty and APO:

Royalty Fee*:

Dates of Operation of the Franchised Restaurant	Royalty Fee Percentage of Gross Sales
First 12 months	0.50%
Second 12 months	1.50%
Third 12 months	2.50%
Years 4 and 5	3.50%
Years 6 and beyond	4.00%

* For newly constructed restaurants

APO Allocation:**

APO Allocation by Period	Total APO	HNAF	Regional Co-op	LSM Allocation
Year 1: First 12 months	2.50%			
Year 2: Second 12 months	3.50%			
Year 3: Third 12 months*	4.50%			
Years 4 and beyond	5.50%			

**APO allocation dependent on whether Franchised Restaurant is located within a DMA with a Regional co-op.

EXHIBIT L

RENEWAL ADDENDUM
(SLA RENEWAL, 1975 TO SLA RENEWAL)

RENEWAL ADDENDUM TO
HARDEE'S RESTAURANT FRANCHISE AGREEMENT

THIS ADDENDUM to the Hardee's Restaurant Franchise Agreement dated as of _____ ("Franchise Agreement") by and between Hardee's Restaurants LLC ("HR") and ____ _____ ("Franchisee") is entered into simultaneously with the Franchise Agreement.

RECITALS

A. HR and Franchisee have entered into the Franchise Agreement pursuant to which Franchisee is authorized to operate a franchised Hardee's Restaurant at the Franchised Location.

B. Franchisee has been operating a franchised Hardee's Restaurant at the Franchised Location pursuant to HR's predecessor Hardee's Food Systems, Inc.'s St. Louis form of Agreement ("Prior Agreement"), in which the Initial Term has expired or will soon expire. (HR and Franchisee acknowledge that the Prior Agreement did not renew rights granted to the Franchisee under HFS 1975 form of License Agreement.)

C. HR and Franchisee have executed the Franchise Agreement to renew the franchise granted to Franchisee pursuant to the terms of the Prior Agreement.

D. The individuals identified above as "Guarantors", if any, have guaranteed Franchisee's obligations under the Franchise Agreement.

E. HR, Franchisee, and Guarantors desire to modify certain provisions of the Franchise Agreement as reflected in this Addendum.

AGREEMENT

NOW THEREFORE, in consideration of the covenants and agreements set forth below and other good and valuable consideration, the parties agree as follows:

1. In connection with the execution of the Franchise Agreement and the renewal of the franchise previously granted to Franchisee, Franchisee has agreed to timely satisfy the conditions listed in attached Appendix 1. Franchisee acknowledges that its failure to timely satisfy those conditions shall constitute a default under the Franchise Agreement.

2. Franchisee agrees that HR's execution of the Franchise Agreement does not constitute a waiver of any monies owed by Franchisee to HR or its affiliates under the Prior Agreement.

3. If the Franchised Restaurant is leased or subleased from a third party ("Landlord"), Franchisee shall provide HR a copy of the fully-executed lease or sublease, together with any amendments to the lease or sublease (collectively, "Lease") simultaneously with the execution of this Addendum. The term of the Lease shall continue for at least the Renewal Term of the Franchise Agreement. If the Lease does not contain the language required by HR to be included in the Lease, of if Franchisee has not previously provided HR with a fully-signed Lease Addendum as required by the Prior Agreement and the Franchise Agreement, Franchisee shall use its best efforts to obtain the Landlord's signature on HR's Lease

Addendum, in the form attached to the Franchise Agreement, and provide HR with a fully signed Lease Addendum within 60 days after the commencement date of the Renewal Term.

4. Franchisee represents and warrants that it has the right to remain in possession of the Franchised Restaurant for the Renewal Term.

5. The first two sentences in the first paragraph of Section 2.A. is deleted and replaced by the following:

A. Renewal Term

The term of this Agreement ("Renewal Term") and the Franchise granted by this Agreement shall be for a period set forth in Appendix 1 attached to the Renewal Addendum, unless this Agreement is terminated at an earlier date pursuant to Section 23. All references to the "Term" or the "Initial Term" shall mean and refer to the Renewal Term.

6. Section 6.A. is deleted and replaced by the following:

A. Renewal Fee

Franchisee shall pay a Renewal Fee of: **(1)** $5,000 for a Renewal Term of 5 years or less; or **(2)** $10,000 for a Renewal Term greater than 5 years, not to exceed 10 years. The Renewal Fee paid by Franchisee is set forth in attached Appendix 1. The Renewal Fee is paid in consideration of HR granting this renewal Franchise Agreement to Franchisee, it was fully earned at the time paid and it is not refundable for any reason whatsoever. All references to "Initial Franchise Fee" shall mean and refer to the Renewal Fee.

7. Franchisee, all individuals who executed the Franchise Agreement and all guarantors of Franchisee's obligations under the Franchise Agreement and their respective heirs, representatives, successors, and assigns, freely and without any influence release and a covenant not to sue HR and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities, with respect to any and all claims, demands, liabilities, or causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for indemnification, subrogation or contribution and claims arising out of, or relating to, the Franchise Agreement, the Prior Agreement, any other agreements between Franchisee and HR or its affiliates and Franchisee's operation of the Franchised Restaurant and all other restaurants operated by Franchisee that are franchised by HR or its affiliates. This does not include: **(i)** those claims which Franchisee proves in the applicable forum that HR fraudulently concealed from Franchisee; and **(ii)** those claims expressly identified and reserved by Franchisee in a written notice submitted to HR simultaneously with Franchisee's notice of its election to remain a franchisee beyond the Initial Term of the Prior Agreement.

8. Item 2 in Appendix A to the Franchise Agreement is deleted.

9. All capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

10. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum simultaneously with the Franchise Agreement.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

APPENDIX 1

1. Renewal Fee:

☐ **5-year term:** The Renewal Term shall commence on _____ and expire at midnight on _____. Renewal Fee: $_____

☐ **10-year term:** The Renewal Term shall commence on _____ and expire at midnight on _____. Renewal Fee: $_____

2. Conditions to be Satisfied by Franchisee:

Reimage & Deferred Maintenance Requirements	Deadline to Complete Deferred Maintenance Item

RENEWAL ADDENDUM TO
HARDEE'S RESTAURANT FRANCHISE AGREEMENT

THIS ADDENDUM to the Hardee's Restaurant Franchise Agreement dated as of _____ _____("Franchise Agreement") by and between Hardee's Restaurants LLC ("HR") and _____ _____("Franchisee") is entered into simultaneously with the Franchise Agreement.

RECITALS

A. HR and Franchisee have entered into the Franchise Agreement pursuant to which Franchisee is authorized to operate a franchised Hardee's Restaurant at the Franchised Location.

B. The Franchised Restaurant initially was operated pursuant to HR's predecessor Hardee's Food Systems, Inc.'s ("HFS") 1975 form of License Agreement. That Agreement (or a successor franchise agreement) has expired or will soon expire ("Prior Agreement").

C. HR and Franchisee have executed the Franchise Agreement to renew the franchise granted to Franchisee pursuant to the terms of the Prior Agreement.

D. The individuals identified above as "Guarantors", if any, have guaranteed Franchisee's obligations under the Franchise Agreement.

E. HR, Franchisee, and Guarantors desire to modify certain provisions of the Franchise Agreement as reflected in this Addendum.

AGREEMENT

NOW THEREFORE, in consideration of the covenants and agreements set forth below and other good and valuable consideration, the parties agree as follows:

1. In connection with the execution of the Franchise Agreement and the renewal of the license previously granted to Franchisee, Franchisee has agreed to timely satisfy the conditions listed in attached Appendix 1. Franchisee acknowledges that its failure to timely satisfy those conditions shall constitute a default under the Franchise Agreement.

2. Franchisee agrees that HR's execution of the Franchise Agreement does not constitute a waiver of any monies owed by Franchisee to HR or its affiliates under the Prior Agreement.

3. If the Franchised Restaurant is leased or subleased from a third party ((("Landlord"), Franchisee shall provide HR a copy of the fully-executed lease or sublease, together with any amendments to the lease or sublease (collectively, "Lease") simultaneously with the execution of this Addendum. The term of the Lease shall continue for at least the Renewal Term of the Franchise Agreement. If the Lease does not contain the language required by HR to be included in the Lease, of if Franchisee has not previously provided HR with a fully-signed Lease Addendum as required by the Prior Agreement and the Franchise Agreement, Franchisee shall use its best efforts to obtain the Landlord's signature on HR's Lease Addendum, in the form attached to the Franchise Agreement, and provide HR with a fully signed Lease Addendum within 60 days after the commencement date of the Renewal Term.

4. The first paragraph of Section 2.A. is deleted and is replaced by the following:

The term of this Agreement ("Renewal Term") and the Franchise granted by this Agreement shall be for a period set forth in Appendix 1 attached to the Renewal Addendum, unless this Agreement is terminated at an earlier date pursuant to Section 23. All references to the "Term" or the "Initial Term" shall mean and refer to the Renewal Term.

5. The first two sentences of Section 2.B.(1) are deleted and are replaced by the following:

At the expiration of the Initial Term, Franchisee shall have an option to remain a Franchisee at the Franchised Location for an unlimited number of successive renewal periods of 5 years each. (All references in this Agreement to the Renewal Term shall mean the first 5 year renewal period commencing on expiration of the Initial Term.) Franchisee must give HR written notice of whether or not it intends to exercise its renewal option for the Renewal Term not less than 3 months, nor more than 6 months, before the expiration of the Initial Term.

6. Section 2.B.(2)(e) is deleted.

7. Section 2.B.(2)(g) is deleted and is replaced by the following:

Franchise shall pay HR a renewal fee in an amount not to exceed 25% of the initial franchise fee charged by HR at the time of Franchisee's notice pursuant to Section 2.B.(1). However, if Franchisee owns and operates more than one franchised Hardee's Restaurant at the time of its notice pursuant to Section 2.B.(1), the renewal fee shall be the greater of: **(i)** 25% of the Original Fee paid by Franchisee (as set forth in Appendix 1); or **(ii)** 25% of the initial franchise fee charged by HR at the time of Franchisee's notice pursuant to Section 2.B.(1) reduced by 0.8% for each other franchised Hardee's Restaurant operated by Franchisee at the time of its notice pursuant to Section 2.B.(1).

8. Section 6.A. is deleted and is replaced by the following:

a. Renewal Fee

Franchisee has paid HR a renewal fee in the amount set forth in attached Appendix 1. The renewal fee was paid in consideration of HR granting this renewal Franchise Agreement to Franchisee, it was fully earned at the time paid and it is not refundable for any reason whatsoever.

9. Item 2 in Appendix A to the Franchise Agreement is deleted.

10. All capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

11. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum simultaneously with the Franchise Agreement.

HR:
HARDEE'S RESTAURANTS LLC

By: _____

Print Name: Danell Caron

Title: Vice President, Legal

Date: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

APPENDIX 1

1. Initial fee originally paid by Franchisee ("Original Fee"): $

2. Renewal Fee: $

☐ **5-year term:** The Renewal Term shall commence on _____ and expire at midnight on _____. Renewal Fee: $_____

☐ **10-year term:** The Renewal Term shall commence on _____ and expire at midnight on _____. Renewal Fee: $_____

3. Conditions to be Satisfied by Franchisee:

Reimage & Deferred Maintenance Requirements	Deadline to Complete Deferred Maintenance Item

EXHIBIT M

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

In consideration of the willingness of Hardee's Restaurants LLC ("HR") to permit me to review the confidential Operation Procedures Manual ("OPM") before entering into a Development Agreement and/or a Franchise Agreement, I agree, individually and as an officer or partner of any corporation or partnership that may enter into an agreement with HR, as follows:

1. As used in this Agreement, the term "Confidential Information" means all information contained in the OPM and all other information relating to the Hardee's System disclosed to me except: information which is now or hereafter becomes generally known (other than by unauthorized disclosure, whether deliberate or inadvertent, by myself or by any other person, firm or corporation with which I am affiliated); information that was in my possession at the time of receipt of the OPM; and information that comes into my possession after the date of this Agreement from a source not under an obligation of secrecy to HR.

2. I agree not to make any use of the Confidential Information, not to make any copies of the Confidential Information and not to reveal any of the Confidential Information to any person who has not signed a Confidentiality Agreement with HR. In the event I want to disclose the Confidential Information to my partners, employees, advisors or other representatives, I will ensure that such partner, employee, advisor or other representative: **(A)** has a reasonable need to know the Confidential Information in connection with the evaluation of the franchise opportunity; and **(B)** has been advised of the confidential nature of the Confidential Information and has agreed to maintain the confidential nature.

3. If I do not enter into a Development or Franchise Agreement with HR, or at any time upon request of HR, I will: **(A)** return all copies of the OPM to HR (and/or certify that I have destroyed or deleted all electronic copies of the OPM); **(B)** immediately cease to use the Confidential Information; and **(C)** certify in writing that all of my partners, employees, advisors or other representatives to whom I have disclosed the Confidential Information have complied with this Section.

4. This Agreement will be governed and construed in accordance with the laws of the state in which I reside.

_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
Date: _____	Date: _____
Address: _____	Address: _____

EXHIBIT N

ASSET PURCHASE AGREEMENT

[NOTE: THIS IS A FORM DOCUMENT THAT WILL BE MODIFIED TO TAKE INTO ACCOUNT THE SPECIFIC DEAL POINTS OF A TRANSACTION BETWEEN THE SELLER AND BUYER]

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of the _____ day of _____, _____, by and among _____ _____, a _____ ("Buyer"), _____ _____, an individual ("Guarantor"), and **HARDEE'S RESTAURANTS LLC**, a Delaware limited liability company ("Seller"). Buyer, Guarantor and Seller are referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, Seller is the owner or lessee (or an affiliate of the owner or lessee) of certain Hardee's restaurants indicated on Exhibit A and is the operator of each of said restaurants (each of the restaurants listed on Exhibit A is referred to herein individually as a "Restaurant" and collectively as the "Restaurants"); and

WHEREAS, Seller desires to sell and transfer (or, if applicable, cause its affiliate to sell and transfer) to Buyer and Buyer desires to purchase from Seller (or, if applicable, Seller's affiliate) certain assets and real property attributable or pertaining to certain of the Restaurants, Seller desires to sublease (or, if applicable, cause its affiliate to sublease) to Buyer and Buyer desires to sublease from Seller (or, if applicable, Seller's affiliate) certain real property on which the other Restaurants are situated, all upon the terms and subject to the conditions set forth in this Agreement, Seller and Buyer desire to enter into Hardee's Restaurant Franchise Agreements for the operation of all of the Restaurants by Buyer as Hardee's restaurants (the "Franchise Agreements"), and Seller and Buyer desire to enter into a development agreement with respect to the opening of new Hardee's restaurants by Buyer (the "Development Agreement");

WHEREAS, Guarantor is the sole shareholder or member of Buyer and will realize substantial benefits from the transactions contemplated by this Agreement and, as an inducement for Seller to enter into this Agreement, has agreed to guaranty the obligations of Buyer under this Agreement;

NOW, THEREFORE, in consideration of the premises, mutual covenants, agreements, representations and warranties contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

PURCHASE AND SALE

1.01 Purchase and Sale of Assets. At the Closing (as hereinafter defined), Seller hereby agrees (or, if applicable, will cause its affiliate) to sell, transfer, convey, assign and deliver to Buyer and Buyer agrees to purchase, acquire and assume from Seller (or, if applicable, Seller's affiliate), all of Seller's (or, if applicable, Seller's affiliate's) right, title and interest in and to the assets listed below (collectively, the "Purchased Assets"). To the extent that an affiliate of Seller owns any asset which is subject to this Agreement, Seller shall cause the affiliate to transfer or lease the assets (as applicable) to Buyer, as described herein.

(a) Fixed Assets. All machinery, equipment ("Equipment"), furniture, fixtures, tools, signs and other items of tangible personal property (excluding Inventory) located at the Restaurants, except for such machinery, equipment, furniture, fixtures, tools, signs and other items of tangible personal property under lease to Seller (the "Fixed Assets").

(b) Inventory. All inventories of food products, paper products, operational supplies, uniforms, disposable items, heating fuel, cleaning materials and other items of consumable and/or expendable materials and supplies in the Restaurants on the Closing Date (as hereinafter defined) (the "Inventory").

(c) Permits and Licenses. All permits, licenses, consents and authorizations which are necessary or required for the operation, use and/or ownership of the Restaurants and/or Purchased Assets, but only to the extent that the same are transferable and assignable by Seller (or, if applicable, Seller's affiliate) to Buyer (the "Permits and Licenses").

(d) Change Fund. Cash in an aggregate amount equal to $_____ shall be left in the cash registers of each of the Restaurants immediately prior to the Closing Date (the "Change Fund"). The Change Fund for each of the Restaurants shall be shown on the Closing Statement as a payment by Buyer.

(e) Contract Rights. All of Seller's (or, if applicable, Seller's affiliate's) right, title and interest in and to the contracts, leases and commitments listed on Exhibit 1.01(e) (the "Assumed Contracts").

(f) Fee Property. All of Seller's (or, if applicable, Seller's affiliate's) right, title and interest in and to each parcel of real property, together with all buildings, improvements and fixtures thereon, in which any Restaurant identified on Exhibit A as a "Fee Property Restaurant" is situated (collectively, the "Fee Property").

(g) Other Rights. Any and all of Seller's rights concerning the Restaurants: (1) to use existing telephone numbers, fax numbers, keys and codes for security systems, to the extent transferable or assignable, or (2) arising under equipment warranties, building/construction warranties or other warranties, to the extent transferable or assignable (collectively, "Other Rights").

1.02 Excluded Assets. The Purchased Assets shall include only the assets expressly listed in Section 1.01 and shall not include any other assets of any kind, including but not limited to, the following assets of Seller or any affiliate: cash on hand or in banks, other than the Change Fund; checks, drafts or other negotiable instruments; accounts receivable; refunds, rebates and credits due; computer software (other than as relates to the POS Equipment (as defined in Section 1.05) in the Restaurants); or executory commitments for the purchase of materials, services or supplies or other real or personal property not related to or physically present at the Restaurants (collectively, the "Excluded Assets").

1.03 Condition of Assets. All of the Purchased Assets are being sold and transferred by Seller (or, if applicable, its affiliate) to Buyer and purchased by Buyer from Seller (or, if applicable, its affiliate) in "AS IS" condition and "with all faults." EXCEPT AS OTHERWISE PROVIDED HEREIN, SELLER AND ITS AFFILIATES DISCLAIM ALL WARRANTIES CONCERNING THE PURCHASED ASSETS, STATUTORY, EXPRESS, AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ANY OTHER WARRANTY OF QUALITY IN RESPECT OF THE PURCHASED ASSETS, AND THERE ARE NO OTHER WARRANTIES, STATUTORY, EXPRESS, OR IMPLIED THAT EXTEND BEYOND THE WARRANTIES CONTAINED IN THIS AGREEMENT. Buyer and Guarantor acknowledge that they are in the business of operating restaurants and have examined the Purchased Assets to their satisfaction in light of the foregoing disclaimer of warranties.

1.04 Sublease of Leased Real Property. At Closing, Seller (or, if applicable, Seller's affiliate) shall sublease to Buyer on a triple net basis each parcel of real property on which any Restaurant identified on Exhibit A as a "Leased Property Restaurant" (collectively, the "Leased Real Property") is situated. The rentals for each of the Leased Real Properties will be as set forth on Exhibit A. Each sublease shall require Guarantor to guarantee all of Buyer's obligations under such sublease. The guaranty shall be substantially in the form attached as an exhibit thereof to the sublease. Each sublease of Leased Real Property shall be substantially in the form attached hereto as Exhibit 1.04(a), under the terms set forth on Exhibit A.

The Leased Real Properties, respectively, shall have initial terms or options to renew (collectively, the "Term") set forth opposite such property on Exhibit A. The parties hereto believe that the information set forth on Exhibit A as regards to the initial term and options to renew with respect to each of the Leased Real Properties is accurate, but Seller makes no representations and warranties, with respect to same, and accordingly, Buyer should independently verify same. For those property parcels for which the corresponding Term indicated on Exhibit A is less than fifteen (15) years, Seller will use commercially reasonable efforts to obtain from the respective landlord prior to Closing one or more renewal options such that the Term shall equal at least fifteen (15) years, provided that the rent increase during such additional renewal periods shall not, without Buyer's consent, exceed three percent (3.0%) over the immediately preceding year for each year an extension is obtained. Fee Property and Leased Real Property are referred to collectively as the "Properties." The Leased Real Property subleases are referred to collectively as the "Subleases."

1.05 Point of Sale Equipment. Point of Sale equipment ("POS Equipment") in the Restaurant shall be deemed a Fixed Asset and shall be conveyed to Buyer pursuant to Section 9.04. The parties acknowledge that the Restaurants currently operate using _____ software. Seller agrees to license the Star POS software to Buyer **[NOTE: without charging a license fee/charging the license fee set forth in the Franchise Agreements]**, and Buyer agrees to enter into Seller's standard license agreement for such software and subscribe to the Help Desk services. Buyer further agrees to purchase and install the Xpient POS software package with CKE enhancements ("Xpient/CKE Package"), together with any upgrades necessary for such system, within six (6) months after Closing or, if the Xpient/CKE Package is not available as of Closing, then within six (6) months after it becomes available. Buyer acknowledges that the Xpient/CKE package includes various components, including, without limitation, POS and back-office software, new or upgraded back-office computer, new kitchen display system, mandatory help desk subscription and mandatory field service subscription.

1.06 Assumption of Liabilities. At the Closing, Buyer shall assume, discharge and become liable for all liabilities and obligations arising after the Closing Date under the Assumed Contracts, but only to the extent such liabilities and obligations are required to be performed and satisfied after the Closing Date and excluding liabilities and obligations arising as a result of any breach of or default or failure to perform by Seller (or, if applicable, Seller's affiliate) under any Assumed Contract prior to the Closing Date. Buyer agrees to use its best efforts to obtain releases of Seller (or, if applicable, Seller's affiliate) from all future obligations under the Assumed Contracts upon their assignment to Buyer. To the extent that Buyer is unable to obtain such releases of Seller under the Assumed Contracts, Guarantor shall additionally guaranty the obligations of Buyer in connection with the Assumed Contracts until such time as releases have been obtained or the obligations have terminated, pursuant to the Guaranty executed by Guarantor in substantially the form of Exhibit 1.06 attached hereto.

1.07 Excluded Restaurants. The parties to this Agreement recognize that, in connection with the transactions contemplated by this Agreement, Seller offered to (i) sell, lease and/or sublease to Buyer the real property on which the restaurants identified on Exhibit B hereto (the "Excluded Restaurants") are situated, and (ii) sell and transfer certain assets attributable or pertaining to the Excluded Restaurants. Buyer acknowledges and agrees that Buyer declined Seller's offer to sell, lease and/or sublease the Excluded Restaurants and to sell and transfer certain assets attributable or pertaining to the Excluded Restaurants. Notwithstanding anything to the contrary in this Agreement, any Development Agreement, any Franchise Agreement or any other agreement between the parties to this Agreement, Seller shall have the right to operate or dispose of any or all of the Excluded Restaurants in any manner Seller may deem appropriate or convenient, including, without limitation, the right to close them, operate them independently, allow another franchisee to operate them, and/or sell them to any third party, including, without limitation, the operator of a competing fast food concept.

1.08 Seller's Repurchase Option. Seller shall have the right to repurchase the Restaurants and any New Restaurants in the event that Buyer is in Material Noncompliance (as defined below) with its obligation with respect to the timely development of any of the first _____ (__) New Restaurants to be developed under the Development Agreement (the "Repurchase Option"), under the terms set forth in this section.

(i) The purchase price for the Restaurants and any New Restaurants shall equal _____ (_____) times the actual rolling-13-period EBITDA of the Restaurants and any New Restaurants, as of the month immediately preceding the date the Option is exercised, subject to the following definitions and adjustments:

(A) EBITDA is defined as earnings before interest, income tax, depreciation and amortization, as set forth on the "Summary of Accounts – Abbreviated Franchisee Profitability Statement" a copy of which is attached hereto as Exhibit 1.4(d), attached hereto (the "Summary of Accounts").

(B) For purposes of calculating EBITDA and notwithstanding the Summary of Accounts, royalties shall be considered an expense to be deducted from earnings, and G&A (general and administrative) shall be deemed to be an amount equal to __% of gross sales in lieu of actual G&A.

(C) EBITDA for any New Restaurant open less than 18 months at the time the Repurchase Option is exercised shall be deemed to be the average restaurant EBITDA of the Restaurants and any New Restaurants opened at least 18 months at the time the Repurchase Option is exercised.

(D) In the event Buyer owns the fee interest of any New Restaurants, Buyer shall sell to Seller such fee interest at a price equal to the then Value, determined as set forth in Section 1.4(c) above. The purchase price of the New Restaurant shall be the sum of the value of the fee interest plus _____ times EBITDA for the New Restaurant determined as set forth above, except that fair market rent shall be imputed to the New Restaurant for purposes of determining EBITDA. The fair market rental value of the property shall be determined for such purpose in the same manner that Value is determined under Section 1.4(c) above. Notwithstanding the foregoing, in the event that any such fee-owned New Restaurant has been opened less than 18 months, the purchase price for such fee interest shall be no less than the amount of Buyer's acquisition and build-out expenses actually paid to third parties, including the following soft costs: all applicable civil engineering, architectural, impact and permit fees in connection with the development of such New Restaurant (but excluding attorneys' fees and other soft costs not specifically listed in the foregoing) ("Acquisition and Build-Out Cost"). In the event the purchase price for such fee interest is based on Acquisition and Build-Out Cost, rent imputed to the New Restaurant for purposes of determining EBITDA shall be determined by multiplying the Acquisition and Build-Out Cost by an __% cap rate, in lieu of rent equal to the average rent of the Restaurants and any New Restaurants opened at least 18 months at the time the Repurchase Option is exercised.

(E) In the event that Buyer has one or more locations under development as a New Restaurant (not yet opened), Buyer may elect to exclude or include all such locations from the Repurchase Option. If included, the purchase price for the locations under development shall equal the amount of Buyer's Acquisition and Build-Out Expenses

actually paid to third parties as of the Repurchase Option closing, provided that Seller shall have given prior written approval to any expenditures incurred after the date Seller exercises its Repurchase Option, which approval shall not be unreasonably withheld. Buyer shall assign and Seller shall assume all contracts, warranties and liabilities concerning acquisition, design and construction in form and substance reasonably acceptable to Seller, and at closing Buyer shall provide Seller acceptable lien waivers for all work performed and materials delivered through the date of such closing.

(ii) "Material Noncompliance" of the Development Agreement shall mean Buyer's failure to obtain site approval for a New Restaurant or open a New Restaurant within one (1) year after the site approval or opening date set forth in Development Schedule under the Development Agreement, or Buyer's admission that it will not be able to develop one or more of the New Restaurants within one (1) year of the scheduled opening date under the Development Agreement. Such one (1) year period shall be extended upon the occurrence of a Force Majeure event as defined in Section 20 of the Development Agreement, but only to the extent such event prevents, hinders or delays Buyer's performance in excess of such one (1) year period. Seller shall not be required to provide Buyer a notice and cure period prior to exercising the Repurchase Option, and Seller's right to exercise its Repurchase Option shall continue for so long as the Development Agreement remains in material noncompliance. Upon the opening of Buyer's _____ (___) New Restaurant, Seller's Repurchase Option shall terminate.

(iii) At the Repurchase Option closing, Buyer shall deliver the Restaurants and any New Restaurants to Seller in at least as good condition as Seller delivered to Buyer at Closing under this Agreement, in good working order subject to normal wear and tear and subject to equivalent representations and warranties related to the condition of the assets as made by Seller under this Agreement. Seller and Buyer shall terminate the leases and subleases between them for the Restaurants, and Buyer shall assign and Seller shall assume any leases for any New Restaurants. Buyer shall assign and Seller shall assume all operating contracts expressly approved by Seller related to the Restaurants or New Restaurants. The property and buildings shall be delivered to Seller free of all liens and encumbrances, except liens for taxes not yet due and payable, encumbrances existing immediately prior to the Closing and other matters approved by Seller, which approval shall not be unreasonably withheld. In the event one or more Restaurants or New Restaurants do not meet the conditions stated in this subparagraph, such failure shall not delay Seller's right to close on the other Restaurants and New Restaurants. Rent, utilities, taxes and other items prorated at Closing (personal and real property) shall be prorated as of the closing of the Repurchase Option. Buyer shall pay all transaction expenses (other than Seller's attorneys' fees) to exercise and consummate the Repurchase Option. Subject to the foregoing terms and conditions of this paragraph, Buyer shall provide the same indemnification to Seller at the Repurchase Option closing that Seller provides to Buyer at the Closing. The parties shall use commercially reasonable efforts to consummate the closing of the Repurchase Option within sixty (60) days following Seller's delivery of a notice that it is exercising its Repurchase Option.

(iv) If Seller shall exercise the Repurchase Option, the Development Agreement and all Franchise Agreements and Leases concerning the Restaurants and New Restaurants acquired by Seller pursuant to the Repurchase Option shall terminate and be of no further force or effect except for any and all provisions of such agreements and Leases that are intended to survive termination. Notwithstanding the foregoing, Seller agrees that, if it exercises the Repurchase Option, it will limit the post-term noncompetition provisions applicable to Buyer and Guarantor under the Franchise Agreements to quick serve restaurant concepts in which 10% or more of the sales are comprised of hamburgers or breakfast sandwiches, but such limitation of the noncompetition provision shall not apply within the _____ Designated Market Area.

(v) The terms of this Section 1.08 shall survive (i) Closing, and (ii) closing of the Repurchase Option for one (1) year.

ARTICLE II

PURCHASE PRICE

2.01 Purchase Price.

(a) Subject to the adjustments below, the purchase price ("Purchase Price") for the Purchased Assets and for the right to sublease the Leased Real Property on the terms set forth in Section 1.04 above shall be the sum of: (i) _____ Dollars ($_____), which amount (less any deposits previously paid by Buyer pursuant to subsection (b) below and subject to adjustments made in accordance with Section 2.03 below) shall be payable by Buyer to Seller at the Closing by wire transfer; and (ii) the value of the Inventory as of the Closing Date, calculated and payable in accordance with Section 2.01(c).

(b) The Parties acknowledge that Buyer has forwarded to Seller a deposit on the Purchase Price in the amount of _____ Dollars ($_____) ("Initial Earnest Money Deposit"), which deposit will be transferred by Seller to _____ _____ ("Title Company") to be held in escrow. Upon execution of this Agreement, Buyer shall forward to Seller an additional deposit on the Purchase Price in the amount of _____Dollars ($_____) ("Additional Earnest Money Deposit"), which deposit also will be transferred by Seller to Title Company to be held in escrow. Unless this Agreement is cancelled in accordance with the requirements of Section 5.03 of this Agreement, the Initial Earnest Money Deposit and Additional Earnest Money Deposit (collectively, the "Earnest Money Deposit") shall be paid to Seller at Closing or in accordance with the conditions hereinafter set forth.

(c) The amount Buyer shall pay Seller for the Inventory shall be determined as follows: on the Closing Date, representatives of both Buyer and Seller shall conduct a physical inventory of all items of Inventory at the Restaurants. The value of the Inventory as of such time shall then be determined by the most current price list issued by Meadowbrook Meat Corporation, Inc. prior to the Closing Date; provided, however, that with respect to new uniforms included in the Inventory, Buyer shall pay the full invoice price paid by Seller for such new uniforms, and with respect to uniforms currently used by Restaurant employees included in the Inventory, Buyer

shall pay one-half of the full invoice price paid by Seller for such uniforms. Promptly after the value of the Inventory has been determined in writing, Seller shall present to Buyer the written document setting forth the Inventory and the value of the Inventory. Buyer shall thereafter have five (5) business days within which to review the written document setting forth the Inventory and the value of the Inventory and the work papers of Seller utilized in calculating same (which will be furnished to Buyer promptly on request) for purposes of verifying the accuracy and fairness of the value of the Inventory. The value of the Inventory determined by Seller shall be binding on Buyer unless Buyer presents to Seller written notice of its disagreement within such five (5) business day period, specifying in reasonable detail, insofar as feasible, the nature and extent of Buyer's disagreement. If Buyer does not provide to Seller such written notice of disagreement within such time period, Buyer shall, within thirty (30) days of the Closing Date, pay Seller for the Inventory in cash or other immediately available funds. If Buyer does provide to Seller such written notice of disagreement, Buyer shall, concurrently with delivery of such written notice, pay Seller in cash or other immediately available funds for that portion of the value of the Inventory with which Buyer does not disagree. Otherwise, Buyer's written notice of disagreement shall have no effect, as if it had never been given, and the value of the Inventory determined by Seller shall be binding on Buyer. The parties agree to use their good faith efforts to resolve such disagreement within fifteen (15) days after Seller receives written notice of such disagreement and partial payment from Buyer, at which time Buyer shall pay Seller for the Inventory in cash or other immediately available funds in accordance with the resolution of such disagreement. In the event that Seller and Buyer cannot mutually agree on the value of the Inventory within such fifteen (15) day period, the value shall be determined by arbitration as provided in Section 2.06.

2.02 Franchise Fees; Development Fees. The Purchase Price shall be inclusive of the initial franchise fee due under each of the Hardee's Restaurant Franchise Agreements to be entered into on or before Closing. Any development fees provided for in the Development Agreement or franchise fees for new restaurants developed pursuant to the Development Agreement, however, shall be in addition to the Purchase Price and shall be paid by Buyer to Seller in accordance with the terms of the Development Agreement and the franchise agreements entered into with respect to such new restaurants. At Closing, Buyer shall pay to Seller a development fee in an amount equal to Ten Thousand Dollars ($10,000) per restaurant unit Buyer is required to develop, as required under the Development Agreement.

2.03 Prorations and Adjustments. The Purchase Price shall be subject to adjustment at Closing for payments due under the Assumed Contracts, real and personal property taxes and assessments, utilities and other similar items. Buyer shall receive a credit from Seller for all unpaid real and personal property taxes and assessments for the calendar year 202___ prorated from January 1, 202___ to the Closing Date. The prorations shall be calculated based on the actual amounts of the 202___ real and personal property taxes and assessments. If such amounts are not available, the prorations shall be calculated based on the real estate tax amounts for the prior year, subject to re-proration when the actual amounts become available. Rents and other charges paid or due under any Assumed Contract, under the respective Prime Lease and any other expense for the month of Closing will be prorated between Seller and Buyer. Buyer shall pay to Seller at the Closing an amount equal to the sum of all prepaid expenses, rentals and deposits (including, without limitation, security deposits) associated with any Assumed Contract and/or Prime Lease. Buyer shall also pay to Seller

at the Closing any advance rent then due and payable to Seller under the Subleases. In addition, Buyer shall pay Seller a prorated amount, as of the Closing Date, for all prepaid real and personal property taxes and assessments for the calendar year 202___. In the event that Seller and Buyer cannot mutually agree upon the pro-rated shares of Buyer and Seller under this Section 2.03, such pro-rated shares shall be determined by arbitration as provided in Section 2.06.

2.04 Taxes. Subject to Section 5.05, Buyer shall pay all applicable federal, state and local sales taxes applicable to the transactions contemplated by this Agreement. The Purchase Price does not include any applicable federal, state and local taxes, including, but not limited to, tariffs, duties, impact fees, occupational taxes or other charges which may be payable upon the sale or use of the Purchased Assets. Except as otherwise provided in Exhibit 2.04, all such tariffs, duties, fees, taxes and other charges and the payment thereof to the appropriate taxing authority are the sole responsibility of Buyer.

2.05 Allocation of Purchase Price. Seller and Buyer agree that for U.S. federal income tax purposes, the Purchase Price shall be allocated as set forth on Exhibit 2.05. Seller and Buyer agree that said allocation of the Purchase Price shall be used by Seller and Buyer in reporting the transactions covered by this Agreement for income tax purposes and that each shall file an Asset Acquisition Statement (Form 8594) with the Internal Revenue Service consistent with Exhibit 2.05.

2.06 Arbitration. If Buyer and Seller cannot agree on the value of the Inventory pursuant to Section 2.01 or if Buyer and Seller cannot agree on the pro-rated shares of Buyer and Seller under Section 2.03, then such difference shall be determined and settled by arbitration under the rules and procedures, then in effect, of the American Arbitration Association at its office in or nearest to Franklin, Tennessee, and the loser in such arbitration shall bear all costs thereof. The decision in arbitration shall be final as to the resolution of such differences and as to the proper mode of carrying the same into effect. Notwithstanding anything in this Section 2.06 to the contrary, any such arbitration proceedings shall in no event hinder, delay or postpone the Closing Date.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer (each of which shall be deemed material and independently relied upon by Buyer) as follows:

3.01 Organization and Standing. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware with full power and authority to own its properties and assets and to conduct its business as now conducted or proposed to be conducted.

3.02 Corporate Authority. Seller has the full power and authority to enter into and perform this Agreement and to consummate the transactions contemplated by this Agreement in accordance with the terms of this Agreement.

3.03 Corporate Authorization; Binding Agreement. Seller has taken all necessary corporate actions to authorize and approve the execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement. This Agreement constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

3.04 Title to Assets; Assumed Contracts.

(a) Seller (or, if applicable, Seller's affiliate) shall warrant ownership of the Fixed Assets, Inventory, Permits and Licenses and Change Fund to the extent set forth in the Bill of Sale (as hereinafter defined).

(b) Seller (or, if applicable, Seller's affiliate) shall warrant ownership of the Fee Property to the extent set forth in the Special Warranty Deeds (as hereinafter defined).

(c) To the knowledge of Seller, (i) there has not occurred any material default under any of the Assumed Contracts on the part of Seller (or, if applicable, Seller's affiliate) or any of the other parties thereto, and (ii) no event has occurred which, with the giving of notice or the lapse of time or both, would constitute a default under any of the Assumed Contracts on the part of Seller (or, if applicable, Seller's affiliate) or any of the other parties thereto.

3.05 Brokers' Fees. Seller acknowledges that Seller shall be responsible for paying any broker's fees to_____. Seller has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Buyer could become liable or obligated.

3.06 Knowledge. Certain of the representations and warranties of Seller are made "to the knowledge" of Seller or refer to what is "known" to Seller or of what Seller is "aware." The parties hereto agree that the meaning of such expressions shall with respect to Seller in all cases be understood as comprising the knowledge and belief of the corporate officers of Seller without any type of additional investigation thereof.

3.07 Representations and Warranties at Closing. Seller hereby covenants and agrees that the foregoing representations and warranties are true and correct as of the date given and shall be true and correct as of Closing unless Seller notifies Buyer in writing otherwise.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER AND GUARANTOR

Buyer and Guarantor, jointly and severally, represent and warrant to Seller (each of which shall be deemed material and independently relied upon by Seller) as follows:

4.01 Organization and Standing of Buyer. Buyer is a _____ duly organized, validly existing and in good standing under the laws of the State of _____ with full power and authority to own its properties and assets and to conduct its business as now conducted or proposed to be conducted.

4.02 Corporate Authority. Buyer has the full power and authority to enter into and perform this Agreement and to consummate the transactions contemplated by this Agreement in accordance with the terms of this Agreement.

4.03 Corporate Authorization; Binding Agreement. Buyer has taken all necessary corporate actions to authorize and approve the execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement. This Agreement constitutes a legal, valid and binding obligation of Buyer and Guarantor, enforceable against Buyer and Guarantor in accordance with its terms.

4.04 Representations of Seller. Buyer has received the information contained in the Hardee's Restaurants LLC Franchise Disclosure Document dated _____,_____ (the "FDD"). Buyer acknowledged receipt of the FDD in writing on _____,_____. Neither Seller nor any representative of Seller has made any representations or statements of projected or forecasted sales, profits or earnings of the Restaurants or any other Seller restaurants and Buyer acknowledges that future sales, profits and earnings at the Restaurants may be more or less than past sales, profits and earnings. In making its decision to enter into the Franchise Agreements pursuant to this transaction, Buyer has not relied on any information provided by Seller or any other third party other than what is contained in the FDD.

4.05 Brokers' Fees. Buyer has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Seller could become liable or obligated.

4.06 Representations and Warranties. Each of Buyer and Guarantor hereby covenants and agrees that the foregoing representations and warranties are true and correct as of the date given and shall be true and correct as of the Closing unless, as the case may be, Buyer and/or Guarantor notifies Seller in writing otherwise.

ARTICLE V

COVENANTS OF SELLER, BUYER, AND GUARANTOR

Seller, Buyer, and Guarantor each covenant with the others as follows:

5.01 The Closing. The Closing of the transactions contemplated by this Agreement (the "Closing") will take place at the offices of the Title Company, at the close of business of the Restaurants on _____, 202___ (the "Closing Date") or such other time and place as Seller and Buyer may agree in writing, and the Parties agree that the Closing will occur on a Monday unless otherwise agreed to by the Parties. Title to the Purchased Assets and possession of the Restaurants shall be transferred and delivered as of 11:59 p.m. on the Closing Date. The obligations of the Parties to close or effect the transactions contemplated by this Agreement will be subject to satisfaction, unless duly waived, of the applicable conditions set forth in this Agreement, and if any said condition is not satisfied or waived, the Closing Date shall be extended until satisfaction of such condition.

Notwithstanding the foregoing sentence, if the Closing has not occurred on or before _____, 202___, then Seller shall have the right, at any time after _____, 202___, but prior to Closing, to terminate this Agreement pursuant to Section 11.01 and, in the absence of a material default by Seller, to retain the Earnest Money Deposit.

5.02 Conduct of Business Prior to Closing. From the date of this Agreement through and including the Closing Date, Seller shall operate the Restaurants and maintain the Purchased Assets in the usual and ordinary course and substantially in the same manner as heretofore conducted such that at Closing there will exist an appropriate level and mix of Inventory to allow the Restaurants to be open and run normally, unless otherwise consented to or approved by Buyer in writing. In addition, Seller shall maintain the Fixed Assets through the Closing Date in substantially the same condition as they were at the time of Inspection (as hereinafter defined), normal wear and tear excepted.

5.03 Due Diligence Review.

(a) From the date of this Agreement through and including the earlier of _____, 202___ (the "Due Diligence Deadline") or the date of termination of this Agreement,

(i) Seller will afford to the officers, attorneys, accountants and other representatives of Buyer reasonable access during normal business hours to the following books and records of Seller relating to the Restaurants and the Purchased Assets: information and records with respect to any contracts, leases, permits, non-privileged litigation files, environmental reports, title reports, surveys, and financial statements, including balance sheets, cash flow statements and income statements as of the last fiscal year end and as of a recent month end for the current year, in each case to the extent related to the Restaurants and the Purchased Assets; and

(ii) Seller will afford to the officers, attorneys, accountants and other representatives of Buyer reasonable access to the Restaurants and related facilities, at all reasonable times during normal business hours, for the purpose of conducting inspections of the Restaurants and related facilities and all equipment located therein and assessing the day-to-day operations of the Restaurants; provided, however, that such access is discreet and controlled by Seller and does not unreasonably interfere with the business of Seller at the Restaurants.

(b) Seller has previously provided to Buyer copies of financial statements relating to the Restaurants pursuant to a Disclosure of Actual Operating Results for Certain Company – Operated Hardee's Restaurants dated _____ ("Operating Results Disclosure") and Buyer's Acknowledgement regarding the receipt of the Operating Results Disclosure dated _____ ("Acknowledgment"). Buyer hereby confirms its acknowledgements and agreements as set forth in the Acknowledgement.

(c) If the transaction contemplated by this Agreement fails to close for any reason, Buyer shall return to Seller all documentation, test results, surveys, Financial Statements and other information furnished to Buyer by or on behalf of Seller. Buyer agrees to reimburse, indemnify and hold Seller harmless from and against any and all damages, injuries, liabilities, claims, demands or liens, including, without limitation, any property damage, personal injury or claim of lien against the Restaurants, resulting from the activities permitted by this Section (including, without limitation,

reasonable attorneys' fees and expenses paid or incurred by Seller during litigation, if any), which indemnity shall survive the Closing or earlier termination of this Agreement.

(d) Seller shall procure, on behalf of Buyer, title insurance commitments from Title Company agreeing to issue to Buyer one or more owner policies of title insurance insuring its ownership interests created pursuant to the Special Warranty Deeds and one or more leasehold policies of title insurance insuring its leasehold interests created pursuant to the Subleases (the "Commitments"). The title insurance expenses and premiums, including without limitation the cost of title searches and commitment fees, shall be paid at Closing by Buyer. Buyer will, within fifteen (15) days after receipt of the title commitments, notify Seller in writing specifying the matters to which Buyer objects (the "Title Objections"), otherwise Buyer shall be deemed to have no Title Objections. If Seller cannot or elects not to correct the Title Objections on or prior to the Closing Date, Buyer will have the option of either accepting the title as it then is or terminating this Agreement on or before the Closing Date, in which event the Earnest Money Deposit (less the costs of any title insurance expenses and one-half of the costs of any escrow fees) shall be returned to Buyer without any further liability to either Party. All easements, rights of way, restrictions and other matters of record, including, but not limited to, property taxes not yet due and payable, the matters, if any, which would be disclosed by a current and accurate survey and the exceptions listed in the Commitments, exclusive, however, of Title Objections timely raised by Buyer pursuant to this Section 5.03(c), the correction of which has not been waived by Buyer at or prior to Closing, are referred to herein as the "Permitted Title Exceptions". Buyer agrees to obtain any and all desired policies of title insurance insuring its interests in the Properties from Title Company, provided the fee is market competitive.

(e) At its sole option and expense, Buyer may procure "AS BUILT" surveys of the Properties (the "Surveys"). If the Surveys show any encroachments on the Properties or that improvements located on the Properties encroach on setback lines, easements, lands of others or violate any restrictions, covenants of this Agreement or applicable governmental regulation, the same shall constitute a title defect to which Buyer may object pursuant to the terms of Section 5.03(d).

(f) At its sole option and expense, Buyer may procure Phase I environmental assessment reports for the Properties within twenty (20) days of the execution of this Agreement. Buyer shall, within said twenty (20) day period, notify Seller in writing, specifying the matters on the report to which Buyer objects (the "Environmental Objections"). Otherwise Buyer shall be deemed to have no Environmental Objections. If Seller cannot or elects not to correct the Environmental Objections on or prior to the Closing Date, Buyer will have the option of either accepting the environmental condition of the Properties as it or they exist, or terminating this Agreement on or before the Closing Date, in which event the Earnest Money Deposit (less the costs of any title insurance expenses and one-half of the costs of any escrow fees) shall be returned to Buyer without any further liability to either Party.

(g) Buyer, prior to the Due Diligence Deadline, shall have the right to inspect the Fixed Assets (the "Inspection") to determine if the Fixed Assets are in satisfactory working condition. Seller and Buyer shall carry out the Inspection together. Buyer shall, prior to the Due Diligence Deadline, notify Seller in writing if any of the Fixed Assets are not in satisfactory working order ("Fixed Assets Objections"). Otherwise, Buyer shall be deemed to have no Fixed Assets Objections. If Seller cannot or elects not to carry out the Fixed Assets Objections, Buyer will have the option of

either accepting the condition of the Fixed Assets as they exist or terminating this Agreement on or before the Closing Date, in which event the Earnest Money Deposit (less the costs of any title insurance expenses and one-half of the costs of any escrow fees) shall be returned to Buyer without any further liability to either party.

(h) Buyer shall have the right to terminate this Agreement if, by _____, 202___ (the "Finance Commitment Deadline"), it has not been able to secure commitments for financing, at market rates, from one or more banks or other institutional lenders to consummate the transactions contemplated by this Agreement (the "Financing Commitments"), provided that Buyer shall use its best efforts to timely obtain such Financing Commitments. Buyer shall exercise such right by delivering written notice thereof to Seller on or before the Finance Commitment Deadline, in which event the Earnest Money Deposit (less the costs of any title insurance expenses and one-half of the costs of any escrow fees) shall be returned to Buyer without any further liability to either Party.

(i) Notwithstanding anything to the contrary contained herein, Buyer shall have the right to terminate this Agreement on or before the Due Diligence Deadline if Buyer is not satisfied for any reason with its due diligence investigation of the Restaurants and the Purchased Assets. Buyer shall exercise such right by delivering written notice thereof to Seller on or before the Due Diligence Deadline, in which event the Earnest Money Deposit (less the costs of any title insurance expenses and one-half of the costs of any escrow fees) shall be returned to Buyer without any further liability to either Party. Should Buyer fail to provide Seller with written notice of its election to terminate this Agreement on or before the Due Diligence Deadline, then Buyer shall be deemed to be satisfied with the above items and its due diligence, and, subject to the fulfillment and satisfaction any Title Objections, Environmental Objections, Fixed Assets Objections and of Seller's obligations herein, Buyer shall close and settle this transaction pursuant to the terms of this Agreement.

5.04 Employees.

(a) Seller shall have the right, but not the obligation, to retain and reassign, effective as of the Closing Date, all management employees employed at the Restaurants. Those management employees not retained by Seller and all hourly employees employed at the Restaurants shall be terminated by Seller effective as of the Closing Date. Buyer, with the permission and accompanied by a representative of Seller no earlier than two business (2) days prior to the Closing Date, may discuss offers of employment with those employees not to be retained by Seller after the Closing Date and shall have the right to hire or offer employment to such employees of Seller.

(b) Notwithstanding anything contained in Section 5.04(a) above, Buyer agrees that (i) Buyer shall continue the operations without interruption of all of the Restaurants after the Closing Date, and (ii) on the Closing Date it will offer employment to that number of the employees employed by Seller at the Restaurants immediately prior to the Closing Date, on terms comparable to their then current terms of employment, so that the aggregate number of Seller's former employees not offered employment and/or hired by Buyer at the Restaurants after Closing shall not trigger a duty on the part of Seller to give notice to such employees under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§2101 et seq. (hereinafter referred to as "WARN") and any state plant closing law. The Parties acknowledge and agree that it is their intent under this Section 5.04 to have Buyer continue the employment of Seller's employees at the Restaurants in sufficient numbers to the

end that if the Restaurants, or any part of them, constitute a single site of employment for purposes of WARN, the requirement of giving any notification pursuant to §2101(b)(1) of WARN is that of Buyer.

5.05 Transfer and Other Expenses. Buyer shall pay all fees, taxes, and expenses imposed on the transfer of the Fee Property, the Subleases and the Purchased Assets. All costs associated with title commitment, title insurance and related matters, surveys, environmental reviews, inspections and similar due diligence and other items shall be paid by Buyer. Notwithstanding the foregoing, Buyer and Seller shall each pay one half of the costs of any escrow fees.

5.06 Confidentiality. Except as provided in Section 5.04, neither Buyer nor Guarantor shall disclose to anyone, including without limitation, any employee of Seller, including but not limited to employees at the Restaurants or any employee of any vendor of Seller, without Seller's prior consent, the existence or nature of the transactions contemplated by this Agreement or any other information, in whatever form, regarding Seller's business, including without limitation, Seller's trade secrets, plans, information, ideas, concepts, designs, inventions, financial information and the like, whether or not relating to this transaction or more generally to Seller's past, present and future research, development, business, financial and commercial operations ("Proprietary Information"). All Proprietary Information heretofore and hereafter furnished by Seller to Buyer in connection with this Agreement or the transactions contemplated by this Agreement shall be kept confidential by Buyer and Guarantor, shall not be used by Guarantor, Buyer and Buyer's officers, attorneys, accountants and representatives except in connection with this Agreement and the transactions contemplated by this Agreement, and shall not be divulged or revealed to anyone without Seller's prior written consent. For purposes of this Section 5.06, Proprietary Information shall not include information that (i) already is known to Buyer and Guarantor when received, (ii) thereafter becomes lawfully obtainable from other sources, (iii) is required to be disclosed in any document filed by Seller or its affiliates with the Security and Exchange Commission or any other agency of any government, or (iv) is otherwise required to be disclosed pursuant to any federal or state law, rule or regulation or by any applicable judgment, order or decree of any court or by any governmental body or agency having jurisdiction after Buyer and Guarantor have given reasonable prior written notice to Seller of the pending disclosure of any such information. In the event that the transactions contemplated by this Agreement shall fail to be consummated for any reason whatsoever, Buyer and Guarantor shall promptly return to Seller, without making or retaining copies thereof, all Proprietary Information, including, without limitation, all documents, records, notebooks, computer disks or other repositories of any kind containing Proprietary Information, and shall confirm in writing that all such Proprietary Information has been returned. Buyer and Guarantor acknowledge and agree that Seller's remedy at law for any breach of Buyer's and Guarantor's obligations hereunder would be inadequate, and that Seller shall have the right to seek and obtain temporary and permanent injunctive relief in any court proceeding to enforce this covenant regarding confidentiality without the necessity of proof of actual damage and the necessity of posting a bond. However, nothing contained herein shall in any way affect Seller's rights and remedies afforded by law and/or in equity, and Seller shall retain the right to recover such damages as it may have sustained by reason of any breach hereof. The obligations under this Section 5.06 are in addition to the obligations of Buyer under the Confidentiality Agreement dated _____ from Buyer to Seller ("Confidentiality Agreement").

5.07 Miscellaneous Agreements. Subject to terms and conditions herein provided, each Party shall use its commercially reasonable best efforts to take or cause to be taken, all action and to do or cause to be done, all things necessary, appropriate or desirable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

5.08 Insurance. Between the date of this Agreement and the Closing Date, Seller shall continue in force its existing insurance policies with respect to the Restaurants and the Purchased Assets.

5.09 Beverage Equipment. The parties acknowledge that any beverage dispensing equipment located in the Restaurants (the "Beverage Equipment") which is leased by Seller from the Coca-Cola Company is not included in the Purchased Assets. At the Closing, Seller shall assign to Buyer all of Seller's rights under the lease with the Coca-Cola Company with respect to such Beverage Equipment and Buyer shall assume from Seller the Beverage Equipment and shall comply with all of Seller's obligations under such lease, including without limitation, Seller's obligation to make lease payments thereunder. In addition, Buyer shall comply with Seller's obligations with the Coca-Cola Company and Dr. Pepper/Seven Up, Inc. with respect to (a) the obligation to offer for sale specified soft drink products at the Restaurants, and (b) the prohibition on the dispensing of competitive soft drink products at the Restaurants.

5.10 Business Plan. Buyer shall deliver to Seller, for Seller's approval, within thirty (30) days after the execution of this Agreement, a detailed marketing and business plan with respect to the Restaurants (the "Business Plan"), which shall include a description of Buyer's sources of financing, financing terms (including copies of all commitment letters), amount of equity investment, organization and management structure, and a three-year financial and operational forecast.

5.11 Bulk Sales Act. It will not be practicable to comply or to attempt to comply with the procedures of the Uniform Commercial Code or other bulk sales or similar laws of the State of _____. Accordingly, Seller hereby agrees to defend, indemnify and hold Buyer harmless from and against any and all costs, losses, liabilities, claims and expenses (including reasonable attorneys' fees) arising out of or resulting from the failure of Buyer or Seller to comply with or perform any actions in connection with the provisions of any such law.

5.12 Franchise and Development Agreements. On or before Closing, Buyer shall enter into Seller's current form Franchise Agreement, and the Addendums thereto, as set forth in the FDD, for all of the Restaurants. Each of the Franchise Agreements entered into by Buyer will also include an addendum, if applicable to such Restaurant, that requires Buyer to remodel the Restaurants in accordance with Seller's system standards by the scheduled remodel dates set forth in Exhibit 5.12. Buyer shall also enter into, on or before Closing, the Development Agreement with Seller, in the form substantially set forth in the FDD, which shall require Buyer to develop _____ (___) new Hardee's Restaurants (each a "New Restaurant" and collectively, the "New Restaurants"). A description of the development territory of the New Restaurants will be described in the Development Agreement.

5.13 Requirement of Buyer in the Event of Sale/Leaseback of any Fee Simple

Restaurant/or in the Extent of a Direct Lease Between Prime Landlord and Buyer. Pursuant to the terms of the relevant Franchise Agreement, in the event that Buyer wishes to sell any of the Restaurants, including, without limitation, any sale and leaseback of any fee simple Restaurant, Buyer must obtain the prior written consent of Seller to such transfer. Buyer hereby covenants and agrees that it shall be a condition to Seller's consenting to such sale/leaseback that Buyer shall cause the provisions contained in Exhibit 5.13 hereto to be incorporated into any such leaseback agreement. With respect to any Restaurants that are Leased Real Property, in the event Buyer enters into a direct lease with Seller's landlord for such Restaurant, Buyer hereby covenants and agrees that it shall cause the provisions contained in Exhibit 5.13 hereto to be incorporated into such lease agreement. These covenants shall survive the Closing of the transaction contemplated hereby.

ARTICLE VI

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLER, BUYER AND GUARANTOR

The respective obligations of each Party to effect the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver at or prior to the Closing Date of the following conditions:

6.01 Litigation. Neither Seller nor Buyer shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction that enjoins or prohibits the consummation of the transactions contemplated by this Agreement.

6.02 Sublease Consents. All required consents to the Subleases from the landlords of the Leased Real Property shall have been obtained. Following the Due Diligence Deadline, Seller shall contact such prime landlords to obtain such required consents, if any.

ARTICLE VII

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligations of Buyer to effect the transactions contemplated by this Agreement shall be subject to fulfillment or waiver at or prior to the Closing Date of the following conditions:

7.01 Performance of Obligations. Seller shall have performed in all material respects all obligations required to be performed by it under this Agreement on or prior to the Closing Date.

7.02 Title Objections, Environmental Objections and Fixed Assets Objections. All Title Objections, Environmental Objections and Fixed Assets Objections shall have been corrected to Buyer's reasonable satisfaction, unless waived by Buyer.

7.03 Documents. Buyer shall have received the documents specified in Article IX of this Agreement.

7.04 Financing. Availability of funding in accordance with Buyer's Financing Commitments, provided that Buyer has used its best efforts to timely satisfy any and all conditions set forth in the Financing Commitments.

ARTICLE VIII

CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

The obligations of Seller to effect the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver at or prior to the Closing Date of the following conditions:

8.01 Performance of Obligations. Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement on or prior to the Closing Date.

8.02 Documents. Seller shall have received the documents specified in Article X of this Agreement.

8.03 Business Plan. Seller shall have received the Business Plan, in form and substance reasonably satisfactory to Seller.

8.04 Franchisee Approval. Buyer shall have been approved, in Seller's sole discretion, as a Hardee's franchisee or, if Buyer already is a Hardee's franchisee, Buyer shall have been approved, in Seller's sole discretion, for expansion. As a condition precedent to Seller's consideration as to whether to grant such approval, Buyer shall have delivered to Seller all documentation and information requested by Seller.

8.05 Buyer's Financing Commitment. On or before the Finance Commitment Deadline, Buyer shall have notified Seller in writing that it has secured its Financing Commitments, which notice shall include a copy of the Financing Commitments. If Buyer fails to so notify Seller by such date, Seller shall thereafter have the right to terminate this Agreement. Seller shall exercise such right by delivering written notice thereof to Buyer, in which event the Earnest Money Deposit (less the costs of any title insurance expenses and one-half of the costs of any escrow fees) shall be returned to Buyer without any further liability to either Party.

ARTICLE IX

DOCUMENTS TO BE DELIVERED BY SELLER

At Closing, Seller shall deliver to Buyer the following documents duly executed by Seller:

9.01 Subleases. The Subleases.

9.02 Special Warranty Deeds. The Fee Property shall be conveyed by Seller or, if applicable, Seller's affiliate to Buyer at Closing by Special Warranty Deeds substantially in the form attached hereto as Exhibit 9.02 conveying all right, title and interest in and to the Fee Property, subject

only to the Permitted Title Exceptions and deed and use restrictions incorporating terms of the Franchise Agreement with respect to use and transfer, notice of Seller's purchase option and right of first refusal and restrictions against competitive uses ("Special Warranty Deed").

9.03 Bill of Sale. A bill of sale conveying ownership of the Fixed Assets, Inventory, Permits and Licenses and Change Fund in the form attached hereto as Exhibit 9.03 (the "Bill of Sale").

9.04 Assumption Agreement. An assignment and assumption agreement assigning the Assumed Contracts to Buyer in the form attached hereto as Exhibit 9.04 (the "Assumption Agreement").

9.05 Other Instruments of Transfer. Such other instruments of assignment or transfer as shall be reasonably requested by Buyer to confirm and vest in Buyer ownership of all of the Purchased Assets and other documents and instruments as required by the terms and conditions of this Agreement.

9.06 Consents to Assignments. To the extent obtained, copies of all consents of third parties that are necessary to effect the transfer from Seller to Buyer of any of the Purchased Assets and to consummate the transactions contemplated by this Agreement.

9.07 Other Affidavits. Such other affidavits or certificates as are reasonably required by the title company to insure title to Buyer's leasehold interest in the Leased Real Property as required under this Agreement.

9.08 Franchise Agreements. The Franchise Agreements with Buyer as franchisee, which shall be in the form set forth in the FDD. Each of the Franchise Agreements shall include a personal guaranty issued by Guarantor guarantying all of Buyer's obligations under the Franchise Agreements.

9.09 Development Agreement. The Development Agreement with Buyer, which shall be substantially in the form set forth in the FDD and a personal guaranty issued by Guarantor guarantying all of Buyer's obligations under the Development Agreement.

9.10 Other Documents. Such other documents as shall be reasonably requested by Buyer and its counsel or required to be delivered pursuant to this Agreement.

ARTICLE X

DOCUMENTS TO BE DELIVERED BY BUYER

At Closing, Buyer shall deliver to Seller the following documents duly executed by Buyer:

10.01 Subleases. The Subleases and guaranties.

10.02 Assumption Agreement. The Assumption Agreement.

10.03 Franchise Agreements. The Franchise Agreements and guaranties.

10.04 Development Agreement. The Development Agreement and guaranties.

10.05 Guaranty. The Guaranty.

10.06 Other Documents. Such other documents as shall be reasonably requested by Seller and its counsel or required to be delivered pursuant to this Agreement.

ARTICLE XI

TERMINATION

11.01 Events of Termination. This Agreement may be terminated, without liability on the part of the terminating Party to the other Party, at any time before the Closing Date: (i) by mutual consent of Buyer, Guarantor and Seller; (ii) by Buyer if any of the conditions precedent found in Articles VI and VII of this Agreement shall have become incapable of fulfillment through no fault of Buyer and have not been waived by Buyer; (iii) by Seller if any of the conditions precedent found in Articles VI and VIII of this Agreement shall have become incapable of fulfillment through no fault of Seller and have not been waived in writing by Seller; (iv) by Buyer if there is a breach of or failure by Seller to perform in any material respect any of the representations, warranties, commitments, covenants or conditions under this Agreement, which breach or failure is not cured after written notice thereof is given to Seller and prior to the Closing Date; (v) by Seller if there is a breach of or failure by Buyer or Guarantor to perform in any material respect any of the representations, warranties, commitments, covenants or conditions under this Agreement, which breach or failure is not cured after written notice thereof is given to the Buyer and prior to the Closing Date (in which case Seller shall be entitled to retain the Earnest Money Deposit); or (vi) by Seller at any time on or after _____, 202___, if the Closing has not theretofore been consummated and completed. In the event of termination and abandonment by any Party as above provided in clauses (ii), (iii), (iv), (v) or (vi) of this Section, written notice shall forthwith be given to the other Party, which notice shall clearly specify the reason of such Party for terminating this Agreement.

11.02 Survival After Termination. If this Agreement is terminated and the transactions contemplated hereby are abandoned pursuant to Section 11.01, then this Agreement shall become null and void and of no effect, except for the provisions of Sections 5.03(c), 5.06, 11.01, 11.02, 12.02, 13.02, 13.06, 13.07, 13.12, 13.13, 13.14, 3.16 and 13.17 of this Agreement which shall survive the termination of this Agreement; provided, however, that such termination shall not affect the right of any Party (a) to bring an action against another Party for a breach occurring prior to the termination or for a wrongful termination, (b) to bring an action based on a misrepresentation or breach of warranty in Section 3.06 or 4.05, or (c) to be indemnified under Article 12 with respect to any Damages (as defined herein) attributable to any such breach or misrepresentation.

ARTICLE XII

INDEMNIFICATION

12.01 Survival After Closing. The representations and warranties of the Parties contained in this Agreement shall survive the Closing and continue in full force and effect for a period of one (1) year following the Closing Date. All covenants and agreements contained in this Agreement shall survive the Closing in accordance with their terms.

12.02 Indemnification.

(a) By Seller. In addition to the indemnification provided in Section 5.12 herein, by execution of this Agreement, Seller hereby agrees to indemnify Buyer and its successors and assigns and hold them harmless against and in respect of:

(i) any and all losses, liabilities, costs, expenses or damages (including without limitation judgments and settlement payments) incurred by any of them directly or indirectly incident to, arising in connection with or resulting from or relating to any material misrepresentation, breach or nonperformance of any representation, warranty or covenant by Seller made or contained in this Agreement or in any Exhibit or certificate executed and delivered to Buyer under or pursuant to this Agreement or the transactions contemplated herein;

(ii) any and all losses, liabilities, costs, expenses or damages (including without limitation judgments and settlement payments) incurred by them directly or indirectly incident to, arising in connection with, resulting from or relating to third-party claims for products liability, personal injury or employment matters, but only to the extent such claims arise out of incidents related to the operations of the Restaurants and occurring prior to the Closing Date;

(iii) any tax liability of Seller (including, without limitation, liabilities for taxes, interest, penalties, governmental charges, duties, fees, and fines imposed by the United States, foreign countries, states, counties, municipalities, and subdivisions, and by all other governmental entities or taxing authorities), except to the extent that such tax is allocated to Buyer hereunder;

(iv) the costs of any remediation or clean-up of Hazardous Materials (as defined herein) at any Property done in accordance with and to the extent required in an order by any governmental or regulatory authority having jurisdiction, but subject to Seller's right to contest such order in good faith, and only to the extent the release of such Hazardous Materials was caused by Seller prior to Closing or by an affiliate of Seller at any time after such affiliate became an affiliate of Seller and prior to Closing. As used herein the term "Hazardous Materials" shall include mean any substances or materials defined as "hazardous substances," "hazardous air pollutant," "hazardous materials," "hazardous wastes," "toxic chemicals," "petroleum or petroleum products," "toxics," "hazardous chemicals" or "extremely hazardous substances," as defined in any applicable federal, state or local law, regulation or ordinance relating to human health or the environment; and

(v) any and all costs, expenses and all other actual damages incurred by Buyer in claiming, contesting or remedying any breach, misrepresentation, non-performance or other matter described in subsections 12.02(a)(i) through (iv) above, or in enforcing its right of indemnification hereunder, including, by way of illustration and not limitation, all reasonable

legal, accounting and other professional fees and expenses, filing fees, collection costs and all fees, costs and expenses incurred in defending claims which, if successfully prosecuted, would have resulted in Damages (as defined herein).

(b) By Buyer and Guarantor. In addition to the indemnification provided in Section 5.03(c) herein, by execution of this Agreement, Buyer and Guarantor, jointly and severally, agree to indemnify Seller, its affiliates, their parent corporation, and each of said entity's successors and assigns and hold them harmless from and against and in respect of:

(i) any and all losses, liabilities, costs, expenses or damages (including without limitation judgments and settlement payments) incurred by them directly or indirectly incident to, arising in connection with or resulting from or relating to any material misrepresentation, breach or non-performance of any representation, warranty or covenant by Buyer or Guarantor made or contained in this Agreement or in any Exhibit or certificate executed and delivered to Seller under or pursuant to this Agreement or the transactions contemplated herein;

(ii) any and all losses, liabilities, costs, expenses or damages (including without limitation judgments and settlement payments) incurred by them directly or indirectly incident to, arising in connection with, resulting from or relating to third-party claims for products liability, personal injury or employment matters, but only to the extent such claims arise out of incidents related to the operations of the Restaurants and occurring after the Closing Date;

(iii) any and all losses, liabilities, costs, expenses or damages (including without limitation judgments and settlement payments) incurred by them directly or indirectly incident to, arising in connection with, resulting from or relating to any liabilities assumed by Buyer pursuant to this Agreement; and

(iv) any and all costs, expenses and all other actual damages incurred by them in claiming, contesting or remedying any breach, misrepresentation, non-performance or other matter described in subsection 12.02(b)(i), (ii), or (iii) above, or in enforcing its right of indemnification hereunder, including, by way of illustration and not limitation, all reasonable legal, accounting and other professional fees and expenses, filing fees, collection costs and all fees, costs and expenses incurred in defending claims which, if successfully prosecuted would have resulted in Damages (as defined herein).

(c) Damages. Any and all of the items set forth in Sections 12.02(a) and 12.02(b) for which a Party is entitled to be indemnified hereunder are called "Damages."

(d) Initial Claim Notice. When a Party becomes aware of a situation which may result in Damages for which it would be entitled to be indemnified hereunder, such Party (the "Indemnitee") shall submit a written notice (the "Initial Claim Notice") to the other Party or Parties (the "Indemnitor") to such effect within thirty (30) days after it first becomes aware of such matter and shall furnish the Indemnitor with such information as it has available demonstrating its right or possible right to receive indemnity. If the potential claim is predicated on, or later results in, the filing by a third party of any action at law or in equity (a "Third Party Claim"), the Indemnitee shall provide the Indemnitor with a supplemental Initial Claim Notice not later than ten (10) days

prior to the date on which a responsive pleading must be filed, and shall also furnish a copy of such claim (if made in writing) and of all documents received from the third party in support of such claim. Every Initial Claim Notice shall, if feasible, contain a reasonable estimate by the Indemnitee of the losses, costs, liabilities and expenses (including, but not limited to, costs and expenses of litigation and attorneys' fees) which the Indemnitee may incur. In addition, each Initial Claim Notice shall name, when known, the person or persons making the assertions which are the basis for such claim. Failure by the Indemnitee to deliver an Initial Claim Notice or an update thereof in a timely manner shall not relieve the Indemnitor of any of its obligations under this Agreement except to the extent that actual monetary prejudice to the Indemnitor can be demonstrated, including, without limitation, prejudice due to failure to provide notice to applicable insurers.

(e) Rights of Indemnitor. If, prior to the expiration of thirty (30) days from the mailing of an Initial Claim Notice (the "Claim Answer Period"), the Indemnitor shall request in writing that such claim not be paid, the same shall not be paid, and the Indemnitor shall settle, compromise or litigate in good faith such claim, and employ attorneys of its choice to do so; provided, however, that Indemnitee shall not be required to refrain from paying any claim which has matured by court judgment or decree, unless appeal is taken therefrom and proper appeal bond posted by the Indemnitor, nor shall it be required to refrain from paying any claim where such action would result in the foreclosure of a lien upon any of its assets or a default in a lease or other contract except a lease or other contract which is the subject of the dispute. If the Indemnitor elects to settle, compromise or litigate such claim, all reasonable expenses, including but not limited to all amounts paid in settlement or to satisfy judgments or awards and reasonable attorney's fees and costs, incurred by the Indemnitor in settling, compromising or litigating such claim shall be secured to the reasonable satisfaction of Indemnitee. Indemnitee shall cooperate fully to make available to the Indemnitor and its attorneys, representatives and agents, all pertinent information under its control. Indemnitee shall have the right to elect to settle or compromise all other contested claims with respect to which the Indemnitor has not, within the Claim Answer Period, acknowledged in writing (i) liability therefore, and (ii) its election to assume full responsibility for the settlement, compromise, litigation and payment of such claim.

(f) Final Claims Statement. At such time as Damages for which the Indemnitor is liable hereunder are incurred by Indemnitee by actual payment thereof or by entry of a final judgment, Indemnitee shall forward a Final Claims Statement to the Indemnitor setting forth the amount of such Damages in reasonable detail on an itemized basis. Indemnitee shall supplement the Final Claims Statement with such supporting proof of loss (e.g. vouchers, canceled checks, accounting summaries, judgments, settlement agreement, etc.) as the Indemnitor may reasonably request in writing within thirty (30) days after receipt of a Final Claims Statement. All amounts reflected on Final Claims Statements shall be paid promptly by Indemnitor to Indemnitee.

g) Limitations on Indemnification.

(i) Time Limitation. Notwithstanding the other provisions of this Article 12, Seller shall not be liable to indemnify Buyer following the Closing Date for Damages arising out of any misrepresentation, breach or inaccuracy of any representation or warranty unless

Buyer delivers an Initial Claim Notice to Seller of its claim for indemnification hereunder prior to the end of the applicable survival period set forth in Section 12.01.

(ii) Minimum Dollar Limit on Indemnification. Neither Seller nor Buyer shall be liable for a claim for Damages hereunder unless and until the aggregate Damages incurred by the other party exceeds the sum of Ten Thousand Dollars ($10,000) (the "Threshold Amount"), in which event the Indemnitor shall indemnify the Indemnitee in accordance with this Article 12 for all Damages arising hereunder in excess of the Threshold Amount.

(h) Exclusive Remedy The remedies provided for in this Article 12 are exclusive and shall be in lieu of all other remedies for any breach of any representation, warranty, covenant, obligation or other provision of this Agreement; provided, however, that the foregoing clause of this sentence shall not be deemed a waiver by any Party of any right to specific performance or injunctive relief.

ARTICLE XIII

MISCELLANEOUS

13.01 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the corporate Parties and their respective successors and permitted assigns and of the individual Parties and their respective heirs, personal representatives and permitted assigns.

13.02 Publicity. Subject to the other provisions of this Agreement, press releases and other publicity materials relating to the transactions contemplated by this Agreement shall be released by the Parties only after review and with the consent of the other Parties; provided, however, Seller shall have the right to make a public announcement of the execution of this Agreement and a disclosure of the basic terms and conditions of this Agreement at any time prior to Closing if advised to do so by its legal counsel in connection with the reporting and disclosure obligations of Seller or any affiliate of Seller under the federal securities laws and/or the New York Stock Exchange or at any time after Closing in Seller's discretion. Notwithstanding the foregoing, Seller may disclose to any of its lenders any of the provisions of this Agreement and the documents entered into or to be entered into in connection herewith.

13.03 List of Exhibits. As mentioned in this Agreement, there are attached hereto or delivered herewith, the following Exhibits, which are incorporated herein by this reference:

EXHIBITS

Exhibit No.	Exhibit Caption
A	Restaurants
B	Excluded Restaurants
1.01(e)	Assumed Contracts
1.04(a)	Form of Sublease for Leased Real Property

1.05	Form of Software License Agreement
1.06	Form of Guaranty
2.04	Seller's Taxes
2.05	Purchase Price Allocation
5.13	Schedule of Hardee's Remodelings
5.15	Provisions Required to be Inserted in Lease
9.02	Form of Special Warranty Deed
9.03	Form of Bill of Sale
9.04	Form of Assumption Agreement
9.09	Option to Purchase Provisions

13.04 Headings. The headings in this Agreement have been inserted solely for ease of reference and shall not be considered in the interpretation or construction of this Agreement.

13.05 Counterparts. This Agreement may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute one and the same instrument.

13.06 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Tennessee without regard to any applicable conflicts of law.

13.07 Expenses. Except as otherwise herein provided, each of the Parties shall pay its respective costs and expenses incurred or to be incurred by it in connection with the negotiations respecting this Agreement and the transactions contemplated by this Agreement, including without limitation, preparation of documents, legal and accounting fees, and obtaining any necessary approvals and the consummation of the other transactions contemplated by this Agreement.

13.08 Assignment. Seller may assign any or all of its rights hereunder. Except as provided herein, Buyer may not assign any of its rights and obligations hereunder without the written consent of Seller, which consent shall not be unreasonably withheld provided the following conditions are met: (i) Buyer and Guarantor remain obligated hereunder and guarantee the obligations of the new entity hereunder; and (ii) the new entity satisfies the requirements of becoming a Hardee's franchisee. Subject to the foregoing, this Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, successors and permitted assigns of the parties hereto.

13.09 Entire Agreement. This Agreement, the Confidentiality Agreement, that certain Disclosure of Actual Operating Results for Certain Company-Operated Hardee's Restaurants dated on or before the date of this Agreement from Seller to Buyer (and/or its principal), and that certain Acknowledgement in connection therewith from Buyer (and/or its principal) to Seller, comprise the entire agreement among the Parties with respect to the transactions contemplated by this Agreement and supersede all other prior agreements, understandings and letters related to this Agreement.

13.10 Notices. Any notice or other communications required or permitted by this Agreement shall be in writing and shall be deemed to have been duly given on the date sent if sent by overnight/next day delivery or if mailed by registered or certified mail (return receipt requested) to

the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

(a) if to Seller, to:

Hardee's Restaurants LLC
6700 Tower Circle, Suite 1000
Franklin, TN 37067
Attn: General Counsel

with a copy to:

_____
_____
_____
_____

(b) if to Buyer or Guarantor, to:

_____
_____
_____
_____

with a copy to:

_____
_____
_____
_____

13.11 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties.

13.12 Attorney Fees. In the event that a Party to this Agreement brings an action against the other Party to this Agreement, by reason of the breach of any condition, covenant, representation or warranty in this Agreement, or otherwise arising out of this Agreement, the prevailing party in such action shall be entitled to recover from the other reasonable attorneys' fees to be fixed by the court which shall render a judgment, plus costs of suit, as well as all such fees and costs incurred in any appeal or in any collection effort.

13.13 Waiver. Any Party may, by written notice to the other Party, (i) waive any inaccuracies in the representations or warranties of such other Party contained in this Agreement or in any document delivered pursuant to this Agreement, (ii) waive compliance with any of the conditions and covenants of such other Party contained in this Agreement or (iii) waive or modify

performance of any of the obligations of such other Party under this Agreement. Except as provided in the preceding sentence, no action taken pursuant to this Agreement shall be deemed to constitute a waiver by the Party taking such action of compliance with any of the representations, warranties, covenants, conditions or agreements contained in the Agreement. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

13.14 Construction. Each Party acknowledges and agrees that it has read and understands each and every provision of this Agreement, the Schedules and the Exhibits hereto and has considered all relevant business and tax aspects related thereto. The Parties hereto further acknowledge and agree that each Party has had the opportunity to consult with and obtain legal advice and counseling from an attorney in relation to each and every provision of this Agreement, the Schedules and the Exhibits hereto, and each Party acknowledges and agrees for itself it has either availed itself of that opportunity or has knowingly and willfully declined such representation. Therefore, the language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against either Party.

13.15 Severability. The invalidity or unenforceability of any provision of this Agreement, whether in whole or in part, shall not in any way affect the validity and/or enforceability of any other provision of this Agreement. Any invalid or unenforceable provisions shall be deemed severable to the extent of any such invalidity or unenforceability.

13.16 Consent to Exclusive Jurisdiction and Venue. The Parties each hereby consents to personal jurisdiction and venue in the Circuit Court for the County of Williamson, Tennessee, or the United States District Court for the Middle District of Tennessee for any action brought by any Party arising out of the breach or threatened breach of this Agreement. The Parties each agree that any action arising out of or related to this covenant shall be brought only and exclusively in the Circuit Court for the County of Williamson, Tennessee, or the United States District Court for the Middle District of Tennessee.

13.17 Guaranty of Guarantor. Guarantor irrevocably and unconditionally guaranties the prompt, faithful and complete performance by Buyer of Buyer's liabilities and obligations under this Agreement without counterclaim or set-off.

13.18 Time of the Essence. Time is of the essence of this Agreement.

[*Signatures on following page.*]

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed by their respective duly authorized representatives, and Guarantor has executed this Agreement, as of the day and year first above written.

"SELLER"

HARDEE'S RESTAURANTS LLC

By:_____
Print Name:_____
Title:_____

"BUYER"

_____

By:_____
Print Name:_____
Title:_____

"GUARANTOR"

_____

Print Name:_____

EXHIBIT A

Restaurants

EXHIBIT B

Excluded Restaurants

EXHIBIT 1.01(e)

Assumed Contracts

EXHIBIT 1.05

Form of Software License Agreement

EXHIBIT 1.06

Form of Guaranty

EXHIBIT 2.04

Seller's Taxes

EXHIBIT 2.05

Purchase Price Allocation

EXHIBIT 5.12

Schedule of Hardee's Remodeling Required Dates

EXHIBIT 5.13

Required Lease Provisions

ADDENDUM TO LEASE AGREEMENT

THIS ADDENDUM TO LEASE AGREEMENT is made as of _____ by and among _____ ("Landlord"), _____ ("Tenant") and Hardee's Restaurants LLC ("HR").

RECITALS

Pursuant to the terms of an Asset Purchase Agreement, HR sold to Tenant, among other things, its real property interest located at _____ ("Premises").

Tenant now proposes to enter into a Lease Agreement dated as of _____ ("Lease Agreement") with Landlord for the Premises.

HR and Tenant have entered into a Hardee's Restaurant Franchise Agreement ("Franchise Agreement") pursuant to which Tenant is licensed to operate a Hardee's Restaurant at the Premises.

Pursuant to the Asset Purchase Agreement and Franchise Agreement, HR requires that the Lease Agreement include certain terms as set forth in this Addendum and Landlord and Tenant have agreed to those terms and they have agreed that this Addendum will be deemed incorporated into the Lease Agreement.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements set forth hereinafter, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, intending to be legally bound, agree as follows:

Permitted Use. Tenant may use the Premises only to operate a Hardee's Restaurant, a Hardee's/Red Burrito Dual Concept Restaurant, or any other restaurant franchised by HR or its affiliates. Tenant may not sublease the Premises or assign the Lease Agreement without HR's prior written consent.

Copies to HR. Tenant or Landlord shall provide HR a fully-executed copy of the Lease Agreement within 15 days after execution. In addition, Landlord and Tenant agree to provide HR (at the same time sent to the other party to the Lease Agreement) a copy of any amendment, assignment or notice pertaining to the Lease Agreement and/or the Premises.

Term. The Lease Agreement shall be for a term, including renewal terms, equal at least to the Initial Term of the Franchise Agreement.

Use of the System and Marks. Landlord consents to Tenant's use at the Premises of the proprietary signs, distinctive exterior and interior designs and layouts, and the Proprietary Marks prescribed by HR. Upon the expiration or earlier termination of the Lease Agreement, Tenant shall have the right to make those alterations and modifications to the Premises as may be necessary to clearly distinguish to the public the Premises from a Hardee's Restaurant and also make those specific additional changes as HR reasonably may request for that purpose. Specifically, Tenant shall have the right, at Tenant's expense, to remove all proprietary signs, distinctive exterior and interior designs and layouts, the Hardee's Proprietary Marks and

any other trade fixtures, so long as Tenant makes repairs to the building caused by such removal. If Tenant fails to promptly make these alterations and modifications, HR shall have the right to do so without being guilty of trespass or other tort so long as HR makes repairs to the building caused by such removal.

Entry by HR. During the term of the Lease Agreement, HR may enter the Premises to make any modifications or alterations necessary to protect the Hardee's Restaurant System and the Proprietary Marks and to cure, within the time periods provided by the Lease Agreement, any default under the Lease Agreement, all without being guilty of trespass or other tort, and to charge Tenant for these costs.

Obligations to Landlord. Tenant, and not HR, shall be solely responsible for all obligations, debts and payments under the Lease Agreement. HR shall have the right, but not the obligation, to cure any default of Tenant under the Lease Agreement and, if HR does so, Tenant shall reimburse HR within 10 days. Tenant's failure to do so shall constitute a default of the Franchise Agreement which HR may terminate at the expiration of that 10 day period.

Amendments. Landlord and Tenant shall not amend or otherwise modify the Lease Agreement in any manner that would affect any of the rights of HR set forth in this Amendment without HR's prior written consent, which consent shall not be unreasonably withheld.

Assignment to HR. Landlord agrees that Tenant may assign the lease to HR (without further Landlord consent) or its designee (with Landlord consent which consent shall not be unreasonably withheld) and without payment of any assignment fee or similar charge or increase in any rentals payable to Landlord. Landlord consents to Tenant collaterally assigning the Lease Agreement to HR or its designee, granting HR the option, but not the obligation, to assume the Lease Agreement from the date HR takes possession of the Premises, without payment of any assignment fee or similar charge or increase in any rentals payable to Landlord. Landlord and Tenant agree to execute all documents requested by HR to effectuate this Section 8.

Capitalized Terms. Any capitalized term that is not defined in this Amendment shall have the meaning given it in the Lease Agreement or the Franchise Agreement, as the context requires.

Limited Modification. Except as expressly modified by this Amendment, the Lease Agreement remains unmodified and in full force and effect.

[THE REMAINDER OF THIS PAGE
IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment to Lease Agreement on the day and year first above written.

LANDLORD:

By:_____

Print Name:_____

Title:_____

By:_____

Print Name:_____

Title:_____

Date:_____

TENANT:

By:_____

Print Name:_____

Title:_____

By:_____

Print Name:_____

Title:_____

Date:_____

ATTEST:

By: _____

Print Name: _____

Title: _____

HR:

HARDEE'S RESTAURANTS LLC

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT 9.02

Form of Special Warranty Deed

Special Warranty Deed shall be subject to the following restrictions:

The Deed is FURTHER SUBJECT TO the right of Hardee's Food System's, Inc. (and its successors and assigns) to enforce (a) the restrictions on use and requirements for the use of the Property ("Use Restrictions") set forth in that certain Hardee's Restaurant Franchise Agreement dated as of _____ _____, 200___, by and between Hardee's Food Systems, Inc., as franchisor, and ____ _____., as franchisee, as such agreement may be amended from time to time (the "Franchisee Agreement"), and (b) the right of Hardee's Food Systems, Inc. or its assignee to purchase the Property pursuant to its right of first refusal or its option to purchase, each as set forth in the Franchise Agreement (the "Purchase Covenants"). Said Use Restrictions and Purchase Covenants shall run with the land and shall be binding upon all parties having any right, title or interest in and to the Property or any part thereof, and their heirs, personal representatives, successors and assigns, provided, however, that the Use Covenants and Purchase Covenants shall terminate and expire as set forth in the Franchise Agreement (which expiration date is no later than two (2) years after the date on which the Franchise Agreement expires or is earlier terminated), and further provided, that the Use Restrictions and Purchase Covenants may be terminated upon mutual written agreement of Hardee's Food Systems, Inc. (or, if applicable, its successors or assigns) and the then-current fee owner of the Property.

EXHIBIT 9.04

Form of Bill of Sale

EXHIBIT 9.05

Form of Assumption Agreement

EXHIBIT O

SUBLEASE

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "Sublease") dated as of the Effective Date (as hereafter defined), is made and entered into by and between Sublandlord and Subtenant (both as hereafter defined).

This Sublease is entered into pursuant to that certain Asset Purchase Agreement between Sublandlord and Subtenant dated as of _____ (together with any amendments or modifications thereto, collectively, the "Purchase Agreement") and all such other documents, agreements and instruments entered into or given pursuant to such Purchase Agreement, including, without limitation, that certain Hardee's Restaurant Franchise Agreement ("Franchise Agreement") granting Subtenant certain rights to operate a Hardee's restaurant at the Premises (as hereafter defined) (the aforementioned documents may be referred to collectively as the "Transaction Documents").

1. BASIC SUBLEASE INFORMATION.

All capitalized words not defined in this Sublease shall have the meanings ascribed to them in this Section entitled "Basic Sublease Information." The Basic Sublease Information contained herein is an integral part of this Sublease; provided that if there are any inconsistencies between the Basic Sublease Information and the provisions set forth in the remainder of this Sublease, the provisions set forth in the remainder of this Sublease shall govern.

1.1 EFFECTIVE DATE. This Sublease is made and entered into by and between Sublandlord and Subtenant as of _____ (the "Effective Date").

1.2 SUBLANDLORD. Hardee's Restaurants, LLC, a Delaware limited liability company, having a principal place of business at c/o CKE Restaurants Holdings, Inc., Attn: Real Estate Management Department, 6700 Tower Circle, Suite 1000, Franklin, TN 37067 ("Sublandlord").

1.3 SUBTENANT. _____, a _____, having a principal place of business at _____ ("Subtenant").

1.4 PREMISES. The premises demised hereunder is commonly known as: _____, and more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Premises"). The Premises is referred to by Sublandlord as Unit No. _____. Unless owned by Subtenant, the Premises shall include all buildings, structures and improvements located thereon and thereunder; provided, however, that all terms and provisions hereof applicable to the Premises shall also apply to the buildings, structures and improvements thereon.

1.5 PRIME LEASE. Sublandlord is possessed of the Premises pursuant to a lease agreement between Sublandlord, as successor-in-interest to _____, a _____, as tenant, and _____, as successor-in-interest to _____, a _____, as landlord (the "Prime

Landlord"), dated _____ (together with any amendments or modifications thereto, collectively, the "Prime Lease").

1.6 TERM.

A. The term of this Sublease shall commence on the Effective Date and shall expire at 11:59 p.m. on the earlier to occur of (i) _____, or (ii) one (1) business day prior to the expiration of the Prime Lease, unless earlier terminated or extended in accordance with the provisions of this Sublease (the "Term").

B. To the extent permitted under the Prime Lease, Subtenant shall have the option to extend the Term for _____ (_____) consecutive periods of _____ (_____) years each (the "Option Term(s)"). Notice of whether Subtenant will exercise such extension must be made in writing to Sublandlord at least by the earlier of three hundred sixty-five (365) days prior to the expiration date of the then-current Term, or, if applicable, ninety (90) days prior to the date by which Sublandlord must notify the Prime Landlord that the Sublandlord is exercising its option to extend the Prime Lease term. The "Term" shall include any properly exercised Option Term.

C. In connection with the exercise of any Option Term, Subtenant shall deliver written notice in compliance with the terms and provisions of Section 1.6(B) and this Sublease using the form attached hereto as Exhibit B. If Subtenant fails to timely deliver such notice, Subtenant shall be deemed to have exercised the applicable Option Term unless Subtenant has delivered a notice of closure or non-renewal pursuant to the Transaction Documents.

D. Sublandlord and Subtenant acknowledge and agree that (i) Sublandlord's ability to negotiate advantageous terms for the Prime Lease that affect the rights and obligations of Subtenant under this Sublease is affected directly by the amount of notice delivered to Sublandlord of Subtenant's intent to exercise an Option Term, and (ii) that Subtenant's failure to provide less than twenty-four months' prior written notice of such intent in compliance with the terms and provisions of Section 1.6(B) may negatively affect the results of such negotiations.

1.7 RENT.

A. During the Term, including any exercised Option Term, Subtenant shall pay to Sublandlord at the Address for Payment of Rent (as hereafter defined) (or such other address as Sublandlord shall require), as and when due, all base rent, minimum rent, fixed rent, additional rent, and any and all other charges and amounts however called or termed required under the Prime Lease (collectively, "Base Rent").

B. Base Rent and Additional Rent (as defined in Section 5 below) may be referred to collectively as the "Rent".

C. Subtenant's obligation to pay Rent shall commence on the Effective Date (the "Rent Start Date").

1.8 SECURITY DEPOSIT. The greater of $_____ or the amount of security deposit required under the Prime Lease.

1.9 NOTICE ADDRESSES.

The addresses for all notices under this Sublease are:

SUBLANDLORD:	SUBTENANT:
Hardee's Restaurants LLC	
Two Franklin Park	_____
6700 Tower Circle, Suite 1000	_____
Franklin, TN 37067	_____
ATTN: General Counsel	

with a copy of notices to:

CKE Restaurants Holdings, Inc.
Two Franklin Park
6700 Tower Circle, Suite 1000
Franklin, TN 37067
ATTN: General Counsel

1.10 ADDRESS FOR PAYMENT OF RENT.

All payments of Rent to Sublandlord shall be made to:

SUBLANDLORD:
Hardee's Restaurants LLC
_____
_____
_____

2. DEMISE OF PREMISES.

2.1 In consideration of the Rent, and of the other terms, covenants and conditions set forth in this Sublease and in the Transaction Documents, Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, the Premises upon the terms, covenants and conditions set forth in this Sublease.

2.2 Further, the Premises shall include the right, if any, but only to the extent of Sublandlord's rights and interests therein, in and to all strips, gores of lands, streets, alleys, passages, and all access and parking rights appurtenant to the Premises and which Sublandlord is entitled to use in connection with the Premises (referred to herein as "appurtenant rights") pursuant to the Prime Lease, all in accordance with the terms of this Sublease, but subject to the terms of any instrument granting such appurtenant rights, it being acknowledged by Subtenant that Sublandlord makes no representation or warranty with respect to Sublandlord's or Subtenant's rights or interests therein.

In addition, Subtenant shall perform all of Sublandlord's duties and obligations with respect to such appurtenant rights, and shall indemnify and hold Sublandlord harmless from and against any and all liability, costs, and expenses arising from Subtenant's failure to perform such duties and obligations with respect to such appurtenant rights.

2.3. Subtenant represents, warrants and covenants to Sublandlord that Subtenant has made all necessary or desirable examinations, inspections and inquiries regarding the Premises and has consulted with such professional advisors as Subtenant deems necessary or desirable to satisfy Subtenant, at Subtenant's discretion and on Subtenant's own initiative, that the Premises are acceptable to Subtenant, that Sublandlord shall have no responsibility or obligation for expenses with respect to the care, maintenance or operation and conduct of business on the Premises regardless of the nature of the expense, that this Sublease is lawful in substance and in form, and that Subtenant is financially prepared to assume any and all risks and obligations of any kind that may be involved in becoming Subtenant. THE PREMISES ARE DEMISED AND LET, AND SUBTENANT HEREBY ACCEPTS THE PREMISES, IN ITS "AS IS", "WHERE IS" CONDITION WITH ALL FAULTS, AND SUBJECT TO ALL MATTERS OF RECORD AND MATTERS WHICH WOULD BE REVEALED BY A CURRENT SURVEY, AND ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS SUBLEASE, SUBLANDLORD HAS NOT MADE ANY REPRESENTATIONS, WARRANTIES OR COVENANTS OF ANY KIND OR CHARACTER WITH RESPECT TO ANY ASPECT OF THE PREMISES, INCLUDING, WITHOUT LIMITATION: (I) THE VALUE, NATURE, QUALITY OR PHYSICAL CONDITION OF THE PREMISES, INCLUDING, BY WAY OF EXAMPLE, THE BUILDING STRUCTURE, ITS FIXTURES, ROOF, ELECTRICAL, PLUMBING AND HVAC SYSTEMS; (II) THE INCOME TO BE DERIVED FROM THE PREMISES; (III) THE SUITABILITY, PROFITABILITY OR FITNESS OF THE PREMISES FOR ANY ACTIVITY, PURPOSE OR USE; (IV) THE COMPLIANCE OF THE PREMISES OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES, REGULATIONS, ORDERS OR REQUIREMENTS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (V) THE EXISTENCE IN OR ON THE PREMISES OF ANY HAZARDOUS SUBSTANCE OR TOXIC WASTE; OR (VI) THE CONDITION OF TITLE TO THE PREMISES.

2.4 If the Prime Lease requires that the consent of Prime Landlord be obtained prior to the effectiveness of this Sublease, then, notwithstanding anything to the contrary contained in this Sublease, this Sublease and the obligations of Sublandlord under this Sublease shall be subject to receipt by Sublandlord of Prime Landlord's written consent and approval of this Sublease, in form and substance satisfactory to Sublandlord. Subtenant agrees to provide Sublandlord with any and all information required by Prime Landlord with respect to the business and financial condition of Subtenant in order for Prime Landlord to consent to this Sublease, and Subtenant hereby authorizes Sublandlord to disclose to Prime Landlord any such information which may have been delivered to Sublandlord. If Sublandlord is obligated to pay any fee to Landlord or to reimburse Prime Landlord for any expenses incurred in connection with Prime Landlord's review of any request for approval of a sublease, then Subtenant shall pay or reimburse Sublandlord for any amount which Sublandlord is obligated to pay to Prime Landlord.

3. TERM.

3.1 The Term of this Sublease shall commence and terminate as stated in the Basic Sublease Information. Subtenant shall have the right to extend the Term of this Sublease for the Option Term(s) upon giving Sublandlord timely written notice, all as provided in the Basic Sublease Information; provided, however, and subject to the terms of Section 3.2 below, that in no event shall the Term of this Sublease extend beyond the term, as the same may be extended, of either the Prime Lease or the Franchise Agreement. This Sublease shall not be extended if Subtenant is in default at the time of attempted exercise or commencement of an Option Term.

3.2 Notwithstanding the dates set forth herein for the initial Term and Option Terms, the initial Term and each Option Term shall terminate one day before the actual termination date for the corresponding term as set forth in the Prime Lease; and the commencement date for each of the Option Terms shall be one day before the actual commencement date for the corresponding option term as set forth in the Prime Lease. The initial Term and each Option Term of this Sublease are at least one day less than the corresponding term of the Prime Lease to ensure that this Sublease shall not be construed as an assignment of Sublandlord's rights and interests under the Prime Lease.

4. USE OF PREMISES.

4.1 Subtenant shall use the Premises solely and exclusively as a Hardee's restaurant, operated in accordance with the Transaction Documents. During the Term, Subtenant shall continuously and at all times operate a Hardee's restaurant upon the Premises with diligence and efficiency, and otherwise in the manner and for the hours per day and days per week necessary or appropriate to maintain the Hardee's image and in no event less than those required by the Franchise Agreement, subject only to the provisions of this Sublease and the Prime Lease governing casualty loss. In no event shall Subtenant close or fail to operate for more than three (3) consecutive days or more than thirty (30) days, in the aggregate, in any 365-day period, unless, subject to any contrary provisions of the Prime Lease, such closure or failure to operate is the result of a casualty; provided that Subtenant shall give prompt written notice of any such event to Sublandlord, shall diligently pursue all necessary repairs to completion, and shall reopen and recommence operations promptly upon completion of any necessary repairs or replacements.

4.2 To protect Sublandlord's rights under the Transaction Documents, the Premises shall be used solely for the operation of a Hardee's restaurant and for no other purpose whatsoever. Without limiting the foregoing, Subtenant shall, at all times, use the Premises in a lawful, safe, careful and proper manner, and Subtenant shall not commit or suffer any waste or allow the continuance of any nuisance. Subtenant shall carefully preserve, protect, control and guard the Premises and all buildings, structures and other improvements located thereon from damage, shall continually and regularly maintain the Premises and all buildings, structures, equipment, mechanical systems and other improvements located thereon in good repair, including but not limited to the roof, HVAC system, refrigeration system and all paved areas, and shall comply with (and cause the Premises and all buildings, structures and improvements thereon to comply with) all laws, ordinances and requirements with respect thereto imposed by governmental authorities, all requirements imposed by the Transaction Documents and all requirements imposed by insurers of the Premises. Subtenant represents, warrants and covenants to Sublandlord that Subtenant shall

not permit any hazardous substance or toxic waste to be handled, generated, stored, treated, disposed of or released on or in the Premises, except cleaning solutions and other substances customarily used in the operation of a Hardee's restaurant, provided that the same are used, stored and disposed of in accordance with all applicable laws.

5. RENT.

5.1 Subtenant covenants and agrees to pay Rent commencing on the Rent Start Date. Notwithstanding any provision of this Sublease to the contrary, all amounts of Rent shall, from time to time during the Term, be automatically adjusted, without the need for any further action by Sublandlord or Subtenant, as necessary to ensure that such Rent is never less than the amount of comparable rent owed by Sublandlord under the Prime Lease. It is the express intent of the parties that this Sublease is a triple net sublease. The parties therefore agree that all Base Rent shall be net to Sublandlord so that this Sublease shall yield to Sublandlord the Base Rent during the Term on an absolutely net basis. Unless otherwise provided herein, all Rent shall be paid by Subtenant without notice or demand, in lawful money of the United States, and without set-off, counterclaim, abatement, suspension, deduction or defense. Rent shall be duly apportioned for any partial year or partial month during the Term. All Rent owed to Sublandlord shall be paid at the Address for Payment of Rent set forth in the Basic Sublease Information (or such other address as Sublandlord shall require).

Notwithstanding the forgoing, and unless instructed otherwise by Sublandlord, in connection with the payment of obligations due under this Sublease, Subtenant agrees to makes such payments by Automatic ACH Debit/ACH Pull or other electronic funds transfer method, as directed by Sublandlord. Failure by Subtenant to have sufficient funds in the account beyond any cure period shall constitute a default by Subtenant under this Sublease. Subtenant shall be responsible for all costs and fees associated with such electronic funds transfer, including but not limited to initial costs and collection costs.

5.2 Subtenant shall pay Sublandlord Base Rent in twelve (12) equal monthly installments, in advance, on the first day of each month during the Term; provided that the first full monthly installment of Base Rent plus prorated Base Rent for the initial partial month, if any, shall be due and payable to Sublandlord on the Rent Start Date.

5.3 Without limiting any other provision set forth herein, Subtenant covenants and agrees to pay to Sublandlord, during the Term hereof, any and all percentage rent due under the Prime Lease and the same shall be included as "Additional Rent" as defined below to the extent the same is not included as part of Base Rent. Subtenant shall fully and completely comply with all percentage rent provisions of the Prime Lease, and shall make such payments and deliver all reports and statements in connection therewith to Sublandlord. In addition to providing Sublandlord with any and all reports required under the Prime Lease, Subtenant shall submit to Sublandlord, in a form reasonably acceptable to Sublandlord, an accurate annual report not later than sixty (60) days after the end of each calendar year, prepared in accordance with generally accepted accounting principles consistently applied, completely and accurately setting forth all gross sales generated at the Premises ("Gross Sales") for the prior calendar year and containing such details as Sublandlord shall reasonably require and as may be required under the Franchise Agreement.

Subtenant shall keep full, complete and proper books, records and accounts, in accordance with generally accepted accounting principles, consistently applied, showing all Gross Sales and shall make the books, records and accounts (including without limitation all applicable federal, state and local tax returns) available for inspection, copy and audit by Sublandlord and its authorized agents and representatives during Subtenant's normal business hours, both during and for a period of two (2) years after the Term. If an inspection or audit discloses an understatement of Gross Sales, Subtenant shall pay Sublandlord, within ten (10) days after receipt of the inspection or audit report, any deficiency in the percentage rent paid. If an inspection or audit is made necessary by Subtenant's failure to timely furnish reports or supporting records as required under this Sublease, or if an understatement of Gross Sales is determined by any audit or inspection to be greater than two percent (2%), Subtenant also shall reimburse Sublandlord for the reasonable cost of the audit or inspection including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, room and compensation of Sublandlord's employees and consultants, accountants or designees.

5.4 Commencing on the Rent Start Date, Subtenant covenants to pay to Sublandlord on the day monthly Base Rent payments are due hereunder, as Additional Rent, an amount estimated by Sublandlord equal to one-twelfth (1/12) of all taxes and assessments required to be paid by Sublandlord under the Prime Lease during the then-current tax year, including without limitation, any and all real property taxes, substitute property taxes, general and special assessments, business rental taxes, and other obligations which are or may become a lien on or levied against the Premises (collectively, the "Taxes"). Subtenant shall also pay all Taxes on buildings, structures and other improvements thereon. Subtenant shall pay any and all transfer taxes and other taxes arising in any way out of this Sublease or the Prime Lease hereafter, including any taxes on rents. Notwithstanding the foregoing, Subtenant shall pay to Sublandlord on the Rent Start Date the first full monthly installment of Taxes plus prorated Taxes for the initial partial month of the Term, if any. Sublandlord may estimate the amount of Taxes due on the basis of current data available to Sublandlord. If the amount of such payments by Subtenant at any time is not sufficient to pay such Taxes when due, Sublandlord may so notify Subtenant in writing and Subtenant shall forthwith pay to Sublandlord the amount necessary to make up the deficiency. In the event such payments exceed the amount of Taxes ultimately due, Sublandlord shall refund such excess to Subtenant. Subtenant shall pay all personal property taxes, and all excise taxes on personal property and the like directly to the taxing authority, promptly when due, and shall furnish Sublandlord with satisfactory evidence of each such timely payment. In the event the taxing authorities change the manner in which Taxes are levied, charged or assessed from the present existing tax system, Subtenant shall pay Taxes under such alternative or revised system of taxation. Subject to the provisions of the Prime Lease, Subtenant shall have the right to challenge, at its sole expense, the Taxes and Sublandlord agrees to provide whatever assistance Subtenant may reasonably require at no expense to Sublandlord. Sublandlord shall reimburse Subtenant for any refund of Taxes attributable to the Term received by Sublandlord as a result of any tax contest by Subtenant. Sublandlord shall not be required to pay Subtenant interest or earnings on Taxes held by Sublandlord. Notwithstanding the foregoing, except as may be otherwise provided in the Prime Lease, Taxes shall not include (i) any inheritance, estate, franchise or capital stock tax; or (ii) any income tax arising out of or related to ownership and operation of income-producing real estate.

5.5 In addition to Base Rent, Subtenant covenants to pay to Sublandlord as additional rent ("Additional Rent"), any and all (i) amounts due under this Sublease (other than Base Rent), (ii) costs, expenses, obligations, and liabilities of any kind and nature relating to the Premises and all buildings, structures and other improvements located thereon during the Term, and (iii) amounts, liabilities and obligations which Sublandlord is required to pay pursuant to the terms of the Prime Lease including, without limitation, taxes and assessments, any and all operating expenses and common area maintenance expenses, and all other amounts and charges required under the Prime Lease regardless of how such amounts are defined or termed, together with interest at the rate of eighteen percent (18%) per annum (or such lesser amount as may be the maximum amount permitted by law) (the "Interest Rate") on all overdue payments of Rent from the due date thereof until payment. Such Additional Rent shall be due and payable on demand, unless otherwise provided under this Sublease or the Prime Lease. Any Additional Rent may, at Sublandlord's option, be charged to Subtenant monthly in an amount estimated by Sublandlord equal to one-twelfth (1/12) of such estimated Additional Rent, regardless of how billed to Sublandlord under the Prime Lease, and such amount shall be paid by Subtenant to Sublandlord on the day Base Rent is due. Subtenant shall pay to Sublandlord on the Rent Start Date the first full monthly installment of Additional Rent plus prorated Additional Rent for the initial partial month of the Term, if any. Sublandlord may estimate the amount of Additional Rent due on the basis of current data available to Sublandlord. If the amount of such payments by Subtenant at any time is not sufficient to pay such Additional Rent when due, Sublandlord may so notify Subtenant in writing and Subtenant shall forthwith pay to Sublandlord the amount necessary to make up the deficiency, providing, as determined by Sublandlord, Sublandlord shall receive payments of Additional Rent with the actual expenses incurred therefor, and the parties agree to cooperate to pay, refund or credit amounts overpaid or underpaid for such period.

5.6 In addition to the Rent, Subtenant shall pay to Sublandlord an annual administrative fee of Two Thousand Five Hundred and 00/100 Dollars ($2,500.00) per year (the "Administration Fee"). The Administration Fee shall be paid in monthly installments of Two Hundred Eight and 33/100 Dollars ($208.33), in the same manner that Rent is paid to Sublandlord hereunder.

5.7 No payment by Subtenant, or acceptance by Sublandlord, of a lesser amount than shall be due from Subtenant to Sublandlord shall be treated otherwise than as a payment on account. The acceptance by Sublandlord of a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check that such lesser amount shall constitute payment in full, shall be given no effect and Sublandlord may accept such payment without prejudice to any other rights or remedies which Sublandlord may have against Subtenant. Any payment, however designated, may be accepted by Sublandlord and applied against any part of Subtenant's then existing and then due Rent or Sublandlord may apply such payment against any sum then due or may retain such payment (without interest) as a credit against Subtenant's accruing future obligations.

5.8 Notwithstanding any provision herein to the contrary, in the event Subtenant shall be or become ten (10) days or more delinquent in the payment of any Rent on three (3) or more occasions during the Term, at Sublandlord's option, exercised by fifteen (15) days written notice to Subtenant, Sublandlord may terminate Subtenant's privilege of making monthly installments of Rent and demand and receive Rent due for each year during the remaining Term, in advance, in

one annual payment. This annual payment of Rent shall commence on the date specified in Sublandlord's notice and thereafter the Rent will be payable annually on the anniversary of the date specified in Sublandlord's notice. To the extent that the exact amount of any such Rent is unknown at the time such advance payment is due, Subtenant shall pay Sublandlord's estimate of the same, and Subtenant shall pay or receive a credit for, as applicable, any underpayment or overpayment promptly following year end after such exact amount(s) become known.

6. UTILITIES.

Subtenant shall pay promptly when due, directly to the appropriate utility company, charges for all sewer, water, gas, electrical current, telephone, cable and other utilities (hereinafter collectively referred to as the "Utilities") rendered to or for the benefit of the Premises or any portion thereof including buildings, structures and other improvements thereon during the Term. Sublandlord shall not be liable in damages or otherwise for any failure of a utility company to furnish, or any interruption of, water, sewer, gas, electricity, telephone, cable or any other utility services.

7. MAINTENANCE.

Subtenant shall, at Subtenant's sole expense, continuously and regularly maintain, repair and replace the Premises and all parts, systems and components thereof, including all buildings, structures, utility facilities, landscaping, asphalt, parking areas and all other improvements and fixtures thereon, as well as all of Subtenant's furniture, fixtures and equipment located thereon, and shall keep the same in a safe, clean condition, in as good order and repair as existed on the Effective Date, and in accordance with good standards and practices consistent with a first-class quick-serve restaurant, the Transaction Documents, and all governmental requirements and applicable law. The foregoing shall not be construed to limit any repair or maintenance obligations of the Subtenant under the Prime Lease or the Transaction Documents, all of which Subtenant shall perform or cause to be performed.

8. SECURITY DEPOSIT.

Upon or before the Effective Date, Subtenant shall deliver to Sublandlord the Security Deposit set forth in the Basic Sublease Information to be held by Sublandlord as security for the performance by Subtenant of all Subtenant's obligations pursuant to this Sublease. The Security Deposit may be commingled with other Sublandlord funds, and no interest will be payable to Subtenant. If Subtenant is in default hereunder, Sublandlord may use the Security Deposit, or any portion thereof, to cure the default or to compensate Sublandlord for any damage sustained by Sublandlord resulting from Subtenant's default. Subtenant shall immediately on demand pay to Sublandlord a sum equal to the portion of the Security Deposit expended or applied by Sublandlord as provided in this Section so as to maintain the Security Deposit in the sum initially deposited with Sublandlord. Upon the expiration of this Sublease, any portion of the Security Deposit not applied by Sublandlord to the Subtenant's outstanding obligations shall be returned to Subtenant.

9. INSURANCE

9.1 During the Term, Subtenant shall provide and maintain, at Subtenant's sole expense, the following insurance:

(a) ISO causes of Loss -- Special Form Coverage (formerly known as "all risk") in amounts equal to the full replacement cost of the Premises and all buildings, structures, and improvements located thereon (including any additions in or changes in the Premises or such buildings, structures, or improvements) and Tenant's furniture, fixtures and equipment located thereon as such value may be from time to time during the Term. Such insurance policies shall contain a one hundred percent (100%) replacement cost endorsement and an endorsement which automatically increases coverage as a guard against inflation during the Term;

(b) commercial general liability insurance, on a primary and non-contributory basis, against claims for bodily injury, death or property damage occurring on, in or about the Premises and all buildings, structures, and improvements located thereon and the adjoining streets, sidewalks and passageways, with primary limits of not less than the greater of (i) the amounts required under the Franchise Agreement, or (ii) ONE million dollars ($1,000,000.00) with respect to bodily injury, property damage or death per occurrence, not less than TWO million dollars ($2,000,000.00) aggregate with a FIVE million dollar ($5,000,000.00) per occurrence and aggregate umbrella limit;

(c) workers' compensation insurance or comparable insurance under applicable laws covering all persons employed in connection with any work done on or about the Premises or any building or structure thereon with respect to which claims for death or bodily injury could be asserted against the Prime Landlord, Sublandlord, Subtenant or the Premises;

(d) contractual liability insurance sufficient to cover Subtenant's obligations hereunder;

(e) business interruption insurance providing coverage in an amount sufficient to permit the payment of Rent and any other expenses payable hereunder for a period of not less than twelve (12) months; and

(f) such other amounts and policies of insurance upon or with respect to the Premises, the buildings, structures, or other improvements located thereon, or the operation thereof as are at the time commonly obtained by prudent business operators in the case of property similar thereto, if reasonably requested by Sublandlord.

(g) in the event and to the extent that the Prime Lease shall require any insurance coverage not hereinbefore described and/or insurance coverage with limits higher than those hereinbefore described, Subtenant at its sole cost and expense shall keep and maintain in force during and with respect to the Term all such insurance (both as to types of coverage and limits) as may be required of the Sublandlord under the Prime Lease.

9.2 Other insurance requirements:

(a) All insurance policies provided for hereunder shall be issued by companies licensed to do business in the state where the Premises are located, which such companies shall have a Best's Rating of not less than "A-" (or equivalent rating if such rating system is no longer used). The deductible or self-insured retention under each such insurance policy shall not exceed $15,000.00. Sublandlord, Prime Landlord, and their respective successors and assigns, shall be

named as loss payees on the "all risk" insurance policy and as additional insureds on all insurance policies (as their respective interests may appear), in form acceptable to Sublandlord. Sublandlord shall not be required to prosecute any claim against or to contest any settlement proposed by, any insurer; provided, that Subtenant may, at its expense, prosecute any such claim or contest any such settlement, and in such event Subtenant may bring such prosecution or contest in the name of Subtenant, and Sublandlord will join therein at Subtenant's expense and written request upon the receipt by Sublandlord of an indemnity from Subtenant in form and substance satisfactory to Sublandlord against any and all costs, liabilities and expenses in connection with such prosecution or contest. Subtenant shall not settle any claim for property damage without the consent of Sublandlord, and if required under the Terms of the Premises, of Prime Landlord.

(b) All such insurance policies shall contain an agreement by the insurer that: (i) it will not cancel or modify such policy except after thirty (30) days' prior written notice sent by certified mail to Sublandlord (and shall provide for the right of Sublandlord at its option to pay any premium owing thereunder for the purpose of continuing coverage); (ii) any loss otherwise payable thereunder shall be payable notwithstanding any change in title or other ownership of the Premises; and (iii) such insurance shall not be impaired or invalidated by any act; failure to act or violation of declaration or condition in such policies by Subtenant. Subtenant shall submit to Sublandlord a certificate of insurance or binder for all the insurance coverage required hereunder at the time it executes this Sublease and shall submit to Sublandlord original insurance policies demonstrating Subtenant's full performance of its insurance obligations under this Sublease, together with proof of premium payment, immediately following the execution of this Sublease. Thereafter, Subtenant shall submit to Sublandlord copies of renewal policies with proof of premium payment at least thirty (30) days before the expiration of such policies. Sublandlord's receipt of information whether or not evidence of coverage, shall not affect the respective rights and duties of Sublandlord and Subtenant as they are stated herein.

9.3 If Subtenant fails to obtain or maintain any portion of the insurance during the Term, then Sublandlord may elect to purchase or maintain any or all of such insurance on Subtenant's behalf, and Subtenant shall pay as Additional Rent, upon demand, all costs incurred by Sublandlord in connection with such insurance.

10. WAIVER OF SUBROGATION

Notwithstanding any provision herein to the contrary, Subtenant expressly releases Sublandlord and Prime Landlord from, and waives any rights of recovery that it may have against such parties for, any and all liabilities and expenses for loss, damage or destruction of property resulting from perils (including negligent acts or omissions of such parties and their respective agents, employees, associates or invitees) covered by (i) the insurance which Subtenant is obligated to provide and maintain under this Sublease (whether or not such insurance is actually maintained), or (ii) any other insurance actually maintained by or on behalf of Subtenant; and Subtenant agrees that the company providing such insurance shall have no right of subrogation against the Sublandlord or Prime Landlord.

11. INDEMNIFICATION.

11.1 Subtenant agrees to pay, and to protect, indemnify and hold harmless Sublandlord, Prime Landlord, and their respective parent companies and any company or entity affiliated with Sublandlord or Prime Landlord, and their respective officers, directors, agents and employees (each of the foregoing individually, an "Indemnitee" and collectively, the "Indemnitees") from and against any and all liabilities, losses, damages, costs, expenses (including, without implied limitation, all reasonable attorneys' fees and expenses of an Indemnitee), causes of action, suits, claims, demands or judgments of any nature whatsoever, arising from (a) any injury to, or the death of, any persons or any damage to property on the Premises or upon adjoining sidewalks, parking areas, common areas, streets, or ways, or in any manner growing out of or connected with the use, non-use, condition or occupation of the Premises, any building, structure or other improvement located thereon, or any part thereof, or resulting from the condition thereof or of adjoining sidewalks, parking areas, common areas, streets or ways; (b) violation by Subtenant of any term or provision of this Sublease; (c) violation by Subtenant of any term or provision of the Prime Lease; (d) violation by Subtenant of any contract or agreement to which Subtenant is a party, including the Transaction Documents; (e) violation by Subtenant of any restriction, statute, law, ordinance or regulation, affecting the Premises or any building, structure or other improvement located thereon, or any part thereof or the ownership, occupancy or use thereof, and (f) any matter for which Sublandlord indemnifies Prime Landlord under the Prime Lease. The obligations of Subtenant under this Section relating to events occurring during the Term shall survive the expiration or other termination of this Sublease. The foregoing shall not be construed as an agreement by Subtenant to indemnify Sublandlord against or from the negligence or willful acts of Sublandlord or Sublandlord's agents, servants, employees, or contractors.

11.2 It is specifically agreed that Subtenant shall not be responsible for the discharge and performance of the duties and obligations required to be performed and/or discharged by Sublandlord in connection with the Prime Lease arising prior to the Effective Date.

12. CASUALTY.

If the Premises or any building, structure, or other improvement located thereon is damaged by fire, earthquake or other casualty, Subtenant shall give immediate written notice thereof to Sublandlord. In the event that any damage to or destruction of the Premises or any building, structure, or other improvement located thereon shall occur, the provisions of the Prime Lease concerning damage or destruction shall apply, provided that (i) any cost or expense incurred by Sublandlord thereunder shall be paid by Subtenant, and (ii) regardless of whether the Prime Lease imposes an obligation on the tenant thereunder to repair or restore the Premises or any building, structure, or other improvement located thereon, unless Prime Landlord prohibits such repair or restoration, Subtenant shall be responsible for promptly repairing and restoring all buildings, structures and improvement as well as all of Subtenant's fixtures, furniture, equipment and other personal property, and Sublandlord shall have no liability therefor. Unless the Prime Lease requires otherwise, insurance claims by reason of damage to or destruction of any portion of the Premises or any building, structure, or other improvement located thereon, shall be adjusted by Sublandlord at the election of Sublandlord, but Sublandlord may permit Subtenant to adjust any such loss, with Sublandlord's consent thereto. Without limiting the foregoing, any and all insurance proceeds from such casualty, including those to which Subtenant is entitled to under any

policy, shall be paid to Sublandlord; provided that Sublandlord may release the same to Subtenant for use towards necessary repairs and replacements upon the satisfaction of Sublandlord's requirements and conditions, which may include the deposit of additional funds to the extent necessary to ensure that Sublandlord has funds sufficient to cover the cost of the repairs and replacements. The entire amount of any proceeds released to Subtenant shall be utilized from time to time by Subtenant for payment of the work of rebuilding, replacing and repairing the damage or destruction. If any proceeds of such insurance remain after final payment has been made by Subtenant for such rebuilding, replacement and repair, such remaining proceeds shall be retained by Sublandlord, subject to the requirements of the Prime Lease. In no event shall Subtenant be entitled to a rent abatement in the event of a casualty.

13. CONDEMNATION.

In the event of any condemnation or sale in lieu thereof involving the Premises, the provisions of the Prime Lease shall govern as to the party entitled to receive the award payable in connection with such condemnation or sale in lieu thereof, and Prime Landlord and Sublandlord shall be entitled to awards payable as their respective interest may appear and as may be required under the terms of the Prime Lease. For the avoidance of doubt, Subtenant shall not be entitled to any award or compensation for any such condemnation or sale in lieu thereof unless the same is expressly allocated to Subtenant under the Prime Lease or at law. Subtenant shall be entitled to a rent abatement only to the extent that Sublandlord is entitled to an abatement under the Prime Lease. In the event that the Prime Lease is silent with respect to the allocation of awards or compensation resulting from a condemnation or sale in lieu thereof involving the Premises, Sublandlord and Subtenant may prosecute their respective claims for damages to the extent permitted under this Sublease and the Prime Lease.

14. ALTERATIONS AND/OR REMODELS.

14.1 To the extent allowed, and upon satisfaction of the conditions stated in the Prime Lease, Subtenant shall have the right to make alterations or additions to the Premises and the buildings, structures and other improvements located thereon, with the prior written consent of Sublandlord.

14.2 In the event Subtenant is permitted to make alterations or additions, such additions to and alterations of the buildings, structures or other improvements located on the Premises shall be at Subtenant's sole cost and expense and be made in a good and workmanlike manner and free from defects. Subtenant shall promptly pay all costs and expenses of each such alteration or addition and shall promptly have discharged, released or bonded-off in accordance with applicable law any lien filed against the Premises or the buildings, structures or other improvements located thereon arising out of the same within five (5) days of such filing, and shall pay for all permits and licenses required in connection with any addition or alteration. Such additions or alterations shall be expeditiously completed in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto.

14.3 Subtenant shall promptly pay all costs and expenses of each such addition or alteration and shall discharge all liens filed against the Premises or the buildings, structures or other improvements located thereon arising out of the same, and pay for all permits and licenses required in connection with any such addition or alteration.

14.4 Subtenant shall, at its sole cost and expense, and subject to the provisions of the Prime Lease, perform or cause to be performed all remodeling and upgrading of all buildings, structures or other improvements on and all other portions of the Premises, real and personal, interior and exterior, structural and non-structural, and including without limitation all systems and utilities within the Premises or any building or structure located thereon, as may be necessary or appropriate to keep the Premises and all buildings, structures or other improvements located thereon in compliance with any and all standards imposed by the Transaction Documents.

15. PRIME LEASE PROVISIONS.

15.1 Sublandlord and Subtenant hereby acknowledge and agree that this Sublease is subject and subordinate to the Prime Lease. Subtenant acknowledges having received and reviewed the Prime Lease. Sublandlord agrees to refrain from entering into any amendment to or modification of the Prime Lease that would materially limit the rights granted to Subtenant or materially increase the obligations to Subtenant under this Sublease without obtaining Subtenant's prior written consent not to be unreasonably withheld, and a copy of any amendment or modification of the Prime Lease shall be promptly furnished to Subtenant. Subtenant hereby covenants and agrees that it will observe and perform all of the terms and conditions of the Prime Lease that are imposed upon Sublandlord, as tenant under the Prime Lease, and such terms and conditions shall be deemed to have been incorporated herein as if set forth in full, and if practical, Subtenant shall in good faith endeavor to observe and perform such terms and conditions of the Prime Lease at least five (5) business days prior to the date imposed by the Prime Lease for performance of such terms and conditions. Sublandlord shall have the right, but not the obligation, to enter the Premises and any building, structure or improvement located thereon to cure any default by Subtenant under this Section. Provided that Subtenant timely pays all Rent to Sublandlord as and when due under this Sublease, Sublandlord shall timely pay all rent to Prime Landlord as and when due under the Prime Lease. In addition, the obligations of and restrictions upon the Sublandlord as tenant under the Prime Lease shall constitute the obligations of and restrictions upon the Subtenant under this Sublease, each as and to the extent applicable to the Premises and Subtenant's use, occupation and operation thereof. The rights and remedies of the Prime Landlord under the Prime Lease shall constitute the rights and remedies of the Sublandlord under this Sublease, in addition to the other rights of Sublandlord under this Sublease, each as and to the extent applicable to the Premises. In the event of a conflict between any term, condition or provision of the Prime Lease and this Sublease, or in the event that this Sublease creates additional or greater rights of and remedies to Sublandlord over those granted Prime Landlord in the Prime Lease, or imposes additional or greater restrictions on or obligations of Subtenant over those imposed on Sublandlord as tenant under the Prime Lease, then the terms, conditions and provisions of this Sublease shall govern in all respects the relationship between the Sublandlord and the Subtenant.

15.2 Except as otherwise provided in this Sublease, Sublandlord hereby grants to Subtenant the right to receive all of the services and benefits with respect to the Premises which are to be provided by the Prime Landlord to Sublandlord as the tenant under the Prime Lease; provided however, that Sublandlord reserves the right to exercise, in its sole discretion, any purchase option or right of first refusal or first offer to purchase or lease the Premises under the Prime Lease. Notwithstanding anything herein to the contrary, if the Prime Lease imposes any obligation on the Prime Landlord or if any obligation of Sublandlord under this Sublease is to be performed by Prime Landlord under

the Prime Lease and Prime Landlord fails to perform or delays in performance of such obligation, or otherwise defaults in its obligations under such Prime Lease, then Sublandlord shall have no liability to Subtenant hereunder as a result of such failure except that Sublandlord agrees to use commercially reasonable efforts, upon notice from Subtenant and at Subtenant's expense, to cause Prime Landlord to perform such obligation. Nothing in this Sublease shall or shall be deemed to limit or restrict any right or remedy of the Prime Landlord with respect to the Premises or the Prime Lease.

15.3 Notwithstanding anything to the contrary in this Sublease, any termination of the Prime Lease will cause this Sublease to be terminated immediately before the Prime Lease is terminated and in no event shall the Term under this Sublease exceed the term under the Prime Lease.

15.4 If the Prime Lease grants to Prime Landlord any rights of approval or consent or any similar term, provision or right, and if Subtenant requests from Sublandlord such approval or consent, then such approval or consent of Sublandlord shall not be effective unless and until the Prime Landlord gives its approval or consent, and such approval or consent given by Sublandlord shall contain or be deemed to contain such terms, conditions, limitations or restrictions imposed by Prime Landlord. Subtenant shall pay all costs and expenses and fees of Prime Landlord in connection with requesting such consent. Sublandlord shall use commercially reasonable efforts to obtain such approval or consent of Prime Landlord after Sublandlord has given its approval or consent, upon request of Subtenant and at Subtenant's expense.

15.5 In the event Sublandlord agrees to extend the term of this Sublease beyond the Term (including the Option Terms) or Sublandlord obtains from Prime Landlord for the benefit of Subtenant any amendment or modification of the Prime Lease, including, without limitation, an agreement for rent reduction, or if Sublandlord is required to engage attorneys, counsel, accountants or other consultants in connection with the Prime Lease or this Sublease, then Subtenant agrees to pay and reimburse Sublandlord for any and all of Sublandlord's out-of-pocket expenses incurred in connection therewith as well as any reasonable administrative fees imposed by Sublandlord for addressing any issues related to the Prime Lease and this Sublease. Such administrative fee shall be in addition to Sublandlord's right to be reimbursed by Subtenant for all actual out-of-pocket costs and fees incurred by Sublandlord in connection therewith. Without limiting the foregoing, Subtenant shall also pay all costs, expenses and fees of Prime Landlord in connection with requesting such consent.

16. ASSIGNMENT AND SUBLETTING.

Subtenant shall not transfer, mortgage, hypothecate or assign any of Subtenant's interest in this Sublease or sublet all or any part of the Premises or any building or structure or any portion thereof located thereon without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole discretion, and, if Sublandlord, as tenant under the Prime Lease, must obtain such consent from Prime Landlord, the prior written consent of Prime Landlord. If Sublandlord consents to an assignment or sublease by Subtenant, (i) the original Subtenant hereunder shall remain liable for the performance of all terms, covenants and conditions of this Sublease notwithstanding such assignment, sublease or transfer, and (ii) any rent or other consideration paid to Subtenant (or any sub-subtenant or successor subtenant) in excess of the Rent paid by Subtenant hereunder on a square footage basis shall be promptly paid to Sublandlord. Any change in the

management or control of Subtenant or a transfer of more than 50% of the direct or indirect ownership interests in Subtenant shall be deemed a transfer hereunder and subject to Sublandlord's consent. Sublandlord's consent to any assignment, subletting or transfer shall not be deemed a consent to any subsequent assignment, subletting or transfer.

17. REMOVAL OF SUBTENANT'S PROPERTY.

17.1 Except as otherwise provided in the Prime Lease, and provided Subtenant is not in default hereunder, on or before the last day of this Sublease, Subtenant may remove from the Premises all furniture, trade fixtures, equipment and other personal property belonging to Subtenant (hereinafter referred to as "Subtenant's Property"). Any damage to the Premises or any building or structure or other improvement located thereon caused by such removal of Subtenant's Property shall be repaired in accordance with Section 21 of this Sublease. In no event shall Subtenant's Property which has become permanently affixed to the Premises be removed. Notwithstanding the foregoing, upon expiration or earlier termination of the Term of this Sublease (or upon the earlier termination of Subtenant's right of possession hereunder), Subtenant shall leave at the Premises any and all improvements or other property required to be so left in accordance with the terms of the Prime Lease or this Sublease.

17.2 At the termination of this Sublease, if Subtenant has not removed Subtenant's Property from the Premises, or if this Sublease is terminated by reason of default by Subtenant, Sublandlord may, at its option, either, (a) retain Subtenant's Property as its own without liability for and without compensating Subtenant therefor; or (b) remove Subtenant's Property from the Premises, the costs and expense for such shall be paid in full by Subtenant immediately upon demand by Sublandlord, offset against the Security Deposit, or both to the extent necessary to fully pay said costs and expense.

18. ACCESS TO PREMISES.

In addition to any rights to access set forth in the Prime Lease, Sublandlord, Prime Landlord and their respective agents and employees shall have the right to enter the Premises and any building or structure located thereon in the event of an emergency and at other reasonable times, from time to time, upon reasonable notice under the circumstances to Subtenant (which notice may be oral): (i) to ascertain whether Subtenant is in compliance with the provisions of this Sublease; (ii) to exercise Sublandlord's rights and remedies under this Sublease, the Prime Lease or under law, or Prime Landlord's rights and remedies under the Prime Lease or under law; and (iii) to exhibit the Premises and any building or structure located thereon, to prospective assignees, subtenants or lenders.

19. DEFAULT.

Subtenant shall be in default under this Sublease if Subtenant: (a) fails to pay when due any Rent or other amounts required to be paid under the Sublease; (b) breaches any non-monetary obligation, representation, warranty, or covenant of this Sublease and fails to cure to the satisfaction of Sublandlord such breach within twenty (20) days after Sublandlord's written notice to Subtenant of such breach; (c) assigns, mortgages, sublets, or transfers any interest in the Premises or any part thereof (or any building located thereon) without Sublandlord's prior consent

or otherwise breaches Section 16 of the Sublease; (d) breaches any obligation of Subtenant under Section 4 of this Sublease regarding use of the Premises; (e) causes or allows a default to exist under the Prime Lease for which there is no cure or grace period; (f) causes or allows a default to exist under the Prime Lease for which there is a cure or grace period but which is not cured to the satisfaction of Sublandlord and Prime Landlord within one-half of the time permitted for such cure under the Prime Lease; (g) violates any covenant, term or condition of any agreement the effect of which is to allow Sublandlord to terminate or accelerate the maturity of such agreement before its stated termination or maturity date; (h) shall fail to remedy immediately after receipt of notice from Sublandlord, any hazardous condition which Subtenant has created or suffered in breach of Subtenant's obligations under this Sublease; (i) defaults in the timely performance or payment of any obligation or indebtedness or breaches any of the covenants, representations, warranties, terms, conditions or provisions under any of the Transaction Documents including, without limitation, under any "Sublease" or "Franchise Agreement" (as such terms are defined in the Purchase Agreement), beyond any applicable notice and cure period stated in such documents; (j) fails to comply with any statute, ordinance, rule or regulation of any governmental body; or (k) files or has filed against it a petition in bankruptcy, insolvency, or for reorganization or arrangement pursuant to any Federal or state statute. Such default under (a) through (h) above shall be declared by Sublandlord's or Prime Landlord's giving Subtenant written notice thereof at the notice address specified in the Basic Sublease Information. A default under (i) through (k) above shall occur upon the happening of the event without the need for notice thereof.

20. REMEDIES.

If Subtenant shall default in the performance of its obligations under this Sublease, Sublandlord may exercise any one or more of the following remedies, to the extent permitted by law, or any other legal or equitable remedy permitted under applicable law:

20.1 Sublandlord may terminate this Sublease upon the delivery of notice thereof to Subtenant and Sublandlord shall have the right to immediate possession of the Premises and any building or structure or other improvement thereon and Subtenant shall peacefully surrender possession of the Premises and any building or structure or other improvement thereon to Sublandlord. Subtenant hereby waives any and all rights it may have, at law or in equity, to the receipt of notice of default or demand for forfeiture, except as expressly provided herein. In the event Subtenant holds the Premises over beyond the termination of the Term, Sublandlord shall have the right to recover Sublandlord's cost in recovering possession of the Premises and any building or structure or other improvement located thereon (including, without limitation, attorneys' fees and litigation costs), such amounts as may be permitted under applicable law and any other amounts due and payable to Sublandlord hereunder (including, without limitation, past-due rent).

20.2 Sublandlord, without terminating this Sublease, shall have the right to terminate Subtenant's right to possess the Premises and any building or structure or other improvement located thereon and to recover possession thereof upon the delivery of notice thereof to Subtenant and Subtenant shall peacefully surrender the Premises and any building or structure or other improvement located thereon to Sublandlord. Subtenant hereby waives any and all rights it may have, at law or in equity, to the receipt of notice of default or demand for forfeiture, except as expressly provided herein. Sublandlord, at Sublandlord's option, may cause the Premises and any building or structure or other improvement thereon to be prepared for reletting, and may relet the

Premises or any building or structure or other improvement thereon or any part thereof as agent of Subtenant, for a term to expire prior to, at the same time as, or subsequent to the expiration of the Term, at Sublandlord's option. In the event of such reletting, Sublandlord shall receive the rents therefor, applying the same first, to the repayment of reasonable expenses as Sublandlord may have incurred in connection with said resumption of possession, preparing for reletting and reletting (including, without limitation, remodeling costs, brokerage and attorneys' fees), and, second, to the payment of damages and amounts equal to the Base Rent, any and all percentage rent (which shall be based upon the average gross sales of Subtenant for the twelve (12) full months immediately prior to the Sublandlord's exercise of remedies hereunder) and Additional Rent due hereunder and to the cost of performing the other obligations of Subtenant as herein provided. Subtenant, regardless of whether Sublandlord has relet the Premises or any building thereon, shall pay to Sublandlord damages equal to the Rent herein agreed to be paid by Subtenant less the proceeds of the reletting, if any, and such Rent shall be due and payable by Subtenant on the days on which such Rent is due hereunder.

20.3 To the extent permitted by law, Sublandlord may at its option declare immediately due and payable the entire amount of all Rent due hereunder which Subtenant would be obligated to pay for the remainder of the Term, discounted to present value at the rate of 3% and any such payment (less the net proceeds of reletting as set forth above) shall be credited against Subtenant's obligation to pay Rent due hereunder but otherwise shall not relieve Subtenant from any of its other obligations under this Sublease or the Prime Lease, including the obligation to pay Rent, including percentage rent and Additional Rent.

20.4 Sublandlord may perform for Subtenant any of the obligations Subtenant has agreed to perform hereunder if Subtenant has defaulted in the performance of such obligations. Upon demand, Subtenant shall reimburse Sublandlord for Sublandlord's cost of performing for Subtenant together with interest thereon at the Interest Rate. Any amounts so expended by Sublandlord shall be immediately due and payable and may be recovered by Landlord using any method permitted for the payment of Rent hereunder. The failure of Subtenant to pay such amounts shall entitle Sublandlord to all of the rights and remedies available to it as if Subtenant had defaulted in the payment of Rent, provided, however, that Sublandlord shall have the option to be reimbursed for such amounts by Subtenant through proportional prorated increases in Additional Rent.

20.5 Subtenant shall pay to Sublandlord a late charge equal to four percent (4%) of the amount of any installment of Rent if such installment becomes more than five (5) days past due.

20.6 Subtenant shall pay to Sublandlord, upon demand, interest at the Interest Rate on any past-due payments of Rent due hereunder.

20.7 Sublandlord may exercise any rights allowed Prime Landlord under the Prime Lease.

21. SURRENDER.

Upon the expiration or earlier termination of this Sublease, or upon termination of Subtenant's right of possession hereunder, at any time and for any reason, Subtenant promptly and peaceably shall surrender to Sublandlord the Premises and all buildings, structures and improvements

thereon, together with all improvements, fixtures and equipment belonging to Sublandlord, and/or the Prime Landlord, their agents, servants or employees, "broom clean," in good condition and repair, normal wear and tear excepted, and as may be otherwise required by the Transaction Documents. The foregoing shall apply in the absence of applicable terms and provisions in the Prime Lease, and in the event the Prime Lease contains applicable terms and provisions relating to the condition of the Premises at the time of their surrender, such terms and provisions and this Section 21 shall apply concurrently. In the event Subtenant remains in possession following such events or Prime Landlord refuses to accept the surrender of the Premises due to Subtenant's failure to comply with the foregoing, Subtenant shall occupy the Premises as a tenant from month to month, subject to all the covenants of this Sublease insofar as they are consistent with such a tenancy, except that Subtenant shall be liable for any and all actual damages incurred by Sublandlord as a result of such holdover, and, in addition Rent and percentage rent (if applicable) during such holdover period shall be at the greater of (i) a rate of twice of the amount which would be payable for the last twelve (12) month period preceding the termination or expiration of this Sublease, or (ii) the amount required under the Prime Lease. Notwithstanding anything in this Sublease to the contrary, upon the expiration or earlier termination of this Sublease, or upon termination of Subtenant's right of possession hereunder, Sublandlord shall automatically become the owner of all of the improvements located at the Premises, including all buildings and structures, without requirement for any additional conveyance documentation or consideration; provided, however, that if either party requests delivery of a reasonable bill of sale therefor to confirm such conveyance, the other party shall cooperate in the prompt execution and delivery thereof; further provided, however, that if the Prime Landlord requires the removal of any or all of the improvements located at the Premises, including any building or structure, Subtenant shall be responsible therefor.

22. SUBLANDLORD'S WAIVER.

The failure of either party at any time or from time to time to require strict compliance by the other with the provisions of this Sublease shall neither waive nor prejudice such party's continued right to insist upon the due and timely performance of this Sublease and to avail itself of any and all remedies provided by law or by this Sublease.

23. GOVERNING LAW.

The law applicable to the performance of this Sublease shall be the law of the state where the Premises are located.

24. RECORDING OF SUBLEASE.

This Sublease shall not be recorded; provided, however, that, if not prohibited by the Prime Lease, and subject to the provisions of the Prime Lease, a memorandum hereof in a form reasonably acceptable to the parties shall at the option of either party be recorded at the expense of the Subtenant. Such filing of a separate memorandum in each such county (or subdivision) is made only to record the grant of the subleasehold interest provided by herein and shall not be construed to evidence or effect a separate and distinct transfer of interest as to the Premises apart from the demise of the Premises contained herein.

25. SUBTENANT AS INDEPENDENT CONTRACTOR.

Subtenant is and shall remain an independent contractor and shall have no authority to act as an agent of Sublandlord or power to bind Sublandlord in any manner. This Sublease shall not create any relationship of employer-employee, trustee-beneficiary, principal-agent, partnership or joint venture.

26. NO OTHER ASSURANCES.

Subtenant has entered into this Sublease in reliance upon its provisions and upon the provisions of the Prime Lease, including any amendments, supplements and extensions, and not in reliance upon any alleged assurances, representations and warranties made by Sublandlord, its officers, directors, agents, servants or employees.

27. BROKERS.

Each party represents and warrants to the other that it has not directly or indirectly dealt with any broker or agent relative to this Sublease or had its attention called to the Premises by any broker or agent and agrees to indemnify, defend and hold the other party harmless from and against any and all claims for commission arising out of the indemnifying party's execution and delivery of this Sublease.

28. NOTICES.

Any notices, requests, or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or overnight commercial courier or mailed by United States certified mail, return receipt requested, postage prepaid, and addressed to each party at its address as set forth in Section 1.9 of the Basic Sublease Information. Any such notices, requests or other communications shall be considered given or delivered, as the case may be (a) on the date of hand delivery, (b) on the second (2^{nd}) day following the date of deposit in the United States mail, or (c) on the next business day after the date of deposit with an overnight commercial courier as provided above. Rejection or other refusal to accept or inability to deliver because of change of address of which no notice was given shall be deemed to be receipt of the notice, request, or other communication. By giving at least five (5) days prior written notice thereof to the other parties, a party hereto may from time to time and at any time change its mailing address.

29. INTERPRETATION.

When the context so requires, words of any gender used in this Sublease shall be held to include any other gender and words in the singular shall be held to include the plural. "Subtenant" shall include the heirs, executors, administrators and personal representatives of any individual Subtenant as well as Subtenant's assigns (subject to Sublandlord's prior written consent) and the successor of any incorporated Subtenant unless the context precludes such construction. The captions or headings of particular paragraphs or parts of this Sublease are inserted for convenience only and shall not affect the meaning of this Sublease as a whole, or any paragraph or any part of it. If any term or provision of this Sublease or the application hereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application

of such term or provision to persons whose circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

30. AMENDMENT.

No alleged modifications, termination or waiver of this Sublease shall be binding unless it is set out in writing and signed by the party against whom or which it is sought to be enforced. Any document or writing to be binding on Sublandlord, whether this Sublease or any amendment, supplement or extension, must be signed by both Subtenant and Sublandlord, the latter acting through an authorized officer. In the event that a broker is retained by Sublandlord or Subtenant for the negotiation of any amendment to this Sublease, Subtenant agrees to pay any related fees charged by the broker in connection therewith. Subtenant shall not engage with Prime Landlord to negotiate the terms of an amendment to this Sublease without the prior written consent of Sublandlord, unless, pursuant to a written instrument between Sublandlord and Prime Landlord, the Prime Landlord has agreed to engage in negotiations for Subtenant to become the tenant of Prime Landlord for the Premises, provided, however, that if Sublandlord provides written notice to Subtenant of its sole determination that such negotiations between Subtenant and Prime Landlord have failed, Subtenant shall no longer be permitted to so engage with Prime Landlord.

31. SOLE UNDERSTANDING OF PARTIES.

This Sublease, the Transaction Documents and related documents, instruments and agreements, contain the entire understanding between the parties with respect to their respective subject matter, the Premises, and all aspects of the relationship between Subtenant and Sublandlord.

32. COUNTERPART AND ELECTRONIC SIGNATURES.

This Sublease may be signed in any number of counterparts and by facsimile or email, in which case, any and all copies shall be deemed and original and all counterparts shall be taken together to form a single document.

33. ESTOPPEL CERTIFICATES.

Subtenant agrees from time to time, within seven (7) days after written request by Sublandlord, to execute, acknowledge and deliver to Sublandlord an estoppel certificate in favor of Sublandlord, Prime Landlord, or a mortgagee, lender or potential transferee thereof, on a form reasonably satisfactory to the party requesting the same, certifying the following as true and correct (or if not so, then the facts and circumstances that are true and correct): (i) that this Sublease is unmodified and in full force and effect (or, if there have been any modifications, that this Sublease is in full force and effect as modified and stating the modifications); (ii) that Subtenant has no defenses, offsets or counterclaims against Sublandlord entitling Subtenant to not pay Rent (or, if there are any defenses, offsets or counterclaims, setting them forth in reasonable detail); (iii) that there are no uncured defaults of Sublandlord or Subtenant under this Sublease (or, if there are any defaults, setting them forth in reasonable detail); (iv) the dates to which the Rent has been paid; and (v) such other reasonable matters as may be requested in such estoppel certificate.

34. SUBORDINATION; TRANSFER OF SUBLANDLORD'S INTEREST.

Sublandlord shall have the absolute right from time to time to encumber the Premises and/or Sublandlord's interest under this Sublease, or to otherwise transfer its rights under the Prime Lease or Sublease, and in the event of such transfer, Sublandlord shall have no further obligation to Subtenant. The rights of Subtenant under this Sublease shall be subject and subordinate at all times to the lien of any mortgage, deed of trust or other encumbrance or lien now or hereafter in force encumbering the Premises, the Prime Lease or Sublandlord's interest under this Sublease. If any such mortgage or deed of trust or encumbrance shall be foreclosed, at the election of the holder thereof, Subtenant will attorn to the transferee at any foreclosure sale thereunder, or transfer in lieu of foreclosure, and will execute such instruments as may be necessary or appropriate to evidence such attornment. In connection with any mortgage or deed of trust or encumbrance hereafter executed by Sublandlord, Subtenant agrees to comply with any assignment of rents executed by Sublandlord providing for direct payment of the Rent hereunder to the holder of such assignment. The subordination provision of this Sublease to any mortgage or deed of trust is self-executing, and no further instrument is required to evidence such subordination except as provided in this Section; provided, however, that Subtenant will execute and deliver to Sublandlord, within ten (10) days after demand by Sublandlord, such documents to confirm or evidence any such subordination, including such additional provisions as may be required by such lender.

35. SURVIVAL.

Except as otherwise set forth in this Sublease, any obligations of Subtenant or Sublandlord (including, without limitation, rental or other monetary obligations, repair obligations and obligations to indemnify) shall survive the expiration or earlier termination of this Sublease and Subtenant shall immediately reimburse Sublandlord for any expense incurred by Sublandlord in curing Subtenant's failure to satisfy any such obligation (notwithstanding the fact that such cure might be affected by Sublandlord following the expiration or earlier termination of this Sublease).

36. GUARANTEE.

Sublandlord shall have no obligations under this Sublease unless and until each of _____ and his or her spouse, as applicable, has executed and delivered to Sublandlord a Guarantee in substantially the form as Exhibit C attached hereto and made a part hereof by this reference, it being agreed and understood that such Guarantee is a condition precedent to Sublandlord's willingness to proceed with the transaction hereunder.

37. OFAC CERTIFICATION.

Each party certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity, or nation. The parties hereby agree to defend,

indemnify, and hold harmless each other from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

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IN WITNESS WHEREOF, the undersigned have executed this Sublease as of the Effective Date.

SUBLANDLORD:
HARDEE'S RESTAURANTS LLC
a Delaware limited liability company

By: _____

Name: _____

Title: _____

SUBTENANT:

By: _____

Name: _____

Title: _____

EXHIBIT A

Description of Premises

Subject to real estate taxes and assessments and personal property taxes for the current year, as well as being specifically subject to all covenants, conditions, restrictions, reservations, easements and encumbrances and other matters of public record, zoning regulations, mineral rights reserved or conveyed to others, public and private rights-of-way, special exceptions which would appear on a title commitment which are not of public record, as well as matters which would be revealed by a current, accurate survey of the Premises, including, without limitation, any boundary overlaps or acreage shortages

EXHIBIT B

Form Option Term Notice

Via Email and [*Delivery Method*]
[*Subtenant Entity*]
[*Notice Address*]

[*Date*]

RE: Notice of Election to [Not] Exercise of Option to Extend Term for Hardee's Unit [*Unit Number*] Located at [*Restaurant Address*]

To Whom is May Concern,

I am writing to inform Hardee's Restaurants LLC, a Delaware limited liability company ("Sublandlord"), that [*Subtenant Entity*], a [*State*] [*Entity Type*] ("Subtenant"), is hereby [electing not to exercise / exercising] its option to extend the term of that certain Sublease by and between Sublandlord and Subtenant dated as of [*Effective Date*] (the "Sublease") by delivery of this letter in conformity with the terms thereof.

As a result of this letter, the term of the Sublease shall [no longer] expire on [*Expiration Date of Current Term*] [, and the term of the Sublease shall expire on [*Expiration Date of Option Term*]].

Sincerely,

[*Signature*]
[*Subtenant Entity*]

EXHIBIT C

GUARANTEE

In consideration of, and as an inducement for the granting, execution and delivery of the Sublease Agreement, dated _____ (the "Sublease"), by and between Hardee's Restaurants LLC, a Delaware limited liability company ("Sublandlord") and _____, a _____ ("Subtenant"), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned ("Guarantor", which term shall be deemed to include the undersigned guarantor(s) and its/their heirs, successors and assigns) does hereby (jointly and severally, if executed by two or more guarantors) guarantee, absolutely and unconditionally, to Sublandlord and its successors and assigns the full and prompt payment of Rent and all other charges and sums (including, without limitation, Sublandlord's legal expenses and attorney's fees and disbursements) payable by Subtenant under the Sublease, and hereby further guarantees the full and timely performance and observance of all the covenants, terms, conditions, and agreements therein provided to be performed and observed by Subtenant; and Guarantor hereby covenants and agrees to and with Sublandlord that if default shall at any time be made by Subtenant in the payment of any Rent or other charges and sums, or if Subtenant should default in the performance and observance of any other terms, covenants and conditions contained in the Sublease, Guarantor shall and will forthwith pay Rent and all other charges and sums, to Sublandlord and any arrears thereof, and shall and will forthwith faithfully perform and fulfill all of such terms, covenants and conditions and will forthwith pay to Sublandlord all damages that may arise in consequence of any default by Subtenant under the Sublease, including, without limitation, all reasonable attorney's fees and disbursements incurred by Sublandlord or caused by any such default or the enforcement of this Guarantee.

This Guarantee is an absolute and unconditional Guarantee of payment (and not of collection) and of performance. The liability of Guarantor is joint, several and co-extensive with that of Subtenant and this Guarantee shall be enforceable against Guarantor without the necessity of any suit or proceeding on Sublandlord's part of any kind or nature whatsoever against Subtenant and without the necessity of any notice of nonpayment, non-performance or non-observance or of any notice of acceptance of this Guarantee or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives. Guarantor hereby expressly agrees that the validity of this Guarantee and the obligations of Guarantor hereunder shall in no way be terminated, affected diminished or impaired by reason of (a) the assertion or the failure to assert any of the rights or remedies reserved by Sublandlord against Subtenant pursuant to the terms, covenants and conditions of the Sublease, or (b) any non-liability of Subtenant under the Sublease, whether by insolvency, discharge in bankruptcy or any other similar defect or defense which may now or hereafter exist in favor of Subtenant.

This Guarantee shall be a continuing Guarantee, and the liability of Guarantor hereunder shall in no way be affected, modified or diminished by reason of (a) any assignment, renewal, modification, amendment or extension of the Sublease, or (b) any modification or waiver of or change in any of the terms, covenants and conditions of the Sublease by Sublandlord and Subtenant, or (c) any extension of time that may be granted by Sublandlord to Subtenant, or (d) any consent, release, indulgence or other action, inaction or omission under or in respect of the Sublease, or (e) any dealings or transactions of matter or thing occurring between Sublandlord and Subtenant, or (f) any bankruptcy, insolvency, reorganization, liquidation, arrangement, assignment for the benefit of creditors, receivership, trusteeship or similar proceeding affecting Subtenant, whether or not notice thereof is given to Guarantor. Guarantor expressly waives the right to require Sublandlord to take action against Subtenant.

Should Sublandlord be obligated by any bankruptcy or other law to repay to Subtenant or to Guarantor or to any trustee, receiver or other representative of either of them, any amounts previously paid, this Guarantee shall be reinstated in the amount of such repayments. Sublandlord shall not be required to litigate or otherwise dispute its obligations to make such repayments if it in good faith believes that such obligation exists.

No delay on the part of Sublandlord in exercising any rights, power or privilege under this Guarantee or failure to exercise the same shall operate as a waiver of or otherwise affect any such right, power or privilege, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

No waiver or modification of any provision of this Guarantee nor any termination of this Guarantee shall be effective unless in writing and signed by Sublandlord, nor shall any such waiver be applicable except to the specific instance for which given.

All of Sublandlord's rights and remedies under the Sublease and under this Guarantee, now or hereafter existing at law or in equity or by statute or otherwise, are intended to be distinct, separate and cumulative and no exercise or partial exercise of any such right or remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any of the other rights or remedies herein or therein.

Guarantor agrees that whenever at any time or from time to time Guarantor shall make any payment to Sublandlord or perform or fulfill any terms, covenant or condition hereunder on account of the liability of Guarantor hereunder, Guarantor will notify Sublandlord in writing that such payment or performance, as the case may be, is for such purpose. No such payment or performance by Guarantor pursuant to any provision hereof shall entitle Guarantor by subrogation or otherwise to the rights of Sublandlord against Subtenant, or any other claim against Subtenant for such amounts, unless and until payment of all sums or fulfillment of all covenants, terms, conditions or agreements to be paid or performed by Subtenant.

Guarantor agrees that it will, at any time and from time to time, within ten (10) business days following written request by Sublandlord, execute, acknowledge and deliver to Sublandlord a statement certifying that this Guarantee is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modification). Guarantor agrees that such certificate may be relied on by anyone holding or proposing to acquire any interest in the Premises (as defined in the Sublease) from or through Sublandlord or by any mortgagee (as defined in the Sublease) or prospective mortgagee or landlord of the Premises or of any interest therein.

This Guarantee may be executed in any number of counterparts each of which shall be an original, and such counterparts shall together constitute one and the same instrument. This Guarantee may also be executed and transmitted by facsimile or by electronic mail, in which event, the same shall have the same force and effect as an originally executed document.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has duly executed this Guarantee as of the ___ day of_____, 20__.

GUARANTOR:

_____ _____

_____ _____

_____ _____

[Add notary blocks]

EXHIBIT P

EFFECTIVE DATES PAGE

STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
California	EXEMPT
Illinois	EXEMPT
Indiana	[PENDING]
Maryland	[PENDING]
Michigan	[PENDING]
Minnesota	[PENDING]
New York	EXEMPT
North Dakota	[PENDING]
South Dakota	[PENDING]
Virginia	[PENDING]
Washington	[PENDING]
Wisconsin	[PENDING]

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

RECEIPT

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

If HR offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires HR to give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. 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. If HR does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state administrator listed in Exhibit A.

Franchise Seller Information: Name - John Mayes; Address - 6700 Tower Circle, Suite 1000, Franklin, TN 37067; and Telephone Number - (615) 538-9152.

We authorize the respective state agencies identified on Exhibit B to receive service of process for us in the particular state.

Issuance Date: May 24, 2025

I have received a disclosure document issued on May 24, 2025. This disclosure document included the following exhibits: A. List of State Administrators; B. Agents for Service of Process; C. Development Agreement; D. Franchise Agreement; E-1. Software Support Agreement for PAR Brink and CrunchTime; E-2 Star Academy License Agreement; E-3 OLO Authorized Operator Agreement; F. Operation Procedures Manual Table of Contents; G. List of Franchisees That Closed/Transferred Franchised Restaurants in Last Fiscal Year; H. List of Franchisees and Franchised Locations; I. Addenda Required by Certain States; J. Financial Statements; K. Development Incentive Program Addendum to Franchise Agreement; L. Renewal Addendum (SLA Renewal, 1975 to SLA Renewal); M. Confidentiality Agreement; N. Asset Purchase Agreement; O. Sublease; and P. State Effective Dates Page.

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To be retained by you

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To be returned to Hardee's Restaurants LLC