

FRANCHISE DISCLOSURE DOCUMENT



Checkers Drive-In Restaurants, Inc.

4300 West Cypress Street, Suite 600

Tampa, Florida 33607

(813) 283-7000

www.checkers.com

www.rallys.com

The franchise offered is to operate a Checkers Restaurant or Rally's Restaurant featuring a limited menu of hamburgers, cheeseburgers, hot dogs and other menu items.

The total investment necessary to begin operation of a Checkers Restaurant or Rally's Restaurant (excluding real estate and related costs) is: \$639,998 to \$2,269,999 for a modular design drive-thru restaurant; \$1,524,000 to \$1,622,000 for a conversion restaurant; \$1,013,455 to \$2,777,950 for a site built restaurant; \$383,370 to \$915,769 for an endcap restaurant; \$ 601,725 to \$1,066,979 for an in-line restaurant in a high-density market; and \$192,052 to \$833,544 for a gas station/convenience store, Non-Traditional, or Walmart restaurant. This includes \$45,000 to \$55,000 that must be paid to the franchisor or an affiliate, plus \$10,000 for each additional restaurant that you agree to develop under a development agreement with us.

This disclosure document summarizes certain provisions of your franchise agreement and other agreements and 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 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 disclosure in different formats, contact Eileen Himer at 4300 West Cypress Street, Suite 600, Tampa, Florida 33607, or at (813) 283-7000.

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

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

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

Date of Issuance: August 16, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits F and G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit H 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 Checkers or Rally's business in my area?	Item 12 and the "territory" provisions in the distribution 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 Checkers or Rally's franchisee?	Item 20 or Exhibits F and G list 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.
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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 distribution 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 distribution 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 distribution agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your distribution agreement. If so, you should check the State

Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Development Agreement require you to resolve disputes with the franchisor by arbitration or litigation only in Florida. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Florida than in your own state.
2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

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.

TABLE OF CONTENTS

	<u>Page</u>
ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE	6
ITEM 3 LITIGATION	7
ITEM 4 BANKRUPTCY	8
ITEM 5 INITIAL FEES	9
ITEM 6 OTHER FEES	13
ITEM 7 ESTIMATED INITIAL INVESTMENT	21
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	30
ITEM 9 FRANCHISEE'S OBLIGATIONS	36
ITEM 10 FINANCING	38
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	38
ITEM 12 TERRITORY	48
ITEM 13 TRADEMARKS	52
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	54
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	56
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	57
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	58
ITEM 18 PUBLIC FIGURES	63
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	63
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	70
ITEM 21 FINANCIAL STATEMENTS	83
ITEM 22 CONTRACTS	84
ITEM 23 RECEIPTS	84

TABLE OF CONTENTS

EXHIBITS

A	LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS
B	FRANCHISE AGREEMENT
B-1	EXISTING FRANCHISEE INCENTIVE ADDENDUM
B-2	2023 GROWTH INCENTIVE ADDENDUM
B-3	NON-TRADITIONAL SITE ADDENDUM
B-4	VET FRAN INCENTIVE ADDENDUM
B-5	WOMEN BUSINESS OWNER INCENTIVE ADDENDUM
C	DEVELOPMENT AGREEMENT
D	OPERATIONS MANUAL TABLE OF CONTENTS
E	ELECTRONIC PAYMENT AUTHORIZATION
F	LIST OF CURRENT FRANCHISEES
G	LIST OF FORMER FRANCHISEES
H	FINANCIAL STATEMENTS
I	DISCLOSURE ADDENDA FOR REGISTRATION STATES
J	AGREEMENT RIDERS FOR REGISTRATION STATES
K	SAMPLE GENERAL RELEASE

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Unless the context otherwise requires, all references to “Checkers,” “Rally’s,” “we,” “us,” or “our” refer to Checkers Drive-In Restaurants, Inc. and all references to “Franchisee,” “you,” or “your” refer to the person who is granted the right to operate a “Checkers” or “Rally’s” franchise, as is applicable. If you are a corporation, limited liability company, partnership or any other type of legal entity, the provisions of the Franchise Agreement (and, if applicable, the Development Agreement) also apply to your owners by virtue of the requirement that all your owners personally guarantee, and be personally bound by, your obligations under the Franchise Agreement (or, if applicable, the Development Agreement).

The Franchisor

Checkers is a Delaware corporation incorporated in September 1991. We conduct business under our corporate name and the names “Checkers” and “Rally’s.” Our principal business address is 4300 West Cypress Street, Suite 600, Tampa, Florida 33607. Our agents for service of process are listed in Exhibit A.

We own, operate and franchise restaurants under the “Checkers” name (collectively, “Checkers Restaurants”) and under the “Rally’s” name (collectively, “Rally’s Restaurants”) and associated trademarks, service marks, trade dress, and other commercial symbols that we currently (or may in the future) authorize to identify, promote, and operate Checkers Restaurants and Rally’s Restaurants, as is applicable, and/or any services or products offered by Checkers Restaurants or Rally’s Restaurants, including the mark CHECKERS® for Checkers Restaurants and RALLY’S® for Rally’s Restaurants, and our distinctive building design and color scheme (collectively, the “Marks”) and the System (defined below). We refer to Checkers Restaurants and Rally’s Restaurants collectively as “Restaurants” in this Franchise Disclosure Document.

We have developed and own a comprehensive system for developing and operating Restaurants that incorporates the business methods, designs and arrangements, the Marks, building designs and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food products, methods of inventory control and certain operating and business standards and policies, all of which we may improve, further develop or otherwise modify at any time and from time to time (collectively, the “System”).

We have owned, operated and franchised Checkers Restaurants since 1991. We have owned, operated and franchised Rally’s Restaurants since our merger with Rally’s Hamburgers, Inc. in August 1999. Before that, our predecessor, Rally’s Hamburgers, Inc., owned and operated Rally’s restaurants since 1985 and offered franchises for Rally’s Restaurants since 1986. We are engaged only in business activities that relate to Restaurants and have not offered franchises in other lines of business.

Parent and Affiliate Companies

We are owned by Checkers Holdings, Inc. (“Checkers Holdings”) a Delaware corporation incorporated in January 2014. On April 25, 2017, Checkers Holdings completed a merger with Burger Bossco, Inc., a Delaware corporation and a wholly owned subsidiary of Burger BossCo Intermediate, Inc., a Delaware corporation (“Parent”), with Checkers

Holdings surviving the merger. On June 16, 2023, we entered into a recapitalization agreement (the “Recapitalization Agreement”) under which our former parent company, Burger BossCo Holdings Inc., a Delaware corporation (“BossCo Holdings”) transferred its interest in Parent and Checkers Holdings, Inc., a Delaware corporation to Checkers Topco, LLC, a Delaware limited liability company (“New Parent”).

Parent’s and New Parent’s principal business address is 4300 West Cypress Street, Suite 600, Tampa, Florida 33607. Neither Parent nor New Parent operates businesses of the type being franchised under this Disclosure Document, and neither have offered franchises for Restaurants or franchises for any other line of business.

Our affiliate, Checkers/Rally's National Production Fund, Inc., is a Florida not for profit corporation that shares our principal address (“NPF Inc.”). We entered into a services agreement with NPF Inc. to provide certain services to us and our franchisees, including to assist us in administering the NPF and to help us advertise Restaurants (as discussed in Item 11).

Our affiliate, Checkers/Rally's Distribution and Services, Inc. is a Florida not for profit corporation that shares our principal address (“CDSI”). We entered into a services agreement with CDSI to provide certain operational services to us and our franchisees, including assistance with customer service programs, price management programs, supply chain management and quality assurance tests. Neither NPF Inc. nor CDSI operates businesses of the type being franchised under this Disclosure Document, and neither have offered franchises for Restaurants or franchises for any other line of business.

Our Business

Restaurant Concept

The Checkers Restaurant concept was founded in 1986 in Mobile, Alabama with a mission to provide guests with a bold and flavorful alternative to the standard burgers served by large hamburger quick service restaurant (“HQSR”) chains. The Rally’s Restaurant concept was founded in 1985 in Louisville, Kentucky. Rally’s Restaurants are quick-service restaurants that are highly similar in format and menu offerings to Checkers Restaurants. We have always focused on and continue to provide a differentiated menu with a robust made-to-order offering, delivered to guests at an exceptional value.

In addition to offering burgers, sandwiches and our signature “Famous Seasoned Fries”, we believe we appeal to our guests by offering an innovative menu with a variety of new products introduced on a regular basis. Additionally, we offer products that create new dining occasions for customers, such as our distinctive dessert menu offerings which may include layered sundaes, slushies, milkshakes, funnel cake fries, apple pies and ice cream cones. We further differentiate ourselves from our HQSR competitors through our focus on the late-night day-part. We have achieved late-night success by virtue of our convenient dual drive-thru and highly recognizable restaurant fronts, flavor-packed menu and focus on operational excellence.

Over our history, we have established a differentiated position in the HQSR market based on an orientation towards convenience. With our restaurant building footprint averaging approximately 1,008 square feet due to our drive-thru format, our restaurants are

highly productive (See Items 7 and 19). To enhance the brand and attract franchise investment, we have introduced a variety of additional building formats that allow our brand to enter new trade areas with minimal capital requirements.

Our management team adheres to a metrics-driven management philosophy supported by investment in systems designed to promote operational efficiency at the restaurant level through the implementation of best practices across the franchise network and System. By introducing financial and operational tools, competitive research, and price revenue models formed from menu-based conjoint consumer price elasticities, sophisticated drive-thru timers designed to improve speed of service and metrics to monitor variances related to ideal food, paper and labor costs, we have enhanced all aspects of our operations.

Quick Service Restaurant (“QSR”) Industry

The fast-food restaurant industry is a highly competitive and developed market, which can be affected significantly by many factors, including changes in local, regional or national economic conditions, changes in consumer tastes, consumer concerns about the nutritional quality of quick-service food and increases in the number of, and particular locations of, competing fast-food restaurants. Various factors can adversely affect the fast-food restaurant industry, including inflation, increases in food, labor and energy costs, the availability and cost of suitable sites, fluctuating interest and insurance rates, state and local regulations and licensing requirements and the availability of an adequate number of hourly-paid employees. In addition, other fast-food chains with greater financial resources have similar or competing operating concepts. Major chains, which also have substantially greater financial resources and longer operating histories, dominate the fast food restaurant industry. We compete primarily on the basis of food quality, price and speed of service.

Restaurant Designs

Our prototypical Restaurant is designed to allow automobiles to be serviced from both sides of the restaurant, with walk-up window service capabilities.

There are numerous formats we have approved for Restaurants. Our prototypical Restaurant is the freestanding dual drive-thru format with walk-up window, which is available in a modular format which is manufactured and shipped to the Premises (defined below). This restaurant format is approximately 1,008 square feet in size (plus patio seating), which requires a site of 19,080 to 30,000 square feet.

You may also construct a drive-thru restaurant of approximately 1,008 square feet (plus patio seating) on a site of approximately 19,080 to 30,000 square feet.

Conversion of existing freestanding restaurants from other brands is also allowed, provided our distinctive trade dress is incorporated. The size of such existing restaurants is estimated at 800 to 3,000 square feet (with interior dining area) on sites of 13,000 to 30,000 square feet.

In certain instances, you may also use a strip-center endcap location, provided it has a proper drive-thru lane and our distinctive trade dress is incorporated. This restaurant format typically is 1,200 to 3,000 square feet in size, including an interior dining area.

In high density markets you may also develop in-line restaurants without any drive-thru lane(s) or restaurants at a Non-Traditional Site (defined below), such as a Walmart; however, our distinctive trade dress is to be incorporated to the maximum level allowed by local government. Such restaurants are estimated to be 700 to 3,500 square feet with an interior dining area.

Restaurants may also be located at “Non-Traditional Sites,” which are any sites, locations or venues that independently generate customer traffic flow separate from the general customer traffic flow of the surrounding area, or by their nature are not tied to a particular physical location, including, by way of example only, the following: military bases; large big-box retail outlets (such as a Walmart retail store); transportation-related venues (e.g., airports, train or bus stations, marinas, travel plazas or toll roads); sports or entertainment venues (e.g., stadiums, arenas, concert halls); major industrial or office complexes, hotels, educational facilities (e.g., school, college, and university campuses); casinos; hospitals and related rehabilitation or healthcare facilities; governmental institutions; amusement or recreational facilities (e.g., theme parks, outdoor municipal parks, zoos, or museums); grocery stores or departments stores; mobile-based channels of distribution (e.g., roving food trucks); and any co-branding locations or business endeavors where a Restaurant’s operations are inextricably associated with, or such operations are contained within or sharing the same physical building or operational premises as, another business (such as, for example and without limitation, a gas station/convenience store or another restaurant concept).

All Restaurants are equipped with computerized point-of-sale systems, drive-thru timers and software to provide detailed performance reporting, as well as tracking of speed of service, guest satisfaction, management of inventory and labor scheduling.

Industry Laws and Regulations

You should consider that certain aspects of any restaurant business are regulated by federal, state and local laws, rules and ordinances in addition to the laws, regulations and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws and state law equivalents, the Affordable Care Act, the Occupational Safety and Health Act, data protection (such as credit card protection under the U.S. Fair and Accurate Credit Transactions Act, or “FACTA”) and privacy laws. The Environmental Protection Agency, U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local environmental and health departments and other agencies, have laws and regulations concerning the preparation of food and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and certain state laws, some state and local areas are required to attain, by the applicable statutory guidelines, the national quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of such laws impose limits on emissions resulting from commercial food preparation.

The Franchise Offered

We offer qualified persons the right to own and operate a Checkers Restaurant or Rally’s Restaurant at a location to be agreed upon under our standard form franchise agreement (the “Franchise Agreement”). A copy of the Franchise Agreement is attached as

Exhibit B. If you sign a Franchise Agreement to acquire a Checkers franchise or Rally's franchise, then you will have the right to establish and operate your Checkers Restaurant or Rally's Restaurant (each referred to as the "Franchised Restaurant") at the location we approve (the "Premises").

We offer qualified persons the right to develop multiple Restaurants within a specific geographic area. We have included in this Franchise Disclosure Document relevant information about our standard form development agreement (the "Development Agreement"). A copy of the Development Agreement is attached as Exhibit C. The Development Agreement requires you to open an agreed-upon number of Checkers Restaurants or Rally's Restaurants in accordance with a development schedule and to sign our then-current form of franchise agreement (which may from the current form of Franchise Agreement included with this Franchise Disclosure Document) prior to each Franchised Restaurant you open.

We may offer for sale, and sell as franchises, some company-owned Checkers Restaurants or Rally's Restaurants in certain geographic areas. In connection with these franchise transactions, we may retain franchise or business brokers to negotiate with a prospective franchisee to reach mutually acceptable terms of a separate sale of assets agreement and any sale, lease or sublease of the real estate. In addition, a Franchise Agreement for the purchased restaurant(s) will have to be signed (which, in addition to the normal initial franchise fee, will require payment of a \$10,000 asset transfer fee – See Item 5) and, possibly, also a Development Agreement for the further development of Checkers Restaurants or Rally's Restaurants in the geographical area where the purchased restaurant(s) is/are located. Depending on the circumstances, we also may vary the financial and other terms of our Franchise Agreement and Development Agreement in connection with the sale of company-owned Checkers Restaurants or Rally's Restaurants.

We also may offer franchises for Restaurants in foreign countries. This Franchise Disclosure Document does not describe the terms of any international franchise relationship.

In 1997, in response to certain issues raised by several Rally's franchisees in California and Arizona, and in a mutual effort to avoid a protracted dispute, we agreed to a material modification of the franchise agreements with the affected California and Arizona Rally's franchisees. The Rally's franchisees are referred to as the "Western Licensees," and they have agreed to execute license agreements to replace their franchise agreements. Under the "Western License Agreement," the Western Licensees will pay a reduced royalty (1% of Net Sales), and we have agreed that the services that we are obligated to provide to them will be materially different from, and will be substantially less than, the services that we provide to franchisees under the Franchise Agreement. Under the Western License Agreement, those Rally's franchisees who elect to obtain advertising material from our advertising agency will pay a license fee of 2% of Net Sales. We do not offer new or additional Western License Agreements as part of this Franchise Disclosure Document.

Incentive Programs and Sales Promotions

At our discretion, we periodically implement development incentive programs or other franchise sales promotions to increase the expansion of Restaurants among existing franchisees and new prospective franchisees. Our current incentive programs and sales

promotions as of this document's issuance date include the following for the calendar year 2024: (1) the Existing Franchisee Incentive; (2) the 2024 Growth Incentive; (3) the Vet Fran Incentive; (4) the Women Business Owner Incentive; and (5) the Franchisee Referral Bonus Policy. We describe these incentives and promotions in greater detail in Items 5 and 6 below.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer and President: Frances Allen

Frances Allen joined us as Chief Executive Officer and President in February 2020. In April 2024, Ms. Allen announced that she will step down from these positions effective September 2024. Ms. Allen previously served as the Chief Executive Officer for Boston Market from May 2018 to February 2020, which was located in Golden, Colorado. Prior to working at Boston Market, she served as Brand President at Jack in the Box located in San Diego, California from November 2014 to February 2018.

Chief Financial Officer: Michael Blair

Michael Blair has served as our Chief Financial Officer since November 2023. From July 2019 to August 2023, he was the Chief Financial and Administrative Officer for Miller's Ale House Restaurants in Orlando, Florida. From January 2018 to July 2019, he was International Chief Financial Officer for Bloomin' Brands, Inc. in Tampa, Florida.

Chief Legal Officer and Secretary: Vincent C. Brockman

Vincent C. Brockman has served as our Chief Legal Officer since December 2020 and our Secretary since August 2013. From August 2013 until January 2024, he was our Senior Vice President and General Counsel.

Chief Information Officer and Senior Vice President: Minh Le

Minh Le has served as our Chief Information Officer and Senior Vice President since July 2019. Before joining us, Mr. Le served as Senior Vice President IT for CBC Restaurant Corp. in Dallas, Texas from December 2015 to July 2019.

Chief Restaurant Officer: Alvaro DePalleja

Alvaro DePalleja has served as our Chief Restaurant Officer since September 2023. From December 2019 to September 2023, Mr. DePalleja served as our Vice President of Company Restaurants. Before that, Mr. DePalleja served as our Senior Company Operations Director from December 2010 to December 2019.

Chief Supply Chain Officer: Christopher Ward

Christopher Ward has served as our Chief Supply Chain Officer since September 2023. From August 2020 to September 2023, Mr. Ward was our Vice President of Supply Chain. Before joining us, Mr. Ward served as Vice President of Supply Chain for Boston Market Corporation in Golden, Colorado from August 2018 to August 2020.

Chief Marketing Officer: Scott Johnson

Scott Johnson has served as our Chief Marketing Officer since November 2023. Before that role, Mr. Johnson served as Head of Marketing, Smashburger & JFCNA for the Jollibee Group of Companies in Denver, Colorado from July 2019 to November 2023. From April 2016 to July 2019, he was Vice President and Head of Global Marketing for BurgerFi in North Palm Beach, Florida.

Vice President of Development: Kristen McDonald

Kristen McDonald has served as our Vice President of Development since April 2020. From May 2019 to April 2020, Ms. McDonald served as our Senior Director of Real Estate and Construction, and from October 2017 to May 2019, she served as our Director of Real Estate.

Vice President of Franchise Operations: Brad Williams

Brad Williams has served as our Vice President of Franchise Operations since December 2021. Before that role, Mr. Williams served as our Franchise Operations Director from May 2017 to December 2021.

Vice President of Digital Marketing: Adam Eiler

Adam Eiler has served as our Vice President of Digital Marketing since August 2024. From April 2018 until August 2024, he was employed by Foot Locker, Inc. in Camp Hill, Pennsylvania, as Senior Director of Lifecycle Marketing from January 2022 to August 2024, as Senior Director of Digital Marketing from August 2021 to January 2022, and as Director of Global Analytics from April 2018 to August 2021.

ITEM 3 LITIGATION

Pending Litigation:

Checkers Drive-In Restaurants, Inc., v. Baby Buford, LLC, et. al., (Case No. 20-21749-Civ-COOKE), U.S. District Court for the Southern District of Florida

Baby Buford, LLC, Baby Buford HP, LLC, Baby Buford Warren, LLC, Baby Buford 8 Mile, LLC, Baby Buford Southfield, LLC, Baby Buford 23 Mile Road, LLC, Baby Buford Livernois, LLC, Baby Buford Woodward, LLC, Baby Buford 14 Mile, LLC, Baby Buford Port Huron, LLC, Baby Buford Ypsilanti, LLC, Baby Buford Sylvan Lake, LLC, and Baby Buford Harper, LLC (collectively hereafter referred to as “Baby Buford”) are former Checkers franchisees. On December 19, 2019, we terminated the franchise agreements based on failure to pay required advertising contributions. On March 30, 2020, Baby Buford filed a single Demand for Arbitration against us seeking \$299,999 in damages and alleging that (i) their franchise agreements had been wrongfully terminated in violation of the Michigan Franchise Investment Law, and (ii) we misappropriated and comingled advertising contributions made by Baby Buford. We deny any wrongdoing in this matter and all claims made by Baby Buford. On April 27, 2020, we filed a Petition to Compel Arbitration in Federal Court in which we asserted that the franchise agreements require a separate arbitration for each franchise

entity. The Court agreed and, on January 6, 2021, the Court entered an Order staying the current arbitration and requiring separate arbitrations should Baby Buford wish to proceed. The claimants have taken no further action since the Court's January 6, 2021 order and do not appear to be actively pursuing their claims, although the arbitration action has not been withdrawn at this time.

Concluded Litigation:

Breandan Cotter, individually and on behalf of all others similarly situated v. Checkers Drive-In Restaurants, Inc., (Case 8:19-cv-01386), U.S. District Court for the Middle District of Florida; Jack Dinh, Individually and On Behalf of All Others Similarly Situated v. Checkers Drive-In Restaurants, Inc., (Case 8:19-cv-01310), U.S. District Court for the Central District of Florida, Southern Division.

On June 6, 2019, a civil complaint was filed against us on behalf of plaintiff Breandan Cotter and similarly situated customers (the "Cotter Complaint"). The Cotter Complaint asserted claims of breach of confidence, breach of implied contract, negligence, negligence *per se*, unjust enrichment and violations of the Florida Unfair and Deceptive Trade Practices Act, stemming from our alleged failure to secure and safeguard our customers' credit and debit card numbers and other payment card data and personally identifiable information, and our alleged failure to timely and adequately provide notice to our affected customers. On July 2, 2019, a civil complaint was filed against us on behalf of plaintiff Jack Dinh and similarly situated customers (the "Dinh Complaint" and together with the Cotter Complaint, the "Complaints"). The Dinh Complaint asserted claims of negligence and violations of California Civil Code §§ 1798.80, et seq., and California's Unfair Competition Law, Bus. & Prof. Code §§ 17200 et. seq., stemming from our alleged failure to maintain reasonable security practices to protect the unauthorized access to our customers personal information. The Complaints sought certification of a putative nationwide class of consumers impacted by the alleged breaches and also sought monetary damages, injunctive and equitable relief, attorneys' fees and other costs. We held a joint mediation concerning both Complaints, and subsequently entered into a settlement agreement to dismiss both Complaints with prejudice. On August 25, 2021 the Court entered an Order approving the settlement, which requires us to (i) reimburse each class member up to \$5,000 for documented out-of-pocket expenses, or (ii) provide \$20 in restaurant vouchers to each class member without documented out-of-pocket expenses. In accordance with that Order, notice of the settlement was subsequently provided to the settlement class.

Franchisor Initiated Litigation in the Past Fiscal Year:

None.

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

**ITEM 4
BANKRUPTCY**

There is no bankruptcy information required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Franchise Agreement

Initial Franchise Fee

The standard initial franchise fee is \$30,000. If we have approved the location of the Franchised Restaurant prior to signing the Franchise Agreement, then you must pay the full amount of the initial franchise fee when you sign the Franchise Agreement. If we and you have not agreed upon an approved location of the Franchised Restaurant before signing the Franchise Agreement, then the initial franchise fee is payable as follows: \$10,000 on the date you sign the Franchise Agreement; and the remaining \$20,000 within 30 days of our approval of the location of the Franchised Restaurant.

If you sign the Franchise Agreement in connection with a Development Agreement, then the applicable portion of the development fee you paid under the Development Agreement toward the Franchised Restaurant will be credited against the initial franchise fee payable and due to us under the Franchise Agreement, according to that Development Agreement's terms. If you sign the Franchise Agreement and a Non-Traditional Site Addendum to operate the Franchised Restaurant from a Non-Traditional Site, then the initial franchise fee will be reduced to \$15,000 as discussed below. If you sign the Franchise Agreement as part of your independent purchase of (or receipt of transferred ownerships interests in) the Franchised Restaurant's assets from a third party owner, then you will not pay us an initial franchise fee, but you must ensure that we receive the full amount of the associated transfer fee due to us as a result of that transaction (by way of example only, see successor franchise fee under Item 6).

In addition, should you qualify (as we solely determine) for any incentive programs or other sales promotions we are then offering in connection with sales of new franchises, or accelerated openings of franchises not yet opened (as the case may be), then your initial franchise fee or other applicable amounts due under the Franchise Agreement may be reduced according to conditions of that promotional offer (including signing an addendum to the Franchise Agreement, as we may then require). We describe certain promotional offers currently in effect on the issuance date of this Franchise Disclosure Document below in this Item 5.

The initial franchise fee is fully earned by us on the effective date of the franchise agreement and is non-refundable, except that we may provide you a refund of 50% of the initial franchise fee if: (a) you (i) are unable to obtain a site acceptable to us within the Designated Area for the Franchised Restaurant within 180 days after the effective date of the franchise agreement, or (ii) despite having expended good faith best efforts (as we determine in our sole judgment), have not obtained all necessary permits, licenses, or other regulatory or municipal approvals to be able to open the Franchised Restaurant according to applicable law within 60 days after you sign the proposed lease, sublease, or purchase agreement for the location of the Franchised Restaurant; and (b) you and your owners execute general releases, in form and substance satisfactory to us, of any and all claims against us, and our affiliates, officers, directors, employees, agents, successors and assigns.

If you fail to pay the initial franchise fee before you open the Franchised Restaurant, then the amount of the initial franchise fee will increase by \$500 per day on and after the

opening date until we receive the full amount of the initial franchise fee, including all cumulative daily increases accruing since the opening date. These increases compensate us for our expenses, including the administrative and collection efforts with respect to the fee, and are not interest charges, time-price differentials or penalties for an overdue payment.

Asset Transfer Fee (on sale of company-owned Restaurant)

If your Franchise Agreement is for an existing Checkers Restaurant or Rally's Restaurant you are buying from us or our affiliate, then you must pay us a \$10,000 asset transfer fee in addition to the initial franchise fee, payable on or before you close on the purchase of the Franchised Restaurant's assets. We may also impose the daily incremental late charge of \$500 per day, as we describe above for a past-due initial franchise fee, if you do not pay the asset transfer fee before closing. This fee is full earned by us as of the effective date of the Franchise Agreement.

Initial Advertising and Promotional Program Deposit

If your Franchise Agreement is for a new Checkers Restaurant or Rally's Restaurant, you must pay a \$15,000 advertising deposit (the "Initial Advertising Deposit") to our affiliate, NPF Inc., who administers the National Production Fund (described in Item 11). The Initial Advertising Deposit is due when you commence construction at the Premises for the Franchised Restaurant. This amount is used to conduct, through the National Production Fund (and if applicable, any local advertising cooperative) an initial advertising and promotional program at the Franchised Restaurant as we deem appropriate. When the initial advertising and promotional program is complete, we will (after deducting for incurred costs and expenses) deposit any remaining amount from the initial advertising deposit to the National Production Fund.

During our 2023 fiscal year, franchisees that signed franchise agreements during the year paid pre-opening fees as we describe above ranging from \$0 to \$40,000 per Restaurant (inclusive of the initial franchise fee, asset transfer fees and the Initial Advertising Deposit).

Subleases

Security Deposit

If we agree to sublease the Premises of your Franchised Restaurant to you, we may require you to pay us a refundable security deposit before you open or begin to operate the Franchised Restaurant. The amount of the security deposit, if any, will depend on the amount of the security deposit paid to the landlord of the Premises. During our 2023 fiscal year, we did not receive any security deposits from franchisees.

Sublease Administrative Fee

If your Franchise Agreement is for an existing Checkers Restaurant or Rally's Restaurant you are buying from us or our affiliate, and we agree to sublease the Premises of your Franchised Restaurant to you and remain on the master lease, then we may charge you a sublease administrative fee of up to 10% of the rent that remains due under the then-current lease term in consideration of our remaining a guarantor on the lease.

Sales Incentives and Promotions that may impact Pre-Opening Amounts Due

We currently offer a number of incentive programs that may reduce the amounts of pre-opening fees we describe above. Typically, these programs are not mutually exclusive, meaning that we may allow you to take advantage of multiple benefits across more than one promotion if your acquisition of a new Franchised Restaurant meets our criteria to receive a fee or other payment reduction under each offer.

2024 Growth Incentive

You will qualify for a 50% reduced initial franchise fee for your third and subsequent Restaurants if you meet the following criteria: (i) by December 30, 2024, you sign franchise agreements for and, within 18 months of signing the applicable franchise agreement (but in no event later than December 31, 2025) you open to the general public, 3 or more Restaurants that comply with the then-current reimaging requirements; and (ii) you, your owners, or your and their affiliates are Restaurant Net Positive (defined below). “Restaurant Net Positive” means that the total number of Restaurants operated by you, your owners, or your and their affiliates at the time you open each Restaurant is greater than the number of Restaurants operated by you, your owners, or your and their affiliates as of January 2, 2024. In order to receive the benefit of a reduced initial franchise fee for your third and subsequent Restaurants (and other benefits described in Item 6), you must sign our required form of 2024 Growth Incentive Addendum to the Franchise Agreement (attached as Exhibit B-2 to this Franchise Disclosure Document).

Existing Franchisee Incentive

If you are an existing franchisee of at least two Checkers Restaurants or Rally’s Restaurants and you are in good standing and full compliance with all current agreements with us or our affiliates, and you sign a Franchise Agreement for, and open to our satisfaction, a new Franchised Restaurant within 18 months of signing the Franchise Agreement, then we offer a \$10,000 reduction to the amount of our standard initial franchise fee (currently \$30,000) payable for the new Franchised Restaurant. In order to receive the benefit of a reduced initial franchise fee of \$20,000, you must sign our required form of Existing Franchisee Incentive Addendum to the Franchise Agreement (attached as Exhibit B-1 to this Franchise Disclosure Document).

Vet Fran Incentive

We offer an incentive program for eligible veterans of the United States military forces (the “Vet Fran Incentive”) under which participants may pay a reduced initial franchise fee (currently \$0, or a 100% reduction of our current standard initial franchise fee of \$30,000) under their first Franchise Agreement for a new Franchised Restaurant. To qualify, veterans must provide us adequate documentation of their honorable discharge (by submission of a form 1041 or other materials we deem acceptable), the qualified veteran must own at least 51% of the franchisee entity, and the franchisee must sign our required form of Vet Fran Incentive Addendum to the Franchise Agreement (attached as Exhibit B-4 to this Franchise Disclosure Document).

Women Business Owner Incentive

We offer an incentive program for women franchisees (the “Women Business Owner Incentive”) under which participants may pay a reduced initial franchise fee (currently \$0, or a 100% reduction of our current standard initial franchise fee of \$30,000) under their first Franchise Agreement for a new Franchised Restaurant. To qualify, a woman must own at least 51% of the franchisee entity, and the franchisee must sign our required form of Women Business Owner Incentive Addendum to the Franchise Agreement (attached as Exhibit B-5 to this Franchise Disclosure Document).

Franchisee Referral Bonus

We have a current policy under which franchisees who refer a new prospective franchisee candidate to us (with whom we had no prior relationship) may be eligible to receive \$5,000 in cash as a referral bonus from us within 30 days of the referred candidate opening a new Franchised Restaurant. We offer this policy in recognition and appreciation of our franchisees’ independent and unsolicited efforts toward growing our franchise network. We may amend or cancel this policy in the future.

Non-Traditional Site Addendum

If the Franchised Restaurant is to be located at a Non-Traditional Site, you must enter into our Non-Traditional Site Addendum attached as Exhibit B-3. The Non-Traditional Site Addendum requires you to pay a reduced initial franchise fee of \$15,000 and a reduced royalty fee level of 2% of Net Sales at the Franchised Restaurant (as reduced from the standard royalty fee of 4% for new Franchised Restaurants); and, to the extent we or our affiliates can reasonably arrange with the membership of your regional or local cooperative, a reduced cooperative advertising contribution level equal to 50% of the contribution level payable by fellow members of your regional or local cooperative (whose restaurants are not located at a Walmart or other Non-Traditional Site), if any such cooperative already exists or is formed in your Franchised Restaurant’s area.

Development Agreement

If we agree to grant you development rights, you and we will enter into a Development Agreement, which requires you to pay a development fee of \$10,000 per restaurant to be developed. The number of restaurants to be developed pursuant to a Development Agreement varies depending upon a variety of factors, including (1) existing population and anticipated population growth within the Development Area; (2) competition within the Development Area; and (3) the number of Checkers Restaurants or Rally’s Restaurants we estimate can be developed within the Development Area.

Under the Development Agreement, you are required to pay the then-current standard initial franchise fee for each Restaurant you are required to develop under a Development Agreement; however, \$10,000 of the development fee is credited to the initial franchise fee payable for each Restaurant you are required to open under the Development Agreement until the development fee is credited in full. The development fee is not refundable, in whole or in part, except if we terminate the Development Agreement as a result of adverse franchise legislation. In this event, we will refund the uncredited portion of the development fee.

During our 2023 fiscal year, we did not collect a reduced development fee from any franchisee that signed a Development Agreement.

**ITEM 6
OTHER FEES**

FRANCHISE AGREEMENT

COLUMN 1 TYPE OF FEE	COLUMN 2 AMOUNT	COLUMN 3 DUE DATE	COLUMN 4 REMARKS (See Note 1)
Royalty	4% of your Net Sales or 2% of your Net Sales if you operate a Restaurant from a Non-Traditional Site.	Semi-monthly, on or before the 5th and 20th day of each month.	Net Sales is defined in Note 2 below. See Note 2 for the 2024 Growth Incentive Program. (See also Note 5.)
National Production Fund Contributions	You will be required to pay up to 3% of Net Sales.	Monthly, on the 5th day of each month.	Varies. The amount is credited toward your 4.5% advertising expenditure requirement. Your contribution rate is subject to change from time to time. See Note 5 for current contribution rates.
Advertising Expenditure Requirement	4.5% of your Net Sales. (See Note 3)	Must be spent on advertising and promotion during each of your fiscal quarters.	Includes amounts paid to NPF (other than Initial Advertising Deposit), advertising cooperatives and amounts generally expended by you for advertising your Franchised Restaurant.
Cooperative Advertising (See Note 4)	Determined by your local or regional advertising cooperative.	Monthly, on the 5th day of each month.	Payments to local or regional advertising cooperatives are credited toward your 4.5% advertising expenditure requirement. (See also Note 5.)
Delivery Administration Fee	2% of the total price charged to a customer that orders certain approved food, beverage and other items (“Delivered Products”) from a third-party delivery service provider approved by us (each a “DSP”).	Bi-monthly.	Payable only if you are eligible to provide delivery services, elect to provide delivery and enter into the delivery services participation agreement (the “Delivery Program”). See Note 6.

COLUMN 1 TYPE OF FEE	COLUMN 2 AMOUNT	COLUMN 3 DUE DATE	COLUMN 4 REMARKS (See Note 1)
Order Ahead Program Administration Fee	2% of the total price charged to a customer that orders certain approved food, beverage and other items (the "Order Ahead Products") from our optional "Order Ahead Program."	Bi-monthly.	Payable only if you are eligible and elect to enter the Order Ahead Program, which allows customers to pre-order the Order Ahead Products for pick-up from Restaurants. See Note 7.
Marketing, Advertising, Promotional and Point-of-Purchase ("POP") Materials	At cost, plus any related administrative, shipping, handling and storage charges. Costs may vary per Restaurant based on merchandising capacity.	Payable monthly.	Advertising materials not prepared by us must be submitted for approval prior to distribution.
Transfer Fee	Transfer of a Single Restaurant: \$20,000 (or \$10,000, if the transferee is an existing franchisee) Transfer of Multiple Restaurants: \$20,000 (or \$10,000, if the transferee is an existing franchisee) for the first Restaurant, plus \$5,000 for each additional Restaurant to be transferred as part of a single transaction.	Upon transferring the franchise.	

COLUMN 1 TYPE OF FEE	COLUMN 2 AMOUNT	COLUMN 3 DUE DATE	COLUMN 4 REMARKS (See Note 1)
Renewal Fee	Up to 50% of then-current standard initial franchise fee, depending on the length of your successor franchise term.	Upon signing the new franchise agreement.	If your successor franchise term is 10 years, the renewal fee is 33.33% of the then-current initial franchise fee for a new Restaurant; if your successor franchise term is 20 years, the renewal fee is 50% of the then-current initial franchise fee.
Training Fee	Varies (estimated to be \$1,000 or less per additional attendee)	Upon receipt of our bill.	We do not charge training fees for 2 attendees at initial training but may charge fees for additional attendees and for additional training. See Item 11.
Technology Fee	Currently, \$190 to \$370 plus applicable taxes (subject to increase_	Quarterly	In connection with the required Aloha POS system, you must pay us or our affiliate ongoing costs for the Aloha Command and Configuration Center and Menu Management services. We offer enhanced technology services on an optional basis. If you choose to sign-up for our enhanced technology services, the Technology Fee will increase to \$370 per quarter.
Firewall Fee	Currently, \$190 - \$211 plus applicable taxes (subject to increase_	Quarterly	You are required to obtain a firewall system at the Franchised Restaurant from one of our preferred vendors. If you choose to use Acumera for this service, you must pay us or our affiliate an ongoing cost for Acumera's firewall system. See Item 11.

COLUMN 1 TYPE OF FEE	COLUMN 2 AMOUNT	COLUMN 3 DUE DATE	COLUMN 4 REMARKS (See Note 1)
Secure Payment Gateway Fee	Currently, \$204 plus applicable taxes (subject to increase)	Quarterly	You are required to use a Point to Point encryption credit card and payment processing solution at the Franchised Restaurant from one of our preferred vendors. If you choose to use the Connected Payment service offered by Aloha, Freedom Pay, or VeriPhone, you must pay us or our affiliate directly and we will then pay Aloha for these services. See Item 11.
Interest on Late Payments	Highest contract rate of interest permitted by law. If there is no applicable legal maximum rate, then 4% plus the prime rate (as of the due date) as published in The Wall Street Journal.	Immediately	This interest rate applies to any money you owe us or any of our affiliates after the due date.
Late Payment Fee	\$250	As incurred.	Due if you have insufficient funds in your account to cover an electronic payment, or, if you pay by check, a check is returned for insufficient funds.
Special Assistance	Currently, only out-of-pocket expenses.	Upon receipt of our bill.	We may impose per diem fees and charges for any special assistance you request.
Fees to Evaluate and Approve Alternative Suppliers	Currently, only out-of-pocket expenses.	Upon receipt of our bill.	We may impose reasonable inspections and supervision fees to cover our costs in evaluating alternative approved brands or suppliers you suggest.
Extension Fee	\$5,000	As incurred.	You will pay this amount if we grant you a one-time extension to either locate, secure or develop a site acceptable to us for the Franchised Restaurant.

COLUMN 1 TYPE OF FEE	COLUMN 2 AMOUNT	COLUMN 3 DUE DATE	COLUMN 4 REMARKS (See Note 1)
Rent	Varies by site being sublet	Monthly	You will only pay this amount if we sublease the Premises of your Franchised Restaurant to you. If we sublease the Premises, you may pay rent directly to the landlord or to us. If you pay rent to us, we may charge an amount that is higher than the rent due under the underlying lease.
Audit	Cost of audit	Upon receipt of our bill.	Payable only if you fail to furnish required information or if we find an understatement of Net Sales greater than 2%.
Insurance	Varies, cost of coverage obtained	As incurred	If you fail to obtain the required insurance coverage for the Franchised Restaurant, we may obtain such coverage at your expense.
Maintenance Costs	Varies, actual costs	As incurred	If you fail or refuse to maintain the Franchised Restaurant as required, we have the right to do so on your behalf and at your expense.
Attorneys' Fees and other costs	Varies, actual fees and costs incurred	As incurred	Payable if you fail to comply with the Franchise Agreement or if we are joined in a lawsuit that is based on your operation of a restaurant.
Indemnification	Varies, actual losses and expenses incurred	As incurred	You must reimburse us for our losses and expenses as a result of third party claims arising from your failures or breaches under the Franchise Agreement, your operation of the Franchised Restaurant, and any unauthorized acts.

COLUMN 1 TYPE OF FEE	COLUMN 2 AMOUNT	COLUMN 3 DUE DATE	COLUMN 4 REMARKS (See Note 1)
Early Termination Damages	Varies, see Note 8 for calculation	As incurred	(See Note 8)
Costs to De-Identify the Premises upon Termination or Expiration	Varies, actual losses and expenses	As incurred	You must reimburse us for our losses and expenses if you fail to de-identify and remove signage from the Franchised Restaurant following the termination or expiration of the Franchise Agreement, and our personnel is required to do so.

NOTE 1: Except for the minimum advertising requirement and fees payable to the regional or local advertising cooperatives and NPF, all fees are payable to Checkers. All fees are nonrefundable. Except as noted in this Item 6 and fees payable to the NPF, all fees currently are uniformly imposed.

NOTE 2: The term “Net Sales” means all revenue derived from operating the Franchised Restaurant, including the aggregate of all sales amounts from food, beverages and other products sold and services rendered at the Premises or otherwise rendered in connection with your Franchised Restaurant, and all monies derived from sales at or away from the Franchised Restaurant, whether from cash, check, credit or debit card, barter exchange, trade credit, or other credit transactions, but: (1) excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; and (2) reduced by the amount of any documented refunds, credits, allowances, adjustments, promotional discounts, and charge-backs the Franchised Restaurant provides to customers in good faith.

2024 Growth Incentive

If you: (i) sign a Franchise Agreement (and pay the standard initial franchise fee) on or before December 30, 2024; (ii) open the Franchised Restaurant to the general public within 18 months of signing the Franchise Agreement; (iii) the Franchised Restaurant complies with the current reimaging requirements; and (iv) you, your owners, or your and their affiliates are Restaurant Net Positive (defined above) at the time the Franchised Restaurant opens, then we will waive the royalty fee payable under the Franchise Agreement until the earlier of: (a) the total value of the royalty fee abatement (calculated based on the standard royalty fee due under the Franchise Agreement) equals \$75,000 or (b) the Franchised Restaurant has operated for twenty-four (24) months.

You must remain in full compliance with your Franchise Agreement to be eligible for any of the development incentives listed above. You will provide us any documentation that we may require proving your compliance with the

deadlines included above. To receive the benefit of these reduced royalty amounts, you must sign our required form of 2024 Growth Incentive Addendum to the Franchise Agreement (attached as Exhibit B-2 to this Franchise Disclosure Document).

NOTE 3: Your actual advertising expenditure rate may exceed 4.5% if you are a member of a regional or local advertising cooperative whose required contribution rate, when added to your NPF contribution rate, exceeds 4.5%. Rate contributions of advertising cooperatives are established by a majority vote of members. (See Note 4)

In addition, if we provide you and any local or regional advertising cooperative with 90 days' notice of a special regional promotion, you must participate in the promotion and pay us any regional advertising fees beginning on the effective date of the notice and continuing until the regional promotion ends. Any special regional advertising fees will be in addition to, and not credited towards, the minimum 4.5% advertising expenditure we currently require you to make.

NOTE 4: Decisions of advertising cooperatives generally are made by majority vote based on one vote per restaurant. Accordingly, we may control the cooperative in certain areas where company-owned Checkers Restaurants or Rally's Restaurants constitute the majority. Typically, however, the by-laws require certain votes (e.g., contribution rate increases) to be based on one vote per entity and not one vote per restaurant. The cooperative contribution rates generally range from 2% to 5% of Net Sales, but may vary.

NOTE 5: If you sign a Franchise Agreement to open your Franchised Restaurant on or before December 31, 2024 and the Franchised Restaurant is located in a geographical area where:

(i) we have established an advertising cooperative and the advertising cooperative purchases media or advertising, then the current amount you must contribute to the advertising cooperative at the then current rate in addition to contributing to the NPF at the then current rate (typically includes out of home, linear TV, terrestrial/streaming radio, connected TV, online video, digital display, paid search, programmatic digital, and social media); or

(ii) we have not established an advertising cooperative, then we will require you to contribute an additional 1.5% to 3.0% of Net Sales for national and/or local media or advertising campaigns (including streaming radio, connected TV, online video, digital display, paid search, programmatic digital, and social media) in addition to contributing to the NPF at the then current rate.

As noted in Item 1, the Western Licensees operate under a different form of agreement. The Western License Agreement provides that the Western Licensees must pay a 1% royalty, but each Western Licensee has no obligation to contribute to NPF or to an advertising cooperative. We are not obligated to provide certain advertising and marketing support to Western Licensees.

NOTE 6: We offer an optional Delivery Program that allows you to offer Delivered Products through one or more DSPs to customers within the radii and zones (each a “Delivery Area”) and during the hours of operation exclusively established by each DSP. If you are eligible and elect to participate in the Delivery Program, you will be required to pay us the Delivery Administration Fee as outlined in the table above. We negotiate all terms and conditions with DSPs and you must execute and comply with all applicable agreements we negotiate with any DSP.

NOTE 7: We offer an optional Order Ahead Program that allows you to offer Order Ahead Products using our owned channels and website and our proprietary order ahead and pick-up services software. If you are eligible and elect to participate in the Order Ahead Program, you will be required to enter our Order Ahead Program Participation Agreement and pay us the Order Ahead Program Administration Fee as outlined in the table above. We negotiate all terms and conditions with services providers of our Order Ahead Program and you must execute and comply with all applicable agreements we negotiate with any of those service providers.

NOTE 8: If we terminate the Franchise Agreement as a result of your breach, then within 30 days following such termination, you must pay us an amount equal to the average monthly royalty fees and advertising contributions that you owed to us for the past 24 months multiplied by the number of months remaining in the Term (“Early Termination Damages”). If you have not operated the Franchised Restaurant for 24 months prior to the termination of this Agreement, the Early Termination Damages will be calculated by using the average monthly royalties and advertising contributions you owed for the number of months that the Franchised Restaurant operated multiplied by the number of months remaining in the Term.

DEVELOPMENT AGREEMENT

If we grant you development rights and you sign a Development Agreement, you should also review the table of fees applicable to Franchise Agreements as well as the following table of fees.

COLUMN 1 TYPE OF FEE	COLUMN 2 AMOUNT	COLUMN 3 DUE DATE	COLUMN 4 REMARKS (See Note 1)
Transfer Fee	\$20,000	Upon transferring the Development Agreement	
Attorneys’ Fees and Other costs	Varies	As incurred	Payable if you fail to comply with the Development Agreement.

COLUMN 1 TYPE OF FEE	COLUMN 2 AMOUNT	COLUMN 3 DUE DATE	COLUMN 4 REMARKS (See Note 1)
Indemnification	Varies	As incurred	You must reimburse us for our losses and expenses as a result of third party claims arising from your failures or breaches under the Development Agreement, your operation of your business, and any unauthorized acts.

NOTE 1 All fees are imposed by and payable to Checkers. All fees are nonrefundable. Except as noted in this Item 6, all fees currently are uniformly imposed.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

The following charts estimate the initial investment for Restaurants in 5 different formats: (1) the modular design drive-thru restaurant; (2) conversion of a drive-thru restaurant; (3) a site built restaurant; (4) an endcap strip-center; (5) an in-line restaurant in a high-density market; and (6) gas station/station, Non-Traditional, or Walmart restaurant. These estimates may also apply if you are reopening an existing Restaurant that ceased operations.

1. MODULAR DESIGN DRIVE-THRU RESTAURANT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Initial Franchise Fee (See Note 1)	\$20,000 - \$30,000	Lump sum	At time of signing the Franchise Agreement.	Us
Initial Advertising Deposit	\$15,000	Lump sum	When you begin construction at the Premises	NPF Inc.
Asset Transfer Fee	\$0 - \$10,000	Lump Sum	At time of signing the Franchise Agreement	Us
Restaurant Building Costs (See Note 2)	\$490,998 - \$1,454,684	Dependent upon bank financing	As agreed	Suppliers, Lending Institutions

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Restaurant Equipment & Technology (See Note 2)	\$35,000 - \$305,000	As incurred	On ordering	Suppliers
Soft Costs (see Note 3)	\$10,000 - \$225,625	Dependent upon bank financing	Dependent upon bank financing	Contractors, Suppliers, Lending Institutions
Signage including Menuboards	\$15,000 - \$97,690	As incurred	On ordering	Suppliers
Inventory (See Note 4)	\$4,000 - \$12,000	As incurred	When delivered	Suppliers
Additional Funds - 3 Months (See Note 5)	\$50,000 - \$120,000	As incurred	As incurred	Employees, suppliers, utilities, etc.
TOTAL ESTIMATED INITIAL INVESTMENT (exclusive of real estate and related costs (see Note 2 and 6))	\$639,998 - \$2,269,999			

2. CONVERSION RESTAURANT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Initial Franchise Fee (See Note 1)	\$20,000 - \$30,000	Lump sum	At time of signing the Franchise Agreement	Us
Initial Advertising Deposit	\$15,000	Lump sum	When you begin construction at the Premises	National Production Fund
Asset Transfer Fee	\$0 - \$10,000	Lump Sum	At time of signing the Franchise Agreement	Us

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Restaurant Building (See Note 2)	\$850,000	Dependent upon bank financing	As agreed	Contractors, Suppliers, Lending Institutions
Restaurant Equipment & Technology	\$365,000	As incurred	On ordering	Suppliers
Soft Costs (See Note 3)	\$150,000	Dependent upon bank financing	Dependent upon bank financing	Contractors, Suppliers, Lending Institutions
Signage including Menubords	\$70,000	As incurred	On ordering	Us or Other Supplier
Inventory (See Note 4)	\$4,000 - \$12,000	As incurred	When delivered	Suppliers
Additional Funds - 3 Months (See Note 5)	\$50,000 - \$120,000	As incurred	As incurred	Employees, suppliers, utilities, etc.
TOTAL ESTIMATED INITIAL INVESTMENT (exclusive of real estate and related costs (see Note 2 and 6))	\$1,524,000 - \$1,622,000			

3. SITE BUILT RESTAURANT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Initial Franchise Fee (See Note 1)	\$20,000 - \$30,000	Lump sum	At time of signing the Franchise Agreement	Us
Initial Advertising Deposit	\$15,000	Lump sum	When you begin construction at the Premises	National Production Fund

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Asset Transfer Fee	\$0 - \$10,000	Lump Sum	At time of signing the Franchise Agreement	Us
Restaurant Building (See Note 2)	\$725,000 - \$1,855,000	Dependent upon bank financing	As agreed	Contractors, Suppliers, Lending Institutions
Restaurant Equipment & Technology	\$144,455 - \$370,000	As incurred	On ordering	Suppliers
Soft Costs (See Note 3)	\$10,000 - \$270,000	Dependent upon bank financing	Dependent upon bank financing	Contractors, Suppliers, Lending Institutions
Signage including Menuboard	\$45,000 - \$95,950	As incurred	On ordering	Us or Other Supplier
Inventory (See Note 4)	\$4,000 - \$12,000	As incurred	When delivered	Suppliers
Additional Funds - 3 Months (See Note 5)	\$50,000 - \$120,000	As incurred	As incurred	Employees, suppliers, utilities, etc.
TOTAL ESTIMATED INITIAL INVESTMENT (exclusive of real estate and related costs (see Note 2 and 6))	\$1,013,455 - \$2,777,950			

4. ENDCAP RESTAURANT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Initial Franchise Fee (See Note 1)	\$20,000 - \$30,000	Lump sum	At time of signing the Franchise Agreement.	Us

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Initial Advertising Deposit	\$15,000	Lump sum	When you begin construction at the Premises	National Production Fund
Asset Transfer Fee	\$0 - \$10,000	Lump Sum	At time of signing the Franchise Agreement	Us
Restaurant Building Costs (See Note 2)	\$85,000 - \$385,827	Dependent upon bank financing	Dependent upon bank financing	Contractors, Suppliers, Lending Institutions
Restaurant Equipment & Technology (See Note 2)	\$199,763 - \$293,250	As incurred	On ordering	Suppliers
Soft Costs (See Note 3)	\$0 - \$2,500	Dependent upon bank financing	Dependent upon bank financing	Contractors, Suppliers, Lending Institutions
Signage including Menubords	\$9,607 - \$47,192	As incurred	On ordering	Us or Other Supplier
Inventory (See Note 4)	\$4,000 - \$12,000	As incurred	When delivered	Suppliers
Additional Funds - 3 Months (See Note 5)	\$50,000 - \$120,000	As incurred	As incurred	Employees, suppliers, utilities, etc.
TOTAL ESTIMATED INITIAL INVESTMENT (exclusive of real estate and related costs (see Note 2 and 6))	\$383,370 - \$915,769			

5. IN-LINE RESTAURANT IN HIGH DENSITY MARKET

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Initial Franchise Fee (See Note 1)	\$20,000 - \$30,000	Lump sum	At time of signing the Franchise Agreement.	Us
Initial Advertising Deposit	\$15,000	Lump sum	When you begin construction at the Premises	National Production Fund
Asset Transfer Fee	\$0 - \$10,000	Lump Sum	At time of signing the Franchise Agreement	Us
Restaurant Building Costs (See Note 2)	\$395,000 - \$477,250	Dependent upon bank financing	Dependent upon bank financing	Contractors, Suppliers, Lending Institutions
Restaurant Equipment & Technology (See Note 2)	\$75,500 - \$352,000	As incurred	On ordering	Suppliers
Soft Costs (See Note 3)	27,500 – 33,000	Dependent upon bank financing	Dependent upon bank financing	Contractors, Suppliers, Lending Institutions
Signage including Menuboards	\$14,725 - \$17,729	As incurred	On ordering	Us or Other Supplier
Inventory (See Note 4)	\$4,000 - \$12,000	As incurred	When delivered	Suppliers
Additional Funds - 3 Months (See Note 5)	\$50,000 - \$120,000	As incurred	As incurred	Employees, suppliers, utilities, etc.

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
TOTAL ESTIMATED INITIAL INVESTMENT (exclusive of real estate and related costs (see Note 2 and 6))	\$601,725 – 1,066,979			

6. GAS/CONVENIENCE, NON-TRADITIONAL, OR WALMART RESTAURANT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Initial Franchise Fee (See Note 1)	\$20,000 - \$30,000	Lump sum	At time of signing the Franchise Agreement	Us
Initial Advertising Deposit	\$15,000	Lump sum	When you begin construction at the Premises	National Production Fund
Asset Transfer Fee	\$0 - \$10,000	Lump Sum	At time of signing the Franchise Agreement	Us
Restaurant Building Costs (See Note 2)	\$66,157 - \$369,405	Dependent upon bank financing	Dependent upon bank financing	Contractors, Suppliers, Lending Institutions
Restaurant Equipment & Technology (See Note 2)	\$32,095 - \$197,058	As incurred	On ordering	Suppliers
Soft Costs (See Note 3)	\$1,800 - \$66,156	Dependent upon bank financing	Dependent upon bank financing	Contractors, Suppliers, Lending Institutions
Signage including Menuboard	\$3,000 - \$13,925	As incurred	On ordering	Us or Other Supplier
Inventory (See Note 4)	\$4,000 - \$12,000	As incurred	When delivered	Suppliers

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When Due	Column 5 To whom payment is to be made
Additional Funds - 3 Months (See Note 5)	\$50,000 - \$120,000	As incurred	As incurred	Employees, suppliers, utilities, etc.
TOTAL ESTIMATED INITIAL INVESTMENT (exclusive of real estate and related costs (see Note 2 and 6))	\$192,052 - \$833,544			

NOTE 1 See description of the initial franchise fee in Item 5 of this franchise disclosure document.

NOTE 2 *Chart 1: Modular Design Drive-Thru Restaurant.* The “Restaurant Building” line item reflects our estimate of the cost of constructing a modular drive-thru restaurant which is manufactured and shipped to the Premises, with an estimated size of approximately 1,008 square feet for the building on a site of approximately 19,080 to 30,000 square feet. The “Restaurant Building” estimate includes the cost of the building, building shipping and building assembly. This estimate also includes site development costs for on-site construction which vary considerably, depending on factors such as the condition of the premises when possession is delivered to you by the seller or landlord, site-specific requirements, and material and labor costs variations due to your region and specific location.

Chart 2: Conversion Restaurant. The “Restaurant Building” line item reflects our estimate of the cost of converting a freestanding drive-thru restaurant of another brand or other retail building to a Checkers Restaurant or Rally’s Restaurant. The estimated size of the building is 1,008 to 3,000 square feet and estimated size of the lot is 19,080 to 30,000 square feet. This estimate includes site development costs using conventional construction methods, which may vary considerably depending on factors such as the condition of the premises when possession is delivered to you by the seller or landlord, site-specific requirements, material and labor costs, and variations depending on your region and your specific location.

Chart 3: Site Built Restaurant. The “Restaurant Building” line item reflects our estimate of the cost of constructing a drive-thru restaurant of approximately 1,008 square feet for the building on a site of approximately 19,080 to 30,000 square feet. This estimate includes site development costs using conventional construction methods, which may vary considerably

depending on factors such as the condition of the premises when possession is delivered to you by the seller or landlord, site-specific requirements, material and labor costs, and variations depending on your region and your specific location.

Chart 4: Endcap Restaurant. The “Restaurant Building” line item reflects our estimate of the cost of constructing an endcap restaurant in a strip-center. This estimate includes site development costs using conventional construction methods, which may vary considerably depending on factors such as the condition of the premises when possession is delivered to you by the seller or landlord, site-specific requirements, material and labor costs, and variations depending on your region and your specific location. The estimated size of the restaurant is 1,500 to 3,000 square feet.

Chart 5: In-Line Restaurants in High Density Markets. The “Restaurant Building” line item reflects our estimate of the cost of constructing a restaurant at an in-line location without any drive-thru in a high-density market. This estimate includes site development costs using conventional construction methods, which may vary considerably depending on factors such as the condition of the premises when possession is delivered to you by the seller or landlord, site-specific requirements, material and labor costs, and variations depending on your region and your specific location. The estimated size of the restaurant is 1,200 to 3,500 square feet.

Chart 6: Gas/Convenience, Non-Traditional, or Walmart Restaurant. The “Restaurant Building” line item reflects our estimate of the cost of constructing a restaurant at a Non-Traditional Site, Walmart, or a retail gas station or convenience store with a single drive thru. This estimate includes site development costs using conventional construction methods, which may vary considerably depending on factors such as the condition of the premises when possession is delivered to you by the seller or landlord, site-specific requirements, material and labor costs, and variations depending on your region and your specific location. The estimated size of the restaurant is 1,200 to 3,500 square feet.

The “Restaurant Equipment & Technology” line item reflects our estimate of the cost of equipment and technology, which includes a POS system, drive - thru timers (if applicable), and associated hardware.

NOTE 3 This estimate includes soft costs such as due diligence, surveys, fees for architects and engineers, permit, and impact fees, which vary by your region and specific location. If you construct an endcap restaurant in a strip-center, retail gas station or convenience store with a single drive-thru, we do not anticipate that you will incur many of these costs as the Premises of the restaurant will already be established.

NOTE 4 This estimate is net of supplier discounts of approximately \$4,000 on the initial order of food products and supplies.

NOTE 5 This is an estimate, based on our experience of opening and operating Restaurants (including actual restaurant openings during the last 3 years), of your pre-opening expenses and working capital requirements for the first 3 months of operations. Pre-opening expenses are estimated to range between \$10,000 and \$40,000 and include such items as professional fees, organizational expenses, salaries during training, travel, living and miscellaneous expenses while attending training, utility deposits and salaries for a manager and some crew members during the 30-day period before opening. Working capital for the first 3 months are estimated to range between \$30,000 and \$60,000 and include general operating expenses, such as lease payments, inventory, payroll, payroll expenses, facility expenses, insurance, pest control, security, repairs and maintenance and complimentary sales and other costs. These figures are estimates and we cannot assure you that you will not have additional expenses in starting the Franchised Restaurant. Your actual cost will depend on factors such as your management skill, experience and business acumen; local economic conditions; the local market for the Franchised Restaurant; the prevailing wage rate; competition in the market place; and the sales level reached during the start-up phase. These amounts do not include any estimates for any debt service.

NOTE 6 The chart provides an estimate of your initial investment for a Checkers Restaurant or Rally's Restaurant on a leased site. The total estimated initial investment does not include real estate and related costs. We are unable to estimate the cost of purchasing and developing a site for a Restaurant, as it will vary considerably depending on such factors as the location and size of the site and the local real estate market.

Except as otherwise noted, none of these payments are refundable. These payments are only estimates and your costs may be higher, depending on your particular circumstances. We do not offer any financing for your initial investment.

If you purchase an existing company-owned Checkers Restaurant or Rally's Restaurant, you may have to make a greater or smaller investment, depending on the circumstances, than the estimated initial investment shown above. The price and terms of payment for that Checkers Restaurant or Rally's Restaurant will be established by mutual agreement. You also will pay a \$10,000 asset transfer fee in addition to the initial franchise fee for that location.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

To ensure that high and uniform standards of quality and service are maintained, you are required to operate your Franchised Restaurant in strict conformity with our methods, standards and specifications and you are required to purchase goods, services, supplies, fixtures, equipment and inventory only from suppliers we have approved. You are not required to purchase or lease anything from us or any of our affiliates; however, we and our affiliates can be approved suppliers for items. Currently, we are not an approved supplier for

any items except that we may from time to time sell used modular restaurants and restaurant equipment to Checkers and Rally's franchisees. We estimate the initial cost of all of required purchases and leases of goods, services, supplies, fixtures, equipment and inventory to be in excess of 95% of your total initial investment (see Item 7). We estimate the ongoing cost of these required purchases and leases to be in excess of 95% of your total ongoing operating expenses.

We may formulate and modify, at our sole discretion, specifications and standards we impose on franchisees and suppliers. Specifications and standards are issued to franchisees through the Operations Manual (defined below) and to suppliers by written notice. The "Operations Manual" is our confidential operations manual, as we may amend at any time, which may consist of one or more manuals or communications, containing our mandatory and suggested standards, specifications and operating procedures relating to the development and operation of Restaurants and other information relating to your obligations as a franchisee and operator of a Restaurant. The term "Operations Manual" also includes all instructions or communications we or our representatives may transmit to you or a substantial number of franchisees, whether in writing or through other media, concerning aspects or modifications to the System, standards, specifications and operating procedures, including bulletins, emails, limited access intranet sites, videotapes, audio tapes, or any other electronic medium. We attempt to negotiate purchase arrangements with suppliers (including price terms) for the benefit of all Restaurants, including those owned by franchisees. We do not provide material benefits (e.g., renewal or additional franchises) to a franchisee based on his use of designated or approved suppliers.

There are no franchisee purchasing or distribution cooperatives.

None of our officers own an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers, of the Checkers or Rally's franchise systems. From time to time, our officers may own non-material interests in publicly-held companies that may be suppliers (or have subsidiaries that may be suppliers) to Restaurants; however, we have an internal "Conflict of Interest Policy" that prohibits officers and employees from using our property, position, or information for improper and unusual personal gain.

Items We Supply or Derive Revenue From

We and our affiliates may receive revenues from required purchases and leases of products and services by franchisees. The revenues are collected by approved suppliers or distribution centers on behalf of the system and are paid to us. Our total revenues for the fiscal year which ended January 1, 2024 were \$314,778,948 of which \$6,762,044 or 2.1% were revenues from required purchases and leases of products and services by franchisees. Our total revenue from franchisee purchases includes \$2,887,904 in gross revenue from subleases with franchisees. We generally collect rent as a pass through for landlords on the underlying lease but may earn a profit. We did not earn any profit from subleases during our 2023 fiscal year. Our intention is not to earn a profit, but instead to use all revenues collected from franchisee and company-owned restaurant purchases of products and services to offset expenses we incur in administering system-wide programs such as people, guest and operations programs, insurance procurement, promotional and price management tools, supply chain programs, brand protection (including quality assurance and food safety)

programs and research and development. However, we may earn a profit from franchisees' required purchases and leases of products and services.

Our affiliate, CDSI, also earned \$8,639,270 in gross revenue from required purchases and leases of products and services by franchisees during our 2023 fiscal year.

Other than CDSI, none of our affiliates derived any revenue or other material considerations from required franchisee purchases or leases during the fiscal year ended January 1, 2024.

Suppliers may pay us rebates or allowances based on purchases by Checkers and Rally's franchisees and by us for our company-owned Checkers Restaurants and Rally's Restaurants. The payments may vary from supplier to supplier, and in some cases, the basis for the payment varies over time with respect to the same supplier. Suppliers who exhibit at our conventions contribute to the cost of the conventions.

In the fiscal year ended January 1, 2024, one supplier provided allowances directly to Checkers Restaurants and Rally's Restaurants, their affiliates, as well as the NPF, based in large part on the amount of sales to all Checkers Restaurants and Rally's Restaurants. For each participating Checkers Restaurant and Rally's Restaurant (whether company-owned or franchised), the supplier paid a fixed dollar amount per gallon of beverage syrup directly to each participating restaurant, and paid a fixed dollar amount per gallon of beverage syrup to the NPF.

Site Selection

You must select a site for your Franchised Restaurant that conforms to our standard site selection criteria and that we accept or reject pursuant to our standard franchise site package (see Item 11).

Purchase and Lease of Premises

We have the right to approve the terms of any lease, sublease or purchase contract for the Premises of your Franchised Restaurant. Any lease or sublease for the Premises must contain certain provisions detailed in our required form of franchise addendum to lease agreement (the "Lease Addendum"), the current form of which we include as an exhibit attached to the Franchise Agreement.

If we agree to sublease the Premises to you, you are required to pay the rent under the sublease to the landlord of the Premises, along with the related occupancy costs, which include property taxes, insurance, maintenance and structural repairs. We derive revenue from this subleasing arrangement, as detailed in Item 6.

Development of the Premises

You are responsible for developing your Franchised Restaurant, for all expenses associated with it and for compliance with the requirements of any applicable federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. You must exercise every reasonable effort to obtain all necessary governmental approvals for

the development of the Franchised Restaurant in accordance with applicable laws. At your request, we will provide you with prototype plans, or other design materials, concerning build out for a Restaurant, for which we may require you to pay a fee. (Currently, none.) The plans are supplied as a draft only for your use in developing a final set of plans for construction of the Franchised Restaurant. You may modify those prototype plans only as required to ensure that the plans and all specifications comply with all applicable federal, state and local codes and regulations, ordinances, building codes and permit requirements and any lease requirements and restrictions. You may not make modifications to the dimensions or the exterior design of the building without our specific authorization. You must submit all modified plans and specifications to us for our approval before seeking municipal approval to develop the Premises. Our review and approval of your plans are not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is your sole responsibility. At our request, you must submit all revised or “as built” plans and specifications. All development must be in accordance with the plans and specifications we have approved, and must comply with all applicable laws, ordinances and local rules and regulations. The architect and/or general contractor you use to design and construct the Franchised Restaurant must be approved by us in writing. Any architect, general contractor or other builders you use must be licensed and maintain architect’s, builder’s and/or contractors insurance (as applicable). Our approval of any architect, general contractor or other builders that you use to design or construct the Franchised Restaurant is not a representation or warranty of any kind, express or implied, of the architect's, general contractor's or other builder's qualifications or competence in designing or constructing the Franchised Restaurant. Our approval indicates only that we believe that the architect, general contractor or other builder meets our then acceptable criteria. All prototype plans and other plans and specifications for the Franchised Restaurant will be our sole and exclusive property, and you may claim no interest in them.

Purchase or Lease of Equipment, Furniture, Fixtures and Signs

You must purchase or lease only those types, brands and models of fixtures, furniture, equipment (including modular buildings), signs and supplies that we approve for Restaurants as meeting our specifications and standards. You must purchase or lease approved types, brands, or models of fixtures, furniture, equipment, signs and supplies only from suppliers we approve. All fixtures, furniture, equipment, signs and supplies you purchase must be in "new" condition unless we permit otherwise in writing.

Suppliers, Products, Services, Beverages, Supplies and Materials

You will use in the development and operation of the Franchised Restaurant and/or offer for sale at the Franchised Restaurant only food products, beverages, ingredients, uniforms, packaging materials, menus, forms, labels, equipment, smallwares and other supplies and other products and services that conform to our specifications and quality standards and/or are purchased from suppliers, distributors and service providers (collectively, “supplier” or “suppliers”) we approve (which may include us and/or any of our affiliates). We may modify the list of approved brands and/or suppliers. After notice of such modification, you may not reorder any brand or from any supplier that is no longer approved.

If you propose to use any brand or supplier that is not then approved by us, you must first notify us and submit sufficient information, specifications and samples concerning such

brand and/or supplier so that we can decide whether such brand complies with our specifications and standards and/or such supplier meets our approved supplier criteria. We have the right to charge reasonable fees to cover our costs (currently, we charge only our out of pocket expenses). We will notify you of our decision within a reasonable period of time not to exceed 60 days. We may prescribe procedures for the submission of requests for approval and impose obligations on suppliers, which we may require to be incorporated in a written agreement. We may impose limits on the number of suppliers and/or brands for any of the foregoing items and set required, optional or test menu items. We will make available our then current supplier criteria to you, as necessary, upon request if we are asked to evaluate and approve a new supplier, item, or service for use with the System. We may revoke our approval of any supplier by notifying the supplier and you in writing.

Specifications, Standards and Procedures

Each aspect of the interior and exterior appearance, layout, decor, services, equipment and operation of your Franchised Restaurant is subject to our specifications and standards. You must comply with all mandatory specifications, standards and operating procedures (whether contained in the Operations Manual or any other written communication) relating to the appearance, function, cleanliness and operation (including days and hours of operation) of a Restaurant.

Advertising

You must submit to us for our prior approval, samples of all advertising and promotional materials not prepared or previously approved by us and that vary from our standard advertising and promotional materials. You may not use any advertising or promotional materials that we have disapproved.

You may not promote, offer or sell any products or services relating to your Franchised Restaurant, nor use any of the Marks (defined in Item 13 below), through the Internet without our consent, which consent may be withheld for any reason or no reason. In connection with any such consent, we may establish such requirements as we deem appropriate, including (a) obtaining our prior written approval of any Internet domain name and home page addresses; (b) submission for our approval of all Web site pages, materials and content; (c) use of all hyperlinks and other links; (d) restrictions on use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has any ownership interest; and (e) obtaining our prior written approval of any modifications.

Gift Card and Similar Programs

You must issue and honor/redeem gift certificates, coupons, and gift, loyalty, and affinity cards for Restaurants and participate in, and comply with the requirements of, our gift card and other customer loyalty, affinity, and similar programs.

Delivery Program

If you are qualified and elect to participate in our optional Delivery Program, you must only offer the Delivered Products we authorize and use the DSPs that we appoint. You must

also purchase a printer from a supplier that we approve, which will be used to operate the Delivery Program from the Franchised Restaurant.

Order Ahead Program

If you are qualified and elect to participate in our optional Order Ahead Program, you must only offer the Order Ahead Products we authorize and use the service providers that we appoint. Currently, we require that you use our preferred vendor, Olo, if you enter the Order Ahead Program.

Insurance

During the term of the Franchise Agreement, you must maintain the following categories of insurance coverage in force at your sole expense, all containing at least the following minimum amounts of liability coverage: (a) general liability (\$1,000,000 per occurrence and \$2,000,000 aggregate); (b) automobile (\$1,000,000 combined single limit) for owned and hired, non-owned liability; (c) umbrella liability (\$5,000,000 per occurrence and aggregate) with employer's liability, general liability, and automobile liability scheduled as underlying policies; (d) property covering the Franchised Restaurant and personal property in an amount 100% of the full replacement cost of the Franchised Restaurant and personal property, and business income coverage covering 12 months of actual loss sustained; (e) workers' compensation (as required by statute); (f) employer's liability (\$1,000,000/\$1,000,000/\$1,000,000); (g) employment practices liability (\$1,000,000 per occurrence and aggregate limit); (h) cyber insurance (\$1,000,000 per occurrence and aggregate limit); and (i) any other insurance policies as we may determine from time to time.

All insurance policies must: (1) be issued by carriers we approve with an A.M. Best Rating of not less than A VII; (2) contain such types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time; (3) name us and our affiliates as additional insured; (4) provide for 30 days' prior written notice to us of any material modification, cancellation or expiration of such policy; (5) provide a waiver of subrogation in favor of us and our affiliates; and (6) include such other provisions as we may require. The minimum amount of liability coverage we prescribe in no way limits your liability to those minimum amounts. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must be primary to and without right of contribution from any other insurance policy purchased by us, our affiliates and our respective directors, officers, employees, shareholders, members, agents, successors and assigns (collectively, "indemnitees"); must not limit or reduce coverage for you if there is a claim by us or any one or more of the other indemnitees; and must extend to and provide indemnity for all of your indemnification obligations to us and the other indemnitees.

Accounting and Records

You must record all sales on electronic cash registers designated or approved by us. You may be required to use computer-based cash registers which are fully compatible with our computer system and which include an information interface capability to communicate electronically with our computer system. We may require you to obtain equipment, software

and/or services to facilitate communications between your computer-based cash registers and our computer system. We have the right to use the data we collect for any purpose, except that we shall not provide financial data to third parties, outside of our system or network, in such a form that readily identifies the Franchised Restaurant, unless we are required to do so by law, regulation, or order. If we require you to use proprietary software, you agree to execute and comply with such software license agreements as we deem necessary to protect our interests, and you agree to pay such license, training, and maintenance fee as we deem reasonably appropriate.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Sections 3.01, 3.02, 3.03, and Exhibit B of the Franchise Agreement; and Sections 3.01 and 3.02 and Exhibit A of the Development Agreement	Items 7, 8 and 11
b. Pre-opening purchases/leases	Sections 3.03, 3.04 and 3.05 of the Franchise Agreement	Items 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 3.01, 3.02, 3.03, 3.04, 3.05 and 3.06 of the Franchise Agreement	Items 6, 7, 8 and 11
d. Initial and ongoing training	Section 4 of the Franchise Agreement	Item 11
e. Opening	Sections 3.06 and 3.07 of the Franchise Agreement	Item 11
f. Fees	Section 6 of the Franchise Agreement; Sections 2.01 and 3.02 of the Development Agreement	Items 5, 6 and 7
g. Compliance with Standards and Policies/Operations manuals	Sections 4.03 and 9 of the Franchise Agreement	Items 8 and 11
h. Trademarks and proprietary information	Sections 5, 7.01 and 7.03 of the Franchise Agreement; Sections 5.03 and 6.01 of the Development Agreement	Items 13 and 14

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
i. Restrictions on products/services offered	Sections 9.01, 9.02, 9.03, 9.04, and 9.05 of the Franchise Agreement	Item 16
j. Warranty and customer service requirements	Not applicable	Not applicable
k. Territorial Development and Sales Quotas	Section 2.03 of the Development Agreement	Item 11
l. Ongoing product/service purchases	Sections 9.03 and 9.04 of the Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 3.03, 3.04, 9.01 and 9.04 of the Franchise Agreement	Not applicable
n. Insurance	Section 9.07 of the Franchise Agreement	Item 8
o. Advertising	Sections 3.06 and 10 of the Franchise Agreement	Items 6, 7, 8 and 11
p. Indemnification	Section 17.02 of the Franchise Agreement and Section 5.02 of the Development Agreement	Item 6
q. Owners' participation/management/staffing	Sections 8.03, 9.06 and Section 4.02, 4.03 and Exhibit B of the Development Agreement	Item 15
r. Records/reports	Section 11 of the Franchise Agreement	Item 8
s. Inspections/audits	Section 12 of the Franchise Agreement	Section 6
t. Transfer	Section 13 of the Franchise Agreement; Section 7 of the Development Agreement	Items 6 and 17
u. Renewal	Section 15 of the Franchise Agreement	Items 6 and 17
v. Post-termination obligations	Section 16 of the Franchise Agreement and Section 9 of the Development Agreement	Item 17
w. Non-competition covenants	Sections 7.02, 13.02(l) and 16.03 of the Franchise Agreement and Sections 6.02, 7.02(h) and 9.02 of the Development Agreement	Item 17

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
x. Dispute resolution	Section 18 of the Franchise Agreement and Section 10 of the Development Agreement	Item 17
y. Owner's/Shareholders Guaranty	Exhibit to the Franchise Agreement and the Development Agreement	Item 15

**ITEM 10
FINANCING**

We do not offer direct or indirect financing to franchisees. We do not guarantee your notes, leases or other obligations.

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

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

Pre-Opening Obligations

We will provide the following pre-opening assistance:

1. We will provide guidance to you in locating and developing the Franchised Restaurant as we deem appropriate. (Franchise Agreement, Sections 3.02 and 3.03);

If you have suggested a location for the Franchised Restaurant which we approve before or concurrently with the execution of the Franchise Agreement, the location will be identified in the Franchise Agreement. If we and you have not agreed upon an approved location for the Franchised Restaurant before signing the Franchise Agreement, then you must select a site for the Franchised Restaurant within the geographic area we designate ("Designated Area"). You must, within 180 days after the date of the Franchise Agreement, locate and submit for our approval a site acceptable to us within the Designated Area for the Franchised Restaurant. We will approve or disapprove each site that you propose according to our general criteria for selection of a Checkers Restaurant or Rally's Restaurant site. The site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you. We will

provide you with our standard site selection criteria and on-site evaluations of sites, as we deem appropriate. If you enter into a Development Agreement with us, you must select sites within your specified Development Area and we will approve them in accordance with our then current criteria for selection of a Checkers Restaurant or Rally's Restaurant site.

Before you acquire, by lease or purchase, any site for your Restaurant, you must submit a franchise site package to us in the form, content and substance as we then require. We will review each site package and determine whether to accept or reject the site after considering factors we deem appropriate, including the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of other restaurants and food establishments, and size, configuration, appearance and other physical characteristics of the site. We will use reasonable efforts to approve or disapprove the proposed site within 30 days after receiving your written proposal. Upon our approval of a site, we will insert the address into Exhibit B of the Franchise Agreement, and it will be the Premises. Within 60 days after our approval of a site for the Premises, you agree to deliver a copy of the fully signed lease, sublease or purchase contract and the franchise addendum to lease agreement. In some cases, we may sublease the Premises to you, but we do not typically do so.

You must apply for all requisite government approvals and permits to develop the Premises within 60 days after you sign the proposed lease, sublease or purchase agreement. You must complete construction or installation of the Franchised Restaurant within 180 days from receipt of all government approvals and permits. You must open the Franchised Restaurant within 14 days after the date construction or installation is completed, or, for those Restaurants that received training support from us, within 19 days after the date construction or installation is completed.

If, after expending good faith best efforts (as we determine in our sole judgment), you are unable to comply with the time periods required to either locate or secure a site for your Franchised Restaurant, or you are unable to obtain all required approvals and permits or timely complete construction of the Restaurant, then we may grant you a one-time extension in our sole discretion. If we grant you an extension, you must pay the extension fee as described in Item 6. If you are unable to locate or secure a site we approve for your Franchised Restaurant, we may terminate the Franchise Agreement.

2. We will provide initial training to you (or your Operating Partner) and your manager. This training is described in detail later in this Item. (Franchise Agreement, Section 4.01);
3. We will provide you with access to the Operations Manual (Franchise Agreement, Section 4.03); and
4. Provide you mandatory and suggested specifications and layouts for Franchised Restaurants, including requirements for dimensions, design,

image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. (Franchise Agreement – Sections 3.04 and 3.05)

5. As discussed in Item 8, identify certain products and services, equipment and supplies that you must use to develop and operate your Franchised Restaurant, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease these items (which may be limited to and/or include us, our affiliates, and/or other specified exclusive sources). (Franchise Agreement – Sections 3.05, 9.03 and 9.04)
6. If you have not previously owned or managed a Restaurant, we will provide you with opening assistance in beginning operations (Franchise Agreement, Section 3.07).

Typical Length of Time before You Open Your Franchised Restaurant

We estimate the time from the date you sign the Franchise Agreement to the date you open your Franchised Restaurant to be between 18 and 22 months. However, this time estimate may vary depending on numerous factors including location, local ordinances and regulations, construction schedules and financing. Your Franchised Restaurant must be open and operating within 180 days from receipt of all government approvals and permits. If you develop multiple Restaurants, we may require that the first Franchised Restaurant be open and in operational good standing for at least 6 months prior to the opening of the second Franchised Restaurant.

Continuing Obligations

We will provide the following assistance during the operation of your Franchised Restaurant:

1. We will provide periodic guidance to you with regard to the System, including improvements and changes (Franchise Agreement, Section 4.02);
2. We will periodically modify the Operations Manual to reflect changes in standards, specifications and operating procedures (Franchise Agreement, Section 4.03);
3. We will periodically issue specifications, standards, methods and operating procedures for Restaurants (Franchise Agreement, Section 9); and
4. We or our affiliate, NPF Inc., may administer a National Production Fund (the “NPF”) for the development of advertising and related programs and materials (Franchise Agreement, Section 10.01).
5. We are not obligated to, but may in our sole discretion, establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services (Franchise Agreement Section 9.11).

Advertising

National Production Fund

We have established and administer the NPF for the creation and production of marketing materials and preparation of advertising campaigns. The NPF is currently incorporated and operated through NPF Inc. NPF Inc. has all of the rights and duties described here. In addition to the Initial Advertising Deposit described in Item 5, you must contribute to the NPF amounts that are established by us from time to time, not to exceed 3% of Net Sales, which are payable semi-monthly at the same time as the royalty fees due under the Franchise Agreement. As of the issuance date of this Franchise Disclosure Document, you must contribute a monthly advertising fee (currently, 0.5% or up to 3.0% of your Net Sales) to the NPF depending on the geographical area where your Franchised Restaurant is located (See Note 5 in Item 6). Other domestic franchisees contribute on the same basis to the NPF, except for certain operators of Rally's Restaurants operating under older forms of agreement. The NPF receives and administers monies from operators of Restaurants. All company-owned Checkers Restaurants and Rally's Restaurants also currently contribute on the same basis as franchisees to the NPF, but we and our affiliates are not obligated to do so (or to continue doing so throughout your franchise term). Some third party vendors also contribute to the NPF. The NPF does not spend any money on advertising that is principally a solicitation for the sale of new franchises. Neither we nor NPF, Inc. are required to spend any amount on advertising in your market area.

Neither we nor NPF, Inc. have created an advisory council and we and NPF, Inc. are not obligated to seek the advice of owners of Restaurants, including franchisees, by formal (e.g., advisory council or other representative body) or informal means with respect to the creative concepts and media used for programs financed by the NPF. However, because we value input from the franchise network, we (and/or NPF, Inc.) may choose to seek such advice from operators of Restaurants, and so have established a Franchisee Advisory Council that includes a marketing subcommittee. We appoint the members of the Franchisee Advisory Council, which includes both "Checkers" and "Rally's" franchisees. We have the right to change or dissolve these groups.

Currently, NPF, Inc. directs all programs that the NPF finances, including the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The NPF may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce website and/or related strategies; administering regional and multi-regional marketing and advertising programs, including, purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

Although the NPF is intended to maximize general recognition and patronage of the Marks for the benefit of all Restaurants, neither we nor NPF, Inc. can assure you that any particular Restaurant will benefit directly or pro-rata from the placement of advertising. The NPF may be used to pay for the cost of preparing and producing materials and programs we provide, including video, audio and written advertising and POP materials, and for the cost of employing advertising agencies and in house staff and supporting market research

activities. Some of the same advertising materials created for or used by Checkers Restaurants may also be used by Rally's Restaurants. The NPF may furnish you with marketing, advertising and promotional materials (including POP materials) at cost, plus any related taxes and administrative, shipping, handling and storage charges.

The NPF for Restaurants will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs and overhead we or NPF, Inc. may incur in activities related to the administration of the NPF and its programs (which includes system wide incentive programs), including conducting market research, preparing marketing materials and advertising campaigns and collecting and accounting for contributions to the NPF. NPF, Inc. will use all interest earned on NPF contributions to pay costs before using the NPF's other assets. NPF, Inc. may spend in any fiscal year an amount greater or less than the aggregate contributions of all Restaurants to the NPF in that year, and the NPF may borrow from us or other lenders (paying reasonable interest) to cover deficits in the NPF, or invest any surplus for future use by the NPF. NPF, Inc. (with our assistance) will prepare annually an unaudited statement of monies collected and costs incurred by the NPF and furnish you a copy upon your written request.

NPF contributions may be used to pay for collection agents and institute legal proceedings to collect NPF contributions payable under the Franchise Agreement. Except as otherwise expressly provided in the Franchise Agreement, neither we nor NPF, Inc. assumes direct or indirect liability or obligation with respect to the maintenance, direction or administration of the NPF. We do not act as trustee or in any other fiduciary capacity with respect to the NPF.

Since NPF contributions are an obligation under the Franchise Agreement, we may, in our sole judgment, at any time upon 30 days' prior written notice to you, terminate or create a new NPF model. If the current NPF is terminated, all unspent monies will be distributed to Checkers and Rally's franchisees, and to us and our Affiliates, in proportion to their, and our, respective NPF contributions during the preceding 12 month period, or as otherwise provided by the organizational documents of the NPF.

The NPF may be used to promote other restaurant concepts that we or any of our affiliates own or franchise, and neither we nor NPF, Inc. will have liability for the allocation of funds of the NPF to any such other restaurant concepts.

NPF contributions are used to create and produce marketing and promotional materials, advertising campaigns and related programs. The NPF makes available these materials and campaigns to Restaurants and advertising cooperatives. The Restaurants and advertising cooperatives are responsible for placing and buying these materials and campaigns with various media, including television, radio, magazine, newspaper, billboards, transit and aerial advertising. The advertising materials and campaigns are developed by our in-house advertising department.

For the fiscal year ended January 1, 2024, 29% of the NPF fund was used to pay for production, which includes development and production of advertising and promotional materials; 20% was used on digital and social media; 14% was used on research and development; 14% was used on field marketing activities; 2% was used on marketing

technology; 18% on eCommerce maintenance; 1% on administrative expenses; and 2% was used for outside services.

Advertising Cooperatives

We have the right to establish local and/or regional advertising cooperatives for Checkers Restaurants and/or Rally's Restaurants in your local or regional area, covering such geographical areas as we may designate from time to time. Currently, geographical areas for co-ops are determined by our marketing department and we implement a co-op if we determine in our sole discretion that a percentage of Net Sales of all Restaurants in the area can buy sufficient rating points in television, radio, outdoor, print and digital/social or some appropriate combination. We have the right in our sole discretion to form, change, dissolve or merge advertising cooperatives.

You must participate in such advertising cooperatives and its programs (other than price advertising, as to which you may choose not to participate) and abide by its by-laws. You must contribute such amounts to the advertising cooperative(s) as they determine from time to time in accordance with their by-laws. In areas where a cooperative exists, but circumstances reasonably may warrant varied participation or contribution levels among certain members (for example, restaurants at Non-Traditional Sites that generally receive less benefit from a cooperative's local advertising), we may attempt to work with the cooperative's membership to revise its by-laws or other policies, as we deem appropriate. Any Restaurants owned by us or any of our affiliates located in such designated local or regional area(s) will contribute to the cooperative(s) on the same basis. Contributions to local and regional advertising cooperatives are credited toward the 4.5% advertising expenditures required by the Franchise Agreement; however, if we provide you and your local and/or regional advertising cooperative 90 days' notice of a special promotion, you must participate in such promotion and pay to us any advertising fees assessed in connection with the promotion, beginning on the effective date of such notice and continuing until such promotion is concluded. Any such regional advertising fees shall be in addition to, and not credited towards, the 4.5% advertising expenditure required by the Franchise Agreement.

The by-laws of your co-op are made available for you to review. The advertising cooperatives are independently administered with our assistance and assistance from an outside independent accounting firm. The financial statements of the advertising cooperatives and reports are available to you. Decisions of advertising cooperatives generally are made by majority vote based on one vote per restaurant. Accordingly, we may control the cooperative in certain areas where company-owned Restaurants constitute the majority. The cooperative contribution rates generally range from 1.5% to 4.25% of Net Sales and they are subject to change at any time pursuant to the by-laws and/or vote of the cooperative or its governing members or executives. Some franchisees in a cooperative may contribute at a rate that varies from the standard contribution rate for the other franchisees in that cooperative if permitted or authorized by the cooperative, pursuant to the by-laws and/or rules of the particular cooperative, and/or by vote of the cooperative or its governing members or executives. By way of example, franchisees of Restaurants operating, or that will operate, within or at Walmart stores or other Non-Traditional Sites (as we may determine, in our sole discretion) may pay a lower contribution level to their local cooperatives than the general membership because, among other reasons, such restaurants often cater to separate

customer flow not driven primarily by the promotions and campaigns executed by those franchisees' local cooperatives.

The chart below summarizes the 2024 cooperative contribution rates by area, which are subject to change:

Market	2024 Cooperative Contribution Rate
Atlanta	3.50%
Augusta	3.00%
Baltimore	4.00%
Biloxi	4.00%
Bowling Green	3.50%
Buffalo	2.50%
Charleston	3.50%
Chicago	0.00%
Cincinnati	3.30%
Cleveland	3.80%
Columbus	3.60%
Columbus-Tupelo	3.75%
Dayton	3.60%
Detroit	2.50%
Evansville	3.00%
Flint	2.50%
Fresno	-
Gainesville/Ocala	3.30%
Grand Rapids	3.25%
Houston	3.25%
Indianapolis	3.80%
Jacksonville	4.00%
Lexington	3.50%
Little Rock	3.40%
Louisville	3.00%
Macon	4.00%
Memphis	4.00%
Miami	4.10%
Mobile	3.40%
New Orleans	3.00%
New York	1.75%
Orlando	4.25%
Paducah-Cape Girardeau	3.75%
St. Louis	3.40%
Tampa	4.25%

Market	2024 Cooperative Contribution Rate
Toledo	3.70%
Washington, DC	4.00%
West Palm Beach	3.75%
Zanesville (Columbus)	1.50%

Advertising conducted by the cooperatives may be in various media, including television, radio, magazine, newspaper, billboards, transit and aerial advertising. The advertising is developed by independent advertising firms, with the assistance of our in-house advertising department.

We will not require you to spend more than 4.5% of Net Sales during each of your fiscal quarters on advertising and promoting the Franchised Restaurant, however, your advertising spending could exceed this amount if you are a member of a local or regional advertising cooperative whose required contribution rate, when added to your required advertising spending obligations (including contributions to the NPF), exceeds four and one-half percent (4.5%) of Net Sales.

Computer Hardware and Software

You must record all sales on electronic cash registers designated or approved by us. You may be required to use computer-based cash registers which are fully compatible with our computer system and which include an information interface capability to communicate electronically with our computer system. We may require you to obtain equipment, software, and/or services to facilitate communications between your computer-based cash registers and our computer system. If we require you to use proprietary software, you must execute and comply with such software license agreements as we deem necessary to protect our interests, and you agree to pay such license, training, and maintenance fee as we deem reasonably appropriate.

Currently, we require you to use the Aloha POS system (version 19 or higher) and an integrated restaurant management system owned by Xenial, Inc. (“Xenial”). The Aloha system includes sales processing (including credit cards) and communication of orders to a printer or kitchen display monitors. The Xenial system includes food cost, inventory management, and labor management software features. We also require that you use a firewall system from one of our preferred vendors. We estimate the initial hardware and software cost for the standard configuration Aloha POS system, the firewall system, and Xenial restaurant management system will be approximately \$22,000 to \$27,000, depending on the size of your Franchised Restaurant. Currently, the approximate annual ongoing costs of those systems which you must pay directly to the suppliers are \$1,400 to \$1,600 for Xenial support; approximately \$450 for Aloha software maintenance for 3 terminals plus \$90 for each additional terminal (plus applicable taxes); and between \$1,100 and \$6,000 for hardware depending on the hardware in use at the Franchised Restaurant (after second year of use) (plus applicable taxes). In addition, you must pay us or our affiliate a quarterly fee ranging from \$190 to \$370 for ongoing costs, which includes costs related to the Aloha Command and Configuration Center (\$90) and Menu Management services (\$95). If you choose to use Aloha’s Connected Payment service for the Point-to-Point encryption credit card processing service we require for the Franchised Restaurant, you must pay us approximately

\$204 on a quarterly basis (which we will pay to Aloha). If you choose to use Acumera for the firewall system we require for the Franchised Restaurant, you must pay us between \$195 and \$211 quarterly for Acumera's firewall system plus any cellular overage fees (which we will then pay to Acumera).

If you participate in our optional Delivery Program you must install a printer to specifically support the delivery services provided by the DSP. We will assist you with integrating and installing this printer into your point-of-sale software. We estimate the cost to purchase and install the printer to be approximately \$500.

If you participate in our optional Order Ahead Program, you must enter an operating contract with our vendor, Olo. Olo will charge a fee equaling \$0.17 fee per every transaction conducted through our optional Order Ahead Program.

We offer enhanced technology services to our franchisees on an optional basis, which includes, but is not limited to, software updates, antivirus and management software, web browser enhancements and advanced data reporting. You may be required to sign a separate IT services agreement prior to receiving these optional services and your quarterly technology fee will increase from \$190 per quarter to \$370 per quarter.

We may require you to upgrade or update your computer system from time to time. There are no limitations as to frequency or cost of such upgrades or updates.

We will have independent access to the data generated by your computer-based cash registers and there are no contractual limits on our access to your data. We have the right to use the data we collect for any purpose, except that we shall not provide financial data to third parties, outside of our system or network, in such a form that readily identifies the Franchised Restaurant, unless we are required to do so by law, regulation, or order.

Operations Manual

The table of contents of the Operations Manual is attached to this Franchise Disclosure Document as Exhibit D. Access to the Operations Manual is currently provided online. We estimate that it contains 400 pages as of this document's issuance date.

Training

Before opening your Franchised Restaurant, you (or the Operating Partner described in Item 15) and any general managers of the Franchised Restaurant that have not managed a Restaurant within the preceding 18 months must successfully complete to our satisfaction an initial training program. The initial training program must be completed before the opening date of each Restaurant.

The initial training program consists of hands-on training covering all phases of restaurant operations, including food preparation, equipment operation and maintenance, cost control, inventory control and basic techniques of management. The initial training program is substantially similar for all Restaurants, with some variation based on preparation methods used by Checkers Restaurants or Rally's Restaurants. The subjects covered, approximate hours of classroom and on-the-job training, and other information about our initial training program is described below:

TRAINING PROGRAM

<u>Column 1</u> Subject	<u>Column 2</u> Hours of Online/Classroom Training	<u>Column 3</u> Hours of On-the- Job Training	<u>Column 4</u> Location
Positions Certification	20 – 25 hours	20 – 25 hours (Approximately 2-3 weeks)	Tampa, or other location we designate
Shift Management: Quality Assurance Guest Service Standards Cleanliness & Sanitation Team Training Security Shift Control Skills Cost Containment Preventive Maintenance	0	80 – 100 hours (Approximately 2-3 weeks)	Tampa, or other location we designate
Training at the Restaurant Support Center or Virtual Session	8 hours	0	Tampa, on-site at the Restaurant Support Center or via virtual session
Multi-Unit Management (Franchisee or Operation Partner) GO Feedback Systems GO Evaluation Systems IMPACT Certifications Guest Complaints Local Store Marketing Planning & Organizing	0	32 - 40 hours (Approximately 1 week)	Tampa, or other location we designate
Totals Total Training Time	28 – 33 hours (Approximately 1 week)	132 – 165 hours (Approximately 4 weeks)	

Notes:

We may conduct the in-store training at a Restaurant in Florida or in another city outside of Florida that we designate for a period of time between 4 and 5 weeks, depending on the background and experience of the person being trained, proximity and availability. We also may conduct certain portions of the classroom training online. Generally, training is conducted 30 to 90 days before opening your Franchised Restaurant.

Instructional materials for the initial training program include the Operations Manual, standard forms and training manuals. Training is conducted by our staff, consisting of Restaurant management personnel, under the supervision of Ron Salerno, Director of Field Training. Mr. Salerno has been with us for a total of 19 years, and his relevant experience includes over 45 years of experience in the restaurant industry, including his 19 years' experience with us. Otherwise, the members the training staff he manages generally have between 5 and 15 years of experience conducting the training program.

You must replace any manager who fails to successfully complete a training program or who is otherwise not qualified to manage a Restaurant. We will not charge any fees for 2 attendees attending the initial training program. We may charge fees for additional attendees and for you and your personnel attending any additional training programs, whether optional or mandatory. You will be responsible for all compensation and expenses (including travel, meals and lodging) incurred in connection with any training programs. Neither you nor your employees will receive any compensation from us for services performed during training.

In addition to the initial training program, we may, in our discretion and at our own cost, send up to 3 of our representatives to the Franchised Restaurant for a period of up to 10 days to provide on-site support in connection with pre-opening and opening activities when the Franchised Restaurant is preparing to open for business. If you request, and we agree to provide (subject to our staff's availability and our approval), additional or special guidance, assistance, or training, then you will pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

We may also require you and your general or assistant managers to attend and successfully complete periodic or additional training programs. Additional training programs will generally be offered on an as-needed or as-requested basis, based on franchisee demand at then-current prices, which may change from time to time without prior notice.

ITEM 12 TERRITORY

Franchise Agreement

The Franchise Agreement grants you the right to own and operate a Restaurant at a specific location. If we and you have not agreed upon an approved location for the Franchised Restaurant before signing the Franchise Agreement, then you must locate a suitable site within the Designated Area. The Designated Area is appointed for the sole purpose of site selection and does not confer any territorial exclusivity or protection to you. You may not conduct the business of your Franchised Restaurant at any site other than the Premises, or relocate your Franchised Restaurant, without our prior written consent. In deciding whether to consent to a relocation, we may consider such factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of other restaurants and food establishments (including other Restaurants) and size, condition, configuration, appearance and other physical characteristics of the site. The Franchise Agreement does not provide you with any options, rights of first refusal or similar rights to acquire additional franchises.

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

brands we control. However, you may receive a limited protected area, as follows: we will not operate (directly or through an affiliate), or grant to a third party the right to operate, any Checkers Restaurant or Rally's Restaurant located within the particular geographic area identified in Exhibit B attached to the Franchise Agreement (the "Protected Area"). The Protected Area, as defined by us, will be the lesser of: (i) a one (1) mile radius from the center of the Premises if your Franchised Restaurant is located in a suburban or rural area or (ii) an area immediately surrounding the Premises that encompasses a population of 20,000 residents if your Franchised Restaurant is located in an urban area. We do not provide a Protected Area to franchisees that operate Restaurants from Non-Traditional Sites.

Except for the rights we expressly grant you under the Franchise Agreement, we and all of our affiliates (and our respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of our rights and discretion with respect to the Marks, the System, Restaurants anywhere in the world, and the right to engage in any business whatsoever (without compensation to you), including the rights to:

- (a) establish and operate, and grant to others the right to operate, Restaurants at locations outside the Protected Area, on terms and conditions we deem appropriate;
- (b) establish and operate, and grant to others the right to operate, Restaurants, or other restaurants using any part or all of the System and/or Marks, that are located at or operated from Non-Traditional Sites within or outside the Protected Area;
- (c) sell any products or services under the Marks or under any other trademarks, service marks or trade dress, through alternative channels of distribution, wherever located or operating (including the internet or similar electronic media and supermarkets);
- (d) establish and operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Marks (including the Checkers or Rally's, as is applicable, name and mark), under terms and conditions we deem appropriate and wherever such restaurants are located;
- (e) acquire the assets or ownership interests of one or more businesses providing products and services similar or dissimilar to those provided at Restaurants, and to franchise, license or create similar arrangements with respect to these businesses once acquired, and which businesses we may (at our sole discretion, and without obligation) convert, or allow to be converted, to operations as Checkers Restaurants or Rally's Restaurants using any of the Marks and/or the System, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Area, if applicable); and
- (f) to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Restaurants, or by

another business, even if such business operates, franchises and/or licenses Competitive Businesses in the Protected Area. A “Competitive Business” means any business that: (i) operates as a restaurant or similar food-service provider and derives more than 20% of its revenue from selling hamburgers, cheeseburgers, or hot dogs in a fast-food, quick-service, drive-thru or drive-in format; or (ii) grants franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Checkers Restaurant or Rally's Restaurant operated under a franchise agreement with us); but excludes equity ownership of less than 5% of a business entity meeting this description whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph.

We do not provide exclusivity in Delivery Areas if you participate in our optional Delivery Program. We, other franchisees, and/or DSPs may, directly or indirectly: (i) provide delivery or catering services from other Checkers and/or Rally's restaurants and (ii) advertise under the Marks, in each case within and outside of the Delivery Areas and to customers near your Franchised Restaurant, including in your Protected Area, if any.

Continuation of your exclusivity in the Protected Area is not dependent upon your achieving a certain sales volume, market penetration or other contingency. However, we may during the Term, at our sole option and upon providing notice to you, reduce or otherwise modify the size and/or boundaries of the Protected Area to encompass a geographic area immediately surrounding the Premises consisting of a population of 20,000 residents. If at any time during the Term the population in the Protected Area becomes less than 20,000 residents, we have no obligation to expand or modify the size and/or boundaries of the Protected Area to include a greater population. Upon any modification to the size and/or boundaries of the Protected Area pursuant to the Franchise Agreement, we are authorized to amend Exhibit B to the Franchise Agreement to reflect the modification. Upon the amendment of Exhibit B of the Franchise Agreement by us, the particular geographic area identified in Exhibit B will be deemed the Protected Area under the Franchise Agreement.

There are no restrictions on us from soliciting or accepting orders from customers using the Marks or using any other trademarks, and you are not entitled to any compensation if we do so. You are not restricted from soliciting or accepting orders from consumers outside your market area.

Development Agreement

The Development Agreement grants you the right to develop an agreed upon number of Checkers Restaurants or Rally's Restaurants within a geographical area described in Exhibit A to the Development Agreement (the “Development Area”). The size of the Development Area will depend on the number of Checkers Restaurants or Rally's Restaurants suitable for the Development Area, as mutually determined in light of factors such as population density and the residential or commercial character of the area. The number of Checkers Restaurants or Rally's Restaurants and the dates they are to be open and operating, including development schedules for such restaurants, will be set out in Exhibit A to the Development Agreement (the “Development Schedule”).

You will not receive an exclusive territory in the Development Area. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. During the term of the Development Agreement, as long as you and your affiliates are in compliance with the agreement and all other agreements with us or any of our affiliates (including Franchise Agreements signed under the Development Agreement), we will: (a) grant to you, in accordance with Section 3 of the Development Agreement, at least that cumulative number of franchises for Checkers Restaurants or Rally's Restaurants set forth in Exhibit A to the Development Agreement, all of which are to be located within the Development Area (the locations of which we will approve in accordance with our then current criteria for selection of a Checkers Restaurant or Rally's Restaurant site); and (b) not operate (directly or through an affiliate), nor grant the right to operate, any Checkers Restaurants or Rally's Restaurants located within the Development Area, except for: (1) franchises granted pursuant to the Development Agreement; (2) Restaurants open (or under commitment to open) as of the date of the Development Agreement; (3) Checkers Restaurants, Rally's Restaurants or other restaurants using any part or all of the System and/or Marks at Non-Traditional Sites; and (4) restaurants that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless whether such restaurants are converted to operations as Checkers Restaurants or Rally's Restaurants using any of the Marks and/or the System or whether such restaurants operate under other trademarks, service marks or trade dress and/or use other operating systems.

Except as otherwise expressly provided in the Development Agreement, we and all of our affiliates (and our or their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of our rights and discretion with respect to the Marks, the System and Restaurants anywhere in the world, and the right to engage in any business whatsoever (without compensation to you), including the right to: (a) operate, and grant to others the right to operate, Restaurants at such locations and on such terms and conditions as we deem appropriate; (b) sell any products or services under the Marks, or under other trademarks, service marks or trade dress, through alternative channels of distribution (including the internet or similar electronic media and supermarkets); (c) operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Marks, under the terms and conditions we deem appropriate; and (d) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Checkers Restaurants or Rally's Restaurants, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses in the Development Area.

You must be developing, or have open and operating in the Development Area, at least the cumulative number of Checkers Restaurants or Rally's Restaurants set out in the Development Schedule. We have no obligation under any circumstances to extend the Development Schedule. Your failure to develop and operate Checkers Restaurants or Rally's Restaurants in accordance with the Development Schedule will be a material breach of the Development Agreement; however, our right to terminate the Development Agreement will be our exclusive remedy for your failure to meet the Development Schedule. Except as noted above, a Developer's exclusivity in the Protected Area is not dependent on achieving certain sales volume, market penetration or any other contingency.

Competing Businesses

Company-owned and/or franchised Checkers Restaurants and Rally's Restaurants may compete with your Franchised Restaurant generally, although we do not currently intend to establish or franchise Checkers Restaurants in any Rally's franchisee's general market area, or Rally's Restaurants in any Checkers franchisee's general market area. Consequently, we do not anticipate any conflict(s) between the 2 systems. We intend to resolve any potential conflicts that may arise between a Checkers Restaurant and a Rally's Restaurant on a case-by-case basis.

We have integrated and will continue to integrate aspects of the Checkers and Rally's concepts. Although we intend to maintain separate brand names, outlets of both brands offer many of the same menu items and use a common restaurant design we have developed for both systems.

We have entered into agreements with independent third party food manufacturers and suppliers to produce, offer and sell certain food products to be distributed under the Marks in supermarkets, club stores, grocery stores, vending racks, and other retail outlets that may be located within the general market area of your Franchised Restaurant.

ITEM 13 TRADEMARKS

Status of Principal Marks

We registered the following principal Marks on the Principal Register of the United States Patent and Trademark Office ("PTO"):

Checkers Marks

Mark	Registration Number	Registration Date
CHECKERS	Registration No. 1,782,889	July 20, 1993
CHECKERS	Registration No. 2,654,258	November 26, 2002
CHECKERS BURGERS FRIES COLA Design Logo (black and white)	Registration No. 1,656,487	September 10, 1991
CHECKERS BURGERS FRIES COLA Design Logo (color)	Registration No. 1,956,292	February 13, 1996
CRAZY GOOD	Registration No. 3,883,766	November 30, 2010
CRAZY GOOD	Registration No. 4,614,650	September 30, 2014

Mark	Registration Number	Registration Date
CHECKERS CRAZY GOOD FOOD	Registration No. 4,475,416	January 28, 2014
CHECKERS CRAZY GOOD FOOD	Registration No. 4,475,417	January 28, 2014

Rally's Marks

Mark	Registration Number	Registration Date
RALLY'S AND MAN DESIGN	Registration No. 1,362,660	September 24, 1985
RALLY'S BURGERS FRIES COLAS Design Logo	Registration No. 2,592,669	July 9, 2002
RALLY'S BURGERS FRIES COLAS Design Logo	Registration No. 2,595,536	July 16, 2002
RALLY'S	Registration No. 1,735,052	November 24, 1992
RALLY'S CRAZY GOOD FOOD	Registration No. 4,475,418	January 28, 2014
RALLY'S CRAZY GOOD FOOD	Registration No. 4,475,419	January 28, 2014

All required affidavits of use and renewals have been filed.

Status of Principal Marks

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving these Marks. There are no agreements currently in effect that significantly limit our right to use or license the use of these Marks in a manner material to the franchise.

From time to time, we become aware of other users of names, marks and/or restaurant building designs that may be confusingly similar to our Marks or our distinctive building design. Where appropriate, we will take legal action. Otherwise, there are no infringing uses actually known to us that could materially affect your use of these Marks.

Franchise Agreement

The Franchise Agreement grants you the right to use the Marks. If we believe, in our sole discretion, that it is advisable for us or you to modify or discontinue use of any Mark or use one or more additional or substitute trademarks, service marks or trade dress, you must comply with our directions. We will have no liability or obligation for your modification or

discontinuance of any Mark or promotion of a substitute trademark, service mark or trade dress.

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights to any Mark and you must not communicate with any person other than us and our counsel in connection with any infringement, challenge or claim. We will have sole discretion to take any action we deem appropriate and will have the right to control exclusively any litigation or PTO or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must execute any and all instruments and documents, provide assistance and do such acts and things as, in the opinion of our counsel, may be necessary or advisable to protect our interests in any litigation or PTO or other administrative proceeding or otherwise to protect our interests in the Marks.

We will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding arising out of your authorized use of any Mark under the Franchise Agreement and, except as provided in the Franchise Agreement, for all costs you reasonably incur in defending any claim brought against you or any proceeding in which you are named as a party, if you have timely notified us of such claim or proceeding and you and your owners are in compliance with the Franchise Agreement and all other agreements entered into with us and our affiliates. At our sole discretion, we will be entitled to prosecute, defend or settle any proceeding arising out of your use of any Mark, and, if we decide to prosecute, defend or settle any such matter, we will have no obligation to indemnify or reimburse you for any fees or disbursements of counsel retained by you.

Development Agreement

The Development Agreement does not grant you the right to use any of the Marks. Your right to use the Marks is derived solely from the franchise agreements you enter into with us. You may not use any Mark as part of a corporate or legal business name or in any other manner not explicitly authorized in writing by us.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or pending patent applications that are material to the franchise. We claim copyright protection for the Operations Manual and printed advertising and promotional materials. We have not registered the materials to which we claim copyright protection.

We consider certain information relating to the development and operations of Restaurants to be our trade secrets and proprietary information. This information includes:

- (i) ingredients, recipes and methods of preparation and presentation of certain food products;
- (ii) site selection criteria for Restaurants and plans and specifications for the development of Restaurants;

- (iii) sales, marketing and advertising programs and techniques for Restaurants;
- (iv) identity of suppliers and knowledge of specifications and pricing for authorized food products, materials, supplies and equipment;
- (v) knowledge of operating results and financial performance of Restaurants, other than your Franchised Restaurant;
- (vi) methods of inventory control, storage, product handling and management of Restaurants;
- (vii) computer systems and software programs; and
- (viii) any and all other information we provide you that is designated orally or in writing as proprietary or confidential or by its nature would reasonably be understood to be proprietary or confidential, regardless whether such information is specifically designated as proprietary or confidential.

All recipes, processes, ideas, concepts, advertising and promotional materials, website pages and content, methods, techniques or materials used or useful to a fast-food restaurant business, whether or not constituting protectable intellectual property (collectively, the “Materials”), that you create, or that are created on your behalf, in connection with the development or operation of your Franchised Restaurant must be promptly disclosed to us. If we adopt any of such Materials as part of the System, or deem them to be sufficiently related to us and our business to be considered proprietary, they will be deemed to be our sole and exclusive property and deemed to be Works-made-for-Hire (as such term is defined under Section 101 of the U.S. Federal Copyright Act) for us, and to the extent the Materials may for any reason not be considered a Work-made-for-Hire, you irrevocably convey, grant, transfer and assign to us all right, title and interest which you may have now or in the future in and to the Materials. You must sign whatever assignment or other documents we request, during and after the term of the Franchise Agreement, to evidence our ownership or to assist us in securing intellectual property rights in the Materials, and you warrant that you will obtain all rights from any third party acting on your behalf to comply with this requirement.

You may not use our confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Nor are there any agreements currently in effect that significantly limit our right to use or authorize you to use the copyrighted materials. Further, there are no infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state. Except as noted above, we are not required by any agreement to protect or defend copyrights or confidential information, although we will do so when this action is in the best interest of our franchise system.

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

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you must designate as the “Operating Partner” an individual approved by us who must: (a) own and control, or have the right to own and control (subject to conditions reasonably acceptable to us), not less than 10% of your equity and voting rights; (b) have the authority to bind you regarding all operational decisions with respect to your Franchised Restaurant; and (c) have completed our training program to our satisfaction. You may not change the Operating Partner without our prior written consent.

You (or your Operating Partner): (a) shall exert your full-time and best efforts to the development and operation of your Franchised Restaurant and all other Restaurants you own; and (b) may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations under the Franchise Agreement. Your Franchised Restaurant at all times must be managed by you (or your Operating Partner) or by a manager who has completed our training program to our satisfaction.

The Franchised Restaurant at all times must be under the direct, on-premises supervision of you (or your Operating Partner), or otherwise a manager-level employee other than you (or your Operating Partner) that you appoint and authorize to conduct day-to-day business activities at the Franchised Restaurant, either of whom must (a) have sufficient experience (in our sole opinion) in the operation of a quick service restaurant; and (b) have successfully completed our initial training program to our satisfaction. Your Operating Partner will be required to sign our Nondisclosure and Non-Competition Agreement, but we do not require manager-level employees to sign our Nondisclosure and Non-Competition Agreement. Your manager-level employee is not required to own equity in you.

You (or your Operating Partner) and the manager-level employee we approve are responsible for conducting day-to-day business activities at the Franchised Restaurant. You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance the Franchised Restaurant. Our specifications and standards for operating a Restaurant may regulate the Franchised Restaurant’s staffing levels, identifying the Franchised Restaurant’s personnel, and employee qualifications, training, dress, and appearance.

If you are a partnership, corporation, limited liability company or other legal entity, each owner must undertake to be personally bound, jointly and severally, by your obligations under the Franchise Agreement and Development Agreement, if any. Copies of these guarantees are attached to the forms of Franchise Agreement and Development Agreement, which are attached as Exhibits B and C to this Franchise Disclosure Document.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Franchise Agreement

We require you to sell all food, beverage and other products and services that we determine from time to time to be appropriate for your Franchised Restaurant, including required menu items as we may set from time to time. From time to time, we may designate menu items as being required or optional and also may introduce test menu items on a required or optional basis. You are not restricted as to the customers whom you may serve at the Franchised Restaurant.

The Franchise Agreements requires that you only conduct business with customers at the Franchised Restaurant and may not engage in any catering or delivery operations without our approval. You may be allowed to offer certain Delivered Products for delivery if you meet our requirements and elect to participate in our optional Delivery Program.

Your Franchised Restaurant may not offer any products or services (including promotional items) not authorized by us for Restaurants without our prior written approval. We have the right to change the types of authorized goods and services, and there are no limits on our right to make changes. You may not use your Franchised Restaurant for any purpose other than the operation of a Restaurant in compliance with the Franchise Agreement.

You must at all times maintain an inventory of approved food products, beverages, ingredients and other products sufficient in quantity, quality and variety to operate the Franchised Restaurant in accordance with our prescribed standards and specifications for Checkers Restaurants or Rally's Restaurants.

We may conduct market research to determine consumer trends and salability of new food products and services. You must participate in our market research programs by test marketing new food products and services in your restaurant and providing us with timely reports and other relevant information regarding such market research. You must purchase a reasonable quantity of such test products and make a reasonable effort to sell them.

Development Agreement

The Development Agreement contains no provisions restricting the goods and services you offer. However, with respect to each Restaurant developed under the Development Agreement, you will be subject to the restrictions on goods and services contained in our then-current standard franchise agreement. The restrictions in our current Franchise Agreement are set out above.

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

Franchise Agreement

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

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	Section 2.01	20 years
b. Renewal or extension of the term	Section 15	May be granted renewal of franchise for either one 10-year term or one 20-year term under our then current franchise agreement. The new agreement may have terms and conditions materially different from the original contract.
c. Requirements for franchisee to renew or extend	Section 15	If you are in compliance with all terms of all agreements, sign new agreement which may contain materially different terms and conditions from your original agreement, pay renewal fee, remodel; and there is no adverse franchise legislation. You must also give 180 days prior notice and sign a general release.
d. Termination by franchisee	Not applicable	Not applicable
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 14	We can terminate only for specified causes.
g. "Cause" defined: defaults which can be cured	Section 14.02	You have 24 hours to cure health violation, 10 days to cure failure to pay us and 30 days to cure any other breaches of the Franchise Agreement.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
h. "Cause" defined-non-curable defaults	Sections 14.01 and 14.02	Includes insolvency, failure to open or abandonment of business, cancellation of lease, misrepresentations, conviction of a felony, unauthorized transfer, unauthorized disclosure of confidential information, understatement of the Franchised Restaurant's Net Sales 3 times or more during the Term or by more than 5% on any one occasion, and repeated breaches of the Franchise Agreement.
i. Franchisee's obligations on termination/nonrenewal	Section 16	Pay amounts owed, discontinue use of Marks and confidential information; return manuals; at our option, sell or lease the Restaurant to us or our designee.
j. Assignment of contract by franchisor	Section 18.08	No restriction on our right to assign.
k. "Transfer" by franchisee defined	Section 1.04	Includes transfer of agreement, sale of business and ownership changes.
l. Franchisor's approval of transfer by franchisee	Sections 13.01 and 13.02	We have the right to approve all transfers but will not unreasonably withhold approval if certain conditions satisfied.
m. Conditions for franchisor's approval of transfer	Section 13.02	<p>Restaurant must have opened.</p> <p>Transferee must qualify, complete training, sign existing or new agreement and pay transfer fee; you must guaranty transferee obligations; transferee cannot be public company.</p> <p>You must transfer all of your Restaurants; be in compliance with agreements; subordinate debts and sign a release and non-compete for each transferred Restaurant; we must approve price and payment terms; you must execute such other documents that we may reasonably require to protect our rights under the Franchise Agreement and any development agreement.</p>

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
n. Franchisor's right of first refusal	Section 13.06	We can match any offer for your business.
o. Franchisor's option to purchase franchisee's franchise	Section 16.04	We may acquire your Franchised Restaurant upon expiration (without renewal) at fair market value and upon termination at appraised asset value or net book value, whichever is less.
p. Death or disability of franchisee	Section 13.05	Franchise must be assigned by estate within nine months to a third party we have approved.
q. Non-competition covenants during the term of the franchise	Section 7.02	No involvement in any competing business regardless of its location.
r. Non-competition covenants after the franchise is terminated or expires	Section 16.03	No competing business for 2 years at the Premises of your Franchised Restaurant, or within 3 miles of your Franchised Restaurant or any other Checkers Restaurant or Rally's Restaurant.
s. Modification of the agreement	Section 18.10	Generally, no modifications except by written agreement signed by both parties. However, the Operations Manual and System are subject to change by us.
t. Integration/merger clause	Section 18.11	Only the terms of Franchise Agreement are binding (subject to state law); any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. However, nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by negotiation, mediation & arbitration	Section 18.05	All controversies, disputes or claims shall on demand by either party be arbitrated.
v. Choice of forum	Section 18.05	If dispute is not arbitrated, then Florida state and federal courts (subject to state law, see Exhibits I and J).

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
w. Choice of law	Section 18.07	Subject to state law, Florida law applies generally, except for applicable franchise laws of other states (see Exhibits I and J).

Development Agreement

This table lists certain important provisions of the Development Agreement. You should read these provisions in the agreement attached to this disclosure document.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	Section 2.01	Mutually agreed upon
b. Renewal or extension of the term	Section 2.01	No renewal
c. Requirements for developer to renew or extend	Section 2.01	You have no right to renew or extend your rights under this Agreement.
d. Termination by developer	Not applicable	Not applicable
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 8	We can terminate only for specified causes (if we terminate, we may also terminate any franchise agreements you have signed with us)
g. "Cause" defined: curable defaults	Section 8.02	30 days to cure certain breaches of the Development Agreement.
h. "Cause" defined: non-curable defaults	Sections 8.01 and 8.02	Includes insolvency; failure to meet development schedule; unauthorized transfer; misrepresentations; conviction of a felony; unauthorized disclosure of confidential information; any default by you under a franchise agreement; adverse franchise legislation.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
i. Developer's obligations on termination/nonrenewal	Section 9	Comply with covenant not to compete
j. Assignment of contract by franchisor	Section 10.08	No restriction on our right to assign
k. "Transfer" by developer defined	Section 1.04	Includes transfer of agreement, sale of business and ownership changes.
l. Franchisor's approval of transfer by developer	Sections 7.01 and 7.02	We have the right to approve all transfers but will not unreasonably withhold approval if conditions satisfied.
m. Conditions for franchisor's approval of transfer	Section 7.02	You must transfer all of your Restaurants; be in compliance with agreements; have at least one Restaurant open; sign release and non-compete for each transferred restaurant; and do other things we request. Transferee must qualify, sign existing agreement and pay transfer fee; transferee cannot be public company.
n. Franchisor's right of first refusal	Section 7.06	We can match any offer for your development rights.
o. Franchisor's option to purchase developer's development rights	Not applicable	Not applicable
p. Death or disability of developer	Section 7.05	Franchise must be assigned by estate to approved buyer within nine months.
q. Non-competition covenants during the term of the agreement	Section 6.02	No involvement in any competing business regardless of its location.
r. Non-competition covenants after the agreement is terminated or expires	Section 9.02	No competing business for 2 years within your Development Area or within 3 miles of any other Checkers Restaurant or Rally's Restaurant.
s. Modification of the agreement	Section 10.10	No modifications except by written agreement signed by both parties.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
t. Integration/merger clause	Section 10.11	Only terms of Development Agreement are binding (subject to state law); any representations or promises outside the disclosure document and development agreement may not be enforceable. However, nothing in the Development Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by negotiation, mediation & arbitration	Section 10.06	All claims, disputes and controversies shall be arbitrated on demand by either party.
v. Choice of forum	Section 10.05	If dispute is not arbitrated, then Florida State and Federal courts (subject to state law, see Exhibits I and J).
w. Choice of law	Section 10.07	Subject to state law, Florida law applies generally, except for applicable franchise laws of other states (see Exhibits I and J).

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote the sale of our franchises.

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

The following financial performance representation is a historic representation based on the past performance of existing Restaurants.

Statements of Average Net Sales of Checkers Restaurants

**TABLE A
ALL CHECKERS RESTAURANTS**

Category of Restaurant	Average Net Sales 2023 Fiscal Year	Number of Restaurants	% Attaining or Exceeding Average	Median Net Sales 2023 Fiscal Year	Low and High Net Sales
ALL CHECKERS RESTAURANTS					
Company-owned	\$1,181,657	124	60 or 48%	\$1,175,730	\$587,515 - \$1,889,817
Franchised	\$1,099,430	352	161 or 46%	\$1,072,227	\$260,171 - \$3,058,795
SITE BUILT OR CONVERSION RESTAURANT					
Company-owned	\$1,181,657	124	60 or 48%	\$1,175,730	\$587,515 - \$1,889,817
Franchised	\$1,166,245	301	131 or 44%	\$1,110,538	\$260,171 - \$3,058,795
ENDCAP STRIP-CENTER & GAS/CONVENIENCE RESTAURANT					
Company-owned	-	-	-	-	-
Franchised	\$613,490	28	10 or 36%	\$582,020	\$273,765 - \$1,244,612
NON-TRADITIONAL, WALMART OR IN-LINE RESTAURANT IN HIGH DENSITY MARKET					
Company-owned	-	-	-	-	-
Franchised	\$816,602	23	12 or 52%	\$901,660	\$299,750 - \$1,438,753

**TABLE B
FIRST YEAR OF OPERATION FOR NEW CHECKERS RESTAURANTS**

Category of Restaurant	Average Net Sales During First 52-week Period of Operations	Number of Restaurants	% Attaining or Exceeding Average	Median Net Sales During First 52-week Period of Operations	Low and High Net Sales
ALL CHECKERS RESTAURANTS					
Company-owned	\$1,122,517	2	1 or 50%	\$1,122,517	\$780,241 - \$1,464,793
Franchised	\$1,232,695	37	20 or 54%	\$1,294,318	\$319,740 - \$1,937,391
SITE BUILT OR CONVERSION RESTAURANT					
Company-owned	\$1,122,517	2	1 or 50%	\$1,122,517	\$780,241 - \$1,464,793
Franchised	\$1,318,043	33	17 or 52%	\$1,339,939	\$386,512 - \$1,937,391
ENDCAP STRIP-CENTER & GAS/CONVENIENCE RESTAURANT					
Company-owned	-	-	-	-	-
Franchised	\$492,890	2	1 or 50%	\$492,890	\$396,634 - \$589,146

Category of Restaurant	Average Net Sales During First 52-week Period of Operations	Number of Restaurants	% Attaining or Exceeding Average	Median Net Sales During First 52-week Period of Operations	Low and High Net Sales
<i>NON-TRADITIONAL, WALMART OR IN-LINE RESTAURANT IN HIGH DENSITY MARKET</i>					
Company-owned	-	-	-	-	-
Franchised	\$564,252	2	1 or 50%	\$564,252	\$319,740 - \$808,763

As used in this Item 19, “Net Sales” means all revenue derived from operating the Franchised Restaurant, including the aggregate of all sales amounts from food, beverages and other products sold and services rendered at the Premises or otherwise rendered in connection with the Franchised Restaurant, and all monies derived from sales at or away from the Franchised Restaurant, whether from cash, check, credit or debit card, barter exchange, trade credit, or other credit transactions, but: (1) excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; and (2) reduced by the amount of any documented refunds, credits, allowances, adjustments, promotional discounts, and charge-backs the Franchised Restaurant provides to customers in good faith. Table A comprises Net Sales information for the 124 company-owned Checkers Restaurants and the 352 franchised Checkers Restaurants that were open and operating for at least 350 days during the 52-week period ending January 1, 2024 (the “2023 Fiscal Year”). Table A does not include the Net Sales for 10 company-owned and 51 franchised Checkers Restaurants that were open for less than 350 days during the 2023 Fiscal Year and 25 franchised Checkers Restaurants that were previously considered temporarily closed but which are now permanently closed.

Table B comprises Net Sales information during the first 52-week period of operations for the 2 company-owned Checkers Restaurant and the 37 franchised Checkers that opened between January 2021 and January 2024. Table B does not include the Net Sales for 2 company-owned Checkers Restaurants and 10 franchised Checkers because they did not have a full 52-week period of operation.

For purposes of this Item 19, “Average Net Sales” means the mean average amount of reported Net Sales, and “Median Net Sales” means the midpoint amount of reported Net Sales. The Net Sales figures for franchised Checkers Restaurants were derived from unaudited financial reports submitted by franchisees for the purpose of computing royalties. We compiled the Net Sales figures for company-owned Checkers Restaurants on the basis of generally accepted accounting principles, consistently applied.

Statements of Average Net Sales of Rally's Restaurants

**TABLE A
ALL RALLY'S RESTAURANTS**

Category of Restaurant	Average Net Sales 2023 Fiscal Year	Number of Restaurants	% Attaining or Exceeding Average	Median Net Sales 2023 Fiscal Year	Low and High Net Sales
ALL RALLY'S RESTAURANTS					
Company-owned	\$1,086,489	111	51 or 46%	\$1,052,378	\$586,581 - \$2,484,021
Franchised	\$1,125,998	166	73 or 44%	\$1,012,192	\$288,637 - \$2,409,124
SITE BUILT OR CONVERSION RESTAURANT					
Company-owned	\$1,086,489	111	51 or 46%	\$1,052,378	\$586,581 - \$2,484,021
Franchised	\$1,154,616	156	69 or 44%	\$1,047,467	\$332,457 - \$2,409,124
ENDCAP STRIP-CENTER & GAS/CONVENIENCE RESTAURANT					
Company-owned	-	-	-	-	-
Franchised	\$810,807	5	2 or 40%	\$709,818	\$411,396 - \$1,450,161
NON-TRADITIONAL, WALMART OR IN-LINE RESTAURANT IN HIGH DENSITY MARKET					
Company-owned	-	-	-	-	-
Franchised	\$548,319	5	3 or 60%	\$634,219	\$288,637 - \$675,920

**TABLE B
FIRST YEAR OF OPERATIONS FOR NEW RALLY'S RESTAURANTS**

Category of Restaurant	Average Net Sales During First 52-week Period of Operations	Number of Restaurants	% Attaining or Exceeding Average	Median Net Sales During First 52-week Period of Operations	Low and High Net Sales
ALL RALLY'S RESTAURANTS					
Company-owned	\$1,705,063	1	1 or 100%	\$1,705,063	\$1,705,063 - \$1,705,063
Franchised	\$1,351,215	19	7 or 37%	\$1,280,696	\$597,533 - \$2,392,724
SITE BUILT OR CONVERSION RESTAURANT					
Company-owned	\$1,705,063	1	1 or 100%	\$1,705,063	\$1,705,063 - \$1,705,063
Franchised	\$1,393,086	18	7 or 39%	\$1,283,646	\$786,731 - \$2,392,724
ENDCAP STRIP-CENTER & GAS/CONVENIENCE RESTAURANT					
Company-owned	-	-	-	-	-
Franchised	\$597,533	1	1 or 100%	\$597,533	\$597,533 - \$597,533

Category of Restaurant	Average Net Sales During First 52-week Period of Operations	Number of Restaurants	% Attaining or Exceeding Average	Median Net Sales During First 52-week Period of Operations	Low and High Net Sales
<i>NON-TRADITIONAL, WALMART OR IN-LINE RESTAURANT IN HIGH DENSITY MARKET</i>					
Company-owned	-	-	-	-	-
Franchised	-	-	-	-	-

Table A comprises Net Sales information for the 111 company-owned Rally's Restaurants and the 166 franchised Rally's Restaurants that were open and operating for at least 350 days during the 2023 Fiscal Year. Table A does not include the Net Sales for the 11 company-owned Rally's Restaurants and 8 franchised Rally's Restaurants that were open for less than 350 days during the 2023 Fiscal Year.

Table B comprises Net Sales information during the first 52-week period of operations for the 1 company-owned Rally's Restaurants and the 19 franchised Rally's Restaurants that opened between January 2021 and January 2024 (each, a "New Rally's Restaurant"). Table B does not include the Net Sales for 3 franchised Rally's Restaurants because they did not have a full 52-week period of operation.

For purposes of this Item 19, "Average Net Sales" means the mean average amount of reported Net Sales, and "Median Net Sales" means the midpoint amount of reported Net Sales. The Net Sales figures for franchised Rally's Restaurants were derived from unaudited financial reports submitted by franchisees for the purpose of computing royalties. We compiled the Net Sales figures for company-owned Rally's Restaurants on the basis of generally accepted accounting principles, consistently applied.

FIRST YEAR OF OPERATIONS FOR COMPANY-OWNED NEW CHECKERS AND RALLY'S RESTAURANTS

Statement of Gross Margin (Company-Owned Checkers and Rally's Restaurants)

	Average New Restaurant	% of Net Sales	Median New Restaurant	# and % Attaining or Exceeding Average	High / Low
NET SALES	\$1,198,310	100%	\$1,249,509	5 or 71%	\$696,039 - \$1,706,060
FOOD & PAPER COSTS (1)	\$361,956	30%	\$373,721	4 or 57%	\$208,981 - \$497,026
LABOR AND BENEFIT COSTS (2)	\$349,671	29%	\$338,592	3 or 43%	\$270,098 - \$422,157

	Average New Restaurant	% of Net Sales	Median New Restaurant	# and % Attaining or Exceeding Average	High / Low
GROSS MARGIN (3)	\$486,683	41%	\$535,259	5 or 71%	\$183,740 - \$786,877
ROYALTIES, OCCUPANCY AND OPERATING COSTS	\$326,583	27%	\$346,691	4 or 57%	-\$167,381 - \$411,537

(1) Food, paper, and packaging costs, less supplier rebates

(2) Wages, bonuses, payroll taxes, workers compensation, medical insurance, and other benefits

(3) Gross Margin equals Net Sales less food and paper costs and labor and benefit costs.

The Statement of Gross Margin for New Company Checkers and Rally’s Restaurants consists of the reported Net Sales, food and paper costs and labor and benefit costs for 7 company-owned New Checkers and Rally’s Restaurants that were open and operating during the entire 2023 Fiscal Year (“New Company Restaurants”). The New Company Restaurants opened between January 2020 and January 2023 and the figures included above represent their operating expenses and Net Sales during each of their first full 13 periods of operation.

Royalties, occupancy and operating costs include rent, property taxes, marketing expenditures (NPF contributions, regional cooperative contributions, and Restaurant-specific promotions), utility costs (electricity, gas, water, and sewer), presumed royalties of 4% of Net Sales, and other routine expenses (maintenance and repairs, supplies, bank charges, uniforms, and other services). Restaurant level EBITDA excludes multi-unit supervision costs typically charged against Restaurant costs for company-owned Checkers and Rally’s Restaurants. Each of the presented new Checkers and Rally’s Restaurants lease the location for their Checkers and Rally’s Restaurant and the average annual rent was \$74,322 and the median annual rent was \$82,510. Rental amounts can vary significantly due to local market factors. “EBITDA” means earnings before interest, taxes, depreciation and amortization.

Statements of Average Net Sales of Checkers/Rally's Restaurants Open Less Than 350 Days During the 2023 Fiscal Year

**TABLE A
ALL RESTAURANTS**

Category of Restaurant	Average Net Sales 2023 Fiscal Year	Number of Restaurants	% Attaining or Exceeding Average	Median Net Sales 2023 Fiscal Year	Low and High Net Sales
Checkers Restaurants	\$502,694	61	24 or 39%	\$353,700	\$5,385 - \$2,149,458
Rally's Restaurants	\$548,648	19	7 or 37%	\$409,844	\$30,238 - \$1,647,319

Table A comprises Net Sales information for the 51 franchised Checkers Restaurants, 10 company-owned Checkers Restaurants, 8 franchised Rally's Restaurants and 11 company-owned Rally's Restaurants that were open and operating for less than 350 during the 2023 Fiscal Year. These restaurants were not open for 350 or more days because they were: (i) temporarily closed for remodeling; (ii) temporarily closed because of hurricane; (iii) temporarily closed for other issues (e.g., fire, staffing issues or supply chain disruption); (iv) closed permanently at some point during the 2023 Fiscal Year; or (v) opened for business after the start of 2023 Fiscal Year. Table A does not include the Net Sales for 25 franchised Checkers Restaurants that were previously considered temporarily closed but which are now permanently closed and which had no sales during the 2023 Fiscal Year.

General

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Written substantiation for the above financial performance representations will be made available to the prospective franchisee upon reasonable request. However, we will not disclose the identity or sales data of any particular Restaurant without the consent of that owner, except to any applicable state registration authorities or except in connection with the sale of a particular existing Restaurant that we own.

Other than the preceding financial performance representations, 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 Vincent C. Brockman at 4300 West Cypress Street, Suite 600, Tampa, Florida 33607 or at (813) 283-7000, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

All year-end numbers appearing in the tables below are as of the end of each fiscal year, which are as follows: January 3, 2022 for fiscal year 2021, January 2, 2023 for fiscal year 2022, and January 1, 2024 for fiscal year 2023.

CHECKERS RESTAURANTS

Table No. 1

System-wide Outlet Summary For years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	428	414	-14
	2022	414	414	0
	2023	414	378	-36
Company-Owned	2021	138	139	+1
	2022	139	132	-7
	2023	132	126	-6
Total Outlets	2021	566	553	-13
	2022	553	546	-7
	2023	546	504	-42

Table No. 2*

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2021	1
	2022	0
	2023	0
Delaware	2021	0
	2022	0
	2023	1

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	2021	0
	2022	0
	2023	0
Georgia	2021	8
	2022	1
	2023	0
Louisiana	2021	6
	2022	0
	2023	0
Illinois	2021	0
	2022	9
	2023	1
Indiana	2021	0
	2022	4
	2023	0
Maryland	2021	9
	2022	3
	2023	0
Michigan	2021	0
	2022	16
	2023	1
Mississippi	2021	0
	2022	0
	2023	0
North Carolina	2021	1
	2022	2
	2023	0
New Jersey	2021	0
	2022	0
	2023	1
New York	2021	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2022	0
	2023	0
Pennsylvania	2021	1
	2022	0
	2023	0
South Carolina	2021	0
	2022	0
	2023	0
Tennessee	2021	0
	2022	0
	2023	1
Texas	2021	3
	2022	0
	2023	1
Virginia	2021	1
	2022	1
	2023	0
Wisconsin	2021	0
	2022	0
	2023	0
Total	2021	30
	2022	36
	2023	6

* A number of these transactions involved a multi-unit franchise selling more than 1 outlet to the same buyer in the same transaction.

Table No. 3
 Status of Franchised Outlets
 For years 2021 to 2023

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2021	13	0	0	0	0	2	11
	2022	11	2	0	0	0	1	12
	2023	12	0	0	0	0	2	10
Arkansas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
California	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Delaware	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	1	3
	2023	3	1	0	0	0	1	3
Florida	2021	57	0	5	0	0	0	52
	2022	52	1	0	0	0	5	48
	2023	48	5	0	0	0	10	43
Georgia	2021	79	0	0	0	0	0	79
	2022	79	1	0	0	0	6	74
	2023	74	2	0	0	0	7	69
Illinois	2021	24	0	2	0	0	0	22
	2022	22	0	0	0	0	0	22
	2023	22	0	0	0	0	1	21
Indiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Iowa	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Louisiana	2021	18	1	0	0	0	0	19
	2022	19	2	0	0	0	0	21
	2023	21	2	0	0	0	2	21
Maryland	2021	32	1	0	0	0	0	33
	2022	33	0	0	0	0	0	33
	2023	33	1	0	0	0	0	34
Michigan	2021	34	0	0	0	0	0	34
	2022	34	0	0	0	0	0	34
	2023	34	0	0	0	0	1	33
Minnesota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
Mississippi	2021	5	1	0	0	0	0	6
	2022	6	5	0	0	0	0	11
	2023	11	1	0	0	0	1	11
New Jersey	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	2	11
New York	2021	50	0	5	0	0	0	45
	2022	45	2	0	0	0	3	44
	2023	44	1	0	0	0	8	37
North Carolina	2021	9	0	0	0	0	0	9
	2022	9	1	0	0	0	0	10
	2023	10	2	0	0	0	2	10
Pennsylvania	2021	15	0	4	0	0	0	11

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2022	11	0	0	0	0	1	10
	2023	10	1	0	0	0	9	2
South Carolina	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	1	0	0	0	2	6
Tennessee	2021	17	0	1	0	0	0	16
	2022	16	7	0	0	0	0	23
	2023	23	0	0	0	0	1	22
Texas	2021	33	1	0	0	0	0	34
	2022	34	2	0	0	0	6	30
	2023	30	1	0	0	0	6	25
Virginia	2021	6	0	0	0	0	0	6
	2022	6	2	0	0	0	1	7
	2023	7	0	0	0	0	0	7
West Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wisconsin	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
District of Columbia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	2021	428	5	17	0	0	2	414
	2022	414	25	0	0	0	25	414
	2023	414	19	0	0	0	55*	378

* This includes 29 restaurants that were previously considered temporarily closed but which are now permanently closed.

Table No. 4
 Status of Company-Owned Outlets
 For years 2021 to 2023

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Alabama	2021	7	0	0	0	0	7
	2022	7	0	0	0	0	7
	2023	7	0	0	0	0	7
Florida	2021	103	1	0	0	0	104
	2022	104	0	0	1	0	103
	2023	103	2	0	6	0	99
Georgia	2021	10	0	0	0	0	10
	2022	10	0	0	0	0	10
	2023	10	0	0	1	0	9
Michigan	2021	8	0	0	0	0	8
	2022	8	0	0	0	0	8
	2023	8	0	0	1	0	7
Mississippi	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
Tennessee	2021	6	0	0	0	0	6
	2022	6	0	0	0	6	0
	2023	0	0	0	0	0	0
Totals	2021	138	1	0	0	0	139
	2022	139	0	0	1	6	132
	2023	132	2	0	8	0	126

Table No. 5
Projected Openings As Of January 1, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
Arkansas	0	1	0
Florida	3	2	0
Georgia	1	0	0
Louisiana	3	0	0
Maryland	3	1	0
Mississippi	1	1	0
New Jersey	1	2	0
New York	1	0	0
Pennsylvania	1	4	0
South Carolina	2	2	0
Tennessee	2	2	0
Texas	1	2	0
Wisconsin	1	1	0
Total	20	18	0

RALLY'S RESTAURANTS

Table No. 1
System-wide Outlet Summary
For years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	162	161	-1
	2022	161	171	+10
	2023	171	169	-2
Company-Owned	2021	130	132	+2

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
	2022	132	123	-9
	2023	123	112	-11
Total Outlets	2021	292	293	+1
	2022	293	294	+1
	2023	294	281	-13

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2021	1
	2022	0
	2023	0
Indiana	2021	10
	2022	0
	2023	0
Kentucky	2021	22
	2022	1
	2023	2
Michigan	2021	0
	2022	0
	2023	8
Missouri	2021	0
	2022	0
	2023	6
Ohio	2021	1
	2022	0
	2023	1
Virginia	2021	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2022	0
	2023	8
West Virginia	2021	2
	2022	0
	2023	2
Total	2021	36
	2022	1
	2023	27

Table No. 3
Status of Franchised Outlets
For years 2021 to 2023

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera- tions Other Reasons	Col. 9 Outlets at End of the Year
Alabama	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	2	3
	2023	3	0	0	0	0	0	3
Arizona	2021	4	1	0	0	0	0	5
	2022	5	3	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Arkansas	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
California	2021	38	1	0	0	0	0	39
	2022	39	3	0	0	0	0	42
	2023	42	1	0	0	0	2	41
Indiana	2021	25	0	3	0	0	0	22
	2022	22	5	0	0	0	0	27

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2023	27	0	0	0	0	0	27
Kentucky	2021	32	0	1	0	0	0	31
	2022	31	0	0	0	0	1	30
	2023	30	0	0	0	0	2	28
Louisiana	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Michigan	2021	19	0	0	0	0	0	19
	2022	19	0	0	0	0	0	19
	2023	19	0	0	0	0	0	19
Mississippi	2021	5	0	0	0	0	0	5
	2022	5	2	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Missouri	2021	6	3	0	0	0	0	9
	2022	9	1	0	0	0	0	10
	2023	10	0	0	0	0	1	9
Nevada	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Ohio	2021	9	0	1	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Pennsylvania	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Virginia	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	1	8

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2023	8	0	0	0	0	0	8
West Virginia	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Totals	2021	162	5	6	0	0	0	161
	2022	161	14	0	0	0	4	171
	2023	171	3	0	0	0	5	169

Table No. 4
Status of Company-Owned Outlets
For years 2021 to 2023

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arkansas	2021	8	0	0	0	0	8
	2022	8	0	0	0	0	8
	2023	8	0	0	0	0	8
Illinois	2021	7	0	0	0	0	7
	2022	7	0	0	1	0	6
	2023	6	0	0	0	0	6
Indiana	2021	22	0	0	0	0	22
	2022	22	0	0	1	5	16
	2023	16	0	0	5	0	11
Kentucky	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2023	1	0	0	0	0	1
Louisiana	2021	16	0	0	0	0	16
	2022	16	0	0	0	0	16
	2023	16	0	0	1	0	15
Michigan	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Missouri	2021	12	0	0	0	0	12
	2022	12	0	0	0	0	12
	2023	12	0	0	1	0	11
Ohio	2021	63	2	0	0	0	65
	2022	65	0	0	2	0	63
	2023	63	0	0	4	0	59
Totals	2021	130	2	0	0	0	132
	2022	132	0	0	4	5	123
	2023	123	0	0	11	0	112

Table No. 5
Projected Openings As Of January 1, 2024

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Arizona	1	4	0
California	8	4	0
Indiana	0	1	0
Missouri	2	0	0
Nevada	0	3	0
Total	11	12	0

The names, addresses and telephone numbers of our franchisees and their Restaurants are listed in Exhibit F.

Exhibit G lists the name, city and state, and current business telephone number (or if unknown, the last known home telephone number) for each of the total 61 Checkers Restaurant and 32 Rally's Restaurant locations in the U.S. where an outlet was terminated, cancelled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year ended January 1, 2024, or has not communicated with us within 10 weeks of the date of issuance of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

If we offer to sell any previously owned franchised Restaurant that we now own, specific information about that Restaurant will be provided to you in a separate supplement to this Franchise Disclosure Document.

In the past three years, franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Checkers or Rally's franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

The Checkers and Rally's franchise systems have a Checkers/Rally's Franchise Advisory Council that we established and help support. The council's address is 4300 West Cypress Street, Suite 600, Tampa, Florida 33607; and email address FAC@Checkers.com.

ITEM 21 FINANCIAL STATEMENTS

As a result of the Recapitalization Agreement, the Company is presenting a successor period of June 17, 2023, through January 1, 2024 ("Successor Period") and predecessor periods of January 3, 2023 through June 16, 2023 and fiscal years ended January 2, 2023 and January 3, 2022 (each individually referred to as a "Predecessor Period" and collectively as the "Predecessor Periods"), within the audited financial statements. See footnote 1 within the audited financial statements for further information relating to the transaction.

Attached to this Franchise Disclosure Document as Exhibit H are our (i) audited consolidated balance sheets as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor), and the related consolidated statements of operations, stockholder's equity (deficit) and cash flows for the periods June 17, 2023 through January 1, 2024 (Successor) and January 3, 2023 through June 16, 2023 (Predecessor), and the fiscal years ending January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor), and the related notes, and (ii) the Company's unaudited financial statements as of and for the year to date period ended June 17, 2024.

ITEM 22
CONTRACTS

Attached as Exhibits to this Franchise Disclosure Document are the following contracts and their attachments:

1. Franchise Agreement (Exhibit B)
2. Existing Franchisee Incentive Addendum (Exhibit B-1)
3. 2024 Growth Incentive Addendum (Exhibit B-2)
4. Non-Traditional Site Addendum (Exhibit B-3)
5. Vet Fran Incentive Addendum (Exhibit B-4)
6. Women Business Owner Incentive Addendum (Exhibit B-5)
7. Development Agreement (Exhibit C)
8. Electronic Payment Authorization (Exhibit E)
9. Agreement Riders for Registration States (Exhibit J)

The form of general release that we currently intend to use with transfers and renewals is at Exhibit K.

ITEM 23
RECEIPTS

The last 2 pages of this Franchise Disclosure Document are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy and please keep the other copy along with this Franchise Disclosure Document.

EXHIBIT A

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

LIST OF STATE AGENCIES

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

California

Department of Financial Protection and
Innovation:
Toll Free: 1 (866) 275-2677

Los Angeles

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

Sacramento

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

San Diego

1350 Front Street
San Diego, California 92101-3697
(619) 525-4233

San Francisco

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

Hawaii

Franchise & Securities Division
State Department of Commerce
P.O. Box 40
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

Franchise Division
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

Franchise Division
Office of Secretary of State
302 W. Washington Street, Rm. E111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland

Franchise Office
Division of Securities
200 St. Paul Place- 20th Floor
Baltimore, Maryland 21202
(410) 576-6360

Checkers/Rally's
August 2024

Michigan

Consumer Protection Division
Franchise Section
P.O. Box 30213
Lansing, MI 48909
(517) 373-7177

Minnesota

Franchise Division
Department of Commerce
133 East Seventh St.
St. Paul, Minnesota 55101
(651) 296-6328

New York

New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

North Dakota

Franchise Division
Office of Securities Commission
600 East Boulevard- 5th Floor
Bismarck, North Dakota 58505
(701) 328-2910

Oregon

Corporate Securities Section
Dept. of Insurance & Finance
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

Rhode Island

Division of Securities
233 Richmond Street- Suite 232
Providence, Rhode Island 02903
(401) 222-3048

South Dakota

Franchise Office
Division of Securities
124 S. Euclid Ave., Suite 104
Pierre, SD 57501
(605) 773-4013

Virginia

Franchise Office
State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9276

Washington

The Dept. of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

Wisconsin

Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, Wisconsin 53701
(608) 266-3364

AGENTS FOR SERVICE OF PROCESS

Alabama

CSC- Lawyers Incorporating Service
150 South Perry Street
Montgomery, AL 36104

Delaware

Corporation Service Company
2711 Centerville Road, Suite 400
Wilmington, DE 19808

California

Department of Financial Protection and
Innovation:
Toll Free: 1 (866) 275-2677

Los Angeles

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

Sacramento

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

San Diego

1350 Front Street
San Diego, California 92101-3697
(619) 525-4233

San Francisco

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

Florida

Corporation Service Company
1201 Hays Street
Tallahassee, FL 32301

Georgia

Corporation Service Company
4845 Jimmy Carter Blvd.
Norcross, GA 30093

Hawaii

Commissioner of Securities
of the State of Hawaii
Department of Commerce
and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

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

Indiana

Corporation Service Company
251 East Ohio Street, Suite 500
Indianapolis, IN 46204

Iowa

Corporation Service Company
729 Insurance Exchange Building
Des Moines, IA 50309

Kansas

Corporation Service Company
200 S.W. 30th Street
Topeka, KS 66611

Louisiana

Corporation Service Company
320 Somerulos Street
Baton Rouge, LA 70802-6129

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan

CSC- Lawyers Incorporating Service
601 Abbott Road
East Lansing, MI 48823

Mississippi

Corporation Service Company
506 South President Street
Jackson, MS 39201

Missouri

Corporation Service Company d/b/a
CSC- Lawyers Incorporating Service
Company
221 Bolivar Street
Jefferson City, MO 65101

New Jersey

Corporation Service Company
830 Bear Tavern Road
West Trenton, NJ 08628

New York

Secretary of State
99 Washington Avenue
Albany, NY 12231

Corporation Service Company
80 State Street
Albany, NY 12207-2543

North Carolina

Corporation Services Company
327 Hillsborough Street
Raleigh, NC 27603

Pennsylvania

Corporation Service Company
2704 Commerce Drive
Harrisburg, PA 17110

South Carolina

Corporation Service Company
1301 Gervais Street
Columbia, SC 29201

Tennessee

Corporation Service Company
2908 Poston Avenue
Nashville, TN 37203

Texas

Corporation Service Company d/b/a
CSC- Lawyers Incorporating Service
Company
800 Brazos
Austin, TX 78701

Virginia

Clerk of the State Corporation
Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

Virginia (cont.)

Beverly L. Crump, Esq.
11 South 12th Street
Richmond, VA 23219

West Virginia

Corporation Service Company
1600 Laidley Tower
Charleston, WV 25301

Wisconsin

CSC- Lawyers Incorporating Service
Company
25 West Main Street
Madison, WI 53703

District of Columbia

Corporation Service Company
1090 Vermont Avenue N.W.
Washington, D.C. 2000

EXHIBIT B
FRANCHISE AGREEMENT

CHECKERS DRIVE-IN RESTAURANTS, INC.

FRANCHISE AGREEMENT

FRANCHISEE

RESTAURANT NUMBER

RESTAURANT LOCATION

CHECKERS DRIVE-IN RESTAURANTS, INC.

FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>Section Number</u>	<u>Page Number</u>
1. INTRODUCTION	1
1.01 Restaurants	1
1.02 Your Acknowledgments	1
1.03 Your Representations.....	1
1.04 Certain Definitions.....	2
2. GRANT OF RIGHTS.....	6
2.01 Grant of Franchise	6
2.02 Your Protected Area.....	6
2.03 Our Reservation of Rights.....	7
3. DEVELOPMENT OF THE FRANCHISED RESTAURANT.....	8
3.01 Site Acceptance Disclaimer.....	8
3.02 Selection of Premises	9
3.03 Purchase or Lease of Premises	10
3.04 Development of the Premises	10
3.05 Equipment, Furniture, Fixtures and Signs.....	12
3.06 Grand Opening Program.....	12
3.07 Opening Assistance	13
4. TRAINING AND GUIDANCE.....	13
4.01 Initial Training Program	13
4.02 On-Going Guidance.....	14
4.03 Operations Manual	14
5. TRADEMARKS.....	14
5.01 Ownership of the Marks	14
5.02 Use of the Marks	14
5.03 Discontinuance of Use of Marks	15
5.04 Notification of Infringements and Claims	15
5.05 Indemnification of Franchisee	15
6. FEES	15

6.01	Initial Franchise Fee.....	15
6.02	Royalty Fees	17
6.03	Interest On Late Payments	17
6.04	Automatic Clearing House Agreement.....	17
7.	RESTRICTIVE COVENANTS.....	17
7.01	Confidential Information	17
7.02	In-Term Covenants	18
7.03	Information Exchange.....	18
7.04	Procurement of Additional Covenants.....	19
8.	YOUR ORGANIZATION AND MANAGEMENT	19
8.01	Organizational Documents	19
8.02	Disclosure of Ownership Interests.....	20
8.03	Operating Partner.....	20
8.04	Management of Business	20
9.	RESTAURANT OPERATING STANDARDS	21
9.01	Condition of Franchised Restaurant	21
9.02	Uniform Image	22
9.03	Suppliers, Products and Services.....	22
9.04	Specifications and Standards.....	23
9.05	Compliance With Laws	23
9.06	Personnel.....	24
9.07	Insurance.....	24
9.08	Social Media Sites.....	25
9.09	Customer Data.....	26
9.10	Credit Cards.....	26
9.11	Pricing	26
10.	MARKETING AND ADVERTISING.....	27
10.01	National Production Fund	27
10.02	Your Advertising	28
11.	RECORDS AND REPORTS.....	30
11.01	Records	30
11.02	Periodic Reports	30
12.	INSPECTIONS OF THE FRANCHISED RESTAURANT	31
12.01	Inspections.....	31
12.02	Audits	31
13.	FRANCHISEE'S RIGHT TO TRANSFER	31

13.01	Franchisor’s Approval	31
13.02	Conditions for Approval	31
13.03	Effect of Approval.....	33
13.04	Special Transfers.....	33
13.05	Death or Disability of Franchisee	34
13.06	Franchisor’s Right of First Refusal.....	34
13.07	Securities Offerings.....	35
14.	TERMINATION OF AGREEMENT.....	35
14.01	Immediate Termination	35
14.02	Termination Upon Notice	36
15.	RENEWAL RIGHTS.....	38
15.01	Your Right To Acquire a Successor Franchise	38
15.02	Notices	38
15.03	Agreements.....	38
16.	EFFECT OF TERMINATION OR EXPIRATION	39
16.01	Payment of Amounts Owed to Us.....	39
16.02	Discontinue Use of Marks and Confidential Information	39
16.03	Post-Term Covenants.....	40
16.04	Option to Purchase Franchised Restaurant.....	41
16.05	Right to Lease Real Estate.....	43
16.06	Early Termination Damages.....	44
16.07	Continuing Obligations	45
17.	RELATIONSHIP OF THE PARTIES.....	45
17.01	Independent Contractors	45
17.02	Indemnification	46
17.03	Taxes.....	47
18.	MISCELLANEOUS	48
18.01	Severability and Substitution of Provisions	48
18.02	Waiver of Obligations.....	48
18.03	Exercise of Rights.....	48
18.04	Injunctive Relief	49
18.05	Arbitration.....	49
18.06	Costs of Enforcement	51
18.07	Jurisdiction and Venue	51
18.08	Governing Law	52
18.09	Successors and Assigns	52
18.10	Limitations on Damages	52
18.11	Construction.....	53
18.12	Approvals and Consents	53

18.13 Notices and Payments..... 54
18.14 Franchisee’s Release 54
18.15 Electronic Signatures..... 55
18.16 Receipt of Disclosure Document and Agreement 55

- EXHIBIT A – Franchisee Ownership Information
- EXHIBIT B – Franchised Restaurant Information
- EXHIBIT C – Franchise Addendum to Lease Agreement
- EXHIBIT D – Form of Confidentiality and Non-Disclosure Agreement

OWNERS’ PERSONAL GUARANTY OF FRANCHISEE’S OBLIGATIONS

CHECKERS DRIVE-IN RESTAURANTS, INC.

FRANCHISE AGREEMENT

This Franchise Agreement (“Agreement”) is made and entered into by and between **CHECKERS DRIVE-IN RESTAURANTS, INC.** (“Franchisor”, “we” or “us”), a Delaware corporation, with its principal place of business located at 4300 West Cypress Street, Suite 600, Tampa, Florida 33607, and _____ (“Franchisee” or “you”), a(n) _____, with its principal place of business located at _____, as of the date signed by us and set forth opposite our signature on this Agreement (the “Effective Date”).

1. INTRODUCTION.

1.01 Restaurants. We own, operate and franchise “Checkers” and “Rally’s”-branded restaurants, which feature a limited menu of hamburgers, cheeseburgers, hot dogs and/or such other menu items as we may authorize at any time and from time to time. We have developed and own a comprehensive System (defined below in Section 1.04) for developing and operating Restaurants.

1.02 Your Acknowledgments. You have read this Agreement and our Franchise Disclosure Document. You understand the terms of this Agreement and accept them as being reasonably necessary to maintain the uniformity of our high quality standards at all Restaurants in order to protect the goodwill of the Marks and the integrity of the System. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that the restaurant industry is highly competitive, with constantly changing market conditions. You recognize that the nature of Restaurants may change over time, that an investment in a Restaurant involves business risks and that the success of the venture is largely dependent on your own business abilities, efforts and financial resources. You have not received or relied on: (a) any guaranty or assurance, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement; or (b) any promises that any parent company or Affiliate will back us up financially or otherwise guarantee our performance.

1.03 Your Representations. You, and your Owners, if applicable, represent and warrant to us, that: (a) neither you nor any of your Owners has made any untrue statement of any material fact or has omitted to state any material fact in obtaining the rights granted hereunder; (b) neither you nor any of your Owners has any direct or indirect legal or beneficial interest in any business that may be deemed a

Competitive Business, except as otherwise completely and accurately disclosed in your franchise application submitted to us; and (c) the execution and performance of this Agreement will not violate any other agreement to which you or of any of your Owners may be bound. You recognize that we have approved your franchise application in reliance on all of the statements you and your Owners have made in connection therewith.

1.04 Certain Definitions. The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

“Affiliate” – Any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Bi-weekly Period” – Each two (2)-week period starting on Tuesday and continuing through the second Monday thereafter, subject to change by us, and provided that the first Bi-weekly Period in any Fiscal Year shall begin on the first day of our Fiscal Year for that year, regardless of the day in the calendar week upon which that first day falls (currently the Tuesday closest to any December 31st, whether arising in late December of one calendar year or early January of the following calendar year).

“Competitive Business” – Any business that: (i) operates as a restaurant or similar food-service provider and derives more than twenty percent (20%) of its revenue from selling hamburgers, cheeseburgers and hot dogs in a fast-food, quick-service, drive-thru or drive-in format; or (ii) grants franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a “Checkers” or “Rally’s”-branded restaurant operated under a franchise agreement with us).

“Confidential Information” – Our proprietary and confidential information relating to the development and operation of Restaurants, including: (1) ingredients, recipes, and methods of preparation and presentation of food products we authorize; (2) site selection criteria for Restaurants and plans and specifications for the development of Restaurants; (3) sales, marketing and advertising programs and techniques for Restaurants; (4) identity of suppliers, and knowledge of specifications and pricing for food products, materials, supplies and equipment, we authorize; (5) knowledge of operating results and financial performance of Restaurants, other than the Franchised Restaurant and other Restaurants you own; (6) methods of inventory control, storage,

product handling, training and management relating to Restaurants; (7) computer systems and software programs; and (8) any and all other information we provide you, your Owners or Affiliates that is designated orally or in writing as proprietary or confidential, or by its nature would reasonably be understood to be proprietary or confidential, regardless of whether such information is specifically designated as proprietary or confidential.

“Customer Data” – Any information from, about, or relating to customers of your Franchised Restaurant that identifies, or can be used to identify, contact, locate, or be traced back to the specific person to whom such information pertains, or from which identification or contact information of an individual person can be derived. Customer Data includes any personally identifiable information, such as a person’s name, address, phone number, fax number, e-mail address, passport number, financial profile, credit card information, or any other information by which one is reasonably able to personally identify one or more individuals.

“Fiscal Year” – Our fiscal year, as we may determine at any time and from time to time, consisting of either 52 or 53 weekly periods (depending on the particular fiscal year), each containing seven (7) consecutive calendar days, the first weekly period of which shall coincide with the first day of the first Bi-weekly Period of the fiscal year. Currently, the last day of our Fiscal Year occurs on that particular Monday, and the first day our next Fiscal Year occurs on that particular Tuesday, closest to December 31st in any calendar year (regardless of whether such days arise in late December of one calendar year or early January of the next calendar year).

“Franchise Disclosure Document” – The most recent version of franchise disclosure document for Restaurants that we or our designee delivered to you, your Owners, and/or your authorized representative.

“Franchised Restaurant” – The Restaurant we authorize you to operate at the Premises.

“Immediate Family” – Spouse, legally-recognized domestic partners, parents, siblings, and children, whether natural or adopted, including any particular member thereof as may be referenced individually.

“Marks” – All trademarks, service marks, trade dress, and other commercial symbols that we currently authorize, or may in the future authorize, to identify, promote, and operate Restaurants and/or any services or products offered by Restaurants, including our distinctive building design and color scheme.

“Monthly Period” – Each period of two (2) consecutive Bi-weekly Periods that corresponds approximately to a calendar month, with the first day of the first Bi-weekly Period in any Monthly Period starting on the designated calendar day (currently Tuesday) closest to the first day of a calendar month (whether arising late in the preceding calendar month or early in the following calendar month), and provided that the thirteenth Monthly Period in any Fiscal Year may encompass more than twenty-eight (28) calendar days).

“MSA” – A metropolitan statistical area, as determined by the U.S. Census Bureau.

“Net Sales” – All revenue derived from operating the Franchised Restaurant, including the aggregate of all sales amounts from food, beverages and other products sold and services rendered at the Premises or otherwise rendered in connection with the Franchised Restaurant, and all monies derived from sales at or away from the Franchised Restaurant, whether from cash, check, credit or debit card, barter exchange, trade credit, or other credit transactions, but: (1) excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; and (2) reduced by the amount of any documented refunds, credits, allowances, adjustments, promotional discounts, and charge-backs the Franchised Restaurant provides to customers in good faith.

“Non-Traditional Sites” – Any sites, locations or venues that independently generate customer traffic flow separate from the general customer traffic flow of the surrounding area, or by their nature are not tied to a particular physical location, including, without limitation: military bases; large big-box retail outlets; transportation-related venues (e.g., airports, train or bus stations, marinas, travel plazas or toll roads); sports or entertainment venues (e.g., stadiums, arenas, concert halls); major industrial or office complexes, hotels, educational facilities (e.g., school, college, and university campuses); casinos; hospitals and related rehabilitation or healthcare facilities; governmental institutions; amusement or recreational facilities (e.g., theme parks, outdoor municipal parks, zoos, or museums); grocery stores or departments stores; mobile-based channels of distribution (e.g., roving food trucks); and any co-branding locations or business endeavors where a Restaurant’s operations are inextricably associated with, or such operations are contained within or sharing the same physical building or operational premises as, another business (such as, for example and without limitation, a gas/convenience store or another restaurant concept).

“NPF” – The “National Production Fund,” as further described in Section 10.01.

“Operating Partner” – The individual identified in Exhibit A.

“Operations Manual” – Our confidential online operating manual, as we may amend at any time and from time to time, which may consist of one or more manuals or communications, containing our mandatory and suggested standards, specifications and operating procedures relating to the development and operation of Restaurants and other information relating to your obligations under this Agreement. For purposes of this Agreement, the term “Operations Manual” also includes all instructions or communications we or our representatives may transmit to you or a substantial number of franchisees, whether in writing or through other media, concerning aspects or modifications to the System, standards, specifications and operating procedures, including bulletins, emails, limited access intranet sites, videotapes, audio tapes, or any other electronic medium.

“Operator(s)” – An individual or the individuals appointed and authorized by you to conduct day-to-day business activities at the Franchised Restaurant

“Owner” – Each person or entity that has a direct or indirect legal or beneficial ownership interest in you, if you are a business corporation, partnership, limited liability company or other legal entity.

“Premises” – The location for operation of the Franchised Restaurant selected by Franchisee and approved in writing by Franchisor, as identified in Exhibit B.

“Restaurants” – **INSERT BRAND: Checkers/Rally's** restaurants we or any of our Affiliates own, operate or franchise that use the Marks and System.

“System” – The business methods, designs and arrangements for developing and operating Restaurants, which include the Marks, building designs and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food products, methods of inventory control and certain operating and business standards and policies, all of which we may improve, further develop or otherwise modify at any time and from time to time.

“Transfer the Franchise” – or similar words – The direct or indirect sale, assignment, transfer, exchange, conversion, license, sublicense, lease, sublease, mortgage, pledge, collateral assignment, grant of a security, collateral or conditional interest or other encumbrance in or on, or other disposition, whether voluntary, involuntary, by operation of law or otherwise, of this Agreement, any interest in or right under this Agreement, any form of legal or beneficial ownership interest in you or any of your Owners, or any form of ownership interest or right to participate in or receive the benefit of the assets, revenues, income or profits of your Franchised Restaurant, or any one or more

other acts or events not covered by the foregoing that we reasonably determine to be a form of direct or indirect transfer, including: (1) any transfer, redemption or issuance of a legal or beneficial ownership interest in the capital stock of, or a membership or partnership interest in, you or your Owners, or of any interest convertible into or exchangeable for capital stock of, or a membership or partnership interest in, you or your Owners; (2) any merger or consolidation between you and another entity, whether or not you are the surviving entity, or any conversion of you or your Owners from one form of legal entity into another form of legal entity, or any sale, exchange, encumbrance or other disposition of your or their assets; (3) any transfer in connection with or as a result of a divorce, dissolution of marriage or similar proceeding or a property settlement or legal separation agreement in the context of a divorce, dissolution or marriage or similar proceeding, an insolvency, bankruptcy or assignment for benefit of creditors, a judgment, a corporate, limited liability company or partnership dissolution or otherwise by operation of law; (4) any transfer by gift, declaration of trust, transfer in trust, revocation of trust, trustee succession, trust termination, discretionary or mandatory trust distribution, occurrence of any event (e.g., death of a person) that affects or ripens the rights of contingent beneficiaries, exercise of a power of appointment, exercise of a withdrawal right, adjudication of you or any Owner as legally disabled, or upon or after your death or the death of any of your Owners by will, disclaimer of the laws of intestate succession or otherwise; or (5) any foreclosure upon your Franchised Restaurant or the transfer, surrender or loss by you or your Owners of possession, control or management of your Franchised Restaurant.

2. GRANT OF RIGHTS.

2.01 Grant of Franchise. You have applied for a franchise to own and operate a Restaurant at a location we approve, which will be identified on Exhibit B (the “Premises”). Subject to the terms of this Agreement, we grant to you the right, and you assume the obligation, to operate a Restaurant at the Premises and to use the System solely in connection therewith, for a term of twenty (20) years, starting on the Effective Date (the “Term”). You may not conduct the business of the Franchised Restaurant or use the System at any site other than the Premises, or relocate the Franchised Restaurant, without our prior consent. The Franchised Restaurant may not be used for any purpose other than the operation of a Restaurant in compliance with this Agreement. You may conduct business only with customers at the Franchised Restaurant and may not engage in any catering or delivery businesses without or prior consent which may be withheld for any reason.

2.02 Your Protected Area. During the Term, and subject to the following Section 2.03, we will not operate (directly or through an Affiliate), or grant to a third party the right to operate, any “Checkers” or “Rally’s”-branded restaurant located

within a particular geographic area (the “Protected Area”). The Protected Area, as defined by us, shall be the lesser of: (i) a one (1) mile radius from the center of the Premises if your Franchised Restaurant is located in a suburban or rural area or (ii) an area immediately surrounding the Premises that encompasses a population of twenty thousand (20,000) residents if your Franchised Restaurant is located in an urban area. Notwithstanding the foregoing, we may, from time to time during the Term, at our sole option and upon providing notice to you, reduce or otherwise modify the size and/or boundaries of the Protected Area to encompass a geographic area immediately surrounding the Premises consisting of thirty thousand (30,000) residents. If at any time during the Term the population in the Protected Area becomes less than thirty thousand (30,000) residents, we have no obligation to expand or modify the size and/or boundaries of the Protected Area to include a greater population. You and we agree that upon any modification to the size and/or boundaries of the Protected Area pursuant to this Section, we are authorized to amend this Agreement to reflect such modification. You and we hereby agree that upon the amendment of this Agreement by us in accordance with this Section, the particular geographic area identified thereon shall be deemed the Protected Area under this Agreement.

2.03 Our Reservation of Rights. Except as expressly limited by Section 2.02 above, we and our Affiliates (and our respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all rights and discretion with respect to the Marks, the System, the sale of products and services similar or dissimilar to those offered by “Checkers” and “Rally’s”-branded restaurants, and the operation or franchising of “Checkers” and “Rally’s”-branded restaurants anywhere located or to be located, and may engage in any business activities whatsoever, within or outside the Protected Area, whenever and wherever we desire. Specifically, by way of example and without limitation, we reserve the following rights: (a) to establish and operate, and grant to others the right to operate, “Checkers” and “Rally’s”-branded restaurants at locations outside the Protected Area, on such terms and conditions as we deem appropriate (you acknowledge that such “Checkers” and “Rally’s”-branded restaurants may be in direct competition with your Franchised Restaurant, without regard to any adverse effects of such activities on your Franchised Restaurant and without any obligation or liability to you); (b) to establish and operate, and grant to others the right to operate, “Checkers” and “Rally’s”-branded restaurants, or other restaurants using any part or all of the System and/or Marks, that are located at or operated from Non-Traditional Sites within or outside the Protected Area; (c) to sell any products or services under the Marks or under any other trademarks, service marks or trade dress, through alternative channels of distribution, wherever located or operating (including, without limitation, the internet or similar electronic media and supermarkets); (d) to establish and operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Marks (including the **INSERT BRAND: “Checkers”/“Rally’s”** name and mark), pursuant to such terms and conditions as we

deem appropriate and wherever such restaurants are located; (e) to acquire the assets or ownership interests of one or more businesses providing products and services similar or dissimilar to those provided at “Checkers” and “Rally’s”-branded restaurants, and to franchise, license or create similar arrangements with respect to these businesses once acquired, and which businesses we may (at our sole discretion, and without obligation) convert, or allow to be converted, to operations as “Checkers” or “Rally’s”-branded restaurants using any of the Marks and/or the System, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Area, if applicable); and (f) to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at “Checkers” or “Rally’s”-branded restaurants, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses in the Protected Area.

You acknowledge and agree that, except as expressly granted to you in Section 2.02 hereof, your rights hereunder are non-exclusive and you have no rights under this Agreement to participate in or benefit from any other business activity we or our Affiliate may undertake, regardless of whether such activity involves the Marks or the System. You waive, to the fullest extent permitted under applicable law, all claims, demands, or causes of action arising from or relating to any of the foregoing activities by us or any of our Affiliates in connection with our reserved rights under this Section 2.03.

3. DEVELOPMENT OF THE FRANCHISED RESTAURANT.

3.01 Site Acceptance Disclaimer. You acknowledge and agree that, if we suggest, approve, or give you information regarding a site for the Premises, our action is not a representation or warranty of any kind, express or implied, of the site’s suitability for a Restaurant or any other purpose. We do not represent that we, or any of our Affiliates, owners, employees or agents, have special expertise in selecting sites. Our action indicates only that we believe that the site meets our then acceptable criteria and not that the Franchised Restaurant will be profitable or successful at the Premises. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we suggest or approve for the location of a Restaurant fails to meet your expectations. Accordingly, you acknowledge and agree that your acceptance of the franchise for a Restaurant pursuant to this Agreement is based on your own independent investigation of the site’s suitability for the Premises.

In consideration of our acceptance of the Premises, you and your Owners release us, and our Affiliates, officers, directors, employees and agents from any and all loss, damage and liability arising from or in connection with the selection and/or acceptance of the Premises for development as a Restaurant.

3.02 Selection of Premises. If you have suggested a location for the Franchised Restaurant which we have approved before or concurrently with the execution of this Agreement, the Premises will be set forth on Exhibit B. If we and you have not agreed upon an approved location for the Franchised Restaurant before signing this Agreement, then you are responsible for selecting the site for the Franchised Restaurant within the geographic area described in Exhibit B (“Designated Area”). The Designated Area is delineated for the sole purpose of site selection and does not confer any territorial exclusivity or protection. You agree to obtain our written approval of the Franchised Restaurant’s proposed site before signing any lease, sublease, or other document for the site. Within one hundred eighty (180) days after the Effective Date, you must locate and submit for our approval a site acceptable to us within the Designated Area for the Franchised Restaurant. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you. We will not unreasonably withhold our approval of a site that meets our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; other commercial characteristics; and the proposed site’s size, appearance, and other physical characteristics.

You agree to send us a description of the proposed site, including a summary of the items listed above, along with a letter of intent or other evidence confirming your favorable prospects for obtaining the proposed site. We will use reasonable efforts to approve or disapprove the proposed site within thirty (30) days after receiving your written proposal. If we do not approve of a proposed site, you must identify and notify us of new sites until we approve a site for the Franchised Restaurant. Upon our approval of a site, we will insert its address into Exhibit B, and it will be the Premises. The failure to insert such address into in Exhibit B shall not automatically affect the enforceability of this Agreement. If, after expending good faith best efforts (as we determine in our sole judgment), you are unable to locate a site acceptable to us within the Designated Area for the Franchised Restaurant within the prescribed time period under this Section, then you may request an extension of time to locate an acceptable site within the Designated Area, which we may grant to you in our sole discretion. If we grant you such an extension, you must pay us a nonrefundable extension fee of Five Thousand Dollars (\$5,000) as a condition to our granting such extension.

3.03 Purchase or Lease of Premises. We have the right to approve the terms of any lease, sublease or purchase contract for the Premises. You agree to sign, and have the landlord sign, the franchise addendum to lease agreement attached hereto as Exhibit C, containing certain required terms and provisions of the lease or sublease. Within sixty (60) days after our approval of a site for the Premises, you must deliver to us a copy of the fully signed lease, sublease or purchase contract and the franchise addendum to lease agreement. You may not modify the terms of the lease, sublease, purchase contract or franchise addendum to lease agreement without our approval. Our approval of the lease, sublease or purchase contract does not constitute a warranty or representation of any kind, express or implied, as to its fairness or suitability or as to your ability to comply with its terms. We do not, by virtue of approving the lease, sublease or purchase contract, assume any liability or responsibility to you or to any third parties. If, after expending good faith best efforts (as we determine in our sole judgment), you are unable to execute the lease, sublease or purchase agreement for the Premises within the prescribed time period under this Section, and we did not previously grant you an extension under Section 3.02 above, then you may request an extension of time to execute such lease, sublease or purchase agreement, which we may grant to you in our sole discretion. If we grant you such an extension, you must pay us a nonrefundable extension fee of Five Thousand Dollars (\$5,000) as a condition to our granting such extension.

3.04 Development of the Premises. You are responsible for developing the Franchised Restaurant, funding all expenses associated therewith, and for complying with the requirements of any applicable federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act (“ADA”) or similar rules governing public accommodations for persons with disabilities.

Upon your request, we will furnish you with the prototype plans for a Restaurant. You may be required to pay a fee for any prototype plans that we furnish to you. The prototype plans are to be used as a guideline for your use in developing a final set of plans for construction of the Franchised Restaurant. You may modify those prototype plans only as required to ensure that the plans and all specifications comply with all applicable federal, state and local laws, codes and regulations, ordinances, building codes and permit requirements and any lease requirements and restrictions. You may not make modifications to the dimensions or the exterior design of the building for the Franchised Restaurant without our specific authorization. You must submit all modified plans and specifications to us for our approval before seeking municipal approval to develop the Premises. Our review and approval of your plans are not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is your sole responsibility. At our request, you must submit to us all revised or “as built” plans and specifications. All development must be in accordance with the plans and specifications we have approved, and must comply with all applicable laws, ordinances and local rules and regulations. The architect and/or general contractor

you use to design and construct the Franchised Restaurant must be approved by us in writing. Any architect, general contractor or other builders you use must be licensed and maintain architect's, builder's and/or contractors insurance (as applicable). Our approval of any architect, general contractor or other builders that you use to design or construct the Franchised Restaurant is not a representation or warranty of any kind, express or implied, of the architect's, general contractor's or other builder's qualifications or competence in designing or constructing the Franchised Restaurant. Our approval indicates only that we believe that the architect, general contractor or other builder meets our then acceptable criteria. We will furnish such guidance to you in developing the Premises as we deem appropriate. We may periodically inspect the Premises during its development. We do not, by approving your plans or specifications or inspecting the Premises, assume any liability or responsibility to you or to any third parties. Such approvals and inspections shall be solely for the purpose of assuring compliance with our standards and shall not be construed as any express or implied representation or warranty that your Franchised Restaurant complies with any applicable laws, codes or regulations (including the ADA or any other federal, state or local law or ordinance regulating standards for access to, use of, or modifications of buildings by or for any persons whose disabilities are protected by law) or that the construction thereof is sound or free from defects. All prototype plans and other plans and specifications for the Franchised Restaurant shall be our sole and exclusive property.

You must apply for all requisite government approvals and permits to develop the Premises within sixty (60) days after your execution of the proposed lease, sublease or purchase agreement for the Premises. You must complete construction or installation of the Franchised Restaurant within one hundred eighty (180) days from receipt of all government approvals and permits. You must open the Franchised Restaurant within fourteen (14) days after the date construction or installation is completed, or, if the Franchised Restaurant receives training support from us, within nineteen (19) days after construction or installation is completed. We must approve the Franchised Restaurant for opening. If, after expending good faith best efforts (as we determine in our sole judgment), you are unable to obtain all requisite approvals and permits or complete construction of the Franchised Restaurant within the prescribed time periods under this paragraph, and we did not previously grant you an extension under Sections 3.02 or 3.03 above, then you may request an extension of time to obtain such governmental approvals and permits or complete construction, which we may grant to you in our sole discretion. If we grant you such an extension, you must pay us a nonrefundable extension fee of Five Thousand Dollars (\$5,000) as a condition to our granting such extension.

Your obligation to complete construction of the Franchised Restaurant includes obtaining all required construction and occupancy licenses and permits, developing the Premises (including all outdoor features and landscaping of the Premises), installing all required fixtures, furnishings, equipment and signs, and doing all other

things required by this Agreement or by practical necessity to have the Franchised Restaurant ready to open for business. You must give us at least thirty (30) days' prior notice of the date on which you plan to open the Franchised Restaurant. You may not open the Franchised Restaurant for business until we have notified you that the Franchised Restaurant meets our requirements for opening, including payment in full of the initial franchise fee and all other amounts then owing to us, successful completion of our initial training program, and our receipt of your certificates of insurance in compliance with Section 9.07.

3.05 Equipment, Furniture, Fixtures and Signs. You agree to purchase or lease all required equipment, furnishings, fixtures and signs for the Franchised Restaurant. You agree to purchase or lease only such types, brands and models of fixtures, furniture, equipment, signs and supplies which we approve for Restaurants as meeting our standards and specifications, including standards and specifications for quality, design, warranties, appearance, function and performance. You may purchase or lease approved types, brands or models of fixtures, furniture, equipment, signs and supplies only from suppliers approved by us (including us and any of our Affiliates). From time to time, we may modify the list of approved types, brands, models and/or suppliers, and you may not, after receipt of notice of such modification, initiate any new orders for, or reorder, any type, brand or model, or otherwise transact with any supplier, which is no longer approved. If you elect, at your option, to use a pre-fabricated modular structure as the Franchised Restaurant's building, then you must: (i) purchase the modular components from, and have the structure erected and installed by, only suppliers we approve; and (ii) ensure that all aspects of the modular structure and its installation comply with your obligations under this Agreement and all applicable laws, regulations, ordinances, building codes, permit requirements and use requirements and restrictions.

If you propose to purchase any fixtures, furniture, equipment, signs or supplies of a type, brand or model, or from a supplier that we have not previously approved, you must notify us and submit to us all information we may request concerning the proposed item or supplier. We may impose reasonable inspection and supervision fees on you to cover our costs associated with evaluating any proposed supplier or item you request us to consider approving for use by the Franchised Restaurant or the System.

3.06 Initial Advertising and Promotional Program. If this Agreement is for a new Restaurant, you agree to contribute Fifteen Thousand Dollars (\$15,000) to the National Production Fund (the "Initial Advertising Deposit"). The Initial Advertising Deposit is due upon commencing construction at the Premises for the Franchised Restaurant. We describe the National Production Fund below in Section 10.01. We agree to use the Initial Advertising Deposit to conduct, through the NPF (and, if applicable, any local advertising cooperative), an initial advertising and promotional program for the Franchised Restaurant as we deem appropriate. The

Initial Advertising Deposit will be used to purchase advertising and promotions for the Franchised Restaurant, and to cover the types of expenses incurred by the NPF relating to the Franchised Restaurant. Upon completion of the initial advertising and promotional program we shall (after deducting for incurred costs and expenses) credit any remaining amount from the Initial Advertising Deposit towards your required advertising contributions to the NPF or your local advertising cooperative. We make no representation or warranty as to the effectiveness of the initial advertising and promotional program for the Franchised Restaurant and have no obligation to account to you for the Initial Advertising Deposit (apart from our obligation to account for the NPF generally, as described in Section 10.01).

3.07 Opening Assistance. If you (or the Operating Partner) have not previously owned or managed a Restaurant, and you are opening a new Franchised Restaurant under this Agreement (i.e. not a transfer of an existing franchise), then we will provide you with such on-site support at the Premises as we deem appropriate to assist you in starting Franchised Restaurant operations, including up to ten (10) total days of pre-opening, opening, and post-opening assistance, and up to three (3) of our personnel or designees as on-site resources to assist you, as we determine in our sole judgment. For avoidance of doubt, we solely determine the timing, scheduling and staffing of the on-site opening assistance we will provide you in accordance with this Section, including the calendar dates, times of our support and whether those support days are provided consecutively or intermittently.

4. TRAINING AND GUIDANCE.

4.01 Initial Training Program. If you (or your Operating Partner) or any Operator have not within the immediately preceding eighteen (18) months owned or managed a Restaurant, then prior to opening the Franchised Restaurant, you (or your Operating Partner) and your Operator(s), as applicable, must attend and successfully complete an initial training program on the operation of a Restaurant at such time(s) and place(s) we designate. We may require you (or your Operating Partner) or your Operator(s) to attend and successfully complete periodic or additional training programs. We will not charge any fees for two (2) attendees attending the initial training program. We may charge fees for any additional attendees that you send to the initial training program, as well as for you and your personnel attending any additional training programs (whether optional or mandatory). You will be responsible for all compensation and expenses (including travel, meals and lodging) incurred by you and your personnel in attending any training programs. You must immediately replace any Operator (including the Operating Partner, as applicable) who fails to successfully complete any training program to our satisfaction. You acknowledge and agree that the initial training program and any additional training programs are provided to you and your personnel to protect our brand and the Marks and not to control the day-to-day operation of the Franchised Restaurant.

4.02 On-Going Guidance. We will furnish you periodic guidance with respect to the System, including improvements and changes to the System. Such guidance, at our discretion, will be furnished online in our Operations Manual database, bulletins and other written materials, consultations by telephone or in person at our offices or at the Franchised Restaurant, or by any other means of communications. At your request, we may provide special assistance for which you will be required to pay the per diem fees and charges we may establish at any time and from time to time.

4.03 Operations Manual. We will provide you with access to our confidential operating manual pursuant to our online database (the "Operations Manual"). You agree to comply fully with all mandatory standards, specifications and operating procedures and other obligations contained in Operations Manual. We may modify Operations Manual at any time and from time to time to reflect changes in standards, specifications and operating procedures, provided no addition or modification may alter your fundamental status and rights under this Agreement. If a dispute develops relating to the contents of Operations Manual, our master copy will control. Operations Manual contains Confidential Information, and you agree not to copy any part of Operations Manual or to allow unauthorized persons access to Operations Manual.

5. TRADEMARKS.

5.01 Ownership of the Marks. You acknowledge that we own the Marks. Your right to use the Marks is derived solely from this Agreement and is limited to conducting business pursuant to and in compliance with this Agreement. Your unauthorized use of any of the Marks constitutes a breach of this Agreement and an infringement of our rights to the Marks. This Agreement does not confer on you any goodwill or other interests in the Marks. Your use of the Marks and any goodwill established thereby inures to our exclusive benefit. All provisions of this Agreement applicable to the Marks apply to any additional or substitute trademarks, service marks and trade dress we authorize you to use. You may not at any time during or after the Term contest, or assist any other person in contesting, the validity or ownership of any of the Marks.

5.02 Use of the Marks. You agree to use the Marks as the sole identification of the Franchised Restaurant, provided you identify yourself as the independent owner thereof in the manner we prescribe. You agree to use the Marks as we prescribe in connection with the sale of authorized food products, beverages and services. You may not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate or legal business name or in any other manner (including as an electronic media identifier, such as a website, web page or domain name) not expressly authorized by us in writing.

5.03 Discontinuance of Use of Marks. If it becomes advisable at any time for us and/or you to modify or discontinue use of any Mark and/or use one or more additional or substitute trademarks, service marks or trade dress, you agree to comply with our directions within a reasonable time after we provide notice to you. We will have no liability or obligation whatsoever with respect to any such required modification or discontinuance of any Mark or the promotion of a substitute trademark, service mark or trade dress.

5.04 Notification of Infringements and Claims. You must notify us immediately of any apparent infringement of or challenge to your use of any Mark, or any claim by another person of any rights in any Mark. You may not communicate with any person, other than us and our counsel (or other advisor as we may designate), in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate and will have the right to control exclusively any litigation or U.S. Patent and Trademark Office proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. You must sign any and all documents, render such assistance and do such things as may be advisable in the opinion of us or our counsel to protect our interests in any litigation or U.S. Patent and Trademark Office or other administrative proceeding or otherwise to protect our interests in the Marks.

5.05 Indemnification of Franchisee. We agree to indemnify you against, and to reimburse you for, all damages for which you are held liable in any proceeding arising out of your authorized use of any Mark pursuant to and in compliance with this Agreement and, except as provided herein, for all costs you reasonably incur in defending any such claim brought against you, provided: (i) you timely notified us of such claim pursuant to Section 5.04, and (ii) that you and your Owners and Affiliates are in compliance with this Agreement and all other agreements with us or any of our Affiliates. We, at our sole discretion, are entitled to prosecute, defend and/or settle any proceeding arising out of your use of any Mark pursuant to this Agreement, and, if we undertake to prosecute, defend and/or settle any such matter, we will have no obligation to indemnify or reimburse you for any fees or disbursements of any legal counsel or other advisors you may have retained.

6. FEES.

6.01 Initial Franchise Fee. If we have approved the location of the Franchised Restaurant before signing this Agreement, then you agree to pay us an initial franchise fee of Thirty Thousand Dollars (\$30,000) on the date you sign this Agreement. If we and you have not agreed upon an approved location for the Franchised Restaurant before signing this Agreement, then you agree to pay us an initial franchise fee of Thirty Thousand Dollars (\$30,000) in two installments as follows:

- Installment 1: Ten Thousand Dollars (\$10,000) on the date you sign this Agreement; and
- Installment 2: the remaining Twenty Thousand Dollars (\$20,000) within 30 days of our approval of the Premises.

If you fail, for whatever reason, to pay the initial franchise fee before the Franchised Restaurant is opened, the amount of the initial franchise fee shall increase by Five Hundred Dollars (\$500) per day upon and after the opening date until we receive the full amount of the initial franchise fee, including all cumulative daily increases accruing since the opening date. You agree that such increases are to compensate us for our expenses, including the administrative and collection efforts with respect to the fee, and are not interest charges, time-price differentials or penalties for an overdue payment. Notwithstanding the foregoing, your failure to pay the initial franchise fee when due constitutes grounds for termination of this Agreement, as provided in Section 14.

If this Agreement is executed pursuant to a separate agreement between us and you or your Affiliate for multi-unit development of Restaurants (a "Development Agreement"), the initial franchise fee is subject to any applicable credit of a portion of the development fee against the initial franchise fee in accordance with the provisions of the relevant Development Agreement. If this Agreement is executed in connection with your purchase of an existing Restaurant from us or our Affiliate, then you must also pay us an asset transfer fee of Ten Thousand Dollars (\$10,000) in addition to the initial franchise fee, payable on or before closing of your purchase of the Franchised Restaurant's assets. Notwithstanding the foregoing, if this Agreement is executed in connection with your independent purchase of (or other receipt of transferred ownership interests in) the Franchised Restaurant's assets from a third party owner, then you will not pay us an initial franchise fee, but we must have received (on or before the Effective Date) the full amount of any associated transfer fee that was due to us in connection with that transaction.

The initial franchise fee (and asset transfer fee, if applicable) is fully earned by us as of the Effective Date and is non-refundable, except that we may provide you a refund of fifty percent (50%) of the initial franchise fee paid to us if: (a) you (i) are unable to obtain a site acceptable to us within the Designated Area for the Franchised Restaurant within the time period prescribed in Section 3.02, or (ii) despite having expended good faith best efforts (as we determine in our sole judgment), have not obtained all necessary permits, licenses, or other regulatory or municipal approvals to be able to open the Franchised Restaurant in accordance with applicable law within sixty (60) days after your execution of the proposed lease, sublease or purchase agreement for the Premises; and (b) you and your Owners execute general releases, in form and substance satisfactory to us, of any and all

claims against us, and our Affiliates, officers, directors, employees, agents, successors and assigns.

6.02 Royalty Fees. You agree to pay us royalty fees of four percent (4%) of Net Sales, payable on or before the fifth (5th) and twentieth (20th) days of each calendar month with respect to the Net Sales accrued during the most recently ended Bi-weekly Period before the payment date.

6.03 Sublease Administrative Fee. If we agree to sublease the Premises of your Franchised Restaurant to you and remain on the master lease, then we will charge you a sublease administrative fee of up to 10% of the rent that remains due under the then-current lease term in consideration of our remaining a guarantor on the lease.

6.04 Interest On Late Payments. All amounts which you owe us or any of our Affiliates for any reason, including amounts payable into the NPF (as provided in Sections 3.05 and 10.01), shall bear interest accruing as of their original due date at the maximum interest rate permitted by law. If there is no applicable legal maximum rate, interest will be calculated at the rate of four percent (4%) above the prime rate of interest on the first day of each month for the past due amount, as published in The Wall Street Journal.

6.05 Automatic Clearing House Agreement. You agree, at our request, to sign an electronic payment authorization agreement in a form we prescribe that authorizes us to automatically debit your bank account, on the dates payments are due, for any royalty fees, rents and other amounts due and owing under this Agreement and any other agreements between you and us. You agree to ensure that funds are available in your bank account to cover our withdrawals. If there are insufficient funds in your bank account to cover any such amount owed (or, if you are paying by check and a check is returned for insufficient funds), you must pay us, on demand, a processing fee of Two Hundred Fifty Dollars (\$250). If there are insufficient funds in your bank account, or if your check is returned for insufficient funds, then we may require you to make all subsequent payments to us by certified check. However, your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 14.

7. RESTRICTIVE COVENANTS.

7.01 Confidential Information. We will disclose parts of our Confidential Information to you solely for your use in the operation of the Franchised Restaurant. The Confidential Information is proprietary and includes our trade secrets. During and after the Term: (a) you may not use the Confidential Information in any other business or capacity (as you hereby acknowledge that such prohibited use would be an unfair method of competition); (b) you must exert your best efforts to maintain the

confidentiality of the Confidential Information, regardless of its format or medium of transmission to you; (c) you may not make unauthorized copies of any portion of the Confidential Information; and (d) you must implement all commercially reasonable procedures we prescribe at any time and from time to time to prevent unauthorized use or disclosure of the Confidential Information, including requiring any of your personnel who attends training or who has the ability to access our Confidential Information, to sign nondisclosure agreements in a form we prescribe or approve and delivering those agreements to us.

7.02 In-Term Covenants. You acknowledge that we have granted you the franchise in consideration of, and reliance upon, your agreement to deal exclusively with us. You therefore agree that, during the Term and any successor franchise term, neither you, any of your Owners, nor any of your or your Owners' Immediate Family will (without our prior consent, which consent we may condition or withhold for any or no reason):

(a) have any direct or indirect controlling or non-controlling ownership interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of any Restaurant to a Competitive Business; or

(d) engage in any other activity which, in our sole opinion, might be injurious or prejudicial to the goodwill associated with the Marks or the System.

7.03 Information Exchange. You must promptly disclose to us all recipes, processes, ideas, concepts, advertising and promotional materials, website pages and content, methods, techniques or materials used or useful to a fast-food restaurant business, whether or not constituting protectable intellectual property, that you create, or that are created on your behalf or for your benefit by your Owners or employees, in connection with the development or operation of your Restaurant (collectively, the “Materials”). Any such Materials will be deemed our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any one of the Materials does not qualify as a “work made-for-hire” for us (as such term is defined under Section 101 of the U.S. Copyright Act), by way of this paragraph you irrevocably convey, grant, transfer and assign ownership of the Material(s), and all related rights to the Materials, both during and after the Term,

to us. You agree to take whatever action we request (including signing assignment or other documents) to evidence our ownership or to help us obtain intellectual property rights in the Materials as part of the System, and you warrant that you will obtain all rights from any third party acting on your behalf to comply with this provision.

7.04 Procurement of Additional Covenants. You agree to require and obtain the execution of our Nondisclosure and Non-Competition Agreement (Exhibit D) from all of the following persons:

- (a) Before employment or any promotion, your Operating Partner; and,
- (b) If you are a business entity, all Owners with at least a ten percent (10%) direct or indirect legal or beneficial ownership interest in you; all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Nondisclosure and Non-Competition Agreements no later than ten (10) days following the Effective Date (or, if any individual or entity attains any status identified above after the Effective Date, within ten (10) days after such individual or entity's attains such status) and shall furnish to us copies of all executed Nondisclosure and Non-Competition Agreements within ten (10) days following their execution.

8. YOUR ORGANIZATION AND MANAGEMENT.

8.01 Organizational Documents. If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you and each of your Owners represent, warrant and agree that: (a) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state in which the Franchised Restaurant is located; (b) your undersigned signatory below has the authority to execute and deliver this Agreement on your behalf and that you are able and authorized to perform your obligations hereunder; (c) true and complete copies of the articles of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control have been delivered to us and all amendments thereto shall be promptly delivered to us; (d) your activities are restricted to those necessary solely for the development, ownership and operation of Restaurants in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (e) the articles of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; and (f) all

certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued must bear a legend in conformity with applicable law reciting or referring to such restrictions.

8.02 Disclosure of Ownership Interests. You and all of your Owners represent, warrant and agree that Exhibit A is current, complete and accurate as of the Effective Date. You agree to promptly notify us of any proposed or intended change to your ownership structure during the Term, to obtain our approval in accordance with the transfer conditions of Section 13.02 below before initiating any such change, and to sign a then-updated and accurate form of Exhibit A (which will replace its predecessor version of Exhibit A) if we approve the change. Each person who is or becomes an Owner must execute an agreement in form and substance as we then prescribe, undertaking to be bound jointly and severally by this Agreement. Each Owner must be an individual acting in his individual capacity, unless we waive this requirement.

8.03 Operating Partner. If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you must designate in Exhibit A as the “Operating Partner” an individual we approve who must: (a) own and control, or have the right to own and control (subject to conditions reasonably acceptable to us) not less than ten percent (10%) of your equity and voting rights; (b) have the authority to make, and bind you and all your Owners to, all operational decisions regarding the Franchised Restaurant; and (c) complete our training program to our satisfaction before engaging in his or her operational duties. You may not change the Operating Partner without our prior written consent.

You (or your Operating Partner): (a) shall exert full-time, best efforts to the development and operation of the Franchised Restaurant and all other Restaurants you own; and (b) may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations hereunder.

8.04 Management of Business. The Franchised Restaurant at all times must be under the direct, on-premises supervision of you (or your Operating Partner), or an Operator other than you (or your Operating Partner) that you appoint and authorize to conduct day-to-day business activities at the Franchised Restaurant, either of whom must (a) have sufficient experience (in our sole opinion) in the operation of a quick service restaurant; and (b) have successfully completed our initial training program to our satisfaction.

Even if you appoint an Operator for day-to-day operations, you (or your Operating Partner) must remain active in overseeing the Franchised Restaurant’s ongoing business activities. If you (or your Operating Partner) own more than one Restaurant, then each such Restaurant must be under the direct on-premises

supervision of an Operator with sufficient experience (in our sole opinion) in the operation of a quick service restaurant that we have approved.

You (or your Operating Partner) must keep us informed at all times of the identity of your Operator(s), and ensure that such personnel are competent and proficient in their duties. You (or your Operating Partner) are solely responsible for all employment decisions for the Franchised Restaurant, including hiring, firing, remuneration, personnel policies, training, benefits, and maintaining supervision and discipline.

9. RESTAURANT OPERATING STANDARDS.

9.01 Condition of Franchised Restaurant. You must maintain the Franchised Restaurant's condition and appearance in an attractive and clean manner so that the Franchised Restaurant can be efficiently operated at all times. You agree to maintain the Franchised Restaurant's condition and appearance and to make such modifications and additions to its layout, decor, and general theme as we may require at any time and from time to time, including replacement of worn-out or obsolete fixtures, equipment, furniture, signs and utensils, repair of the interior and exterior and appurtenant drive-thru and parking areas, and periodic cleaning and redecorating of the Premises. If at any time the general state of repair, appearance or cleanliness of the Franchised Restaurant or its fixtures, equipment, furniture, signs or utensils, does not meet our standards, we may notify you and specify the action you must take to correct such deficiency. If, within ten (10) days after receiving such notice, you fail or refuse to initiate and thereafter continue in good faith and with due diligence a bona fide program to complete such required maintenance, we have the right (in addition to our rights under Section 14), but not the obligation, to enter the Premises and do such maintenance on your behalf and at your expense. You must promptly reimburse us for such expenses, which we may automatically debit from your bank account in accordance with Section 6.05.

You must periodically upgrade and/or remodel the Franchised Restaurant pursuant to our plans and specifications, provided, however, we will not require substantial remodeling more than once during the first five (5) years of the Term, and in any case not more than once during the consecutive five (5)-year period immediately following any substantial upgrade or remodel we require you to make at any point during the Term (including during the first five (5) years). For purposes of this paragraph, by way of example only, if we require you to undertake a substantial upgrade or remodel of the Franchised Restaurant to be completed no later than December 31 during the second (2nd) year of the Term, then the next possible upgrade or remodel we could impose upon you would not be due any earlier than January 1 in the seventh (7th) year of the Term.

If the Franchised Restaurant is damaged or destroyed by fire or other casualty, then you must initiate within thirty (30) days (and continue using best efforts until completion) all repairs or reconstruction to restore the Franchised Restaurant to its original condition. If, in our reasonable judgment, the damage or destruction is of such a nature that it is feasible, without incurring substantial additional costs, to repair or reconstruct the Franchised Restaurant in accordance with our then current layout and decor specifications for new Restaurants, we may require you to repair or reconstruct the Franchised Restaurant according to those specifications.

You may not make any alterations to the Franchised Restaurant, nor any replacements, relocations or alterations of fixtures, equipment, furniture or signs, without our prior approval. We have the right at your expense to rectify (including reversing) any replacements, relocations or alterations not previously approved by us.

9.02 Uniform Image. You agree that the Franchised Restaurant will offer for sale food, beverages and other products and services that we determine at any time and from time to time to be appropriate for the Franchised Restaurant. We may designate menu items as being required or optional and also may introduce test menu items on a required or optional basis. You further agree that the Franchised Restaurant will not, without our approval, offer any products or services (including promotional items) not then authorized by us. You agree that the Franchised Restaurant will offer courteous and efficient service and a pleasant ambiance.

9.03 Suppliers, Products and Services. You acknowledge that the reputation and goodwill of Restaurants is based on, and can be maintained only by, the sale of distinctive high quality products and services. Therefore, you agree that you will use in the development and operation of the Franchised Restaurant and/or offer for sale at the Franchised Restaurant only the, food products, beverages, ingredients, uniforms, packaging materials, menus, forms, labels and other supplies and other products and services that conform to our specifications and quality standards and/or are purchased from the suppliers, distributors and service providers (collectively referred to herein as “supplier” or “suppliers”) we approve (which may include us and/or any of our Affiliates). We may modify the list of approved suppliers, brands of products, services or supplies and/or suppliers of those items. After notice of such modification, you may not initiate any new orders of, or reorder, any brand, or transact with any supplier, that we no longer approve for use with the System or by Restaurants generally (or by a particular subset of Restaurants, within our reasonable business judgment).

If you propose to use any brand and/or supplier which is not then approved by us, you must first notify us and submit sufficient information, specifications and samples concerning such brand and/or supplier so that we can decide whether such brand complies with our specifications and standards and/or such supplier meets our approved supplier criteria. We have the right to charge reasonable fees to cover our

costs. We will notify you of our decision within a reasonable period of time. We may prescribe procedures for the submission of requests for approval and impose obligations on suppliers, which we may require be incorporated in a written agreement. We may impose limits on the number of suppliers (which may include us or our Affiliates) and/or brands for any of the foregoing items.

Subject to the provisions contained in this Section 9.03, you acknowledge and agree that (i) we and/or our Affiliates may receive payments, fees, commission or reimbursements from suppliers and third parties in respect of such purchases, (ii) we and/or our Affiliates, owners, officers or other personnel may have investments in such suppliers, and (iii) we and/or our Affiliates may profit from your purchases from approved suppliers or receive other material consideration from suppliers on account of their dealings with you and other operators of Restaurants.

You must maintain at all times an inventory of approved food products, beverages, ingredients and other products sufficient in quantity, quality and variety to operate the Franchised Restaurant in accordance with our prescribed standards and specifications for Restaurants.

We may conduct market research to determine consumer trends and salability of new food products and services. You agree to cooperate by participating in our market research programs by test marketing new food products and services in the Franchised Restaurant and providing us timely reports and other relevant information regarding such market research. You must purchase a reasonable quantity of such test products and make a reasonable effort to sell them.

9.04 Specifications and Standards. You acknowledge that each and every aspect of the interior and exterior appearance, layout, decor, services, equipment and operation of the Franchised Restaurant is important to us and is subject to our specifications and standards. You agree to comply with all mandatory specifications, standards and operating procedures, as modified at any time and from time to time (whether contained in Operations Manual or any other written communication) relating to the appearance, function, cleanliness or operation of a Restaurant, including: (a) type, quality, taste, weight, dimensions, ingredients, uniformity, and manner of preparation, packaging and sale of food products and beverages; (b) sales procedures and customer service; (c) advertising and promotional programs; (d) appearance and dress of employees; (e) safety, maintenance, appearance, cleanliness, sanitation, standards of service and operation of the Franchised Restaurant; (f) days and hours of operation; (g) bookkeeping, accounting and record keeping systems and forms; and (h) customer service, brand loyalty programs and materials and media, including social media websites, used in these programs.

9.05 Compliance With Laws. You must maintain in force in your name all required licenses, permits and certificates relating to the operation of the Franchised

Restaurant. You must operate the Franchised Restaurant in full compliance with all applicable laws, ordinances and regulations, including any law or regulation relating to terrorist activities. You must notify us in writing within 5 days after: (a) the commencement of any legal or administrative action, or the issuance of any order of any court, agency or other governmental instrumentality, which may adversely affect the development, occupancy or operation of the Franchised Restaurant or your financial condition; or (b) the delivery of any notice of violation or alleged violation of any law, ordinance or regulation, including those relating to health or sanitation at the Franchised Restaurant.

All of your advertising and promotion must be completely factual and must conform to the highest standards of ethical advertising. In all dealings with us, as well as your customers, suppliers, lessors and the public, you must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business, to the business of other Restaurants or to the goodwill associated with the Marks.

9.06 Personnel. The Franchised Restaurant must at all times be under the direct, on-premises supervision of an Operator who has completed our training program to our satisfaction and staffed by a sufficient number of competent and properly trained employees. You (or your Operating Partner) at all times must remain active in overseeing the operations of the Franchised Restaurant. If the relationship with your Operating Partner terminates, you must promptly hire a successor Operating Partner. Any successor Operating Partner must meet our approval and must successfully complete our training program. You are solely responsible for all employment decisions for the Franchised Restaurant, including hiring, firing, remuneration, personnel policies, training, benefits, and maintaining supervision and discipline, regardless of whether you received advice from us on any of these subjects. You may not recruit or hire any person who is a management level employee of ours or of any Restaurant operated by us, our Affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason or no reason.

9.07 Insurance. During the Term you must maintain the following categories of insurance coverage in force at your sole expense: (a) general liability; (b) automobile for owned and hired, non-owned liability; (c) umbrella including employer's liability, general liability, and automobile liability; (d) property covering the Franchised Restaurant and personal property in an amount equal to 100% of the full replacement cost of the Franchised Restaurant and personal property, and business income coverage covering twelve (12) months of actual loss sustained; (e) workers' compensation (as required by statute); (f) employer's liability; (g) employment practices liability; (h) cyber insurance; and (i) any other insurance policies, as we may determine at any time and from time to time. All insurance

policies must: (1) be issued by carriers approved by us with an A.M. Best Rating of not less than A VII; (2) contain such types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe at any time and from time to time; (3) name us and our Affiliates as additional insureds for claims related to the operation of the Franchised Restaurant; (4) provide for thirty (30) days' prior written notice to us of any material modification, cancellation or expiration of such policy; (5) provide a waiver of subrogation in favor of us and our Affiliates; and (6) include such other provisions as we may require at any time and from time to time. These insurance policies must be primary to and without right of contribution from any other insurance policy purchased by us or any other indemnitee (as defined in Section 17.02 below); must not limit or reduce coverage for you if there is a claim by us or any one or more of the other indemnitees; and must extend to and provide indemnity for all of your indemnification obligations to us and the other indemnitees under this Agreement.

The minimum amount of liability coverage we prescribe from time to time in no way limits your liability to such minimum amounts. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

At our request, you must furnish us with such evidence of insurance coverage and payment of premiums as we require. If you fail or refuse to maintain any required insurance coverage, or to furnish satisfactory evidence thereof, we, at our option and in addition to our other rights and remedies hereunder, may obtain such insurance coverage on your behalf. If we do so, you must fully cooperate with us in our effort to obtain such insurance policies and pay us any costs and premiums we incur.

Your obligation to maintain insurance coverage is not diminished in any manner by reason of any separate insurance we may choose to maintain, nor does it relieve you of your obligations under Section 17.02.

9.08 Social Media Sites. We may maintain one or more social media sites (e.g., Twitter, Facebook, or such other social media sites). You may not establish or maintain any social media sites utilizing any user names, or otherwise associating with the Marks, without our advance written consent. We may designate at any time and from time to time regional or territory-specific user names/handles to be maintained by you. You must adhere to the social media policies that we establish at any time and from time to time and you will require all of your owners and employees to do so as well.

9.09 Customer Data. All information, mailing lists and data bases of Customer Data from whatever source derived, shall be our property. You agree not to use such information, except in connection with your Franchised Restaurant in accordance with this Agreement. You agree not to use, process, copy, display, publish, store or transfer the Customer Data without our approval. You agree to comply with all applicable laws with respect to Customer Data; in addition, you agree to comply with our data privacy and security requirements and to exert commercially reasonable efforts to prevent the unauthorized use, dissemination, or publication of Customer Data, subject in all instances to applicable laws. You shall promptly notify us if you become aware of any unauthorized access to the Customer Data, or if you become the subject of any governmental, regulatory, or other enforcement or private proceeding relating to your data handling practices of Customer Data.

9.10 Credit Cards. You agree to use the system and equipment we require for processing credit cards and any costs to do so are at your expense. You agree to abide by (i) the Payment Card Industry (“PCI”) Data Security Standards enacted by the applicable Card Associations (as they may be modified at any time and from time to time or as successor standards are adopted); and (ii) all other security standards and guidelines that may be published at any time and from time to time by payment card companies and applicable to customer credit card and debit card information. If you know or suspect a security breach, you must immediately notify us. You will promptly identify and remediate the source of the compromise. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transaction concerning customers of your Franchised Restaurant.

9.11 Pricing. We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge customers for the products and/or services offered by your Franchised Restaurant; recommending retail prices; advertising specific retail prices for some or all products or services sold at your Franchised Restaurant; to engage in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your Franchised Restaurant may charge the public for the products and services it offers. We may engage in any such activity either periodically or throughout the Term. Further, we may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. You acknowledge that the prices we prescribe or suggest may or may not optimize the revenues or profitability of your Franchised

Restaurant and you irrevocably waive any and all claims arising from the establishment or suggestion of your Franchised Restaurant's retail prices.

10. MARKETING AND ADVERTISING.

10.01 National Production Fund. We may, in our sole discretion, establish and administer a National Production Fund ("NPF") for the creation and production of marketing materials and preparation of advertising campaigns. In addition to the Initial Advertising Deposit under Section 3.06, you must contribute to the NPF amounts that we establish at any time and from time to time, not to exceed three percent (3%) of Net Sales, which are payable semi-monthly together with the royalty fees due hereunder. Upon notice from us, you may be required to contribute to the NPF for each Bi-weekly Period, concurrently with the payment of royalty fees on a biweekly basis.

The NPF may be incorporated or operated through a separate entity as we deem appropriate in our sole discretion. Any such entity will have all of the rights and duties as specified in this Section. We will direct all programs that the NPF finances, including, without limitation, the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The NPF may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce website and/or related strategies; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

Although the NPF is intended to maximize general recognition and patronage of the Marks for the benefit of all Restaurants, we cannot assure you that any particular Restaurant will benefit directly or pro-rata from the placement of advertising. The NPF may be used to pay for the cost of preparing and producing materials and campaigns we select, including video, audio and written advertising and point-of-purchase ("POP") materials, and for the cost of employing advertising agencies, in house staff and supporting market research activities. We may furnish you with marketing, advertising and promotional materials (including POP materials) at cost, plus any related administrative, shipping, handling and storage charges. These costs may vary based on individual Restaurants and their merchandising capacity.

The NPF will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs and overhead we may incur in activities related to the

administration of the NPF and its programs, including conducting market research, preparing marketing materials and advertising campaigns and collecting and accounting for contributions to the NPF. We will use all interest earned on NPF contributions to pay costs before using the NPF's other assets. We may spend in any fiscal year an amount greater or less than the aggregate contributions of all Restaurants to the NPF in that year, and the NPF may borrow from us or other lenders (paying reasonable interest) to cover deficits in the NPF, or invest any surplus for future use by the NPF. We will prepare annually a statement of monies collected and costs incurred by the NPF and furnish you a copy upon your written request.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect NPF contributions at the NPF's expense. We also may forgive, waive, settle, and compromise all claims by or against the NPF. Except as otherwise expressly provided in this Section, we assume no direct or indirect liability or obligation with respect to the maintenance, direction or administration of the NPF. We do not act as trustee or in any other fiduciary capacity with respect to the NPF.

We may at any time defer or reduce contributions of a Restaurant and, upon thirty (30) days' prior written notice to you, reduce or suspend NPF contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the NPF. If we terminate the NPF, we will distribute all unspent monies to our "Checkers" and "Rally's" franchisees, and to us and our Affiliates, in proportion to their, and our, respective NPF contributions during the preceding twelve (12) month period, or as otherwise provided by the organizational documents of the NPF.

Notwithstanding anything to the contrary contained herein, the NPF may be used to promote other restaurant concepts that we or any of our Affiliates own or franchise (including **[INSERT OPPOSITE BRAND: "Checkers"/"Rally's"]**). We shall have no liability for the allocation of funds of NPF to any such other restaurant concepts.

10.02 Your Advertising. You agree to spend on advertising and promoting the Franchised Restaurant such amounts as we establish at any time and from time to time. We will not require you to spend more than four and one-half percent (4.5%) of Net Sales during each of your fiscal quarters on advertising and promoting the Franchised Restaurant, however, your advertising spending could exceed this amount if you are a member of a local or regional advertising cooperative whose required contribution rate, when added to your required advertising spending obligations (including contributions to the NPF), exceeds four and one-half percent (4.5%) of Net Sales. For these purposes, we will credit the following types of advertising expenditures toward this requirement: (a) amounts contributed to the NPF and advertising cooperatives (other than the Initial Advertising Deposit); and

(b) amounts spent for advertising media, such as television, radio, newspaper, billboards, posters, direct mail, yellow pages, collateral promotional and novelty items (e.g. Checkers taxicabs), advertising on public vehicles, such as cabs and buses, and, if not provided by us, the cost of producing approved materials necessary to participate in these media. Advertising expenditures do not include amounts spent for items which we, in our reasonable judgment, deem inappropriate for meeting the minimum advertising requirement, including permanent on-premises signs and menu boards, lighting, menus, vehicle maintenance (even though such vehicles may display the Marks), premiums, discounts, free offers, and employee incentive programs.

You must submit to us for our prior approval, samples of all advertising and promotional materials not prepared or previously approved by us and which vary from our standard advertising and promotional materials. You may not use any advertising or promotional materials that we have disapproved.

We have the right to establish local and/or regional advertising cooperatives for “Checkers” and/or “Rally’s” restaurants in your local or regional area, covering such geographical areas as we may designate at any time and from time to time. You must participate in such advertising cooperative and its programs (other than price advertising, as to which you may choose not to participate) and abide by its by-laws. You must contribute such amounts to the advertising cooperative(s) as they determine at any time and from time to time in accordance with their by-laws. Any Restaurants owned by us or any of our Affiliates located in such designated local or regional area(s) will contribute to the cooperative(s) on the same basis. Contributions to such local and regional advertising cooperatives are credited toward the 4.5% advertising expenditures required by this Section; however, if we provide you and your local and/or regional advertising cooperative ninety (90) days’ notice of a special regional promotion, you must participate in such promotion and pay to us any regional advertising fees assessed in connection therewith, beginning on the effective date of such notice and continuing until such regional promotion is concluded. Any such special regional advertising fees shall be in addition to, and not credited towards, the 4.5% advertising expenditure required by this Section.

You agree not to promote, offer or sell any products or services relating to your Franchised Restaurant, or to use any of the Marks, through the Internet without our consent, which consent may be withheld for any reason or no reason. In connection with any such consent, we may establish such requirements as we deem appropriate, including (a) obtaining our prior written approval of any Internet domain name and home page addresses; (b) submission for our approval of all Web site pages, materials and content; (c) use of all hyperlinks and other links; (d) restrictions on use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has any ownership interest; and (e) obtaining our prior written approval of any modifications.

11. RECORDS AND REPORTS.

11.01 Records. You agree to prepare and to maintain for 3 years complete and accurate books, records (including invoices and records relating to your advertising expenditures) and accounts (using our standard chart of accounts) for the Franchised Restaurant, copies of your sales tax returns and such portions of your state and federal income tax returns as relate to the Franchised Restaurant. All such books and records shall be kept at the Premises, unless we otherwise approve.

You must record all sales on electronic cash registers designated or approved by us at any time and from time to time. You may be required to use computers and computer-based cash registers which are fully compatible with our computer system and which include an information interface capability to communicate electronically with our computer system. We may require you to obtain, and at any time and from time to time update and/or upgrade, equipment, software and/or related services for record keeping and reporting purposes, including facilitating communications between your computers and computer-based cash registers and our computer system. We have the right to use the data we collect for any purpose, except that we shall not provide financial data to third parties, outside of our System or network of Restaurants, in such a form that readily identifies the Franchised Restaurant, unless we are required to do so by law, regulation, or order. If we require you to use proprietary software, you agree to execute and comply with such software license agreements as we deem necessary to protect our interests, and you agree to pay such license, training, and maintenance fee as we deem reasonably appropriate.

11.02 Periodic Reports. You must furnish us: (a) no later than the fifth (5th) day following the end of each Bi-weekly Period, a report of Net Sales for such Bi-weekly Period; (b) no later than the fifteenth (15th) day following the end of each calendar month, an income statement and statement of cash flow for the Franchised Restaurant for such calendar month and for the year-to-date and a balance sheet as of the end of such month; (c) within ninety (90) days after the end of each Fiscal Year, a year-end balance sheet and income statement and statement of cash flow of the Franchised Restaurant for such Fiscal Year, reflecting all year-end adjustments and accruals; and (d) such other information as we may require at any time and from time to time, including food and labor cost reports and sales and income tax statements. You must verify that the information in each such report and financial statement is complete and accurate and sign it. We have the right to disclose data from such reports and statements if we consider disclosure advisable. We reserve the right to require that your annual financial statements be audited, at your expense, by an independent certified public accountant approved by us.

12. INSPECTIONS OF THE FRANCHISED RESTAURANT.

12.01 Inspections. We and our designated agents have the right at any reasonable time and without prior notice to: (a) inspect the Franchised Restaurant; (b) observe, photograph, audio-tape and/or video tape the operations of the Franchised Restaurant; (c) remove samples of any food and beverage products, materials or supplies for testing and analysis; and (d) interview personnel and customers of the Franchised Restaurant. You agree to cooperate fully with such activities. You acknowledge that any evaluation or inspection that we or our designated agents or representatives conduct is conducted in order to protect our interests in the System and the Marks and is not intended to exercise, and does not constitute, in whole or in part, control over the day-to-day operation of the Franchised Restaurant and you agree to never contend otherwise.

12.02 Audits. We have the right at any time during business hours, and without prior notice to you, to inspect, copy and audit the books, records, tax returns and documents relating to the development, ownership, lease, occupancy or operation of the Franchised Restaurant. You must cooperate fully with our representatives and independent accountants conducting such audits. If any inspection or audit discloses an understatement of Net Sales, you must pay us, within 7 days after receipt of the audit report, the royalties and NPF contributions due on the amount of such understatement, plus interest (as provided in Section 6.04) from the date originally due until the date of payment. Further, if such inspection or audit is made necessary by your failure to furnish reports, records or information on a timely basis, or if we determine an understatement of Net Sales for the period of any audit to be greater than 2%, you must reimburse us for the cost of such audit or inspection, including the charges of any attorneys and independent accountants and the travel expenses, room and board and compensation of our employees.

13. FRANCHISEE'S RIGHT TO TRANSFER.

13.01 Franchisor's Approval. The rights and duties created by this Agreement are personal to you or, if you are a business corporation, partnership, limited liability company or other legal entity, your Owners. Accordingly, neither you nor any of your Owners may transfer the Franchise without our approval and without complying with all of the provisions of Section 13. Any transfer without such approval or compliance constitutes a breach of this Agreement and is void and of no force or effect.

13.02 Conditions for Approval. If we have not exercised our right of first refusal under Section 13.06, we will not unreasonably withhold our approval of a transfer of the Franchise that meets all of the reasonable restrictions, requirements and conditions we impose on the transfer, the transferor(s) and/or the transferee(s), including the following:

(a) you have completed development of the Franchised Restaurant and are operating the Franchised Restaurant in accordance with this Agreement;

(b) you and your Owners and Affiliates are in compliance with the provisions of this Agreement and all other agreements with us or any of our Affiliates;

(c) the proposed transferee, or its Owners (if the proposed transferee is a legal entity), must provide us on a timely basis all information we request, must be individuals acting in their individual capacities who are of good character and reputation, who must have sufficient business experience, aptitude and financial resources to operate the Franchised Restaurant, and who must otherwise meet our approval;

(d) the proposed transferee may not be an entity, or be affiliated with an entity, that is required to comply with reporting and information requirements of the Securities Exchange Act of 1934, as amended;

(e) the transferee (or its operating partner) and its operators must have completed our initial training program to our satisfaction;

(f) the transferee (and its owners) must agree to be bound by all of the provisions of this Agreement for the remainder of its term or, at our option, execute our then current standard form of franchise agreement and related documents used in the state in which the Franchised Restaurant is located (which may provide for different royalties, advertising contributions and expenditures, duration and other rights and obligations than those provided in this Agreement and which we may require to be guaranteed by you and your Owners);

(g) if you executed this Agreement pursuant to a development agreement, then the transferee must acquire, in a concurrent transaction, all of your rights, and the rights of your Owners and Affiliates, under such development agreement (or any successor development agreement) and all franchise agreements for Restaurants that you or your Owners or Affiliates executed pursuant to such development agreement (or any predecessor or successor development agreement);

(h) you must ensure that we receive, before we will approve any proposed transferee to begin conducting business activities at the Franchised Restaurant as its authorized operator, a transfer fee equal to Twenty Thousand Dollars (\$20,000) (or, if the proposed transferee is a then-current franchisee of a Restaurant, a transfer fee equal to Ten Thousand Dollars (\$10,000)), provided, however, if this Agreement is being transferred as part of a transaction involving franchise agreements for multiple Restaurants and the franchise agreement for each Restaurant will be transferred on the same day, notwithstanding anything to the contrary in any other franchise agreement governing another Restaurant that is

included as part of the transfer, the transfer fee will be Twenty Thousand Dollars (\$20,000) or Ten Thousand Dollars (\$10,000) for the first Restaurant, depending on whether the transfer is to a new franchisee or a then-current franchisee, plus Five Thousand Dollars (\$5,000) for each additional Restaurant to be transferred;

(i) you and your Owners and Affiliates must, except to the extent limited or prohibited by applicable law, execute a general release, in form and substance satisfactory to us, of any and all claims against us and our Affiliates, stockholders, officers, directors, employees, agents, successors and assigns;

(j) we must not have disapproved the material terms and conditions of such transfer (including the price and terms of payment) on the basis that they are so burdensome as to be likely, in our judgment, to adversely affect the transferee's operation of the Franchised Restaurant or its compliance with its franchise agreements and any development agreements;

(k) if you (or any of your Owners or Affiliates) finance any part of the sale price of the transferred interest, you and/or your Owners or Affiliates must agree that all obligations of the transferee, and security interests reserved by any of them in the assets of the Franchised Restaurant, will be subordinate to the transferee's obligations to pay all amounts due us and our Affiliates and to otherwise comply with this Agreement or the new franchise agreement executed by the transferee;

(l) you (and your Immediate Family) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 16.03 below; and

(m) you and your Owners and Affiliates must execute such other documents and do such other things as we may reasonably require to protect our rights under this Agreement and under any development agreement.

13.03 Effect of Approval. Our approval of a transfer of the Franchise does not constitute: (a) a representation as to the fairness of the terms of any agreement or arrangement between you or your Owners and the transferee or as to the prospects of success of the Franchised Restaurant by the transferee; or (b) a release of you and your Owners, a waiver of any claims against you or your Owners or a waiver of our right to demand the transferee's exact compliance with this Agreement. Any approval shall apply only to the specific transfer of the Franchise being proposed and shall not constitute an approval of, or have any bearing on, any other transfer of the Franchise.

13.04 Special Transfers. Neither Section 13.06 nor Section 13.02(a), (c), (f) or (h) shall apply to any transfer of the Franchise among any of your then current Owners. Neither Section 13.06 nor Section 13.02(h) or (j) shall apply to any transfer of the Franchise to any member of your Immediate Family or the Immediate Family

of a then current Owner of Franchisee (if a business corporation, partnership, limited liability company or other entity). On thirty (30) days' notice to us, you (if you are an individual or partnership) may transfer this Agreement, in conjunction with a transfer of all of the assets of the Franchised Restaurant, by an agreement in form and substance approved by us, to a corporation or limited liability company which conducts no business other than the Franchised Restaurant (and other Restaurants under franchise agreements granted by us), and of which you own and control all of the equity and voting power of all issued and outstanding capital stock. None of the foregoing assignments shall relieve you or your Owners of your respective obligations hereunder, and you and your Owners remain jointly and severally liable for all obligations hereunder.

13.05 Death or Disability of Franchisee. Upon your death or permanent disability, or the death or permanent disability of the Operating Partner or an Owner of a controlling interest in Franchisee, the executor, administrator or other personal representative of such person shall transfer his interest in this Agreement or his interest in Franchisee to a third party approved by us in accordance with all of the applicable provisions of Section 13 within a reasonable period of time, not to exceed nine (9) months from the date of death or permanent disability.

13.06 Franchisor's Right of First Refusal. If you or any of your Owners desire to transfer the Franchise for legal consideration, you or such Owner must obtain a bona fide, executed written offer and earnest money deposit in the amount of at least five percent (5%) of the offering price from a responsible and fully disclosed purchaser and must deliver immediately to us a complete and accurate copy of such offer. If the offeror proposes to buy any other property or rights from you or any of your Owners or Affiliates (other than rights under development agreements or other franchise agreements for Restaurants) as part of the bona fide offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is disclosed to us, and the price and terms of purchase offered to you or your Owners for the transfer of the Franchise must reflect the bona fide price offered therefor and may not reflect any value for any other property or rights.

We have the option, exercisable by notice delivered to you or your Owners within thirty (30) days from the date of delivery of a complete and accurate copy of such offer to us, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that: (a) we may substitute cash for any form of payment proposed in such offer; (b) our credit shall be deemed equal to the credit of any proposed purchaser; and (c) we will have not less than ninety (90) days from the option exercise date to consummate the transaction. We have the right to investigate and analyze the business, assets and liabilities and all other matters we deem necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of our right of first refusal. We may conduct such

investigation and analysis in any manner we deem reasonably appropriate and you and your Owners must cooperate fully with us in connection therewith.

If we exercise our option to purchase, we are entitled to purchase such interest subject to all representations and warranties, releases, non-competition covenants, closing documents and indemnities as we reasonably may require. If we do not exercise our option to purchase, you or your Owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Sections 13.01 and 13.02, provided that if the sale to such offeror is not completed within ninety (90) days after delivery of such offer to us, or if there is a material change in the terms of the offer, you must promptly notify us and we will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the thirty (30) calendar day period following your notification of the expiration of the ninety (90) calendar day period or the material change to the terms of the offer.

13.07 Securities Offerings. Neither you nor any of your Owners may issue or sell, or offer to issue or sell, any of your securities or any securities of any of your Affiliates, regardless of whether such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction, without obtaining our prior consent and complying with all of our requirements and restrictions concerning use of information about us and our Affiliates. Under no circumstances may you or any of your Owners issue or sell your securities or the securities of any of your Affiliates, if: (1) such securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or such securities would be owned by more than 35 persons; or (2) after such issuance or sale, you or such Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

14. TERMINATION OF AGREEMENT.

14.01 Immediate Termination. You are in material breach of this Agreement, and this Agreement will automatically terminate without notice, at our discretion, if you become insolvent by reason of your inability to pay your debts as they mature; if you are adjudicated bankrupt or insolvent; if you file a petition in bankruptcy, reorganization or similar proceedings under the bankruptcy laws of the United States or have such a petition filed against you which is not discharged within thirty (30) days; if a receiver or other custodian, permanent or temporary, is appointed for your business, assets, property; if you request the appointment of a receiver or make a general assignment for the benefit of creditors; if final judgment against you in the amount of Twenty-Five Thousand Dollars (\$25,000) or more remains unsatisfied of record for thirty (30) days or longer; if your bank accounts, property or accounts receivable are attached; if execution is levied against your

business or property; if suit is filed to foreclose any lien or mortgage against any of your assets and such suit is not dismissed within thirty (30) days; if you voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and such petition is not dismissed within thirty (30) days; or if your assets, property or interests are “blocked” under any law or regulation relating to terrorist activities or if you are otherwise in violation of any such law or regulation.

14.02 Termination Upon Notice. In addition to our right to terminate pursuant to other provisions of this Agreement and under applicable law, we have the right to terminate this Agreement, effective upon delivery of notice of termination to you, if you or any of your Owners or Affiliates:

(a) fail to locate, and submit for our approval, an acceptable site for the Premises, as provided in Section 3.02;

(b) fail to sign a lease, sublease or purchase contract for the Premises, as provided in Section 3.03;

(c) fail to open the Franchised Restaurant and start business, as provided in Section 3.04;

(d) abandon or fail to actively operate the Franchised Restaurant for three (3) consecutive days, except where such failure to actively operate results solely from events constituting force majeure;

(e) surrender or transfer control of the operation of the Franchised Restaurant without our prior consent;

(f) make any material misstatement or omission in an application for a Restaurant franchise or in any other information provided to us;

(g) suffer cancellation or termination of the lease or sublease for the Franchised Restaurant;

(h) are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the goodwill associated with the Marks;

(i) make an unauthorized Transfer of the Franchise or fail to Transfer the Franchise or the interest of a deceased or disabled principal Owner of Franchisee as herein required;

(j) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of Operations Manual in violation of this Agreement;

(k) fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

fail or refuse to comply with any mandatory specification, standard or operating procedure prescribed by us in this Agreement or in Operations Manual relating to the cleanliness or sanitation of the Franchised Restaurant or violate any health, safety or sanitation law, ordinance or regulation and do not correct such failure or refusal within twenty-four (24) hours after written notice thereof is delivered to you;

(l) fail to report accurately Net Sales or to make payment of any amounts due us or any of our Affiliates, and do not correct such failure within ten (10) days after written notice of such failure is delivered to you;

(m) understate the Franchised Restaurant's Net Sales three (3) times or more during the Term or by more than five percent (5%) on any one occasion;

(n) fail to make a timely payment of any amount due to a supplier unaffiliated with us (other than payments which are subject to bona fide dispute), and do not correct such failure within thirty (30) days after we deliver to you notice of such failure to comply;

(o) fail to comply with any other provision of this Agreement or any mandatory specification, standard or operating procedure prescribed by us in this Agreement or in Operations Manual and do not correct such failure within thirty (30) days after notice of such failure to comply is delivered to you;

(p) fail on three (3) or more separate occasions within any period of twelve (12) consecutive months to submit when due reports or other data, information or supporting records or to pay when due royalties, contributions to local or regional advertising cooperatives, NPF contributions or other payments due us, any of our Affiliates or any unaffiliated suppliers or otherwise fail to comply with this Agreement or Operations Manual, whether or not such failure is corrected after notice is delivered to you; or

(q) are in default or suffer termination of any other agreement with us or any of our Affiliates.

14.03 Cross-Default. Any default or breach by you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates) of any other agreement with us or our Affiliate will be considered an event of default under this Agreement, and any default or breach by you (or any of your Owners) of this Agreement will be considered an event of default or breach by you under any and all agreements between us or our Affiliate and you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates). If the nature of the default under any other agreement would have been considered an event of default under this Agreement, then we or our Affiliate will

have the right to terminate all other agreements between us or our Affiliate and you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates) in accordance with the termination provisions of this Agreement. Notwithstanding the foregoing, if you are operating under a Development Agreement that terminates solely as a result of your failure to comply with the development schedule set forth in that agreement, then such termination of the Development Agreement will not result in a termination (constructive or otherwise) of this Agreement if you have fully performed and otherwise been in compliance with all of your obligations under this Agreement.

15. RENEWAL RIGHTS.

15.01 Your Right To Acquire a Successor Franchise. You will have the right, subject to the conditions contained in the entirety of this Section 15, to acquire a successor franchise for the Franchised Restaurant on the terms and conditions of a then current form of franchise agreement for Restaurants, as further described in Section 15.03 below, provided that upon expiration of the Term: (a) you and your Owners and Affiliates are in compliance with this Agreement and any other agreements with us or any of our Affiliates, and you and your Owners have been in substantial compliance with this Agreement throughout the Term; and (b) you maintain the right to possession of the Premises for the term of the successor franchise agreement and enter into an agreement with us whereby you agree within a specified time period, starting on the signing of a successor franchise agreement, to remodel the Franchised Restaurant, add or replace improvements, fixtures, furnishings, equipment and signs and otherwise modify the Franchised Restaurant to upgrade the Franchised Restaurant to the specifications and standards then applicable for new Restaurants. You will be obligated to pay a renewal fee in the relevant amount described in Section 15.03 below.

15.02 Notices. You must give us written notice of your desire to acquire a successor franchise at least one hundred eighty (180) days prior to the expiration of this Agreement. We will give you notice, not later than sixty (60) days after receipt of your notice, of our decision whether or not you have the right to acquire a successor franchise pursuant to Section 15.01. Notwithstanding any notice of our decision that you have the right to acquire a successor franchise for the Franchised Restaurant, your right will be subject to your continued compliance with all the provisions of this Agreement up to the date of its expiration.

15.03 Agreements. If you have the right to acquire a successor franchise in accordance with Section 15.01 and state your desire to exercise that right in accordance with Section 15.02, we and you (and your Owners) will execute the form of franchise agreement (which may contain provisions, including royalty fees, materially different from those contained herein) and all ancillary agreements (including, personal guarantees by your Owners and a remodeling agreement on such terms as

we determine to be appropriate) which we then customarily use in granting successor franchises for the operation of Restaurants. The successor franchise agreement will be for a successor franchise term of either ten (10) years or twenty (20) years, as you and we may then agree. You must pay us a successor franchise fee due upon signing the successor franchise agreement, depending on the duration of that future agreement's term, in the amount of: (i) one half (1/2), or fifty percent (50%), of the amount of our then current initial franchise fee due for new Restaurants, if your successor franchise term is for twenty (20) years; or (ii) one-third (1/3), or thirty-three and one-third percent (33.33%), of the amount of our then current initial franchise fee due for new Restaurants, if your successor franchise term is for ten (10) years. In addition, you and your Owners must execute general releases, in form and substance satisfactory to us or as we then explicitly prescribe, of any and all claims against us, and our Affiliates, owners, officers, directors, employees, agents, successors and assigns. Failure by you (and your Owners) to sign such agreements and releases within thirty (30) days after delivery to you shall be deemed an election by you not to acquire a successor franchise for the Franchised Restaurant. Upon expiration of such successor franchise agreement, you will have a further right on terms and conditions contained in the successor franchise agreement to acquire a future successor franchise as we then prescribe.

16. EFFECT OF TERMINATION OR EXPIRATION.

16.01 Payment of Amounts Owed to Us.

Within thirty (30) days after the effective date of termination or expiration (without renewal) of this Agreement, you must pay us and our Affiliates all royalties, NPF contributions, amounts owed for purchases from us or our Affiliates, interest due on any of the foregoing and all other amounts owed to us or our Affiliates which are then unpaid.

16.02 Discontinue Use of Marks and Confidential Information.

Upon the termination or expiration (without renewal) of this Agreement, you will:

(a) not directly or indirectly at any time or in any manner use any Mark, any colorable imitation or other indicia of a Restaurant;

(b) take such action as may be required to cancel all fictitious or assumed name registrations relating to your use of any Mark;

(c) notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer of the number to us or at our direction;

(d) if we do not exercise our right to purchase the Franchised Restaurant pursuant to Section 16.04, promptly remove from the Premises, and discontinue using for any purpose, all signs, fixtures, furniture, decor items, advertising materials, forms and other materials and supplies which display any of the Marks or any distinctive features, images, or designs associated with Restaurants and, at your expense, make such alterations as may be necessary (and as we may require) to distinguish the Premises so clearly from its former appearance as a Restaurant and from other Restaurants as to prevent any possibility of confusion by the public. If you fail to de-identify the Premises and the Franchised Restaurant to our specifications, you must reimburse us for our losses and expenses if we and our personnel are required to do so on your behalf;

(e) immediately cease to use all Confidential Information and return to us all copies of Operations Manual and any other confidential materials which have been provided to you;

(f) immediately discontinue any mode of communications on the Internet directly or indirectly relating to your Franchised Restaurant, including any Web sites or pages associated with your Franchised Restaurant, and immediately take all steps required by us to transfer any domain name associated with your Franchised Restaurant to us (such as executing a Registrant Name Change Agreement with the applicable Registrar). You irrevocably appoint the person who is then our president as your duly authorized agent and attorney-in-fact to execute all instruments and take all steps to transfer such domain names;

(g) immediately cease to use all computer software licensed by us or any of Affiliates and comply with your obligations under any software license agreements; and

(h) within thirty (30) days after the effective date of termination or expiration, furnish us evidence satisfactory to us of your compliance with the foregoing obligations.

16.03 Post-Term Covenants. For a period of two (2) years, starting on the effective date of termination or expiration (without renewal or extension of the franchise term) of this Agreement, you are prohibited from directly or indirectly (such as through an Immediate Family member) owning a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating at the Premises or within a three (3)-mile radius of the Premises; (b) any Competitive Business operating within a radius of three (3) miles of any “Checkers” or “Rally’s”-branded restaurant in operation or under construction on the effective date of termination or expiration; or (c) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business.

You acknowledge that we have a protectable legal interest in the System, customers of Restaurants and the goodwill associated with the Marks and that the non-competition covenants contained in this Section and Section 7.02 are necessary elements to their protection and are an integral part of this Agreement. You also expressly acknowledge the possession of skills and abilities of a general nature and the opportunity for exploiting such skills in other ways, so that enforcement of the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living. If you fail or refuse to abide by any of the foregoing covenants, and we obtain enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will be tolled during the period(s) of time that the covenant is breached and/or we seek to enforce it, and will continue in effect for a period of time ending two (2) years after the date of the order enforcing the covenant.

16.04 Option to Purchase Franchised Restaurant.

(a) Upon termination or expiration (without renewal) of this Agreement, we have the right, exercisable by giving notice thereof (“Appraisal Notice”) within ten (10) days after the date of such termination or expiration, to require that a determination be made of the “Agreed Value” (as defined below) of all the personal property used in the Franchised Restaurant which you own, including inventory of non-perishable products, materials, supplies, furniture, equipment, signs, but excluding any cash and short-term investments and any items not meeting our specifications for Restaurants (the “Purchased Assets”). At any time following our providing you an Appraisal Notice, we shall have the unrestricted right to assign this option to purchase separate and apart from the remainder of this Agreement, including, without limitation, to another third-party franchisee. Upon such notice, you may not sell or remove any of the personal property of the Franchised Restaurant from the Premises and must give us (or our assignee), our (or our assignee’s) designated agents and the “Appraiser” (as defined below) full access to the Franchised Restaurant and all of your books and records at any time during customary business hours in order to conduct inventories and determine the purchase price for the Purchased Assets.

(b) The Agreed Value shall be determined by consultation between you and us (or our assignee). If you and we (or our assignee) are unable to agree on the Agreed Value of the Purchased Assets within fifteen (15) days after the Appraisal Notice, then the Agreed Value will be as follows: (a) in the event of an expiration (without renewal) of this Agreement, the Agreed Value shall be the “Fair Market Value,” consisting of the amount which an arm’s length purchaser would be willing to pay for the Purchased Assets, assuming that the Purchased Assets would be used for the operation of a Restaurant under a valid franchise agreement reflecting the then-current (or if we are not offering franchises at that time, then the most recent) standard terms upon which we offer franchises for Restaurants, less the cost of any

required remodeling; and (b) in the event of any termination of this Agreement, the Agreed Value shall be the lesser of the Appraised Asset Value (as defined below) and the Net Book Value (as defined below).

The “Appraised Asset Value” shall be the amount which an arm’s length purchaser would be willing to pay for the Purchased Assets, considering their age and condition and without reference to their use in a Restaurant. The “Net Book Value” shall be the net book value of the Purchased Assets, as reflected on your books and records, provided all capital assets will be depreciated on a straight line basis over a reasonable period of time not to exceed 5 years, without residual value. The Fair Market Value, the Appraised Asset Value and/or Net Book Value will be determined by a member of a nationally recognized accounting firm (other than a firm which conducts audits of our financial statements) selected by us who has experience in the valuation of restaurant businesses (the “Appraiser”). We (or our assignee) will notify you of the identity of the Appraiser, who will make his determination and submit a written report (“Appraisal Report”) to you and us (or our assignee) as soon as practicable, but in no event more than sixty (60) days after his appointment. You agree to promptly provide the Appraiser with such books and records as he or she may require, which you represent and warrant to be complete and accurate. In absence of such books and records or if the Appraiser is not satisfied with their completeness or accuracy, the Appraiser may make the determination of the Agreed Value on the basis of other sources and information he or she deems appropriate. The Appraiser’s determination shall be final and binding on the parties hereto.

(c) We (or our assignee) have the option, exercisable by delivering notice thereof within thirty (30) days after submission of the Appraisal Report (or the date that an agreement is reached, if the parties agree to the Agreed Value), to agree to purchase the Purchased Assets at the Agreed Value.

(d) If we (or our assignee) exercise our option to purchase, fifty percent (50%) of the purchase price for the Purchased Assets will be paid in cash at the closing, which will occur at the place, time and date we designate, but not later than sixty (60) days after the exercise of our option to purchase the Purchased Assets. At the closing, we (or our assignee) will be entitled to all warranties, title insurance policies and other closing documents and post-closing indemnifications as we reasonably require, including: (a) instruments transferring good and merchantable title to the Purchased Assets, free and clear of all liens, encumbrances, and liabilities, to us or our designee, with all sales and other transfer taxes paid by you; and (b) an assignment of all leases of personal property and real estate used in the operation of the Franchised Restaurant, including land, building and/or equipment (or if an assignment is prohibited, a sublease to us or our designee for the full remaining term and on the same terms and conditions as your lease, including renewal and/or purchase options), provided, however, that if any of your Owners or Affiliates directly or indirectly owns the land and/or building of the Franchised Restaurant, then you

will, at our option, cause such Owner or Affiliate to grant to us (or our assignee) a lease at reasonable and customary rental rates and other terms prevailing in the community where the Franchised Restaurant is located. Any dispute concerning the rental rates and terms of such lease shall be resolved by the Appraiser. Twenty-five percent (25%) of the purchase price (plus accrued and unpaid interest on the unpaid balance, at the Prime Rate, as defined below, from and after the closing date) shall be payable on the first anniversary of the closing date, and the remaining twenty-five percent (25%) of the purchase price (plus accrued and unpaid interest on the unpaid balance, at the Prime Rate, from and after the closing date) shall be payable on the second anniversary of the closing date. The “Prime Rate” shall be the published prime rate as of the date of closing of The Chase Manhattan Bank or any other national bank we select.

If you cannot deliver clear title to all of the assets, or if there are other unresolved issues, the closing of the sale may, at our (or our assignee’s) option, be accomplished through an escrow on such terms and conditions as we (or our assignee) deem appropriate, including the making of payments, to be deducted from the purchase price, directly to third parties in order to obtain clear title to any of the Purchased Assets. Further, you and we (or our assignee) shall comply with any applicable Bulk Sales provisions of the Uniform Commercial Code as enacted in the state where the Premises is located and all applicable state and local sales and income tax notification and/or escrow procedures. We have the right to set off against and reduce the purchase price by any and all amounts owed by you or any of your Owners or Affiliates to us or any of our Affiliates.

(e) Upon delivery of the Appraisal Notice and pending (a) determination of Fair Market Value, (b) our (or our assignee’s) option period, and (c) the closing of the purchase, we may authorize continued temporary operations of the Franchised Restaurant pursuant to the terms of this Agreement, subject to the supervision and control of one or more of our appointed managers.

16.05 Right to Lease Real Estate.

(a) Upon termination of this Agreement (for any reason, no reason, or upon expiration without renewal), if you or any of your Owners or Affiliates directly or indirectly owns the building and/or land (the “Real Estate”) on which the Franchised Restaurant is located, we may, and at our option (in our sole discretion) and in conjunction with our purchase of the Franchised Restaurant pursuant to Section 16.04 hereof, require you to execute and deliver to us or our designee a lease for the Restaurant Location pursuant to the terms of Section 16.05(b).

(b) If we elect to require you to execute and deliver to us or our designee a lease for the Restaurant Location, we shall deliver written notice to you within ten (10) days after the effective date of termination or expiration of this Agreement of

such election. Following such notice, you and we shall negotiate in good faith a lease for the Real Estate containing commercially reasonable terms with a term equal to a minimum of the remaining Term under this Agreement. If you and we have not agreed to a lease within thirty (30) days after your receipt of our election, we shall engage a Real Estate Appraiser to prepare a lease with commercially reasonable terms. The Real Estate Appraiser's determination will be binding, and you must execute and deliver to us a lease for the Restaurant Location containing the commercially reasonable terms provided by the Real Estate Appraiser. All fees, compensation and cost and expense reimbursements of the Real Estate Appraiser shall be borne equally by the parties. Upon your execution of the lease for the Restaurant Location, you agree to vacate the Restaurant Location promptly and completely, rendering all necessary assistance to us to enable us to take prompt possession.

16.06 Early Termination Damages. If we terminate this Agreement as a result of your breach, you and we agree that the amount of damages which we would incur for any such early termination would be difficult, if not impossible, to accurately ascertain. Accordingly, within 30 days following such termination, you shall pay us an amount equal to the average monthly royalty fees and advertising contributions that you owed to us for the past 24 months multiplied by the number of months remaining in the Term ("**Early Termination Damages**"). If you have not operated the Franchised Restaurant for 24 months prior to the termination of this Agreement, the Early Termination Damages will be calculated by using the average monthly royalties and advertising contributions you owed for the number of months that the Franchised Restaurant operated multiplied by the number of months remaining in the Term. These Early Termination Damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of you and each of your Owners who personally guarantees your obligations under this Agreement.

The parties acknowledge and agree that: (a) the Early Termination Damages are a reasonable estimation of the damages that we would incur if this Agreement is prematurely terminated; and (b) your payment of such Early Termination Damages is intended to fully compensate us only for any and all damages related to or arising out of our premature termination of this Agreement, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of our claim for other damages and/or equitable relief arising out of your breach of this Agreement.

The imposition of Early Termination Damages shall be at our sole option. We are not required to impose Early Termination Damages and may, in addition or in lieu thereof, pursue other remedies available to us under the terms and conditions of this Agreement, in equity or at law in the event of your breach under this

Agreement, including, without limitation, actual damages we incur, if such can be ascertained. All such remedies shall be cumulative and non-exclusive

16.07 Continuing Obligations. All obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.

17. RELATIONSHIP OF THE PARTIES.

17.01 Independent Contractors.

Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence between the parties hereto. Franchisor and Franchisee, as between themselves, are and shall be independent contractors.

We and you acknowledge and agree that this Agreement (and the relationship of the parties which arises from this Agreement) grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your explicit rights and obligations hereunder that may affect favorably or adversely your interests. You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interests of our franchise network, at the time our decision is made, without regard to: (a) whether other reasonable or even arguably preferable alternative decisions or actions could have been made by us; (b) whether our decision or the action we take promotes our financial or other individual interest; (c) whether our decision or the action we take applies differently to you and one (1) or more other franchisees; or (d) whether our decision or the exercise of our rights is adverse to your individual interests or the individual interests of any other particular franchisees. We will have no liability to you for any such decision or exercise of our rights.

Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose whatsoever. You must conspicuously identify yourself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of the Franchised Restaurant and must place such other notices of independent ownership on such

forms, business cards, stationery, advertising and other materials as we may require at any time and from time to time.

You may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in our name or on our behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. We will not be obligated by or have any liability under any agreements made by you with any third party or for any representations made by you to any third party. We will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of your business hereunder.

None of your employees or other personnel will be considered to be employees or personnel of ours. Neither you nor any of your employees or personnel whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee or personnel for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, provincial, or federal governmental agency. We will not have the power to hire or fire your employees or personnel. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or personnel for qualification to perform certain functions for your Franchised Restaurant does not directly or indirectly vest in us the power to hire, fire or control any such employee. You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Franchised Restaurant and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Restaurant, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Restaurant.

17.02 Indemnification. You agree to indemnify us, our Affiliates and our respective directors, officers, employees, shareholders, members, agents, successors and assigns (collectively “indemnitees”), and to hold the indemnitees harmless to the fullest extent permitted by law, from any and all losses and expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the indemnitees in connection with (i) your failure to perform or breach of any

covenant, agreement, term or provision of this Agreement, (ii) your breach of any representation or warranty contained in this Agreement, (iii) the marketing, promotion, advertisement or sale of any of the products and services offered by your Franchised Restaurant pursuant to this Agreement, including unfair or fraudulent advertising claims (whether in print advertising or electronic media), and product liability claims, (iv) your development, ownership, operation and/or closing of your Franchised Restaurant, (v) employment matters in connection with your Franchised Restaurant, and (vi) any allegedly unauthorized service or act rendered or performed in connection with this Agreement, (collectively “event”) and regardless of whether it resulted from any strict or vicarious liability imposed by law on the indemnitees. The foregoing indemnity shall apply even if it is determined that the indemnitees’ negligence caused such loss, liability or expense, in whole or in part, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the indemnitees or the gross negligence or willful acts of indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you). The term “losses and expenses” includes compensatory, exemplary, and punitive damages; fines and penalties; attorneys’ fees; experts’ fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. We agree to give you reasonable notice of any event of which we become aware for which indemnification may be required, and we may elect (but are not obligated) to direct the defense thereof, including the selection of appropriate counsel at our sole determination. We may, in our reasonable discretion, take such actions as we deem necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of indemnitees or Restaurants generally, provided however, that any settlement shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. Further, notwithstanding the foregoing, if the insurer on a policy or policies obtained in compliance with your Franchise Agreement agrees to undertake the defense of an event (an “Insured Event”), we agree not to exercise our right to select counsel to defend the event if such would cause your insurer to deny coverage. We reserve the right to retain counsel to represent us with respect to an Insured Event at our sole cost and expense. This Section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

17.03 Taxes. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon the Franchised Restaurant, your property or upon us, in connection with sales made or business conducted by you (except for any income taxes imposed on our income). Payment of all such taxes shall be your responsibility. In the event of a bona fide dispute as to your liability for taxes, you may contest your liability in accordance with

applicable law. In no event, however, will you permit a tax sale, seizure, or attachment to occur against the Franchised Restaurant or any of its assets.

18. MISCELLANEOUS.

18.01 Severability and Substitution of Provisions. Every part of this Agreement shall be considered severable. If for any reason any part of this Agreement is held to be invalid, that determination shall not impair the other parts of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographical area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

If any applicable law requires a greater prior notice of the termination of or refusal to enter into a successor franchise than is required hereunder, a different standard of “good cause”, or the taking of some other action not required hereunder, the prior notice, “good cause” standard and/or other action required by such law shall be substituted for the comparable provisions hereof. If any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable under applicable law, we have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable.

18.02 Waiver of Obligations. We and you may by written instrument unilaterally waive or reduce any obligation of the other under this Agreement. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days’ prior notice. You and we shall not be deemed to have waived any right reserved by this Agreement by virtue of any custom or practice of the parties at variance with it; any failure, refusal or neglect by you or us to exercise any right under this Agreement (except as provided in Section 18.03) or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by us to exercise any right, whether of the same, similar or different nature, with respect to other Restaurants; or the acceptance by us of any payments due from you after any breach of this Agreement.

18.03 Exercise of Rights. The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled to enforce by law. If Franchisee commits any act of default under this Agreement for which Franchisor exercises its right to

terminate this Agreement, Franchisee shall pay to Franchisor all actual, consequential, special and incidental damages Franchisor incurs as a result of the premature termination of this Agreement regardless of whether or not such damages are reasonably foreseeable. Franchisee acknowledges and agrees that the proximate cause of such damages sustained by Franchisor is Franchisee's act of default and not Franchisor's exercise of its right to terminate. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with this Agreement shall constitute a waiver of such right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying such breach or violation is provided to the other party within twelve (12) months after the later of: (a) the date of such breach or violation; or (b) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to such breach or violation.

18.04 Injunctive Relief. We, as an alternative or supplement to arbitration pursuant to Section 18.05, may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may seek and obtain such injunctive relief, without bond, but upon notice as required under applicable rules, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). You and each of your Owners acknowledge that any violation of Section 7, 13.02(l), 16.02 or 16.03 would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners consent and agree to the issuance of an injunction prohibiting any conduct in violation of any of those sections and agrees that the existence of any claim you or any of your Owners may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

18.05 Arbitration. Subject to Section 18.04, all controversies, disputes, or claims between us or any of our Affiliates, or any of their respective officers, directors, agents, employees and attorneys and you, any of your Affiliates or any of their respective Owners, arising from or relating, directly or indirectly, to (i) this Agreement or any other agreement between you and us or your or our respective Affiliates, (ii) the scope and validity of any provision of this Agreement or any other agreement between you and us or any provision of such agreements (including the validity of the arbitration obligations under this Section 18.05, which the parties acknowledge is to be determined by an arbitrator and not a court); (iii) our

relationship with you, including, without limitation, your application to become a franchisee and/or to acquire the right to operate an additional Restaurant, our decision to award a franchise, approve a site or any other matter related to your franchise application or site selection process for your Franchised Restaurant or for an additional Restaurant; or (iv) any of our specifications and standards, shall on demand of either party be submitted for arbitration to the offices of the American Arbitration Association (“AAA”) located closest to our corporate headquarters at the time of such demand. The arbitration shall be governed exclusively by the United States Federal Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedures) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be waived and such party will forever be barred from asserting such a claim. Settlement discussions occurring between the parties in relation to any dispute falling within the scope of this Section 18.05 shall be protected by Federal Rule of Evidence 408 and all other applicable rules limiting and/or precluding disclosure. The parties further agree that unless otherwise agreed in writing, neither side shall be permitted to disclose any settlement discussions to the arbitrators for any reason and that the arbitrators may not consider any settlement discussions or offers that might have been made by either you or us prior to commencing the arbitration proceeding. The arbitration proceedings shall be conducted in the city closest to our principal place of business and shall be conducted in accordance with the then-current commercial arbitration rules of the AAA, except as modified by this Agreement. The parties shall be entitled to limited discovery at the discretion of the arbitrators but in no event shall the arbitrators order the taking of depositions without the parties’ prior agreement. The parties acknowledge that the arbitrators’ subpoena power is not subject to geographic limitations. The arbitration shall be conducted by three arbitrators. Each party shall select an arbitrator within fifteen (15) days of commencement of the arbitration who shall serve as party arbitrators. The two designated party arbitrators shall select a neutral arbitrator within twenty (20) days of their selection. If the two party arbitrators cannot agree on a third arbitrator within twenty (20) days of their appointment, the AAA shall select a third arbitrator in accordance with the terms of this Agreement. The parties further agree that the arbitration proceedings shall be commenced and conducted on an individual basis only and not on a multi-plaintiff, consolidated or class-wide basis, that the arbitrators have no authority to conduct any such multi-plaintiff, consolidated, or class-wide proceedings under this Section 18.05, and that each side expressly waives any ability or right to initiate or assert any such multi-plaintiff, consolidated, or class-wide claims in connection with any arbitration proceeding. The foregoing sentence is an integral provision of the arbitration procedures set forth in this paragraph, and may not be severed therefrom, notwithstanding Section

18.01 of this Agreement. If such sentence is determined to be invalid or unenforceable under applicable law in connection with a particular controversy, dispute, or claim, then the entire first paragraph of Section 18.05 shall be stricken from this Agreement and neither party shall be deemed to have consented to arbitration of such controversy, dispute, or claim. The arbitrators shall have the right to award individual relief which he or she deems proper under the evidence presented and applicable law and consistent with the parties' rights to, and limitations on, damages and other relief as expressly set forth in this Agreement, including without limitation, Sections 18.03, 18.06 and 18.10. The award and decision of the arbitrators shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Federal Arbitration Act. We reserve the right, but have no obligation, to advance your share of the costs, fees and expenses of any arbitration proceeding, including any arbitrator fees, in order for such arbitration proceeding to take place, and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those amounts from the arbitrators, who shall provide for such relief in the final award, in addition to the costs, fees, and expenses that are recoverable under Section 18.06 below. The provisions of this Section 18.05 shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

18.06 Costs of Enforcement. If we file a claim in a judicial or arbitration proceeding for amounts you or any of your Owners owe us or any of our Affiliates, or if we enforce this Agreement in a judicial or arbitration proceeding, and we prevail in any such proceeding, you agree to reimburse us for all of our costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees. If we are required to engage legal counsel in connection with your failure to comply with this Agreement, you must reimburse us for any attorneys' fees, costs and expenses we incur.

18.07 Jurisdiction and Venue. SUBJECT TO SECTION 18.05 ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS IRREVOCABLY AGREE THAT: (A) ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION LOCATED CLOSEST TO OUR THEN CURRENT CORPORATE HEADQUARTERS (CURRENTLY TAMPA, FLORIDA); AND (B) ANY SUCH MATTER SHALL BE TRIED BY AND TO THE COURT SITTING WITHOUT A JURY, AND YOU WAIVE ANY RIGHT TO A JURY TRIAL. YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT YOU MAY LAWFULLY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH SUIT, ACTION OR PROCEEDING, AND AGREE

THAT SERVICE OF PROCESS FOR PURPOSES OF ANY SUCH SUIT, ACTION OR PROCEEDING NEED NOT BE PERSONALLY SERVED OR SERVED WITHIN THE STATE OF FLORIDA, BUT MAY BE SERVED WITH THE SAME EFFECT AS IF YOU WERE SERVED WITHIN THE STATE OF FLORIDA, BY CERTIFIED MAIL OR ANY OTHER MEANS PERMITTED BY LAW ADDRESSED TO YOU AT THE ADDRESS SET FORTH HEREIN. NONETHELESS, FRANCHISEE AND FRANCHISEE'S OWNERS AGREE THAT FRANCHISOR MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH FRANCHISEE IS DOMICILED OR THE FRANCHISED BUSINESS IS LOCATED.

18.08 Governing Law. This Agreement and any dispute, claim, or matter arising out of or relating in any way to the relationship between the parties (whether based in contract, tort, statute or otherwise and regardless of the relief sought) shall be construed under the laws of the State of Florida, provided the foregoing shall not constitute a waiver of any of your rights under any applicable franchise law of another state that does not conflict with Florida law. In the event of any conflict of law, Florida law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under Florida law, and if the Franchised Restaurant is located outside of Florida and such provision would be enforceable under the laws of the state in which the Franchised Restaurant is located, then such provision shall be construed under the laws of that state. Nothing in this Section is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Florida to which it otherwise would not be subject.

18.09 Successors and Assigns. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. This Agreement is fully transferable by us, whether by operation of law or otherwise, and shall inure to the benefit of any transferee or other legal successor to our interests herein.

18.10 Limitations on Damages. EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 17.02, AND EXCEPT WITH RESPECT TO OBLIGATIONS REGARDING USE OF THE MARKS IN SECTION 5 AND THE CONFIDENTIAL INFORMATION IN SECTION 7.01, FRANCHISOR AND FRANCHISEE (AND ITS OWNERS) EACH WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND EACH OF YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO RECOVER CONSEQUENTIAL, SPECIAL AND INCIDENTAL DAMAGES FOR ANY CLAIM

DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT.

You agree that, for our System to function properly, we should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between you (and your Owners) and us shall be considered unique as to its facts and shall not be brought as a class action, and you (and each of your Owners) waive any right to proceed against us or any of our shareholders, members, Affiliates, officers, directors, employees, agents, successors and assigns by way of class action, or by way of a multi-plaintiff, consolidated or collective action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving us and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues precludes such independent determination.

18.11 Construction. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against any party. The introduction, personal guarantees, exhibits and riders (if any) to this Agreement are a part of this Agreement, which constitutes the entire agreement of the parties. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement, that either party may or does rely on or that will have any force or effect, except that nothing in this Agreement shall disclaim or require you to waive reliance on any representation we made in our most recent Franchise Disclosure Document (including that document's exhibits and amendments) delivered to you or your representative. Nothing in this Agreement shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. This Agreement shall not be modified except by written agreement signed by both parties.

The headings of sections are for convenience only and do not limit or construe their contents. The word "including" shall be construed to include the words "without limitation." The term "Franchisee" or "you" is applicable to one or more persons, a corporation, limited liability company or a partnership and its owners, as the case may be. If two (2) or more persons are at any time Franchisee hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to us shall be joint and several. References to a controlling interest in an entity shall mean more than fifty percent (50%) of the equity and voting control of such entity.

This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

18.12 Approvals and Consents. In all cases where our prior consent or acceptance is required and no other method or timing for obtaining such consent or

acceptance is prescribed, you must request such consent or acceptance in writing, and we will notify you of our decision within sixty (60) days after receiving your written request and all supporting documentation. Whenever our consent or acceptance is required hereunder, such consent or acceptance must be in writing. If we do not respond in writing to your request within such sixty (60)-day period, the request shall be deemed denied. Our consent to, or acceptance of, any request by you shall be effective only to the extent specifically stated and shall not be deemed to waive or render unnecessary our consent or acceptance of any subsequent similar request. Except where this Agreement expressly obligates us to reasonably accept or consent to (or not to unreasonably withhold our acceptance or consent regarding) any action or request by you, we have the absolute right for any reason or no reason to withhold our acceptance of or consent to any action by you.

18.13 Notices and Payments. All notices, requests and reports permitted or required to be delivered by this Agreement shall be deemed delivered: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the same day of the transmission by facsimile or other reasonably reliable electronic communication system; (c) 1 business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (d) five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All payments and reports required by this Agreement shall be sent to us at the address identified in this Agreement unless and until a different address has been designated by written notice. No restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind us, and our acceptance of any such payment shall not constitute an accord and satisfaction.

18.14 Franchisee's Release. To the full extent permitted by applicable law, Franchisee, for itself and on behalf of its Affiliates, and their respective shareholders, directors, officers, limited liability company members, managers and employees, and their respective successors and assigns, and on behalf of the Franchisee's Owners, hereby (i) releases and forever discharges Franchisor and its Affiliates, and their respective directors, officers, employees, agents, representatives and attorneys, and their respective successors and assigns, from any and all claims, demands and causes of action, whether known or unknown, of any kind or nature, absolute or contingent, if any at law or in equity, arising prior to or on the date you sign this Agreement, and (ii) agrees that none of them will institute any litigation or other legal action or proceeding, at law or in equity, against Franchisor or its affiliates and their directors, officers, employees, agents, representatives and attorneys, and their respective successors and assigns, directly or indirectly, relating to any claim or demand released under this Section 18.14. Franchisee shall take whatever actions are necessary or appropriate to carry out the terms of this release and covenant not to

sue upon Franchisor's request. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation we made in our Franchise Disclosure Document (including any of that document's exhibits and amendments) delivered to you, your Owners, Affiliates or representatives. This Section 18.14 shall survive the expiration or termination of this Agreement.

18.15 Electronic Signatures. The counterparts of this Agreement and all ancillary documents executed or delivered in connection with this Agreement may be executed and signed by electronic signature by any of the parties to this Agreement, and delivered by electronic or digital communications to any other party to this Agreement, and the receiving party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Agreement, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

18.16 Receipt of Disclosure Document and Agreement. You acknowledge having received our Franchise Disclosure Document and this Agreement, with all blanks completed, within the time periods required by applicable law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the day and year first above written.

CHECKERS DRIVE-IN RESTAURANTS, INC., a Delaware corporation

FRANCHISEE

If a corporation, limited liability company or partnership:

By: _____
Print Name: _____
Title: _____

(Name of corporation, limited liability company or partnership)

*Effective Date: _____

By: _____
Print Name: _____
Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT A

TO THE FRANCHISE AGREEMENT

1. Operating Partner. The name and home address of the Operating Partner are as follows: _____

_____.

2. Form of Entity of Franchisee.

(a) Corporation or Limited Liability Company. Franchisee was incorporated on _____, _____, under the laws of the State of _____. It has not conducted business under any name other than its corporate name. The following is a list of all of Franchisee's directors and officers as of _____, _____.

Name of Each Director/Officer

Position(s) Held

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(b) Partnership. Franchisee is a [general] [limited] partnership formed on _____, _____ under the laws of the State of _____. It has not conducted business under any name other than its partnership name. The following is a list of all of Franchisee's general partners as of _____, _____.

Name of General Partner

3. Owners. Franchisee and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Franchisee, including the full name and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Franchisee. Franchisee, and each Owner as to his ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name and Address

Description of Interest

<hr/>	<hr/>

**CHECKERS DRIVE-IN RESTAURANTS,
INC.,** a Delaware corporation

(Name of corporation, limited
liability company or
partnership)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

Owners:

(Signature)

(Print Name)

EXHIBIT B

TO THE FRANCHISE AGREEMENT

1. The **Premises** of the Franchised Restaurant will be located at:

2. The **Designated Area** for the Franchised Restaurant is:

**CHECKERS DRIVE-IN RESTAURANTS,
INC.**, a Delaware corporation

(Name of corporation, limited
liability company or partnership)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT C

TO THE FRANCHISE AGREEMENT

FRANCHISE ADDENDUM TO LEASE AGREEMENT

THIS FRANCHISE ADDENDUM TO LEASE AGREEMENT (this "Addendum") is entered into this _____ day of _____, 20____, by and between _____, a(n)_____ ("Landlord") and _____, a(n)_____ ("Tenant") for the benefit of **CHECKERS DRIVE-IN RESTAURANTS, INC.**, a Delaware corporation ("Franchisor").

WHEREAS, Tenant and Franchisor have executed a Franchise Agreement (the "Franchise Agreement"), pursuant to which Franchisor has granted Tenant the right to establish and operate a [Checkers] Franchised Restaurant at the following location:_____ (the "Premises");

WHEREAS, Tenant and Landlord are entering into a lease agreement (the "Lease"), pursuant to which Tenant will lease the Premises from Landlord; and

WHEREAS, Franchisor has required Tenant to include certain terms in the Lease in order to protect Franchisor's rights, and Landlord has agreed to such terms.

NOW, THEREFORE, for good and valuable consideration, the receipt of which the parties hereby acknowledge, Landlord and Tenant agree as follows:

1. Landlord agrees to: (a) furnish to Franchisor a copy of any default notice served on Tenant and/or another lessee under the Lease simultaneously with the service of the notice to Tenant and/or such other lessee; (b) provide Franchisor with notice of any proposed renewals, extensions, modifications and amendments to the Lease; (c) give Franchisor the opportunity, but Franchisor shall not be required, to cure any default by Tenant or other lessee under the Lease within 15 days following the expiration of any applicable cure period if Tenant and/or such other lessee fail to cure such default; and (d) to furnish to Franchisor, at Franchisor's request, a copy of any sales or operating information for the Premises provided by Tenant. All notices to Franchisor shall be sent to the following address: Checkers Drive-In Franchised Restaurants, Inc., 4300 West Cypress Street, Suite 600, Tampa, Florida 33607, Attn: Legal Department, unless Landlord is notified otherwise in writing by Franchisor. No notice to Tenant shall be effective unless and until a copy thereof is served upon Franchisor.

2. Landlord agrees that if Franchisor exercises its right to cure a default by Tenant and/or another lessee under the Lease, then Franchisor may, at its option, succeed to Tenant's and/or such other lessee's interests under the Lease and

shall be recognized by Landlord as the lessee or sublessee thereunder for the remaining term of the Lease.

3. Landlord agrees that the expiration of the Franchise Agreement (unless Tenant enters into a renewal Franchise Agreement with Franchisor) or a termination of the Franchise Agreement prior to expiration shall constitute a default under the Lease, giving Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant's and/or any other lessee's interests as the new lessee or sublessee under the Lease.

4. Landlord agrees that upon the termination or expiration of the Lease, Franchisor shall have the first right of refusal to lease the Premises as the new lessee or sublessee.

5. Landlord agrees that Franchisor shall have the right to enter the Premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect its franchise system, trademarks, trade names, trade dress and other intellectual property without being guilty of trespass or any other tort or crime.

6. Landlord agrees that upon the expiration or termination of the Franchise Agreement, Franchisor shall have the right to enter the Premises and remove any trade fixtures, interior or exterior signs or other items bearing its trademarks. Landlord agrees upon the expiration or termination of the Franchise Agreement to relinquish to Franchisor any and all liens or other ownership interests, whether by operation of law or otherwise, in and to any tangible property bearing Franchisor's trademarks, service marks or trade dress.

7. Landlord agrees that, if Franchisor succeeds to Tenant's and/or any other lessee's interests under the Lease for any reason, Franchisor shall have the right to further assign the lease or to sublease the Premises to either an entity owned or controlled by Franchisor, or to another [Checkers] franchisee upon obtaining Landlord's written consent, which consent may not be unreasonably withheld, conditioned or delayed by Landlord. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

8. Upon Franchisor's delivery to Landlord and Tenant of its election to exercise its rights under this Addendum, Franchisor shall be entitled to all of Tenant's rights and interests in the Lease, as if Franchisor were the tenant under the Lease, including, by way of example and not limitation, the right to exercise any and all renewal options thereunder, without the need for any further action or instrument.

9. Landlord and Tenant expressly agree that Franchisor is an intended third party beneficiary of the terms of this Addendum. Landlord and Tenant further agree that Franchisor has no liability or obligation under the Lease unless and until Franchisor exercises its right to assume the Lease under this Addendum.

10. In the event of any inconsistency between the terms of this Addendum and the terms of the Lease, the terms of this Addendum control. All of the terms of this Addendum, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns. The provisions of this Addendum may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Addendum that makes specific reference to this Addendum and which must be approved in writing by Franchisor. This Addendum may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

LANDLORD:

TENANT:

_____,
a _____

_____,
a _____

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT D

TO THE FRANCHISE AGREEMENT

NONDISCLOSURE AND NON-COMPETITION AGREEMENT

THIS NONDISCLOSURE AND NON-COMPETITION AGREEMENT (this "Agreement") is made as of the ____ day of _____, 201__, is by and between _____ ("Individual," "me," or "I") and **CHECKERS DRIVE-IN RESTAURANTS, INC.**, a Delaware corporation ("Franchisor").

_____ ("Franchisee") is a franchisee of Franchisor pursuant to a franchise agreement entered into by those parties concerning a franchised restaurant operating, or to be operated, under the Marks at _____ (the "Franchise Agreement"). The franchised restaurant authorized by Franchisor under the Franchise Agreement is known as the "Franchised Restaurant," which Franchised Restaurant is one among all restaurants that Franchisor owns, operates, or franchises under the Marks. I agree that, unless otherwise specified, all capitalized terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity, Franchisor's proprietary and confidential information relating to the development and operation of Restaurants, including but not limited to: (1) ingredients, recipes, and methods of preparation and presentation of food products Franchisor authorizes; (2) site selection criteria for Restaurants and plans and specifications for the development of Restaurants; (3) sales, marketing and advertising programs and techniques for Restaurants; (4) identity of suppliers, and knowledge of specifications and pricing for food products, materials, supplies and equipment, Franchisor authorizes; (5) knowledge of operating results and financial performance of Restaurants, other than those Restaurants Franchisee owns; (6) methods of inventory control, storage, product handling, training and management relating to Restaurants; (7) computer systems and software programs; and (8) any and all other information Franchisor provides to me, Franchisee, Franchisee's Owners or Affiliates that is designated orally or in writing as proprietary or confidential, or by its nature would reasonably be understood to be proprietary or confidential, regardless of whether such information is specifically designated as proprietary or confidential (collectively, all information referenced above, including examples (1) through (8), is known as the "Confidential Information"). Furthermore, any and all information, knowledge,

know-how, techniques and information which the entities mentioned above or their officers designate as confidential is considered (and hereby acknowledged by me as) Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication violates a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, all the above items, concepts, and/or examples contained in the preceding paragraph constitute Confidential Information of Franchisor, and I will not divert any business to competitors of Franchisee and/or Franchisor. I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or database, nor otherwise make them available to any unauthorized person.

I further agree that, during the term of my employment/service/association or ownership participation, I will not, directly or indirectly, engage or participate in any Competitive Business (defined below in this paragraph), any of which such prohibited behavior I understand and hereby explicitly acknowledge would or could be injurious to, or (in Franchisor's sole judgment) have an adverse effect upon, Franchisor's protectable interests in the Confidential Information, the "Checkers" trademark, or the goodwill and/or reputation of Restaurants generally. I agree that I am prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant. For purposes of this Agreement, a "Competitive Business" means any business that: (i) operates as a restaurant or similar food-service provider and derives more than twenty percent (20%) of its revenue from selling hamburgers, cheeseburgers and hot dogs in a fast-food, quick-service, drive-thru or drive-in format; or (ii) grants franchises or licenses to others to operate the type of business specified in the preceding subparagraph (i) (other than a "Checkers" or "Rally's"-branded restaurant operated under a franchise agreement with Franchisor). Despite the foregoing definition of a Competitive Business, nothing under this Agreement or the Franchise Agreement will prevent Individual from owning for investment purposes less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange, and so long as neither Individual nor Franchisee controls the company in question.

Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree:

- (i) to return immediately to Franchisor or Franchisee, as the case may be, all Confidential Information, and any material(s) containing a subset thereof, in my possession that was utilized, or to which I had access,

during my employment, association, service or ownership participation;

- (ii) to refrain, beginning upon such expiration or termination and forever thereafter, from any and all contacts with customers of Restaurants for any purpose whatsoever; and
- (iii) for a period of two (2) years, starting on the effective date of termination or expiration of my employment/service/association or ownership participation, to refrain from directly or indirectly (such as through any one or more of my spouse, legally-recognized domestic partner, parents, children or sibling(s) (collectively, "Immediate Family")) owning a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating at the Premises or within a three (3)-mile radius of the Premises; (b) any Competitive Business operating within a radius of three (3) miles of any Restaurant in operation or under construction on the effective date of termination or expiration of my employment/service/association/ ownership participation; or (c) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business.

I acknowledge and understand that the provisions of this Agreement, including my representations, covenants, and warranties (as applicable) given hereunder, are necessary and integral to this Agreement and to Franchisor's and Franchisee's interests under the Franchise Agreement, and are intended to:

- (i) preclude not only direct competition, but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor;
- (ii) bind any person or entity having any legal or beneficial interest in me, or traceable to, down or through me, including (without limitation) any of member of my Immediate Family, any direct or indirect beneficiary, any partner (general or limited) or proprietor of mine, and any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me; and
- (iii) identify for me, toward the goal of preserving through this Agreement, Franchisor's protectable legal interests in the System, customers of Restaurants, the Confidential Information, and the goodwill associated with the Marks.

I also expressly acknowledge my possession of skills and abilities of a general nature, and the opportunity for exploiting such skills in other ways than the operation or involvement in the activities of a Restaurant or a Competitive

Business, so that enforcement of my covenants made in this Agreement will not deprive me of my personal goodwill or ability to earn a living after the effective date of expiration or termination of my relationship with Franchisee, the Franchised Restaurant, or Restaurants generally. If I fail or refuse to abide by any of my foregoing obligations or promises made under this Agreement, and Franchisor or Franchisee obtains enforcement in a judicial or arbitration proceeding, then my obligations and responsibilities specified under the breached covenant will be tolled during the period(s) of time that the covenant is breached and/or Franchisor or Franchisee seeks to enforce it, and will continue for two (2) years starting from the effective date of the order enforcing the covenant.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee, for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both), in any appropriate jurisdiction and venue (notwithstanding other references to resolution of actions exclusively in Franchisor's home prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of Confidential Information under this Agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete under this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all, or any portion of, this covenant not to use Confidential Information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Florida without recourse to Florida (or any other) choice of law or conflicts of law principles. If, however, any

provision of this Agreement would not be enforceable under the laws of Florida, and if the Franchised Restaurant is located outside of Florida and the provision would be enforceable under the laws of the state in which the Franchised Restaurant is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, “implied covenant”, unfair competition, fiduciary or any other doctrine of law of the State of Florida or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement, any breach of this Agreement, and any and all relations and/or disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in the U.S. District Court sitting nearest to Franchisor’s corporate headquarters (currently, Tampa, Florida). I agree that any dispute as to the aforementioned venue will be submitted to and resolved exclusively by such aforementioned court. Nonetheless, I agree that Franchisee or Franchisor may enforce this Agreement and any awards in the courts of the state or states in which I am domiciled or the Franchised Restaurant is located.

I, FRANCHISEE AND FRANCHISOR IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ME, FRANCHISEE OR FRANCHISOR. I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

[Signatures on Following Page]

IN WITNESS WHEREOF, Franchisor has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one (1) original being delivered to each party as of the day and year first written above.

INDIVIDUAL:

**CHECKERS DRIVE-IN
RESTAURANTS, INC.**, a Delaware
corporation:

Signature:_____

By:_____

Name Printed:_____

Its:_____

**OWNERS' PERSONAL GUARANTY OF
FRANCHISEE'S OBLIGATIONS**

In consideration of, and as an inducement to, the execution of the Franchise Agreement dated as of _____, _____ (the "Agreement") by and between CHECKERS DRIVE-IN RESTAURANTS, INC. ("Franchisor"), and _____ ("Franchisee"), each of the undersigned owners of an interest in Franchisee hereby personally and unconditionally: (1) guarantees to Franchisor 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 that each and every representation of Franchisee made in connection with the Agreement are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement, including without limitation, Sections 5, 7, 8, 13, 16 and 18 (for the avoidance of doubt, including Section 18.05) thereof.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor 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; and (e) 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 guaranty shall be joint and several; (ii) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor 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 guaranty, which shall be continuing and irrevocable during the term of the agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS THEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

**PERCENTAGE OF OWNERSHIP
INTERESTS IN FRANCHISEE**

GUARANTOR(S)

(Signature)

(Print Name)

DATE: _____, _____

Subscribed and sworn to before me this _____ day of _____, _____.

Notary Public

My Commission expires: _____

EXHIBIT B-1

EXISTING FRANCHISEE INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT

**EXISTING FRANCHISEE INCENTIVE ADDENDUM
TO FRANCHISE AGREEMENT**

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) is entered into as of _____, 202__, by and between **CHECKERS DRIVE-IN RESTAURANTS, INC.**, a Delaware corporation (“**Franchisor**,” “**we**,” “**our**,” or “**us**”), and _____ (“**you**” or “**your**” or “**Franchisee**”). We and you may each be referred to as a “**Party**,” or collectively, the “**Parties**.”

RECITALS

WHEREAS, Franchisor has implemented an incentive program available to qualified existing franchisees of “Checkers” or “Rally’s” restaurants under which the Initial Franchise Fee due under Franchisor’s current form of franchise agreement is reduced by \$10,000 if the franchisee opens its Restaurant within one (1) year of signing the Franchise Agreement (the “**Existing Franchisee Incentive**” or “**Incentive**”);

WHEREAS, Franchisee is an existing franchisee under separate franchise agreements with Franchisor for the operation of at least two (2) “Checkers” or “Rally’s” restaurants;

WHEREAS, Franchisor and Franchisee are Parties to that certain Franchise Agreement dated of even date herewith (the “**Franchise Agreement**”) pursuant to which Franchisee will operate another “Checkers” or “Rally’s” restaurant located at _____ (the “**Franchised Restaurant**”);

WHEREAS, Franchisee desires to qualify for and receive, the benefits of the Incentive; and

WHEREAS, the Parties now desire to modify the Franchise Agreement according to the terms and conditions set forth in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Relationship to Franchise Agreement; Recitals.** This Addendum shall be annexed to and form a part of the Franchise Agreement. All capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Addendum. All references in this Addendum to “Sections,” “Subsections,” and/or “Exhibits” shall mean the applicable Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below. The Recitals above are incorporated into this Addendum by reference.
2. **Qualifications.** You represent, and in connection with signing this Addendum have provided us (or agree to provide promptly upon our request) relevant supporting documentation, that: (a) you are a current franchisee in good standing

Checkers/Rally's
August 2024

with us, including being in full compliance with all currently effective agreements with us or our affiliates; and (b) you will remain a franchisee in good standing, and comply with all currently effective agreements with us or our affiliates including the Franchise Agreement; and (c) you agree to open the Franchised Restaurant within one (1) year of signing the Franchise Agreement.

3. **Reduced Fee(s)**. In consideration of your qualification for the Incentive identified in the Recitals above, Section 6.01 is revised to reflect that the Initial Franchise Fee due is reduced by ten thousand dollars (\$10,000) (the “**Initial Fee Reduction**”) from the standard amount of the current initial franchise fee otherwise due for a new Restaurant.
4. **Additional Condition(s)**.
 - a. If, before you open the Franchised Restaurant, you request and we approve a transfer in accordance with Section 13 of the Franchise Agreement, then as a pre-closing condition of the transfer (in addition to any transfer fee payable) you must pay us the amount of the Initial Fee Reduction prior to the transfer.
 - b. If, at any time during the Term, you breach, fail to satisfy, or are later found to have violated or failed to satisfy, any of the criteria listed in Section 2 above, including without limitation your obligation to open the Franchised Restaurant within one (1) year of signing the Franchise Agreement, then in addition to any other remedies available under the Franchise Agreement or at applicable law, you must pay us (no later than thirty (30) days after our written notice to you) the amount of the Initial Fee Reduction.
5. **Entire Agreement**. Franchisor and Franchisee each acknowledge that this Addendum: contains the entire understanding and agreement of the Parties with respect to this Addendum’s subject matter; supersedes all other written or oral agreements between them or their representatives in this regard; and may not be altered, amended or modified, except by a writing properly executed by the Parties.
6. **Counterparts**. This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Facsimile signatures shall be sufficient to bind the Parties.
7. **Electronic Signatures**. The counterparts of this Addendum may be executed and signed by electronic signature by any of the Parties and delivered by electronic or digital communications to any other Party to this Agreement, and the receiving Party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Addendum, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an “I Accept” or similar button), sound, symbol (digitized signature block), or process

attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the day and year first above written.

FRANCHISOR

CHECKERS DRIVE-IN RESTAURANTS, INC.,
a Delaware corporation

By: _____
Print Name: _____
Title: _____

FRANCHISEE

If a corporation, partnership, limited liability company or other legal entity:

(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT B-2
2024 GROWTH INCENTIVE ADDENDUM
TO FRANCHISE AGREEMENT

**2024 GROWTH INCENTIVE ADDENDUM
TO FRANCHISE AGREEMENT**

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) is entered into as of _____, 202__, by and between **CHECKERS DRIVE-IN RESTAURANTS, INC.**, a Delaware corporation (“**Franchisor**,” “**we**,” “**our**,” or “**us**”), and _____ (“**you**” or “**your**” or “**Franchisee**”). We and you may each be referred to as a “**Party**,” or collectively, the “**Parties**.”

RECITALS

WHEREAS, Franchisor has implemented an incentive program available to certain qualified franchisees that acquire and open new “Checkers” or “Rally's” restaurants or convert an existing restaurant to a “Checkers” or “Rally's” restaurant under which Franchisor offers qualified franchisees a temporary reduction on royalty fees and a reduction of initial franchise fees if the franchisee signs a Franchise Agreement on or before December 30, 2024 (the “**2024 Growth Incentive**” or “**Incentive**”);

WHEREAS, Franchisor and Franchisee are Parties to that certain Franchise Agreement dated _____ (the “**Franchise Agreement**”) pursuant to which Franchisee will operate a “Checkers” or “Rally's” restaurant located at _____ (the “**Franchised Restaurant**”);

WHEREAS, Franchisee desires to qualify for, and to receive the benefits of, the Incentive in connection with its operation of the Franchised Restaurant under the Franchise Agreement; and

WHEREAS, the Parties now desire to modify the Franchise Agreement according to the terms and conditions set forth in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Relationship to Franchise Agreement; Recitals.** This Addendum shall be annexed to and form a part of the Franchise Agreement. All capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Addendum. All references in this Addendum to “Sections,” “Subsections,” and/or “Exhibits” shall mean the applicable Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below. The Recitals above are incorporated into this Addendum by reference.
2. **Qualifications.** You represent to our satisfaction, and in connection with signing this Addendum have provided us (or agree to provide promptly upon our request) relevant supporting documentation, that: (a) you are a current franchisee in good standing with us, including being in full compliance with all currently effective agreements with us or our affiliates; and (b) you will develop the Franchised Restaurant in accordance with our current prescribed plans, specifications and design model for Restaurants (including,

without limitation, any modifications or adjustments we authorize and timely introduce for similarly-situated Restaurants, or otherwise incorporate into the System for all franchisees, before you open the Franchised Restaurant).

3. **Conditional Development Incentive and Reduced Fee(s).**

- a. **Royalty Fee Abatement:** If you meet the following criteria: (i) you open the Franchised Restaurant to the general public within 18 months of signing the Franchise Agreement; (ii) the Franchised Restaurant complies with the current reimagining requirements and (iii) you, your owners, or your and their affiliates are Restaurant Net Positive (defined below) at the time the Franchised Restaurant opens, then we will waive the royalty fee payable under the Franchise Agreement until the earlier of: (a) the total value of the royalty fee abatement (calculated based on the standard royalty fee due under the Franchise Agreement) equals Seventy-Five Thousand Dollars (\$75,000) or (b) the Franchised Restaurant has operated for twenty-four (24) months. For purposes of this section, "Restaurant Net Positive" means that the total number of Restaurants operated by you, your owners, or your and their affiliates at the time you open the Franchised Restaurant is greater than the number of Restaurants operated by you, your owners, or your and their affiliates as of January 2, 2024. For avoidance of doubt, the number of Restaurants operated by you, your owners, or your and their affiliates as of January 2, 2024 was .
- b. **Reduction of Initial Franchise Fee:** If you meet the conditions in 3(a) above, and you open 3 or more Restaurants that comply with the then-current reimagining requirements to the general public within 18 months of signing the applicable franchise agreement by December 31, 2025, then we will reduce the initial franchise fee payable for the third and subsequent Restaurants opened by fifty percent (50%).

4. **Additional Condition(s).** If you breach, fail to satisfy, or are later found to have violated or failed to satisfy, any of the criteria listed in Section 2 above in this Addendum, at any point during the Term, then in addition to any other remedies available under the Franchise Agreement (including termination) or at applicable law, you must pay us (no later than thirty (30) days after our written notice to you) the amount or value of any fee reduction, discount, or other benefit afforded to you pursuant to Section 3 above.

5. **Entire Agreement.** Franchisor and Franchisee each acknowledges that this Addendum: contains the entire understanding and agreement of the Parties with respect to this Addendum's subject matter; supersedes all other written or oral exchanges, arrangements or negotiations between them or their representatives in this regard; and may not be altered, amended or modified, except by a writing properly executed by the Parties.

6. **Counterparts.** This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

7. **Electronic Signatures.** The counterparts of this Addendum may be executed and signed by electronic signature by any of the Parties and delivered by electronic or digital communications to any other Party to this Agreement, and the receiving Party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Addendum, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an “I Accept” or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the day and year first above written.

FRANCHISOR

CHECKERS DRIVE-IN RESTAURANTS, INC.,
a Delaware corporation

By: _____
Print Name: _____
Title: _____

FRANCHISEE

If a corporation, partnership, limited liability company or other legal entity:

(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT B-3
NON-TRADITIONAL SITE
ADDENDUM TO FRANCHISE AGREEMENT

**NON-TRADITIONAL SITE ADDENDUM
TO FRANCHISE AGREEMENT**

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) is entered into as of _____, 202___, by and between **CHECKERS DRIVE-IN RESTAURANTS, INC.**, a Delaware corporation (“**Franchisor**,” “**we**,” “**our**,” or “**us**”), and _____ (“**you**” or “**your**” or “**Franchisee**”). We and you may each be referred to as a “**Party**,” or collectively, the “**Parties**.”

RECITALS

WHEREAS, Franchisor and Franchisee are Parties to that certain Franchise Agreement dated of even date herewith (including all related exhibits and attachments, the “**Franchise Agreement**”) pursuant to which Franchisee will operate a franchised “**Checkers**” or “**Rally's**” restaurant located at a Non-Traditional Site with an address of _____ (the “**Franchised Restaurant**”); and

WHEREAS, the Parties now desire to modify the Franchise Agreement according to the terms and conditions set forth in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Relationship to Franchise Agreement; Recitals.** This Addendum shall be annexed to and form a part of the Franchise Agreement. All capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Addendum. All references in this Addendum to “**Sections**,” “**Subsections**,” and/or “**Exhibits**” shall mean the applicable Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below. The Recitals above are incorporated into this Addendum by reference.
2. **Qualifications.** You represent, and in connection with signing this Addendum have provided us (or agree to provide promptly upon our request) relevant supporting documentation, that: (a) you are authorized, or will obtain due authorization, to establish and operate a Restaurant within or from the premises of a Non-Traditional Site; and (b) you will remain a franchisee in good standing, and comply with the Franchise Agreement.
3. **Reduced Fee(s).** The following fees are modified in the Franchise Agreement to reflect Franchisee’s operation of the Restaurant from a Non-Traditional Site:
 - a. **Initial Franchise Fee:** Section 6.01 is revised to the extent necessary to reflect that the Initial Franchise Fee due is reduced by fifteen thousand dollars (\$15,000) (the “**Initial Fee Reduction**”) from the standard amount of the current initial franchise fee otherwise due for a new Restaurant.

- b. **Royalty:** Section 6.02 is revised to the extent necessary to reflect that the royalty fee payable shall be equal to two percent (2%) of Net Sales; and

- c. **Cooperative:** The third paragraph of Section 10.02 is deleted and replaced with the following language: “We have the right to establish local and/or regional advertising cooperatives for Restaurants in your local or regional area, covering such geographic areas as we may designate at any time and from time to time. You must participate in such advertising cooperative and its programs (other than price advertising, as to which you may choose not to participate) and abide by its by-laws. You must contribute such amounts to the advertising cooperative(s) as they determine from time to time in accordance with the cooperative’s bylaws, provided that: (i) if no cooperative exists in the geographic area of the Franchised Restaurant upon the Effective Date, then your obligation to contribute to any future cooperative that covers the Franchised Restaurant will require you to contribute only fifty percent (50%) of the then current amount that other members in the cooperative (whose Restaurants are not operating, or to be operated, in a Non-Traditional Site) are obligated to contribute; (ii) if a cooperative exists in the market area of the Premises upon the Effective Date, we will exert our best efforts to ensure that such cooperative revises its bylaws to allow, and/or specifically approves, you to pay a reduced contribution level as specified in subpart (i); and (iii) any such reduction in your cooperative contribution level under the preceding subpart (i) will neither apply to your required participation in any special regional promotion (in which promotion you must fully participate as contemplated below in this Section 10.02), nor reduce your minimum total five percent (5%) combined advertising expenditure obligation described above in this Section 10.02. Any Restaurants owned by us or any of our Affiliates located in such designated local or regional area(s) will contribute to the cooperative(s) on the same basis as the general membership of the cooperative. Contributions to such local and regional advertising cooperatives are credited toward the five percent (5%) advertising expenditures required by this Section; however, if we provide you and your local and/or regional advertising cooperative ninety (90) days’ notice of a special regional promotion, you must participate in such promotion and pay to us any regional advertising fees assessed in connection therewith, beginning on the effective date of such notice and continuing until such regional promotion is concluded. Any such special regional advertising fees shall be in addition to, and not credited towards, the five percent (5%) advertising expenditure required by this Section.

4. **Additional Condition(s).**
- a. If, before you open the Franchised Restaurant, you request and we approve a transfer in accordance with Section 13, then as a pre-closing condition of the transfer (in addition to any transfer fee payable) you must pay us the amount of the Initial Fee Reduction prior to the transfer.
 - b. If you breach, fail to satisfy, or are later found to have violated or failed to satisfy, any of the criteria listed in Section 2 above in this Addendum, at any point during the Term, then in addition to any other remedies available under the Franchise Agreement or at applicable law, you must pay us (no later than thirty (30) days after our written notice to you) the amount of the Initial Fee Reduction plus the value of any royalty fee reduction, discount, and any other benefit afforded to you hereunder (as measured, if necessary, against the standard fee amount or level specified for new franchisees of Restaurants on the Effective Date of the Franchise Agreement).
5. **No Exclusivity or Protected Territory.** Franchisee acknowledges and agrees that it will not receive any territorial protection or exclusivity under this Addendum or the Franchise Agreement when operating the Restaurant at a Non-Traditional Site and that Franchisor and its Affiliates retain all rights and discretion with respect to the Marks, the System, the sale of products and services similar or dissimilar to those offered by “Checkers” and “Rally’s”-branded restaurants, and the operation or franchising of “Checkers” and “Rally’s”-branded restaurants anywhere located or to be located, and may engage in any business activities whatsoever, whenever and wherever they desire during the Term.
6. **Entire Agreement.** Franchisor and Franchisee each acknowledges that this Addendum: contains the entire understanding and agreement of the Parties with respect to this Addendum’s subject matter; supersedes all other written or oral exchanges, arrangements or negotiations between them or their representatives in this regard; and may not be altered, amended or modified, except by a writing properly executed by the Parties.
7. **Counterparts.** This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
8. **Electronic Signatures.** The counterparts of this Addendum may be executed and signed by electronic signature by any of the Parties and delivered by electronic or digital communications to any other Party to this Agreement, and the receiving Party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Addendum, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an “I Accept” or similar button), sound, symbol (digitized signature block), or process

attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the day and year first above written.

FRANCHISOR

CHECKERS DRIVE-IN RESTAURANTS, INC.,
a Delaware corporation

By: _____
Print Name: _____
Title: _____

FRANCHISEE

If a corporation, partnership, limited liability company or other legal entity:

(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT B-4

VET FRAN INCENTIVE ADDENDUM TO FRANCHISE AGREEMENT

**VET FRAN INCENTIVE ADDENDUM
TO FRANCHISE AGREEMENT**

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) is entered into as of _____, 202___, by and between **CHECKERS DRIVE-IN RESTAURANTS, INC.**, a Delaware corporation (“**Franchisor**,” “**we**,” “**our**,” or “**us**”), and _____ (“**you**” or “**your**” or “**Franchisee**”). We and you may each be referred to as a “**Party**,” or collectively, the “**Parties**.”

RECITALS

WHEREAS, Franchisor has implemented an incentive program available to qualified veterans of the United States military forces under which Franchisor offers qualified franchisees a waiver of the Initial Franchise Fee due under Franchisor’s current form of franchise agreement (the “**Vet Fran Incentive**” or “**Incentive**”);

WHEREAS, Franchisor and Franchisee are Parties to that certain Franchise Agreement dated _____ the “**Franchise Agreement**”) pursuant to which Franchisee will operate a franchised “**Checkers**” or “**Rally's**” restaurant located at _____ (the “**Franchised Restaurant**”);

WHEREAS, Franchisee desires to receive the benefits of the Incentive in connection with its operation of the Franchised Restaurant under the Franchise Agreement; and

WHEREAS, the Parties now desire to modify the Franchise Agreement according to the terms and conditions set forth in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Relationship to Franchise Agreement; Recitals.** This Addendum shall be annexed to and form a part of the Franchise Agreement. All capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Addendum. All references in this Addendum to “Sections,” “Subsections,” and/or “Exhibits” shall mean the applicable Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below. The Recitals above are incorporated into this Addendum by reference.

2. **Qualifications.** You represent, and in connection with signing this Addendum have provided us (or agree to provide promptly upon our request) relevant supporting documentation, that: (a) you are, or at least a 51% owner in you is, a veteran of the United States military (you or your owner, as applicable is referred to herein as the “**Veteran**”) and (b) the Veteran has been honorably discharged from the United States military, as evidenced by relevant supporting documentation.

3. **Reduced Fee(s).** Section 6.01 shall be revised to reflect that the Initial Franchise Fee is reduced to zero dollars (\$0), which represents one hundred 100% of the standard amount of the initial franchise fee otherwise due for a new Restaurant.
4. **Additional Condition(s).**
 - a. If, before you open the Franchised Restaurant, you request and we approve a transfer in accordance with Section 13, then as a pre-closing condition of the transfer (in addition to any transfer fee payable) you must pay us the full standard amount of the initial franchise fee (as measured on the Effective Date of your Franchise Agreement) that was reduced or waived pursuant to this Addendum.
 - b. If you breach, fail to satisfy, or are later found to have violated or failed to satisfy, any of the criteria listed in Section 2 above in this Addendum, at any point during the Term, then in addition to any other remedies available under the Franchise Agreement (including termination) or at applicable law, you must pay us (no later than thirty (30) days after our written notice to you) the amount or value of any fee reduction, discount, or other benefit afforded to you hereunder.
5. **Entire Agreement.** Franchisor and Franchisee each acknowledges that this Addendum: contains the entire understanding and agreement of the Parties with respect to this Addendum's subject matter; supersedes all other written or oral agreements between them or their representatives in this regard; and may not be altered, amended or modified, except by a writing properly executed by the Parties.
6. **Counterparts.** This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Facsimile signatures shall be sufficient to bind the Parties.
7. **Electronic Signatures.** The counterparts of this Addendum may be executed and signed by electronic signature by any of the Parties and delivered by electronic or digital communications to any other Party to this Agreement, and the receiving Party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Addendum, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the day and year first above written.

FRANCHISOR

CHECKERS DRIVE-IN RESTAURANTS, INC.,
a Delaware corporation

By: _____
Print Name: _____
Title: _____

FRANCHISEE

If a corporation, partnership, limited liability company or other legal entity:

(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT B-5

**WOMEN BUSINESS OWNER INCENTIVE ADDENDUM TO FRANCHISE
AGREEMENT**

**WOMEN BUSINESS OWNER INCENTIVE ADDENDUM
TO FRANCHISE AGREEMENT**

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) is entered into as of _____, 202___, by and between **CHECKERS DRIVE-IN RESTAURANTS, INC.**, a Delaware corporation (“**Franchisor**,” “**we**,” “**our**,” or “**us**”), and _____ (“**you**” or “**your**” or “**Franchisee**”). We and you may each be referred to as a “**Party**,” or collectively, the “**Parties**.”

RECITALS

WHEREAS, Franchisor has implemented an incentive program under which Franchisor offers qualified women business owners a waiver of the Initial Franchise Fee due under Franchisor’s current form of franchise agreement (the “**Incentive**”);

WHEREAS, Franchisor and Franchisee are Parties to that certain Franchise Agreement dated _____ the “**Franchise Agreement**”) pursuant to which Franchisee will operate a franchised “**Checkers**” or “**Rally's**” restaurant located at _____ (the “**Franchised Restaurant**”);

WHEREAS, Franchisee desires to receive the benefits of the Incentive in connection with its operation of the Franchised Restaurant under the Franchise Agreement; and

WHEREAS, the Parties now desire to modify the Franchise Agreement according to the terms and conditions set forth in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Relationship to Franchise Agreement; Recitals.** This Addendum shall be annexed to and form a part of the Franchise Agreement. All capitalized terms not otherwise defined in this Addendum shall have the meanings set forth in the Franchise Agreement. Except as modified by this Addendum, the Franchise Agreement remains in full force and effect. Any conflict between the provisions hereof and the Franchise Agreement shall be construed in favor of this Addendum. All references in this Addendum to “Sections,” “Subsections,” and/or “Exhibits” shall mean the applicable Section(s), Subsection(s), and/or Exhibit(s) of the Franchise Agreement, unless specified otherwise below. The Recitals above are incorporated into this Addendum by reference.
2. **Qualifications.** You represent, and in connection with signing this Addendum have provided us (or agree to provide promptly upon our request) relevant supporting documentation, that you are, or at least a 51% owner in you is, a woman that qualifies for the Incentive.
3. **Reduced Fee(s).** Section 6.01 shall be revised to reflect that the Initial Franchise Fee is reduced to zero dollars (\$0), which represents one hundred 100% of the standard amount of the initial franchise fee otherwise due for a new Restaurant.

4. **Additional Condition(s).**
- a. If, before you open the Franchised Restaurant, you request and we approve a transfer in accordance with Section 13, then as a pre-closing condition of the transfer (in addition to any transfer fee payable) you must pay us the full standard amount of the initial franchise fee (as measured on the Effective Date of your Franchise Agreement) that was reduced or waived pursuant to this Addendum.
 - b. If you breach, fail to satisfy, or are later found to have violated or failed to satisfy, any of the criteria listed in Section 2 above in this Addendum, at any point during the Term, then in addition to any other remedies available under the Franchise Agreement (including termination) or at applicable law, you must pay us (no later than thirty (30) days after our written notice to you) the amount or value of any fee reduction, discount, or other benefit afforded to you hereunder.
5. **Entire Agreement.** Franchisor and Franchisee each acknowledges that this Addendum: contains the entire understanding and agreement of the Parties with respect to this Addendum's subject matter; supersedes all other written or oral agreements between them or their representatives in this regard; and may not be altered, amended or modified, except by a writing properly executed by the Parties.
6. **Counterparts.** This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Facsimile signatures shall be sufficient to bind the Parties.
7. **Electronic Signatures.** The counterparts of this Addendum may be executed and signed by electronic signature by any of the Parties and delivered by electronic or digital communications to any other Party to this Agreement, and the receiving Party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Addendum, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the day and year first above written.

FRANCHISOR

CHECKERS DRIVE-IN RESTAURANTS, INC.,
a Delaware corporation

By: _____
Print Name: _____
Title: _____

FRANCHISEE

If a corporation, partnership, limited liability company or other legal entity:

(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT C
DEVELOPMENT AGREEMENT

CHECKERS DRIVE-IN RESTAURANTS, INC.

DEVELOPMENT AGREEMENT

AREA FRANCHISEE

AREA

CHECKERS DRIVE-IN RESTAURANTS, INC.

**RESTAURANT
DEVELOPMENT AGREEMENT**

TABLE OF CONTENTS

<u>Section Number</u>	<u>Page Number</u>
1. INTRODUCTION	1
1.01 Restaurants	1
1.02 Your Acknowledgments.....	1
1.03 Your Representations.....	1
1.04 Certain Definitions.....	1
2. DEVELOPMENT RIGHTS.....	3
2.01 Term and Development Fee.....	3
2.02 Development Rights	3
2.03 Development Obligations	4
2.04 Reservation of Rights	4
3. GRANT OF FRANCHISES.....	5
3.01 Site Selection Assistance.....	5
3.02 Applications for Franchises.....	5
4. YOUR ORGANIZATION AND MANAGEMENT	6
4.01 Organization Documents.....	6
4.02 Disclosure of Ownership Interests.....	7
5. RELATIONSHIP OF THE PARTIES.....	7
5.01 Independent Contractors	7
5.02 Indemnification	8
5.03 Marks.....	8
6. RESTRICTIVE COVENANTS.....	9
6.01 Confidential Information.....	9
6.02 In-Term Covenants.....	9
6.03 Procurement of Additional Covenants.....	9
7. AREA FRANCHISEE'S RIGHT TO TRANSFER.....	10
7.01 Franchisor's Approval	10
7.02 Conditions for Approval	10

7.03	Effect of Approval	11
7.04	Special Transfers	11
7.05	Death or Disability	11
7.06	Franchisor’s Right of First Refusal	11
7.07	Securities Offerings	12
8.	TERMINATION OF THE AGREEMENT	13
8.01	Immediate Termination	13
8.02	Termination Upon Notice	13
8.03	Cross-Default	14
9.	EFFECT OF TERMINATION AND EXPIRATION	14
9.01	Continuing Obligations	14
9.02	Post-Term Covenants	14
10.	MISCELLANEOUS	14
10.01	Severability and Substitution of Provisions	14
10.02	Waiver of Obligations	15
10.03	Exercise of Rights of Parties	15
10.04	Costs of Enforcement	15
10.05	Injunctive Relief	15
10.06	Arbitration	16
10.07	Jurisdiction and Venue	17
10.08	Governing Law	18
10.09	Successors and Assigns	18
10.10	Limitations on Damages	18
10.11	Construction	18
10.12	Approvals and Consents	19
10.13	Notices and Payments	19
10.14	Area Franchisee’s Release	19
10.15	Electronic Signatures	20
10.16	Receipt of Disclosure Document and Agreement	20

EXHIBIT A – Development Obligations

EXHIBIT B – Area Franchisee Ownership Information

OWNERS’ PERSONAL GUARANTY OF AREA FRANCHISEE’S OBLIGATIONS

CHECKERS DRIVE-IN RESTAURANTS, INC.

DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”) is made and entered into by and between CHECKERS DRIVE-IN RESTAURANTS, INC. (“Franchisor”, “we” or “us”), a Delaware corporation, with its principal place of business located at 4300 West Cypress Street, Suite 600, Tampa, Florida 33607 and _____ (“Area Franchisee” or “you”), a(n) _____ whose principal address is _____, as of the date signed by us and set forth opposite our signature on this Agreement (the “Effective Date”).

1. INTRODUCTION.

1.01 Restaurants. We own, operate and franchise "Checkers" and “Rally’s”-branded restaurants, which feature a limited menu of hamburgers, cheeseburgers, and/or such other menu items as we may authorize at any time and from time to time. We have developed and own a comprehensive System (defined below in Section 1.04).

1.02 Your Acknowledgments. You have read this Agreement and our Franchise Disclosure Document. You understand the terms of this Agreement and accept them as being reasonably necessary to maintain the uniformity of our high quality standards at all Restaurants in order to protect and preserve the goodwill of the Marks and the integrity of the System. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that the restaurant industry is highly competitive, with constantly changing market conditions. You recognize that the nature of Restaurants may change over time, that an investment in Restaurants involves business risks and that the success of the venture is largely dependent on your own business abilities, efforts and financial resources. You have not received or relied on: (a) any guaranty or assurance, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement; or (b) any promises that any parent company or Affiliate will back us up financially or otherwise guarantee our performance.

1.03 Your Representations. You and your Owners, if applicable, represent and warrant to us that: (a) neither you nor any of your Owners have made any untrue statement of any material fact or have omitted to state any material fact in obtaining the rights granted hereunder; (b) neither you nor any of your Owners have any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as otherwise fully and accurately disclosed in your franchise application submitted to us; and (c) the execution and performance of this Agreement will not violate any other agreement to which you or any of your Owners may be bound. You recognize that we have approved your franchise application in reliance on all of the statements you and your Owners have made in connection therewith.

1.04 Certain Definitions. The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

Checkers/Rally's
August 2024

“Affiliate” – Any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Restaurants” – **INSERT BRAND: Checkers/Rally's** restaurants we or any of our Affiliates own, operate or franchise that use the Marks and System.

“Competitive Business” – Any business that: (i) operates as a restaurant or similar food-service provider and derives more than twenty percent (20%) of its revenue from selling hamburgers, cheeseburgers and hot dogs in a fast-food, quick-service, drive-thru or drive-in format; or (ii) grants franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a "Checkers" or “Rally’s”-branded restaurant operated under a franchise agreement with us).

“Confidential Information” - Our proprietary and confidential information relating to the development and operation of Restaurants, including: (1) ingredients, recipes, and methods of preparation and presentation of food products we authorize; (2) site selection criteria for Restaurants and plans and specifications for the development of Restaurants; (3) sales, marketing and advertising programs and techniques for Restaurants; (4) identity of suppliers, and knowledge of specifications and pricing for authorized food products, materials, supplies and equipment, we authorize; (5) knowledge of operating results and financial performance of Restaurants, other than Restaurants you own; (6) methods of inventory control, storage, product handling, training and management relating to Restaurants; (7) computer systems and software programs; and (8) any and all other information we provide you, your Owners or Affiliates that is designated orally or in writing as proprietary or confidential or by its nature would reasonably be understood to be proprietary or confidential, regardless of whether such information is specifically designated as proprietary or confidential.

“Franchise Disclosure Document” – The most recent version of franchise disclosure document for Restaurants that we or our designee delivered to you, your Owners, and/or your authorized representative.

“Immediate Family” – Spouse, legally-recognized domestic partners, parents, siblings, and children, whether natural or adopted, including any particular member thereof as may be referenced individually.

“Marks” – All trademarks, service marks, trade dress, and other commercial symbols that we currently authorize, or may in the future authorize, to identify, promote, and operate Restaurants and/or any services or products offered by Restaurants, including our distinctive building design and color scheme.

“Owner” – Each person or entity that has a direct or indirect legal or beneficial ownership interest in you, if you are a business corporation, partnership, limited liability company or other legal entity.

“System” – The business methods, designs and arrangements for developing and operating Restaurants, which include the Marks, building designs and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food products, methods of inventory control and certain operating and business standards and policies, all of which we may improve, further develop or otherwise modify at any time and from time to time.

“Transfer the Development Rights” – or similar words – The direct or indirect sale, assignment, transfer, exchange, conversion, license, sublicense, lease, sublease, mortgage, pledge, collateral assignment, grant of a security, collateral or conditional interest or other encumbrance in or on, or other disposition, whether voluntary, involuntary, by operation of law or otherwise, of this Agreement, any interest in or right under this Agreement, any form of legal or beneficial ownership interest in you or any of your Owners, or any form of ownership interest or right to participate in or receive the benefit of the assets, revenues, income or profits of your business operated hereunder, or any one or more other acts or events not covered by the foregoing that we reasonably determine to be a form of direct or indirect transfer, including: (1) any transfer, redemption or issuance of a legal or beneficial ownership interest in the capital stock of, a membership interest in, or a partnership interest in, you or of any interest convertible into or exchangeable for capital stock of, or a membership interest or partnership interest in, you or your Owners; (2) any merger or consolidation between you and another entity, whether or not you are the surviving entity, or any conversion of you from one form of legal entity into another form of legal entity, or any sale, exchange, encumbrance or other disposition of your assets; (3) any transfer in connection with or as a result of a divorce, dissolution of marriage or similar proceeding or a property settlement or legal separation agreement in the context of a divorce, dissolution or marriage or similar proceeding, an insolvency, bankruptcy or assignment for benefit of creditors, a judgment, a corporate, limited liability company or partnership dissolution or otherwise by operation of law; or (4) any transfer by gift, declaration of trust, transfer in trust, revocation of trust, trustee succession, trust termination, discretionary or mandatory trust distribution, occurrence of any event (e.g., death of a person) that affects or ripens the rights of contingent beneficiaries, exercise of a power of appointment, exercise of a withdrawal right, adjudication of you or any Owner as legally disabled, or upon or after your death or the death of any of your Owners by will, disclaimer or the laws of intestate succession or otherwise.

2. DEVELOPMENT RIGHTS.

2.01 Term and Development Fee. Unless sooner terminated in accordance with Section 8, the term of this Agreement (the “Term”) starts on the Effective Date and expires on the expiration date set forth in Exhibit A. You have no right to renew or extend your rights under this Agreement. At the time you sign this Agreement, you must pay us a development fee in the amount set forth in Exhibit A. The development fee is non-refundable and shall be deemed earned when paid.

2.02 Development Rights. During the Term and provided you and your Affiliates are in compliance with this Agreement and all other agreements with us or any of our Affiliates (including Franchise Agreements signed pursuant to this Agreement), we will: (a) grant to you,

in accordance with Section 3, at least that cumulative number of franchises for Restaurants set forth in Exhibit A, all of which are to be located within the geographical area described in Exhibit A (the "Development Area"); and (b) not operate (directly or through an Affiliate), nor grant the right to operate, any "Checkers" or "Rally's"-branded restaurants located within the Development Area, except for: (1) franchises granted pursuant to this Agreement; (2) "Checkers" and "Rally's"-branded restaurants open (or under commitment to open) as of the Effective Date; (3) "Checkers"-branded restaurants, "Rally's"-branded restaurants or other restaurants using any part or all of the System and/or Marks at any sites, locations or venues in the Development Area that independently generate customer traffic flow separate from the general customer traffic flow of the surrounding area, or by their nature are not tied to a particular physical location, including, without limitation: military bases, transportation-related venues (e.g., airports, train or bus stations, marinas, travel plazas or toll roads), sports or entertainment venues (e.g., stadiums, arenas, concert halls), major industrial or office complexes, hotels, educational facilities (e.g., school, college, and university campuses), casinos, hospitals and related rehabilitation or healthcare facilities, governmental institutions, amusement or recreational facilities (e.g., theme parks, outdoor municipal parks, zoos, or museums), grocery stores or departments stores, mobile-based channels of distribution (e.g., roving food trucks), any co-branding locations or business endeavors where a restaurant's operations are inextricably associated with, or such operations are contained within or sharing the same physical building or operational premises as, another business (such as, for example and without limitation, a gas/convenience store or another restaurant concept), and mobile units located temporarily at special events, such as sports or entertainment events; and (4) restaurants that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless whether such restaurants are converted to operations as "Checkers" or "Rally's"-branded restaurants using any of the Marks and/or the System or whether such restaurants operate under other trademarks, service marks or trade dress and/or use other operating systems.

2.03 Development Obligations. You agree to exert your best efforts to fully develop the market potential for Restaurants in the Development Area. Without limiting the foregoing, you agree to open and operate in the Development Area, in accordance with and pursuant to Franchise Agreements, those cumulative numbers of Restaurants set forth in Section 3(a) of Exhibit A by the corresponding dates set forth therein and to achieve those cumulative numbers in accordance with the timelines set forth in Section 3(b) of Exhibit A (those dates and timelines collectively referred to herein as the "Development Schedule"). Time is of the essence in this Agreement, and we have no obligation under any circumstances to extend any of the dates or timelines in the Development Schedule.

2.04 Reservation of Rights. Except as expressly provided in this Agreement, we and all of our Affiliates (and our respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of our rights and discretion with respect to the Marks, the System and Restaurants anywhere in the world, and the right to engage in any business whatsoever, including the right to: (a) operate, and grant to others the right to operate, "Checkers" and "Rally's"-branded restaurants at such locations and on such terms and conditions as we deem appropriate; (b) sell any products or services under the Marks or under any other trademarks, service marks or trade dress, through alternative channels of distribution, including without limitation, the internet or similar electronic media and supermarkets; (c) operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Marks, (including the **INSERT**

BRAND: “Checkers”/“Rally’s” name and mark) pursuant to such terms and conditions as we deem appropriate; and (d) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at “Checkers” or “Rally’s”-branded restaurants, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses in the Development Area.

3. GRANT OF FRANCHISES.

3.01 Site Selection Assistance. We will furnish you with our standard site selection criteria for Restaurants, as we may establish at any time and from time to time. We also will provide such on-site evaluation of sites proposed pursuant hereto as we deem necessary or appropriate.

3.02 Applications for Franchises. We will grant franchises to you for the operation of that cumulative number of Restaurants set forth in Exhibit A and located within the Development Area, subject to the following conditions:

(a) You must submit to us, in accordance with procedures we establish from time to time, a complete application for a franchise and site application form for each site for a Restaurant that you propose to develop and operate and that you in good faith believe to conform to our then current standard site selection criteria for Restaurants. Such site application shall include a description of each proposed site, including a summary of traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses, along with a letter of intent or other evidence confirming your favorable prospects for obtaining the proposed site;

(b) We will accept or reject each site for which you submit to us complete applications in accordance with Section 3.02(a) and, if we accept such site, we will do so by delivering our standard franchise site package. Our site acceptance letter, duly executed by us, is the exclusive means by which we accept a proposed site, and no other direct or indirect representation, approval or acceptance, whether in writing or verbally, by any of our officers, employees or agents, shall be effective or bind us. We will use all reasonable efforts to make a site acceptance decision and, if the site is accepted, deliver a site acceptance letter to you, within 30 days after we acknowledge receipt of the complete site report and any other materials we have requested. In deciding whether to accept or reject a site you propose, we may consider such factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of other restaurants and food establishments (including other Restaurants) and size, condition, configuration, appearance and other physical characteristics of the site. You acknowledge and agree that, if we suggest, approve, or give you information-regarding a site, our action is not a representation or warranty of any kind, express or implied, of the site’s suitability for a Restaurant or any other purpose. We do not represent that we, or any of our Affiliates, owners, employees or agents, have special expertise in selecting sites. Our action indicates only that we believe that the site meets our then acceptable criteria and not that a Restaurant will be profitable or successful at the site. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site and premises. The uncertainty and instability of these criteria

are beyond our control, and we are not responsible if a site and premises we suggest or approve for the location of a Restaurant fails to meet your expectations. Accordingly, you acknowledge and agree that your decision to develop and operate a Restaurant at any site is based solely on your own independent investigation of the suitability of the site for a Restaurant

(c) We also may require that you and your Owners furnish us financial statements (historical and pro forma), statements of the sources and uses of capital funds, budgets and other information regarding yourself, your Owners and the development and operation of any Restaurant you propose, as well as any then-existing Restaurants you and your Affiliates own. All such information shall be verified by you and your Owners as being complete and accurate in all respects, shall be submitted to us in accordance with our requirements and will be relied on by us in determining whether to grant a franchise for the proposed Restaurant. We may refuse to grant you a franchise for a Restaurant if you fail to demonstrate sufficient financial and management capabilities to properly develop and operate the proposed Restaurant and the then existing Restaurants you and your Affiliates own. We will evaluate such financial and management capabilities in accordance with standards we use to establish Restaurants in other comparable market areas.

(d) Upon our acceptance of a proposed site, and provided you have demonstrated the requisite financial and management capabilities, all as above required, we will offer you a franchise to operate a Restaurant at the proposed site by delivering to you our then-current form of standard franchise agreement, together with all standard ancillary documents (including exhibits, riders, collateral assignments of leases, Owner guarantees and other related documents) that we then customarily use in granting franchises for the operation of Restaurants in the state in which the Restaurant is to be located (the "Franchise Agreement"). The Franchise Agreement must be executed by you and your Owners and returned to us not earlier than 7 days and not later than 21 days after we deliver it to you, with payment of the initial fees required thereunder. If we do not receive the fully executed Franchise Agreement and payment of the required initial fees, we may revoke our offer to grant you a franchise to operate a Restaurant at the proposed site and may revoke our acceptance of the proposed site.

4. YOUR ORGANIZATION AND MANAGEMENT.

4.01 Organizational Documents. If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you and each of your Owners represent, warrant and agree that: (a) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state in which the Development Area is located; (b) you have the authority to execute and deliver this Agreement and to perform your obligations hereunder; (c) true and complete copies of the articles of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control have been delivered to us and all amendments thereto shall be promptly delivered to us; (d) your activities are restricted to those necessary solely for the development, ownership and operation of Restaurants in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (e) the articles of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any

direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; and (f) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued must bear a legend in conformity with applicable law reciting or referring to such restrictions.

4.02 Disclosure of Ownership Interests. You and each of your Owners represent, warrant and agree that Exhibit B is current, complete, and accurate as of the Effective Date. You agree that updated Exhibits B will be furnished to us promptly, so that Exhibit B (as so revised and signed by you) is at all times current, complete and accurate. Each person who is or becomes an Owner must execute an agreement in form as we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement. Each Owner must be an individual acting in his individual capacity, unless we waive this requirement.

5. RELATIONSHIP OF THE PARTIES.

5.01 Independent Contractors. Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence. Franchisor and Area Franchisee, as between themselves, are and shall be independent contractors.

We and you acknowledge and agree that this Agreement (and the relationship of the parties which arises from this Agreement) grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your explicit rights and obligations hereunder that may affect favorably or adversely your interests. You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interests of our franchise network, at the time our decision is made, without regard to: (a) whether other reasonable or even arguably preferable alternative decisions or actions could have been made by us; (b) whether our decision or the action we take promotes our financial or other individual interest; (c) whether our decision or the action we take applies differently to you and one (1) or more other franchisees; or (d) whether our decision or the exercise of our rights is adverse to your individual interests or the individual interests of any other particular franchisees. We will have no liability to you for any such decision or exercise of our rights.

Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose whatsoever. You must conspicuously identify yourself in all dealings with customers, lessors, contractors, suppliers, public officials, personnel and others as the owner of development rights granted hereunder and must place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we require at any time and from time to time.

You may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in our name or on our behalf or represent that the

relationship of the parties hereto is anything other than that of independent contractors. We will not be obligated by or have any liability under any agreements made by you with any third party or for any representations made by you to any third party. We will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of your business hereunder.

5.02 Indemnification. You agree to indemnify us, our Affiliates and our respective directors, officers, employees, shareholders, members, agents, successors and assigns (collectively “indemnitees”), and to hold the indemnitees harmless to the fullest extent permitted by law, from any and all losses and expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the indemnitees in connection with (i) your failure to perform or breach of any covenant, agreement, term or provision of this Agreement, (ii) your breach of any representation or warranty contained in this Agreement, and (iii) any allegedly unauthorized service or act rendered or performed in connection with this Agreement, (collectively “event”) and regardless of whether it resulted from any strict or vicarious liability imposed by law on the indemnitees. The foregoing indemnity shall apply even if it is determined that the indemnitees’ negligence caused such loss, liability or expense, in whole or in part, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the indemnitees or the gross negligence or willful acts of indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you). The term “losses and expenses” includes compensatory, exemplary, and punitive damages; fines and penalties; attorneys’ fees; experts’ fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. We agree to give you reasonable notice of any event of which we become aware for which indemnification may be required, and we may elect (but are not obligated) to direct the defense thereof, including appropriate counsel at our sole determination. We may, in our reasonable discretion, take such actions as we deem necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of indemnitees or Restaurants generally, provided however, that any settlement shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. Further, notwithstanding the foregoing, if the insurer on a policy or policies obtained in compliance with your Franchise Agreements agrees to undertake the defense of an event (an “Insured Event”), we agree not to exercise our right to select counsel to defend the event if such would cause your insurer to deny coverage. We reserve the right to retain counsel to represent us with respect to an Insured Event at our sole cost and expense. This Section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

5.03 Marks. You acknowledge that we own the Marks and that you are not granted the right under this Agreement to use the Marks. Your right to use the Marks arises solely from Franchise Agreements entered into between you and us. You may not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate or legal business name or in any other manner (including as an electronic media identifier, such as a web site, web page, or domain name) not explicitly authorized in writing by us.

6. RESTRICTIVE COVENANTS.

6.01 Confidential Information. We will disclose parts of our Confidential Information solely for your use in the operation of the business contemplated by this agreement. The Confidential Information is proprietary and includes our trade secrets. During and after the Term: (a) you may not use the Confidential Information in any other business or capacity (as you hereby acknowledge that such prohibited use would be an unfair method of competition); (b) you must exert your best efforts to maintain the confidentiality of the Confidential Information, regardless of its format or medium of transmission to you; (c) you may not make unauthorized copies of any portion of the Confidential Information; and (d) you must implement all commercially reasonable procedures we prescribe at any time and from time to time to prevent unauthorized use or disclosure of the Confidential Information, including requiring your managers and assistant managers, and any other of your personnel who attends training or who has the ability to access our Confidential Information, to sign nondisclosure agreements in a form we prescribe or approve and delivering those agreements to us.

6.02 In-Term Covenants. You acknowledge that we have granted you the franchise in consideration of, and reliance upon, your agreement to deal exclusively with us. You therefore agree that, during the Term and any successor franchise term, neither you, any of your Owners, nor any of your or your Owners' Immediate Family will (without our prior consent, which consent we may condition or withhold for any or no reason):

(a) have any direct or indirect controlling or non-controlling ownership interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of any Checkers or Rally's-branded restaurant to a Competitive Business; or

(d) engage in any other activity which, in our sole opinion, might be injurious or prejudicial to the goodwill associated with the Marks or the System.

6.03 Procurement of Additional Covenants. You agree to require and obtain the execution of a non-disclosure and non-competition agreement, as we may require at our sole discretion, from all of the following persons:

(a) Before employment or any promotion, your Operating Partner; and,

(b) If you are a business entity, all Owners with at least a ten percent (10%) direct or indirect legal or beneficial ownership interest in you; all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Nondisclosure and

Non-Competition Agreements no later than ten (10) days following the Effective Date (or, if any individual or entity attains any status identified above after the Effective Date, within ten (10) days after such individual or entity's attains such status) and shall furnish to us copies of all executed Nondisclosure and Non-Competition Agreements within ten (10) days following their execution.

7. AREA FRANCHISEE'S RIGHT TO TRANSFER.

7.01 Franchisor's Approval. Your rights and duties under this Agreement are personal to you and if you are a business corporation, partnership, limited liability company or any other legal entity, your Owners. Accordingly, neither you nor any of your Owners may Transfer the Development Rights without our prior approval and without complying with the terms and conditions of Section 7. Any transfer without such approval or compliance constitutes a breach of this Agreement and is void and of no force or effect.

7.02 Conditions for Approval. If we have not exercised our right of first refusal under Section 7.06, we will not unreasonably withhold our approval of a Transfer of the Development Rights that meets all of the reasonable restrictions, requirements and conditions we impose on the transfer, the transferor(s) and/or the transferee(s), including the following:

(a) You and your Owners and Affiliates must be in compliance with the provisions of this Agreement and all Franchise Agreements executed pursuant hereto;

(b) at the time of the proposed Transfer, you have opened and continue to operate at least one (1) Restaurant;

(c) the proposed transferee and its owners (if the proposed transferee is a corporation, partnership, limited liability company or other legal entity) must provide us on a timely basis all information we request, and must be individuals acting in their individual capacities who are of good character and reputation, who must have sufficient business and development experience, aptitude and financial resources to develop Restaurants pursuant to this Agreement, and who must otherwise meet our approval;

(d) the proposed transferee may not be an entity, or be affiliated with an entity, that is required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended;

(e) the transferee and its owners must agree to be bound by all of the provisions of this Agreement for the remainder of its term;

(f) the transferee must acquire, in a concurrent transaction, all of your rights and the rights of your Owners and Affiliates under all franchise agreements for Restaurants executed by you or your Owners or Affiliates pursuant to this Agreement or pursuant to any other development or similar agreement with us;

(g) You or the transferee must pay us a transfer fee equal to \$20,000;

(h) You and your Owners and Affiliates must, except to the extent limited or prohibited by applicable law, execute a general release, in form and substance satisfactory to

us, of any and all claims against us, our Affiliates and stockholders, officers, directors, employees, agents, successors and assigns;

(i) you (and your Immediate Family) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 9.02 below; and

(j) You and your Owners and Affiliates must execute such other documents and do such other things as we reasonably require to protect our rights under this Agreement and any Franchise Agreements.

7.03 Effect of Approval. Our approval of a transfer of the Development Rights does not constitute: (a) a representation as to the fairness of the terms of any agreement or arrangement between you or your Owners and the transferee or as to the prospects of success by the transferee; or (b) a release of you and your Owners, a waiver of any claims against you or your Owners or a waiver of our right to demand the transferee's exact compliance with this Agreement. Any approval shall apply only to the specific transfer of the Development Rights being proposed and shall not constitute our approval of, or have any bearing on, any other proposed transfer of the Development Rights.

7.04 Special Transfers. Neither Section 7.06 nor Section 7.2(f) apply to any transfer of the Development Rights among any of your then current Owners or to any transfer of the Development Rights to any member of your Immediate Family or the immediate family of a then current Owner of Area Franchisee (if you are a corporation, partnership, limited liability company or other legal entity). On 30 days' notice to us, you (if you are an individual or partnership) may transfer this Agreement, in conjunction with a transfer of all of the Franchise Agreements executed pursuant hereto and all of the assets of the Restaurants operated pursuant thereto, by an agreement in form and substance approved by us, to a business corporation or limited liability company which conducts no business other than the development and operation of Restaurants and of which you own and control all of the equity and voting power of all issued and outstanding capital stock. None of the foregoing assignments shall relieve you or your Owners of your obligations hereunder, and you and your Owners shall remain jointly and severally liable for all obligations hereunder.

7.05 Death or Disability. Upon your death or permanent disability or an Owner of a controlling interest in Area Franchisee, the executor, administrator, or other personal representative of such person shall transfer his interest in this Agreement or his interest in Area Franchisee to a third party approved by us in accordance with all of the applicable provisions of Section 7 within a reasonable period of time, not to exceed 9 months from the date of death or permanent disability.

7.06 Franchisor's Right of First Refusal. If you or any of your Owners desires to transfer the Development Rights for legal consideration, you or such Owner(s) must obtain a bona fide, executed written offer and earnest money deposit in the amount of at least 5% of the offering price from a responsible and fully disclosed purchaser and must deliver immediately to us a complete and accurate copy of such offer. If the offeror proposes to buy any other property or rights from you or any of your Owners or Affiliates (other than rights under development and franchise agreements for Restaurants) as part of the bona fide offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is fully disclosed to us, and the price and terms of purchase offered to you or your Owners for

the transfer of the Development Rights must reflect the bona fide price offered therefor and not reflect any value for any other property or rights.

We have the option, exercisable by notice delivered to you and your Owners within 30 days from the date of delivery of a complete and accurate copy of such offer to us, to purchase such interest in this Agreement or in Area Franchisee for the price and on the terms and conditions contained in such offer, provided that: (a) we may substitute cash for any form of payment proposed in such offer; (b) our credit shall be deemed equal to the credit of any proposed purchaser; and (c) we shall have not less than 90 days from the option exercise date to consummate the transaction. We have the right to investigate and analyze the business, assets and liabilities and all other matters we deem necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of the right of first refusal. We may conduct such investigation and analysis in any manner we deem reasonably appropriate, and you and your Owners must cooperate fully with us in connection therewith.

If we exercise our option to purchase, we will be entitled to purchase such interest subject to all representations and warranties, releases, non-competition covenants, closing documents and indemnities as we may reasonably require. If we do not exercise our option to purchase, you or your Owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Sections 7.01 and 7.02, provided that if the sale to such offeror is not completed within 90 days after delivery of such offer to us, or if there is a material change in the terms of the offer, you must promptly notify us and we have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the 30 day period following your notification of the expiration of the 90 day period or a material change to the terms of the offer.

7.07 Securities Offerings. Neither you nor any of your Owners shall issue or sell, or offer to issue or sell, any of your securities or any securities of any of your Affiliates, regardless of whether such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction, without obtaining our prior consent and complying with all of our requirements and restrictions concerning use of information about us and our Affiliates. Under no circumstances may you or any of its Owners issue or sell your securities or any securities of any of your Affiliates if: (a) such securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or such securities would be owned by more than 35 persons; or (b) after such issuance or sale, you or such Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

8. TERMINATION OF THE AGREEMENT.

8.01 Immediate Termination. You are in material breach of this Agreement, and this Agreement will automatically terminate without notice, at our discretion, if you become insolvent by reason of your inability to pay your debts as they mature; if you are adjudicated bankrupt or insolvent; if you file a petition in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of the United States or have such a petition filed against you which is not discharged within 30 days; if a receiver or other custodian, permanent or temporary, is appointed for your business, assets, or property; if you request the appointment of a receiver or make a general assignment for the benefit of creditors; if a final judgment against you in the amount of \$25,000 or more remains unsatisfied of record for 30 days or longer; if your bank accounts, property or accounts receivable are attached; if execution is levied against your business or property; if suit is filed to foreclose any lien or mortgage against any of your assets and such suit is not dismissed within 30 days; if you voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and such petition is not dismissed within 30 days; or if your assets, property or interests are “blocked” under any law or regulation relating to terrorist activities or if you are otherwise in violation of any such law or regulation.

8.02 Termination Upon Notice. In addition to our right to terminate pursuant to other provisions of this Agreement or under applicable law, we may terminate this Agreement, effective upon delivery of notice of termination to you:

- (a) if you fail to meet any part of the Development Schedule;
- (b) if you or any of your Owners or Affiliates make an unauthorized transfer of the Development Rights;
- (c) if you or any of your Owners or Affiliates make any material misstatement or omission in the application for the development rights conferred by this Agreement or in any other information provided to us, or are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the goodwill associated with the Marks;
- (d) if you or any of your Owners or Affiliates make any unauthorized use or disclosure of the Confidential Information;
- (e) if you or any of your Owners or Affiliates fail to comply with any other provision of this Agreement and do not correct such failure within 30 days after written notice of such failure to comply is delivered to you;
- (f) if you or any of your Owners or Affiliates are in breach of any Franchise Agreement or other agreement with us or our Affiliates such that we or our Affiliates have the right to terminate the Franchise Agreement or such other agreement, whether or not we or they elect to exercise such right of termination; or
- (g) if we determine that any applicable federal or state legislation, regulation or rule, which is enacted, promulgated or amended after the Effective Date, may have an adverse effect on our rights, remedies or discretion in franchising Restaurants.

We have no obligation whatsoever to refund any portion of the development fee upon any termination, except that we will refund the unapplied portion of the development fee paid pursuant to Section 2.01 in the event of a termination pursuant to Section 8.02(g).

8.03 Cross-Default. Any default or breach by you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates) of any other agreement with us or our Affiliate will be considered an event of default under this Agreement, and any default or breach by you (or any of your Owners) of this Agreement will be considered an event of default or breach by you under any and all agreements between us or our Affiliate and you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates). If the nature of the default under any other agreement would have been considered an event of default under this Agreement, then we or our Affiliate will have the right to terminate all other agreements between us or our Affiliate and you (or any of your Owners) or your Affiliate (or any of your Owner's Affiliates) in accordance with the termination provisions of this Agreement.

9. EFFECT OF TERMINATION AND EXPIRATION.

9.01 Continuing Obligations. All obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.

9.02 Post-Term Covenants. For a period of 2 years, starting on the effective date of termination or expiration (without renewal or extension of the Term) of this Agreement, you are prohibited from directly or indirectly (such as through an Immediate Family member) owning a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating within the Development Area; (b) any Competitive Business operating within a radius of three (3) miles of any "Checkers" or "Rally's"-branded restaurant in operation or under construction on the effective date of termination or expiration; or (c) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business. You acknowledge that we have a protectable legal interest in the System, customers of Restaurants and the goodwill associated with the Marks and that the non-competition covenants contained in this Section and Section 6.02 are necessary elements to their protection and are an integral part of this Agreement. You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and other opportunities for exploiting such skills, so that enforcement of the covenants contained in this Section will not deprive you of your personal goodwill or ability to earn a living. If you fail or refuse to abide by any of the foregoing covenants, and we obtain enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will be tolled during the period(s) of time that the covenant is breached and/or we seek to enforce it, and will continue in effect for a period of 2 years after the date of order enforcing the covenant.

10. MISCELLANEOUS.

10.01 Severability and Substitution of Provisions. Every part of this Agreement shall be considered severable. If for any reason any part of this Agreement is held to be invalid, that determination shall not impair the other parts of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographical area, type of business activity prohibited and/or length of time, but could be

rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

If any applicable law requires a greater prior notice of the termination than is required hereunder, a different standard of “good cause” to terminate this Agreement or the taking of some other action not required hereunder, the prior notice, the “good cause” standard and/or the other action required by such law shall be substituted for the comparable provisions hereof.

10.02 Waiver of Obligations. We and you may by written instrument unilaterally waive or reduce any obligation of the other under this Agreement. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of 10 days’ prior written notice. You and we shall not be deemed to have waived any right reserved by this Agreement or be deemed to have modified this Agreement by virtue of any custom or practice of the parties at variance with it.

10.03 Exercise of Rights of Parties. The rights of Franchisor and Area Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Area Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Area Franchisee of any other right or remedy hereunder which Franchisor or Area Franchisee is entitled to enforce by law. If Area Franchisee commits any act of default under this Agreement for which Franchisor exercises its right to terminate this Agreement, Area Franchisee shall pay to Franchisor all actual, consequential, special and incidental damages Franchisor incurs as a result of the premature termination of this Agreement regardless of whether or not such damages are reasonably foreseeable. Area Franchisee acknowledges and agrees that the proximate cause of such damages sustained by Franchisor is Area Franchisee’s act of default and not Franchisor’s exercise of its right to terminate. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with this Agreement, shall constitute a waiver of such right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying such breach or violation is provided to the other party within 12 months after the later of: (a) the date of such breach or violation; or (b) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to such breach or violation.

10.04 Costs of Enforcement. If we file a claim in a judicial or arbitration proceeding for amounts you or any of your Owners owe us or any of our Affiliates, or if we enforce this Agreement in a judicial or arbitration proceeding, and we prevail in any such proceeding, you agree to reimburse us for all of our costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys’ fees. If we are required to engage legal counsel in connection with your failure to comply with this Agreement, you must reimburse us for any attorneys’ fees, costs and expenses we incur.

10.05 Injunctive Relief. We, as an alternative or supplement to arbitration pursuant to Section 10.06, may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may seek and obtain such injunctive relief, without bond, but

upon notice as required under applicable rules, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). You and each of your Owners acknowledge that any violation of Sections 6, 7.02(i) or 9.02 would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners consent and agree to the issuance of an injunction prohibiting any conduct in violation of any of those sections and agrees that the existence of any claim you or any of your Owners may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

10.06 Arbitration. Subject to Section 10.05, all controversies, disputes, or claims between us or any of our Affiliates, or any of their respective officers, directors, agents, employees and attorneys and you, any of your Affiliates or any of their respective Owners, arising from or relating, directly or indirectly, to (i) this Agreement or any other agreement between you and us or your or our respective Affiliates, (ii) the scope and validity of any provision of this Agreement or any other agreement between you and us or any provision of such agreements (including the validity of the arbitration obligations under this Section 10.06, which the parties acknowledge is to be determined by an arbitrator and not a court); (iii) our relationship with you, including, without limitation, your application to become a franchisee and/or to acquire the right to operate an additional Restaurant, our decision to award a franchise, approve a site or any other matter related to your franchise application or site selection process for the Restaurants you develop under this Agreement or for an additional Restaurant; or (iv) any of our specifications and standards, shall on demand of either party be submitted for arbitration to the offices of the American Arbitration Association (“AAA”) located closest to our corporate headquarters at the time of such demand. The arbitration shall be governed exclusively by the United States Federal Arbitration Act (9 U.S.C. § 1, et seq.), without reference to any state arbitration statutes. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedures) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be waived and such party will forever be barred from asserting such a claim. Settlement discussions occurring between the parties in relation to any dispute falling within the scope of this Section 10.06 shall be protected by Federal Rule of Evidence 408 and all other applicable rules limiting and/or precluding disclosure. The parties further agree that unless otherwise agreed in writing, neither side shall be permitted to disclose any settlement discussions to the arbitrators for any reason and that the arbitrators may not consider any settlement discussions or offers that might have been made by either you or us prior to commencing the arbitration proceeding. The arbitration proceedings shall be conducted in the city closest to our principal place of business and shall be conducted in accordance with the then-current commercial arbitration rules of the AAA, except as modified by this Agreement. The parties shall be entitled to limited discovery at the discretion of the arbitrators but in no event shall the arbitrators order the taking of depositions without the parties’ prior agreement. The parties acknowledge that the arbitrators’ subpoena power is not subject to geographic limitations. The arbitration shall be conducted by three arbitrators. Each party shall select an arbitrator within fifteen (15) days of commencement of the arbitration who shall serve as party arbitrators. The two designated party arbitrators shall select a neutral arbitrator with twenty (20) days of their selection. If

the two party arbitrators cannot agree on a third arbitrator within twenty (20) days of their appointment, the AAA shall select a third arbitrator in accordance with the terms of this Agreement. The parties further agree that the arbitration proceedings shall be commenced and conducted on an individual basis only and not on a multi-plaintiff, consolidated or class-wide basis, that the arbitrators have no authority to conduct any such multi-plaintiff, consolidated, or class-wide proceedings under this Section 10.06, and that each side expressly waives any ability or right to initiate or assert any such multi-plaintiff, consolidated, or class-wide claims in connection with any arbitration proceeding. The foregoing sentence is an integral provision of the arbitration procedures set forth in this paragraph, and may not be severed therefrom, notwithstanding Section 10.01 of this Agreement. If such sentence is determined to be invalid or unenforceable under applicable law in connection with a particular controversy, dispute, or claim, then the entire first paragraph of Section 10.06 shall be stricken from this Agreement and neither party shall be deemed to have consented to arbitration of such controversy, dispute, or claim. The arbitrators shall have the right to award individual relief which he or she deems proper under the evidence presented and applicable law and consistent with the parties' rights to, and limitations on, damages and other relief as expressly set forth in this Agreement, including without limitation, Sections 10.03, 10.04 and 10.10. The award and decision of the arbitrators shall be conclusive and binding on all parties, and judgment upon the award may be entered in any court of competent jurisdiction. Any right to contest the validity or enforceability of the award shall be governed exclusively by the United States Arbitration Act. We reserve the right, but have no obligation, to advance your share of the costs, fees and expenses of any arbitration proceeding, including any arbitrator fees, in order for such arbitration proceeding to take place, and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those amounts from the arbitrators, who shall provide for such relief in the final award, in addition to the costs, fees, and expenses that are recoverable under Section 10.04 above. The provisions of this Section 10.06 shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

10.07 Jurisdiction and Venue. SUBJECT TO SECTION 10.06 ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS IRREVOCABLY AGREE THAT: (A) ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION LOCATED CLOSEST TO OUR THEN CURRENT CORPORATE HEADQUARTERS (CURRENTLY TAMPA, FLORIDA); AND (B) ANY SUCH MATTER SHALL BE TRIED BY AND TO THE COURT SITTING WITHOUT A JURY, AND YOU WAIVE ANY RIGHT TO A JURY TRIAL. YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT YOU MAY LAWFULLY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH SUIT, ACTION OR PROCEEDING, AND AGREE THAT SERVICE OF PROCESS FOR PURPOSES OF ANY SUCH SUIT, ACTION OR PROCEEDING NEED NOT BE PERSONALLY SERVED OR SERVED WITHIN THE STATE OF FLORIDA, BUT MAY BE SERVED WITH THE SAME EFFECT AS IF YOU WERE SERVED WITHIN THE STATE OF FLORIDA, BY CERTIFIED MAIL OR ANY OTHER MEANS PERMITTED BY LAW ADDRESSED TO YOU AT THE ADDRESS SET FORTH HEREIN. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE DEVELOPER BUSINESS IS LOCATED.

10.08 Governing Law. This Agreement and any dispute, claim, or matter arising out of or relating in any way to the relationship between the parties (whether based in contract, tort, statute or otherwise and regardless of the relief sought) shall be construed under the laws of the State of Florida, provided the foregoing shall not constitute a waiver of your rights under any applicable franchise law of another state that does not conflict with Florida law. In the event of any conflict of law, Florida law will prevail, without regard to the application of Florida conflict of law principles. However, if any provision of this Agreement would not be enforceable under Florida law, and if the Development Area is predominantly located outside of Florida and such provision would be enforceable under the laws of the state in which the Development Area is predominantly located, then such provision shall be construed under the laws of that state. Nothing in this Section is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Florida to which it otherwise would not be subject.

10.09 Successors and Assigns. This agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. This agreement is fully transferable by us, whether by operation of law or otherwise, and shall inure to the benefit of any transferee or other legal successor to our interest herein.

10.10 Limitations on Damages. EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 5.02, AND EXCEPT WITH RESPECT TO THE CONFIDENTIAL INFORMATION IN SECTION 6.01, FRANCHISOR AND FRANCHISEE (AND ITS OWNERS) EACH WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND EACH OF YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO RECOVER CONSEQUENTIAL, SPECIAL AND INCIDENTAL DAMAGES FOR ANY CLAIM DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT.

You agree that, for our System to function properly, we should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between you (and your Owners) and us shall be considered unique as to its facts and shall not be brought as a class action, and you (and each of your Owners) waive any right to proceed against us or any of our shareholders, members, Affiliates, officers, directors, employees, agents, successors and assigns by way of class action, or by way of a multi-plaintiff, consolidated or collective action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving us and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues precludes such independent determination.

10.11 Construction. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against any party. The introduction, personal guarantees, exhibits and riders (if any) to this Agreement are a part of this Agreement, which constitutes the entire agreement of the parties. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements between us and you relating to the subject matter of this Agreement that either party may or does rely on or that will have any force or effect, except that nothing in this Agreement shall disclaim or require you to waive reliance on any representation we made in our most recent

Franchise Disclosure Document (including that document's exhibits and amendments) delivered to you or your representative. Nothing in this Agreement is intended or shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. This Agreement shall not be modified except by written agreement signed by both parties.

The headings of the sections are for convenience only and do not limit or construe their contents. The term "including" shall be construed to include the words "without limitation." The term "Area Franchisee" or "you" is applicable to one or more persons, a business corporation, limited liability company or a partnership and its owners, as the case may be. If two or more persons are at any time Area Franchisee hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to us shall be joint and several. References to a controlling interest in an entity shall mean more than fifty percent (50%) of the equity and voting control of such entity.

This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

10.12 Approvals and Consents. In all cases where our prior consent or acceptance is required and no other method or timing for obtaining such consent or acceptance is prescribed, you must request such consent or acceptance in writing, and we will notify you of our decision within 60 days after receiving your written request and all supporting documentation. Whenever our consent or acceptance is required hereunder, such consent or acceptance must be in writing. If we do not respond in writing to your request within such 60-day period, the request shall be deemed denied. Our consent to or acceptance of any request by you shall be effective only to the extent specifically stated and shall not be deemed to waive or render unnecessary our consent or acceptance of any subsequent similar request. Except where this Agreement expressly obligates us to reasonably accept or consent to (or not to unreasonably withhold our acceptance or consent regarding) any action or request by you, we have the absolute right for any reason or no reason to withhold our acceptance of or consent to any action by you.

10.13 Notices and Payments. All notices, requests and reports permitted or required to be made by the provisions of this Agreement shall be in writing and shall be deemed delivered: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the same date of the transmission by facsimile or other reasonably reliable electronic communication system; (c) 1 business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (d) 5 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Such notices, requests and reports shall be sent to the addresses identified in this Agreement unless and until a different address has been designated by appropriate written notice to the other party. No restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind us, and our acceptance of any such payment shall not constitute an accord and satisfaction.

10.14 Area Franchisee's Release. To the full extent permitted by applicable law, Area Franchisee, for itself and on behalf of its Affiliates, and their respective shareholders, directors, officers, limited liability company members, managers and employees, and their respective successors and assigns, and on behalf of Area Franchisee's Owners, hereby (i) releases and forever discharges Franchisor and its Affiliates, and their respective directors,

officers, employees, agents, representatives and attorneys, and their respective successors and assigns, from any and all claims, demands and causes of action, whether known or unknown, of any kind or nature, absolute or contingent, if any at law or in equity, arising prior to or on the date you sign this Agreement, and (ii) agrees that none of them will institute any litigation or other legal action or proceeding, at law or in equity, against Franchisor or its affiliates and their directors, officers, employees, agents, representatives and attorneys, and their respective successors and assigns, directly or indirectly, relating to any claim or demand released under this Section 10.14. Area Franchisee shall take whatever actions are necessary or appropriate to carry out the terms of this release and covenant not to sue upon Franchisor's request. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation we made in our Franchise Disclosure Document (including any of that document's exhibits and amendments) delivered to you, your Owners, Affiliates or representatives. This Section 10.14 shall survive the expiration or termination of this Agreement.

10.15 Electronic Signatures. The counterparts of this Agreement and all ancillary documents executed or delivered in connection with this Agreement may be executed and signed by electronic signature by any of the parties to this Agreement, and delivered by electronic or digital communications to any other party to this Agreement, and the receiving party may rely on the receipt of such document so executed and delivered by electronic or digital communications signed by electronic signature as if the original has been received. For the purposes of this Agreement, electronic signature means, without limitation, an electronic act or acknowledgement (e.g., clicking an "I Accept" or similar button), sound, symbol (digitized signature block), or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

10.16 Receipt of Disclosure Document and Agreement. You acknowledge having received our Franchise Disclosure Document and this Agreement, with all blanks completed, within the time periods required by applicable law.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR

CHECKERS DRIVE-IN RESTAURANTS, INC., a Delaware corporation

By: _____

Print Name: _____

Title: _____

AREA FRANCHISEE

If a corporation, partnership, limited liability company or other legal entity:

(Name of corporation, partnership, limited company or other legal entity)

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: _____

Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

**EXHIBIT A
TO THE RESTAURANT DEVELOPMENT AGREEMENT**

1. The Term expires on _____, _____.

2. The Development Area is the geographical area described as follows:

Political boundaries described above shall be considered fixed as of the Effective Date and shall not change for the purpose hereof, notwithstanding a political reorganization or change to such boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

3. (a) You must open the number of new Restaurants, and have in operation the cumulative number of Restaurants, set forth below as of each of the corresponding dates:

<u>Date</u>	<u>Number of New Restaurants to be Opened</u>	<u>Cumulative Number of Restaurants In Operation</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(b) For each Restaurant to be opened pursuant to the second column in Section 3(a), above, the following table sets forth: (i) the timelines by which you must acquire, lease, or sublease a site ("Property Control") for the Restaurant (the "Property Control Date"), the date by which you must begin construction (if applicable) (the "Construction Start Date"), and the date by which the Restaurant must be opened; and (ii) the amount of initial franchise fee, if those timelines are met.

<u>Restaurant</u>	<u>Property Control Date</u>	<u>Construction Start Date</u>	<u>Opening Date</u>	<u>Amount of Initial Franchise Fee (\$)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

If (i) you fail to meet any of the timelines listed in the chart of Section 3(b), (ii) you fail to maintain Property Control after the Property Control Date, or (iii) you or any of your affiliates are in breach of any term or condition under this Agreement or any other agreements with us, the initial franchise fee for that particular Restaurant as well as all subsequent Restaurants to be developed hereunder will, without notice to you automatically readjust to the standard amount of \$30,000 (regardless of the initial franchise fee amount listed in the Section 3(b) chart). For the avoidance of doubt, the standard amount of initial franchise fee reduction in the chart of Section 3(b), above, will not apply to any Franchise Agreement entered into in connection with a renewal or transfer of a Restaurant.

4. For purposes of the chart in Section 3(a), above, a Restaurant that is permanently closed after having been opened, other than as a result of noncompliance by you with the terms of the applicable Franchise Agreement, shall be deemed open for a period of 6 months after the last day it was open for business, provided that: (i) during such period of time, you continuously and diligently take such actions as may be required to develop and open a substitute Restaurant within the Development Area pursuant to a new Franchise Agreement therefor; and (ii) by the end of such period you have the substitute Restaurant open and operating in compliance with the Franchise Agreement therefor.

5. The development fee shall be _____ Dollars (\$_____), representing Ten Thousand Dollars (\$10,000) for each Restaurant to be developed pursuant to Section 3(a), above, for which an initial franchise fee is due. The development fee is non-refundable under any circumstances (including your failure to develop any of the Restaurants contemplated hereunder) and shall be deemed earned when paid. For each Franchise Agreement that you enter into in accordance with the development schedule of Section 3(a), above, we will apply Ten Thousand Dollars (\$10,000) of the development fee against the initial franchise fee due under the Franchise Agreement until the development fee is applied in full.

[SIGNATURE PAGE FOLLOWS]

FRANCHISOR:

**CHECKERS DRIVE-IN RESTAURANTS,
INC., a Delaware corporation**

By: _____
Print Name: _____
Title: _____

*Effective Date: _____

AREA FRANCHISEE:

If a corporation, partnership, limited liability company, or other legal entity

(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

**EXHIBIT B
TO THE RESTAURANT DEVELOPMENT AGREEMENT**

1. Form of Entity of Area Franchise.

(a) Corporation or Limited Liability Company. Area Franchisee was incorporated on _____, _____, under the laws of the State of _____. It has not conducted business under any name other than its corporate name. The following is a list of all of Area Franchisee's directors and officers as of _____, _____.

<u>Name of Each Director/Officer</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(b) Partnership. Area Franchisee is a [general] [limited] partnership formed on _____, _____ under the laws of the State of _____. It has not conducted business under any name other than its partnership name. The following is a list of all of Area Franchisee's general partners as of _____, _____.

<u>Name of each General Partner</u>

2. Owners. Area Franchisee and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Area Franchisee, including the full name and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Area Franchisee. Area Franchisee, and each Owner as to his ownership interest in Area Franchisee, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his ownership interest, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

<u>Owner's Name and Address</u>	<u>Description of Interest</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

[SIGNATURE PAGE FOLLOWS]

Accepted by Franchisor and
made a part of the
Development Agreement as of
_____, ____.

Submitted by area franchisee
on _____, ____.

**CHECKERS DRIVE-IN RESTAURANTS,
INC.**, a Delaware corporation

(Name of corporation, limited liability
company or partnership)

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

Owners:

(Signature)

(Print Name)

**OWNERS' PERSONAL GUARANTY
OF AREA FRANCHISEE'S OBLIGATIONS**

In consideration of, and as an inducement to, the execution of the Restaurant Development Agreement dated as of _____, ____ (the "Agreement") by and between CHECKERS DRIVE-IN RESTAURANTS, INC. ("Franchisor"), and _____ ("Area Franchisee"), each of the undersigned Owners of an interest in Area Franchisee hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Area Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Area Franchisee made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by each and every provision in the Agreement (and any amendments) and to be personally liable for his or her breach thereof, including without limitation, Sections 4, 5, 6, 7, 9 and 10 (for the avoidance of doubt, including Section 10.06) thereof.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor 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 Area Franchisee or any other person as a condition of liability; and (e) 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 guaranty shall be joint and several; (ii) he shall render any payment or performance required under the agreement upon demand if Area Franchisee fails or refuses to do so punctually; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Area Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Area 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 guaranty, which shall be continuing and irrevocable until satisfied in full.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the agreement was executed.

**PERCENTAGE OF OWNERSHIP
INTERESTS IN AREA FRANCHISEE**

GUARANTOR(S)

(Signature)

(Print Name)

DATE: _____, _____

Subscribed and sworn to before me this _____
day of _____, _____.

Notary Public

My Commission expires: _____

EXHIBIT D

OPERATIONS MANUAL TABLE OF CONTENTS

Restaurant Operations
 Operations Standards
 Marketing Materials
 Franchisee Referral Program
 RTI
 Programs & Processes
 Protect the Brand
 Equipment Spec Sheets, Operator Manuals
 Training Materials
 Restaurant Reimage
Communications
 Weekly Communications
 Events
Contacts
Franchise Resources
 Franchise Restaurant Top 10 Scorecard
 New Restaurant Opening Resources
Getting Started
 FAQs

Total pages – Approximately 400

EXHIBIT E
ELECTRONIC PAYMENT AUTHORIZATION

**ELECTRONIC PAYMENT AUTHORIZATION
(VIA AUTOMATIC CLEARING HOUSE DEBIT)**

FRANCHISEE NAME: _____

RESTAURANT NUMBER(S): _____

I hereby authorize Checkers Drive-In Restaurants, Inc., to initiate debits to the checking account indicated below, for the specific purpose of collecting royalties, rents and other amounts due and owing under the Franchise Agreement dated _____.

(Or other designated agreement: _____ dated _____.)

NAME ON ACCOUNT: _____

BANK NAME: _____

CITY: _____ STATE: _____ ZIP: _____

ACCT NUMBER: _____ RT/ABA: _____

This authority will remain in full force and effect until terminated by Franchisee pursuant to a written notice delivered to Checkers Drive-In Restaurants, Inc. at least thirty (30) days in advance thereof.

Authorized Signer for Franchisee:

NAME: _____

SIGNED: _____

DATE: _____

EXHIBIT F
LIST OF CURRENT FRANCHISEES

The following table lists all Checkers Restaurant franchisees as of January 2, 2024:

Address	City	State	Zip	Phone Number	Complete Name	Company Name
2204 Ross Clark Circle	Dothan	AL	36301	(334) 671-8333	Harms, Russell, Leon, Ken and Kunofsy, Glen	AL Quick Service Capital Partners, LLC
3107 Montgomery Highway	Dothan	AL	36303	(334) 671-2368	Harms, Russell, Leon, Ken and Kunofsy, Glen	AL Quick Service Capital Partners, LLC
1111 Ross Clark Circle	Dothan	AL	36301	(334) 671-5545	Harms, Russell, Leon, Ken and Kunofsy, Glen	AL Quick Service Capital Partners, LLC
4000 University Drive	Huntsville	AL	35816	(256) 837-4670	Rockwell, Larry	L.A.D. 2 Foods, Inc.
2380 E South Blvd	Montgomery	AL	36116	(334) 593-1669	Thompson, Donnell	Checkerboard Montgomery, LLC
5550 McFarland Blvd	Northport	AL	35476	(205) 764-9581	Rockwell, Larry	LAD 5 Foods, Inc.
2009 Pepperell Parkway	Opelika	AL	36801	(334) 745-7733	Chunara, Ali	4108 Restaurant, LLC
1090 S US Highway 231	Ozark	AL	36360	(334) 774-2807	Harms, Russell, Leon, Ken and Kunofsy, Glen	AL Quick Service Capital Partners, LLC
521 15th Street	Tuscaloosa	AL	35401	(205) 345-4608	Rockwell, Larry	L.A.D. Foods, Inc.
3224 S. Caraway Rd.	Jonesboro	AR	72404	(870) 935-8203	Khimani, Shafeeq	LPK Enterprises Inc.
1498 Red Wolf Blvd	Jonesboro	AR	72401	(870) 520-5084	Kumar, Namita	M & A Fast Food, LLC
304 Linwood Drive	Paragould	AR	72450	(870) 215-0969	Kumar, Namita	M&A Fast Food, LLC
3009 Calloway Drive	Bakersfield	CA	93312	(661) 829-1657	Gomez, Javier	F&M Restaurants Inc.
1503 N. Dupont Hwy.	New Castle	DE	19720	(302) 327-0580	Christian, Hetal	Neehil, LLC
1901 West 4th St	Wilmington	DE	19805	(302) 256-0316	Goswami, Dinesh	Wilmington Burger, LLC
4301 N. Market St.	Wilmington	DE	19802	(302) 482-3306	Goswami, Dinesh	4301 Wilmington Burger, LLC
2300 New York Avenue N.E.	Washington	DC	20002	(202) 269-9377	Laster, Benjamin	Quik Serve Foods, Inc.
382 US-27	Avon Park	FL	33825	(863) 452-6444	Harms, Russell, Leon, Ken and Kunofsy, Glen	Quick Service Capital Partners, LLC
1595 N. Broadway Ave	Bartow	FL	33830	(863) 533-2700	Krause, Ty	Powers Burgers, Inc.
1520 W Brandon Blvd.	Brandon	FL	33511	(813) 689-7275	Joy, Craig	Sunstate Restaurant Management #2, Inc.
852 S. Broad Street	Brooksville	FL	34601	(727) 992-3031	Harms, Russell, Leon, Ken and Kunofsy, Glen	Quick Service Capital Partners, LLC
1595 Missouri Ave.	Clearwater	FL	33756	(727) 446-3089	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
12600 US 301	Dade City	FL	33525	(352) 567-9717	Krause, Ty	Powers Burgers, Inc.
1174 Beville Road	Daytona Beach	FL	32114	(386) 258-3901	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
1537 Saxon Blvd	Deltona	FL	32725	(386) 516-8787	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
36114 HWY 27	Haines City	FL	33844	(863) 421-6512	Harms, Russell, Leon, Ken and Kunofsy, Glen	Quick Service Capital Partners, LLC

Checkers/Rally's
August
2024

510 W. Main	Inverness	FL	34450	(352) 341-4445	Harms, Russell, Leon, Ken and Kunofsy, Glen	Quick Service Capital Partners, LLC
11361 Beach Blvd.	Jacksonville	FL	32246	(904) 379-2879	Patel, Pritesh	DHYEY, LLC
7214 103rd St.	Jacksonville	FL	32210	(904) 379-2853	Patel, Pritesh	DHYEY, LLC
991 E. Memorial Blvd.	Lakeland	FL	33801	(863) 603-9224	Joy, Craig	Sunstate Restaurant Management, Inc.
6785 US Hwy 98 N	Lakeland	FL	33809	(863) 858-3449	Joy, Craig	Sunstate Restaurant Management, Inc.
2803 S Hwy 77	Lynn Haven	FL	32444	(850) 740-3559	Amin, Bob	Sun 77 Development, LLC
2505 N. Wickham Road	Melbourne	FL	32935	(321) 242-9902	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
520 N. Courtenay Pkwy.	Merritt Island	FL	32953	(321) 459-1199	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
2645 NW 183rd St	Miami Gardens	FL	33056	(305) 624-2205	Roberts, Tawanda and Roberts, Tommie A.	Boss Burgers, LLC
1625 S. Volusia Ave.	Orange City	FL	32763	(386) 878-7204	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
934 Blanding Blvd	Orange Park	FL	32065	(904) 375-0687	Patel, Pritesh	SAI of Jacksonville, LLC
6908 Sand Lake Road	Orlando	FL	32819	(407) 248-9052	Moore, Tiffany	International Square, Inc.
101 Highlawn Ave	Palatka	FL	32177	(386) 385-3776	Bingham, Will	Chex 1, LLC
4840 Babcock Road N.E.	Palm Bay	FL	32905	(321) 327-7895	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
16 Old Kings Rd. N.	Palm Coast	FL	32137	(386) 585-4623	Bingham, Will	Check 1, LLC
9958 Hutchinson Blvd	Panama City	FL	32407	(850) 775-4923	Amin, Bob	Shiv Investment of Panama City, LLC
6401 Park Blvd	Pinellas Park	FL	33781	(727) 544-2024	Patidar, Kirit, Amin, Chirag, and Joseph, Shaji	WOW Burgers F131, LLC
2405 Jim Redmond Pkwy.	Plant City	FL	33566	(813) 759-0151	Joy, Craig	Sunstate Restaurant Management #3, Inc.
3854 Sun City Center	Ruskin	FL	33573	(813) 633- 8555	Patidar, Kirit, Amin, Chirag, and Joseph, Shaji	WOW Burgers F6188, LLC
3501 34th Street N	St. Petersburg	FL	33713	(727) 258-7980	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
6200 9th Street North	St. Petersburg	FL	33702	(727) 914-6833	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
603 Martin Luther King Blvd.	Seffner	FL	33584	(813) 681-1923	Joy, Craig	Sunstate Restaurant Management #4, Inc.
2137 Mariner Blvd.	Spring Hill	FL	34609	(352) 600-8970	Amin, Rakesh	F242Springbrgs, LLC
4232 Commercial Way	Spring Hill	FL	34606	(352) 556-3685	Patidar, Kirit, Amin, Chirag, and Joseph, Shaji	WOW Burgers F864, LLC
1377 Apalachee Parkway	Tallahassee	FL	32301	(850) 877-1780	Harms, Russell, Leon, Ken and Kunofsy, Glen	Quick Service Capital Partners, LLC

Checkers/Rally's
August
2024

802 Lake Bradford Rd	Tallahassee	FL	32304	(850) 580-4079	Harms, Russell, Leon, Ken and Kunofsy, Glen	Quick Service Capital Partners, LLC
3111 Mahan Dr.	Tallahassee	FL	32308	(850) 878-8705	Harms, Russell, Leon, Ken and Kunofsy, Glen	Quick Service Capital Partners, LLC
7545 W. Hillsborough Avenue	Tampa	FL	33615	(813) 515-7413	Patidar, Kirit, Amin, Chirag, and Joseph, Shaji	WOW Burgers F3091, LLC
2701 E. Fletcher Ave.	Tampa	FL	33612	(813) 615-1550	Valiyani, Saleem	Shazimserena Enterprises, LLC
1615 E. Hillsborough Ave	Tampa	FL	33610	(813) 999-1081	Patidar, Kirit, Amin, Chirag, and Joseph, Shaji	WOW Burgers F106, LLC
1509 E. Fowler Ave	Tampa	FL	33612	(813) 971-9765	Patidar, Kirit, Amin, Chirag, and Joseph, Shaji	WOW Burgers F141, LLC
7711 Madison Ave	Tampa	FL	33619	(813) 252-8228	Suttle, Terri	C.S. Holdings of Tampa, LLC
940 Havendale Blvd.	Winter Haven	FL	33881	(863) 294-7686	Joy, Craig	Sunstate Restaurant Management #5, Inc.
5505 Gall Blvd	Zephyrhills	FL	33542	(813) 779-2885	Bingham, Will	Check 1, LLC
110 South Slappey Blvd	Albany	GA	31701	(229) 883-3131	Hunt, III, Dallas	Coastal Plain Champ, Inc.
2703 Dawson Rd	Albany	GA	31707	(229) 920-3775	Hunt, III, Dallas	SOWEGA BUFORD, LLC
2198 W Broad St	Athens	GA	30606	(706) 395-6254	Charania, Shamsuddin	FalconsBurger, LLC
1449 Donnelly Ave SW	Atlanta	GA	30310	(404) 245-1695	Khutliwala, Abid	S I Restaurants Group-1 Inc.
420 Moreland Ave SE	Atlanta	GA	30316	(678) 973-0932	Khutliwala, Abid	S I Restaurants, Inc.
120 Piedmont Ave NE, Suite B	Atlanta	GA	30303	(678) 732-9187	Charania, Shamsuddin	FalconsBurger, LLC
211 Cleveland Ave SW	Atlanta	GA	30315	(404) 761-0201	Khutliwala, Abid	S I Restaurants Group-1, Inc.
2641 Donald Lee Hollowell Pkwy NW	Atlanta	GA	30318	(404) 822-7466	Khutliwala, Abid	S I Restaurants Inc.
3050 Washington Road	Augusta	GA	30907	(762) 333-8507	Charania, Shamsuddin	FalconsBurger, LLC
2611 Dean's Bridge Rd.	Augusta	GA	30906	(706) 793-8708	Charania, Shamsuddin	FalconsBurger, LLC
1720 Walton Way	Augusta	GA	30904	(706) 496-2602	Charania, Shamsuddin	FalconsBurger, LLC
2901 Peach Orchard Road	Augusta	GA	30906	(706) 793-9631	Charania, Shamsuddin	FalconsBurger, LLC
228 Bobby Jones Expressway	Augusta	GA	30907	(762) 222-6936	Charania, Shamsuddin	FalconsBurger, LLC
3429 Wrightsboro Road	Augusta	GA	30909	(706) 737-6850	Charania, Shamsuddin	FalconsBurger, LLC
6 Windy Ridge Circle	Blue Ridge	GA	30513	(706) 632-2054	Roberts, Larry	Bayshore Development, Inc.
5599 Altama Ave	Brunswick	GA	31525	(912) 275-7764	Babb, Valerie and Linderman, Danny	Starrchex Georgia, LLC
560 Highway 53 E	Calhoun	GA	30701	(706) 602-9377	Roberts, Larry	Bayshore Development, Inc.

Checkers/Rally's
August
2024

901 Joe Frank Harris Pkwy.	Cartersville	GA	30120	(770) 387-0050	Roberts, Larry	Bayshore Development, Inc.
703 North Main Street	Cedartown	GA	30125	(770) 748-2581	Roberts, Larry	Bayshore Development, Inc.
12 Bo James Street	Clayton	GA	30525	(706) 782-7058	Campbell, Jim	Diamond Jim's Clayton 3213, LLC
3474 Victory Drive	Columbus	GA	31903	(706) 940-0086	Khutliwala, Abid	SI Group of Restaurants - 4, LLC
2453 Wynnton Road	Columbus	GA	31906	(706) 221 3577	Khutliwala, Abid	SI Group of Restaurants - 4, LLC
3182 US Hwy 278	Covington	GA	30014	(678) 712-6040	Dosani, Yousuf	Jaimey Investments, LLC
883 Shugart Road	Dalton	GA	30720	(706) 259-7747	Roberts, Larry	Bayshore Development, Inc.
502 Liberty Square Drive	Dalton	GA	30720	(706) 277-5151	Roberts, Larry	Bayshore Development, Inc.
1300 N. Glenwood Ave.	Dalton	GA	30721	(706) 277-0087	Roberts, Larry	Bayshore Development, Inc.
3519 Memorial Dr	Decatur	GA	30032	(404) 288-1206	Hemani, Salim (Sal) and Javid	Kans Foods, Inc.
2854 Candler Rd.	Decatur	GA	30034	(404) 241-3014	Charania, Shamsuddin	Falcons Burger 2, LLC
4063 Glenwood Ave.	Decatur	GA	30032	(404) 289-3939	Khutliwala, Abid	S I Restaurants Group, LLC
2388 Wesley Chapel Road	Decatur	GA	30035	(770) 593-2232	Gonzales, Shana	Paramount Restaurant Group, LLC
2148 Lawrenceville Hwy.	Decatur	GA	30033	(470) 355-0071	Thompson, Donnell	Checkerboard Southeast, LLC
5801 Buford Highway	Doraville	GA	30340	(678) 547-0036	Parsa, Ali	PARSCO, LLC
1100 South Peterson Ave	Douglas	GA	31533	(912) 292-9039	Babb, Valerie and Linderman, Danny	StarrChex Georgia, LLC
6033 Fairburn Rd	Douglasville	GA	30134	(770) 947-9646	Chunara, Ali	3078 Restaurant Corp.
2336 Pleasant Hill Road	Duluth	GA	30096	(770) 232-7773	Charania, Shamsuddin	FalconsBurger, LLC
4948 Jonesboro Rd	Forest Park	GA	30297	(404) 941-7181	Charania, Shamsuddin	FalconsBurger, LLC
3554 Windsor Springs Road	Hephzibah	GA	30815	(706) 955-7399	Charania, Shamsuddin	FalconsBurger, LLC
147 General Screven	Hinesville	GA	31313	(912) 877-4406	Babb, Valerie and Linderman, Danny	StarrChex Georgia, LLC
4113 Jimmy Lee Smith Parkway	Hiram	GA	30141	(770) 943-6474	Roberts, Larry	Bayshore Development, Inc.
10457 Tara Blvd	Jonesboro	GA	30236	(470) 278-2667	Charania, Shamsuddin	FalconsBurger, LLC
6339 Tara Blvd.	Jonesboro	GA	30236	(770) 603-1072	Khutliwala, Abid	S I Restaurants Group-1, Inc.
919 Buford Drive	Lawrenceville	GA	30043	(678) 691-0466	Charania, Shamsuddin	FalconsBurger, LLC
896 Thornton Road	Lithia Springs	GA	30122	(678) 593-6668	Khutliwala, Abid	S I Restaurants Group-2, Inc.
2775 Panola Rd.	Lithonia	GA	30058	(770) 593-3111	Chunara, Ali	3081 Restaurant Corp.
3745 Austell Road	Marietta	GA	30060	(770) 431-8111	Charania, Shamsuddin	FalconsBurger, LLC

Checkers/Rally's
August
2024

729 Highway 42 South	McDonough	GA	30253	(770) 898-3663	Gonzales, Shana	Paramount Restaurant Group, LLC
215 B Hwy 138	Monroe	GA	30655	(770) 207-6389	Dosani, Yousuf	IMAJE Investments, LLC
5260 Jimmy Carter Blvd.	Norcross	GA	30093	(770) 416-6840	Gonzales, Shana	Paramount Restaurant Group, LLC
1220 Tech Dr.	Norcross	GA	30093	(770) 864-9061	Pham, Cuong	International Food Services, Inc.
900 N. Broad Street	Rome	GA	30161	(706) 290-1070	Roberts, Larry	Bayshore Development, Inc.
301 Mall Boulevard	Savannah	GA	31406	(912) 354-8030	Sharma, Chand and Sharma, Ramesh	RCS of GA, LLC
2510 Skidaway Road	Savannah	GA	31404	(912) 236-8481	Babb, Valerie and Linderman, Danny	StarrChex Georgia, LLC
2510 Skidaway Road	Savannah	GA	31404	(912) 236-8481	Babb, Valerie and Linderman, Danny	StarrChex Georgia, LLC
2410 S. Cobb Drive	Smyrna	GA	30080	(770) 436-2455	Chunara, Ali	3076 Restaurant, LLC
1947 Scenic Highway North	Snellville	GA	30078	(770) 674-5877	Charania, Shamsuddin	FalconsBurger, LLC
75 Northside Drive East	Statesboro	GA	30458	(912) 243-9099	Babb, Valerie and Linderman, Danny	StarrChex Georgia, LLC
70 Hwy 138	Stockbridge	GA	30281	(770) 507-4309	Chunara, Ali	3082 Restaurant Corp.
6000 Memorial Drive	Stone Mountain	GA	30083	(404) 294-8075	Charania, Shamsuddin	FalconsBurger, LLC
2930 Lawrenceville-Suwanee Road	Suwanee	GA	30024	(770) 932-0404	Pham, Cuong	CQ International Food, Inc.
1807 Washington Road	Thomson	GA	30824	(706) 595-3311	Charania, Shamsuddin	Falcons Burger 2, LLC
112 S. Virginia Avenue	Tifton	GA	31794	(229) 386-5852	Hunt, III, Dallas	South Georgia Food Services, Inc.
4270 La Vista Road	Tucker	GA	30084	(770) 908-4999	Charania, Shamsuddin	FalconsBurger, LLC
6344 Lawrenceville Hwy	Tucker	GA	30084	(770) 674-7544	Dosani, Yousuf	JAE Investments, LLC
4788 Jonesboro Rd	Union City	GA	30291	(678) 251-8299	Khutliwala, Abid	SI Group of Restaurants, LLC
2129 N. Ashley Street	Valdosta	GA	31602	(229) 249-9044	Lewis Jr., John	J.C. Lewis Enterprises, Inc.
1918 Memorial Drive	Waycross	GA	31501	(912) 284-1066	Babb, Valerie and Linderman, Danny	StarrChex Georgia, LLC
9500 Highway 92	Woodstock	GA	30188	(678) 398-7932	Charania, Shamsuddin	FalconsBurger, LLC
439 N. Bolingbrook Rd	Bolingbrook	IL	60440	(630) 226-1223	Thotakura, Syam and Geeta	Gopichand International, Inc.
5451 S. Wentworth Avenue	Chicago	IL	60609	(872) 244-8270	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
8705 S. Stony Island	Chicago	IL	60617	(773) 902-2704	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
107 E 95th St	Chicago	IL	60619	(773) 629-8870	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC

Checkers/Rally's
August
2024

4320 W. North Avenue	Chicago	IL	60639	(773) 904-8695	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
11449 S. Halsted Street	Chicago	IL	60628	(773) 941-6768	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
6705 Halsted St	Chicago	IL	60621	(872) 244-8585	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
3808 W Roosevelt Rd	Chicago	IL	60624	(773) 801-1613	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
6301 Ashland Ave	Chicago	IL	60636	(773) 498-9517	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
4700 135th St	Crestwood	IL	60418	(773) 573-5340	Patel, Paresh	Mays8, Inc.
14655 S Western Ave	Dixmoor	IL	60426	(708) 690-2545	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
1008 E. Sibley Blvd.	Dolton	IL	60419	(708) 880-1323	Mohamed, Aby	Dolton C, Inc.
565 42nd Avenue	East Moline	IL	61244	(309) 752-1800	Gervase, Steve	Checkers of the Quad Cities, Inc.
1137 Dundee Ave	Elgin	IL	60120	(224) 769-7109	Patel, Hemant	HP Fresh Foods, Inc.
2500 West 95th Street	Evergreen Park	IL	60805	(708) 595-7807	Patel, Paresh	A&P 95th St., Inc.
17701 S. Torrence Ave.	Lansing	IL	60438	(708) 251-8130	Mohamed, Aby	Lansing QSR Inc.
1740 PJ Keller Hwy	Lexington	IL	61753	(309) 365-3010	Chatha, Manjit	PJ Keller Food, Inc.
2929 18th Avenue	Rock Island	IL	61201	(309) 786-7200	Gervase, Steve	Checkers of the Quad Cities, Inc.
730 E. 162nd Street	South Holland	IL	60473	(708) 713-4315	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
1805 W. Jefferson St.	Joliet	IL	60435	(815) 630-4482	Mohamed, Aby	Aby Mohamed, Individually (Joliet C)
3035 Belvidere Rd.	Waukegan	IL	60085	(847) 672-9478	Mohamed, Aby	Waukegan QSR, Inc.
3600 Broadway	Gary	IN	46408	(219) 455-6935	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
2310 W. Kimberly Road	Davenport	IA	52806	(563) 388-6082	Gervase, Steve	Checkers of the Quad Cities, Inc.
1721 E. Locust	Davenport	IA	52803	(563) 322-1367	Gervase, Steve	Checkers of the Quad Cities, Inc.
3434 Lee Street	Alexandria	LA	71302	(318) 767-2128	Duncan, Jeremy	Dun-Cour, LLC
10200 Sullivan Rd	Baton Rouge	LA	70818	(225) 421-1590	Ali, Ramzan	Sunrise International, Inc.
4637 Florida Boulevard	Baton Rouge	LA	70806	(225) 256-4784	Duncan, Jeremy	Dun-Cour, LLC
11650 Coursey Blvd	Baton Rouge	LA	70816	(225) 930-5810	Ali, Ramzan	Sunrise International, Inc.
4536 Plank Road	Baton Rouge	LA	70805	(225) 256-4001	Ali, Ramzan	Sunrise International, Inc.
1928 Rees St	Breaux Bridge	LA	70517	(337) 442-1999	Ali, Ramzan	Sunrise International, Inc.

Checkers/Rally's
August
2024

2687 S. Cabela's Parkway	Gonzales	LA	70737	(225) 647-1003	Moses, Jamarkus	MGFM, LLC
113 W Willow St	Lafayette	LA	70501	(337) 269-0646	Duncan, Jeremy and Duncan, Veronica	QSR OF ACADIANA, LLC
4414 Ambassador Caffery	Lafayette	LA	70508	(337) 989-0083	Duncan, Jeremy and Duncan, Veronica	QSR OF ACADIANA, LLC
2448 W Congress St	Lafayette	LA	70506	(337) 534-8401	Duncan, Jeremy and Duncan, Veronica	QSR OF ACADIANA, LLC
2001 Country Club Rd	Lake Charles	LA	70605	(337) 475-2310	Sebastien, Scott M.	Checkerboard Restaurants VII, Inc.
521 E. Prien Lake Road	Lake Charles	LA	70601	(337) 433-5030	Sebastien, Scott M.	Checkerboard Restaurants, Inc.
2601 Broad St	Lake Charles	LA	70615	(337) 436-2901	Sebastien, Scott M.	Checkerboard Restaurants II, Inc.
4320 Desiard St	Monroe	LA	71203	(318) 509-8125	Dahal, Bal and Tejani, Aziz	Teda Burgers, LLC
2000 Martin Luther King Jr. Dr.	Monroe	LA	71202	(318) 737-7241	Dahal, Bal and Tejani, Aziz	Teda Burgers, LLC
1420 Texas Street	Natchitoches	LA	71457	(318) 352-4380	Moffett, Henry	Moffett Foods, Inc. f/k/a Central Louisiana Management and Consulting Firm, Inc.
1100 Admiral Doyle	New Iberia	LA	70560	(337) 365-1009	Duncan, Jeremy and Duncan, Veronica	QSR OF ACADIANA, LLC
5755 Jewella Ave	Shreveport	LA	71109	(318) 621-8880	Moffett, Henry	Moffett Foods, Inc. f/k/a Central Louisiana Management and Consulting Firm, Inc.
3077 North Market St.	Shreveport	LA	71107	(318) 222-8080	Moffett, Henry	Moffett Foods, Inc. f/k/a Central Louisiana Management and Consulting Firm, Inc.
226 Cities Service S Hwy	Sulphur	LA	70663	(337) 287-4113	Awan, Waqar (Vick) and Awan, Gul	Cajun Play, LLC
2044 S. Ruth Street	Sulphur	LA	70663	(337) 527-0170	Awan, Gul	Cajun Play, LLC
1915 East Joppa Drive	Baltimore	MD	21234	(443) 495-2949	Rizvi, Syed and Memon, Ali	JOPPA BCF, LLC
2351 Frederick Ave	Baltimore	MD	21223	(410) 233-9100	Kalotra, Rakesh and Singh, Rajesh	R & R Frederick, LLC

Checkers/Rally's
August
2024

6210 Rossville Blvd.	Baltimore	MD	21237	(443) 969-4755	Rizvi, Syed and Memon, Ali	Rosedale BCF, LLC
7925 Eastern Avenue	Baltimore	MD	21224	(443) 503-6103	Rizvi, Syed and Memon, Ali	Eastpoint BCF, LLC
6660 Reisterstown Road	Baltimore	MD	21215	(410) 358-3405	Kalotra, Rakesh and Singh, Rajesh	R & R Reisterstown, LLC
5300 Moravia Rd.	Baltimore	MD	21206	(410) 488-5318	Raza, Shahid and Fawad, Ahmed	JFZ Enterprise Inc.
11700 Reistertown Rd	Baltimore	MD	21136	(443) 273-3047	Bastola, Sudhir	Maryland Food, LLC
6051 Greenbelt Road	Berwyn Heights	MD	20740	(240) 553-7994	Rizvi, Syed and Memon, Ali	SBA Management, LLC
4850 Annapolis Road	Bladensburg	MD	20710	(240) 770-3624	Rizvi, Syed and Memon, Ali	SBA Management, LLC
7511 Clymer Dr	Brandywine	MD	20613	(240) 681-3169	Rizvi, Syed and Memon, Ali	Brandywine BCF, LLC
45500 Miramar Way	California	MD	20619	(301) 737-4000	Rizvi, Syed and Memon, Ali	California BCF, LLC
4827 Allentown Road	Camp Springs	MD	20746	(301) 736-4179	Kalotra, Rakesh and Singh, Rajesh	R & R Allentown, LLC
9005 Central Avenue	Capitol Heights	MD	20743	(301) 808-6226	Smith, Jay	Maryland Drive-Thru, LLC
5705 Baltimore National Pike	Catonsville	MD	21228	(410) 744-5528	Martin, Keith A.	Mar-Chek, Inc.
8815 Woodyard Road	Clinton	MD	20735	(301) 856-5445	Raza, Shahid	FSR MD Group, Inc.
1645 Crofton Centre	Crofton	MD	21114	(443) 292-4160	Rizvi, Syed and Memon, Ali	Crofton BCF, LLC
6401 Marlboro Pike	District Heights	MD	20747	(240) 830-2832	Kalotra, Rakesh and Singh, Rajesh	R & R Marlboro, LLC
1926 Pulaski Highway	Edgewood	MD	21040	(443) 922-9049	Rizvi, Syed and Memon, Ali	Edgewood BCF, LLC
9447 Baltimore National Pike	Ellicott City	MD	21042	(410) 480-0945	Martin, Keith A.	Mar-Chek III, Inc.
5731 Buckeystown Pike	Frederick	MD	21704	(301) 682-9731	Fawad, Ahmed	FSR MD Corp
16171 Shady Grove Road	Gaithersburg	MD	20877	(301) 519-2480	Raza, Shahid	FSR MD Group Inc

Checkers/Rally's
August
2024

8019 Snouffer School Rd	Gaithersburg	MD	20879	240-477-5319	Kalotra, Rakesh and Singh, Rajesh	R&R Gaithersburg, LLC f/k/a HR Foods Maryland LLC
1417 N. Crain Hwy.	Glen Burnie	MD	21061	(410) 761-3830	Martin, Keith A.	Mar-Chek, Inc.
1720 Dual Hwy	Hagerstown	MD	21740	(301) 797-7711	Malik, Mishbah, Ahmad, Mahmood, and Cheema, Mushtaq	Hagerstown Drive In, Inc.
3032 Queen's Chapel Road	Hyattsville	MD	20782	(240) 667-2919	Rizvi, Syed and Memon, Ali	SBA Management, LLC
7415 Landover Road	Landover	MD	20785	(301) 583-0760	Kalotra, Rakesh and Singh, Rajesh	R & R Landover, LLC
14411 Baltimore Avenue	Laurel	MD	20707	(240) 636-5143	Martin, Keith A.	Mar-Chek, Inc.
21656 Great Mills Road	Lexington Park	MD	20653	(301) 866-1888	Rizvi, Syed and Memon, Ali	Lexington BCF, LLC
6899 Baltimore-Annapolis Blvd.	Linthicum	MD	21090	(410) 789-5326	Martin, Keith A.	Mar-Chek, Inc.
4335 St. Barnabas Road	Marlow Heights	MD	20748	(301) 423-9312	Kalotra, Rakesh and Singh, Rajesh	R & R Barnabas, LLC
6041 Oxon Hill Road	Oxon Hill	MD	20745	(301) 749-8031	Fawad, Ahmed	FSR MD Corp
8538 Liberty Road	Randallstown	MD	21133	(410) 521-1137	Martin, Keith A.	Mar-Chek, Inc.
754 S Salisbury Blvd	Salisbury	MD	21801	(443) 944-8114	Warraich, Athar	Athar Warraich, Nusrat Parveen, & Syed Asif Ali Shah, Individually (Salisbury Drive Thru Inc.)
3002 Leonard Town Road	Waldorf	MD	20601	(240) 448-3905	Rizvi, Syed and Memon, Ali	Waldorf BCF, LLC
1600 W Columbia Ave	Battle Creek	MI	49015	(269) 964-4340	Balen, Alan	I.B. Corp.
201 Crooks Road	Clawson	MI	48017	(248) 435-0355	Sawchuk, Steve	Dakota Restaurants, Inc.
8675 N. Telegraph	Dearborn Heights	MI	48127	(313) 563-1699	Pare, Gina	Shemna, LLC
19801 West 8 Mile Road	Detroit	MI	48219	(313) 362-2555	Sawchuk, Steve	Dakota Restaurants, Inc.
10711 W 7 Mile	Detroit	MI	48221	(313) 341-2445	Chand, Sanjiv	Jasam Enterprises, LLC
17620 Grand River Ave	Detroit	MI	48227	(313) 270-2199	Chand, Sanjiv	Jasam Enterprises, LLC
16511 Harper Ave.	Detroit	MI	48224	(313) 647-4262	Chand, Sanjiv	Jasam Enterprises, LLC

Checkers/Rally's
August
2024

6060 West Vernor Hwy	Detroit	MI	48209	(313) 749-7580	Chand, Sanjiv	Jasam Enterprises, LLC
31331 Groesbeck Highway	Fraser	MI	48026	(586) 871-2773	Smiley, Alan	DAS1 Group, Inc.
1131 Michigan Street	Grand Rapids	MI	49503	(616) 458-9191	Burkhardt, Mike	Miliacq, Inc.
461 28th Street	Grand Rapids	MI	49507	(616) 452-9191	Burkhardt, Mike	Grand Rapids Twin Drive-Thru, Inc.
8917 Joseph Campau	Hamtramck	MI	48212	(313) 875-5904	Chand, Sanjiv	Jasam Enterprises, LLC
300 E 9 Mile Road	Hazel Park	MI	48030	(248) 542-5607	Sawchuk, Steve	Dakota Restaurants, Inc.
554 8th Avenue	Holland	MI	49423	(616) 546-9199	Burkhardt, Mike	Grand Rapids Twin Drive-Thru, Inc.
575 E. Michigan Ave.	Kalamazoo	MI	49007	(269) 343-6995	Balen, Alan	I.B. Corp.
1560 S Drake Rd	Kalamazoo	MI	49006	(269) 544-0554	Balen, Alan	I.B. Corp.
880 S. Main Street	Lapeer	MI	48446	(810) 664-3511	Chand, Sanjiv	Jasam Enterprises, LLC
2250 Dix Road	Lincoln Park	MI	48146	(313) 383-9206	Sawchuk, Steve	Dakota Restaurants, Inc.
1450 E. 12 Mile Road	Madison Heights	MI	48071	(248) 546-5103	Sawchuk, Steve	Dakota Restaurants, Inc.
808 N Telegraph Road	Monroe	MI	48162	(734) 457-5468	Chand, Sanjiv	Jasam Enterprises, LLC
1785 Creston Street	Muskegon	MI	49442	(231) 773-6540	Chand, Sanjiv	Jasam Enterprises, LLC
780 N Perry St	Pontiac	MI	48342	(248) 338-7720	Chand, Sanjiv	Jasam Enterprises, LLC
25800 Grand River	Redford Township	MI	48240	(313) 535-8674	Sawchuk, Steve	Dakota Restaurants, Inc.
27951 Gratiot Ave	Roseville	MI	48066	(586) 774-5078	Chand, Sanjiv	Jasam Enterprises, LLC
26715 Eureka Road	Taylor	MI	48180	(734) 941-4778	Sawchuk, Steve	Dakota Restaurants, Inc.
4349 Highland Rd	Waterford	MI	48328	(248) 499-8623	Chand, Sanjiv	Jasam Enterprises, LLC
2220 S Wayne Rd	Westland	MI	48186	(734) 326-5740	Sawchuk, Steve	Dakota Restaurants, Inc.
2291 Fort Street	Wyandotte	MI	48192	(734) 282-3341	Sawchuk, Steve	Dakota Restaurants, Inc.
1325 28th St. SW	Wyoming	MI	49509	(616) 719-0765	Burkhardt, Mike	Grand Rapids Twin Drive-Thru, Inc.
35105 Harper Ave.	Clinton Township	MI	48035	(586) 948-8742	Chand, Sanjiv	Jasam Enterprises, LLC
14858 E. 8 Mile Rd	Detroit	MI	48205	(313) 469-1042	Chand, Sanjiv	Jasan Enterprises, LLC
31335 Ford Road	Garden City	MI	48135	(734) 743-3120	Hakim, Wally	Burger Brothers, LLC
23392 Allen Rd	Woodhaven	MI	48183	(734) 675-2955	Chand, Sanjiv	Jasan Enterprises, LLC
1211 US-278	Amory	MS	38821	(662) 597-2054	Turner, William and Turner, Sedrick	Global Midsouth Corp

Checkers/Rally's
August
2024

901 N 2nd St.	Booneville	MS	38829	(662) 340-1048	Turner, William and Turner, Sedrick	Global Midsouth Corp
806 Hwy 72 (Lee Hwy)	Corinth	MS	38834	(662) 331-5100	Turner, William and Turner, Sedrick	Global Midsouth Corp
730 E Madison St	Houston	MS	38851	(662) 567-5422	Turner, William and Turner, Sedrick	Global Midsouth Corp
1925 Highway 15 North	Laurel	MS	39440	(601) 425-1380	West, Richard	Coastal Express, Inc.
1927 Jackson Ave West	Oxford	MS	38655	(662) 380-5164	Turner, William and Turner, Sedrick	Global Midsouth Corp
327 Hwy 15 North	Pontotoc	MS	38863	(662) 200-2704	Turner, William and Turner, Sedrick	Global Midsouth Corp
825 City Avenue South	Ripley	MS	38663	(662) 993-8222	Turner, William and Turner, Sedrick	Global Midsouth Corp
938 W. Stateline Road	Southaven	MS	38671	(662) 393-0241	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Tri State Restaurants, LLC
509 South Gloster	Tupelo	MS	38801	(662) 260-5071	Turner, William and Turner, Sedrick	Global Midsouth Corp
6720 Highway 45 Alt-South	West Point	MS	39773	(662) 391-2904	Turner, William and Turner, Sedrick	Global Midsouth Corp
360 Central Avenue	East Orange	NJ	07018	(973) 677-7575	Force, Staci and Keehn Jr, Bruce	Metro Burger, LLC
701 North Delsea Drive	Glassboro	NJ	08028	(856) 270-2442	Rahmani, Maliha and Rai, Jujhar	Rai Enterprises, Inc.
1992 Route 9 & West Farms Road	Howell Township	NJ	07731	(732) 462-4907	Force, Staci and Keehn Jr, Bruce	Howell Fast Food, LLC
823 Communipaw Avenue	Jersey City	NJ	07304	(201) 413-5458	Force, Staci and Keehn Jr, Bruce	Metro Burger, LLC
901 W. Edgar Road	Linden	NJ	07036	(908) 474-0363	Force, Staci and Keehn Jr, Bruce	Linden Fast Food, LLC
111 Hartford Street	Newark	NJ	07103	(973) 877-3026	Force, Staci and Keehn Jr, Bruce	Metro Burger, LLC
283 Market Street	Paterson	NJ	07501	(973) 357-0102	Force, Staci and Keehn Jr, Bruce	Metro Burger, LLC
220 W. Broadway	Paterson	NJ	07522	(973) 389-1850	Force, Staci and Keehn Jr, Bruce	Metro Burger, LLC

Checkers/Rally's
August
2024

6720 South Crescent Blvd.	Pennsauken Township	NJ	08109	(856) 382-7917	Patel, Jimy	Winter Leaf NJ, LLC
140 Route 37 East	Toms River	NJ	08753	(732) 736-8200	Force, Staci and Keehn Jr, Bruce	Metro Burger, LLC
1840 Grand Ave.	Baldwin	NY	11510	(516) 868-4546	Gupta, Atul and Joshi, Raju	HKHR Enterprises, LLC
1825 Brentwood Rd.	Brentwood	NY	11717	(631) 291-9417	Singh, Manjit and Josan, Paramjit	Uni Brentwood, LLC
379 East Fordham Rd	Bronx	NY	10458	(347) 270-5664	Ghei, Vijay	Burgerlicious III, Inc.
260 East 161st Street	Bronx	NY	10451	(718) 585-7777	Sengupta, Chandan and Bishwajit	BC55, LLC
1203 Jerome Ave.	Bronx	NY	10452	(917) 891-6060	Ghei, Vijay	Burgerlicious, Inc.
771 E. Gunn Hill Rd.	Bronx	NY	10467	(718) 881-1179	Raza, Shahid and Fawad, Ahmed	Raza, Shahid & Fawad, Ahmed
797 Pennsylvania Ave	Brooklyn	NY	11207	(917) 893-9000	Josan, Paramjit	Penn Burgers, LLC
1611 Broadway	Brooklyn	NY	11207	(718) 443-6160	Tokhie, Asmatullah	Goodness Fast Food Corp
43 Empire Blvd.	Brooklyn	NY	11225	(347) 533-7788	Josan, Paramjit	JPJ FRANKLIN, LLC
277 Broadway	Brooklyn	NY	11211	(347) 916-1399	Marwaha, Suhodh and Patel, Vishnubhai	Subodh Marwah & Vishnubhai Patel, individually
1130 Myrtle Ave.	Brooklyn	NY	11206	(347) 789-4250	Nasary Bari, Nasary, Mrwyse, and Nasary, Sajaad	1128 Myrtle Ave Food Corp
1146 Liberty Avenue	Brooklyn	NY	11208	(347) 533-7800	Singh, Manjit and Singh, Bhupinder	SPS Liberty, Inc.
1801 Church Ave	Brooklyn	NY	11226	(347) 955-4360	Farr, Zeyad and Hajahmed, Khaled	Church Burger, LLC
1969 Elmwood Ave	Buffalo	NY	14207	(716) 262-2047	Nowak, Bill and Gentry, Gail	UCG Ventures 2, LLC
2665 Bailey Ave.	Buffalo	NY	14215	(716) 262-2216	Nowak, Bill and Gentry, Gail	UCG Ventures 4, LLC
7 W Suffolk Ave	Central Islip	NY	11722	(631) 320-2690	Singh, Manjit and Josan, Paramjit	Uni Islip, LLC
2563 Union Road	Cheektowaga	NY	14227	(716) 262-2165	Nowak, Bill and Gentry, Gail	Bill Nowak and Gail Gentry, Individually (UCG Ventures, LLC)

Checkers/Rally's
August
2024

2430 Hempsted Turnpike	East Meadow	NY	11554	(516) 731-5007	Gupta, Atul and Joshi, Raju	HKHR East Meadow, LLC
9505 57th Ave	Elmhurst	NY	11373	(917) 396-1350	Mandani, Salma and Frank	City Fast Food, LLC
600 Hempstead Turnpike	Elmont	NY	11003	(516) 326-6859	Gupta, Atul and Joshi, Raju	HKHR Jar Enterprises, LLC
461 Fulton Avenue	Hempstead	NY	11550	(516) 565-2906	Gupta, Atul and Joshi, Raju	HKHR Jar Enterprises, LLC
1680 New York Avenue	Huntington Station	NY	11746	(631) 923-1660	Josan, Paramjit	First Island Burgers, LLC
8345 Parsons Blvd.	Jamaica	NY	11432	(718) 291-4738	Valencia, Rod	Parsons QSR, LLC
133-18 Guy Brewer Blvd	Jamaica	NY	11433	(718) 413-5599	Singh, Manjit and Singh, Bhupinder	Khori Foods, Inc.
181-24 Hillside Ave	Jamaica	NY	11432	(929) 335-0272	Singh, Manjit and Singh, Bhupinder	Prem Hillside, Inc.
258 Portion Road	Lake Ronkonkoma	NY	11779	(631) 285-2541	Singh, Manjit and Josan, Paramjit	United LI Group, LLC
2712 Queens Plaza South	Long Island City	NY	11101	(718) 392-4252	Valencia, Rod	Queens Plaza South QSR, LLC.
695 Saint Nicholas Ave	New York	NY	10030	(212) 234-7067	Saleem, Muhammad and Moughal, Kelly	SK63, Inc.
79 W. 125th St.	New York	NY	10027	(212) 837-1500	Saleem, Muhammad and Moughal, Kelly	SK125, Inc.
530 Willis Ave	New York	NY	10455	(347) 862-0367	Ahmed, Muhktar	M&M Burgers, Inc.
77 Chambers Street	New York	NY	10007	(212) 587-8888	Kumar, Kamal	77 Chambers of NY, INC
120-06 Liberty Ave	Richmond Hill	NY	11419	(718) 848-4400	Singh, Manjit and Singh, Bhupinder	Murala Liberty, Inc.
139-33 245th St.	Rosedale Village	NY	11422	(347) 426-9878	Josan, Paramjit	Sunrise Burgers, LLC
122-21 Merrick Blvd	St. Albans	NY	11434	(718) 712-2420	Singh, Manjit and Singh, Bhupinder	BPS-Merrick, Inc.
2270 Forest Ave	Staten Island	NY	10303	(718) 816-4382	Parikh, Amish	Forest Burgers, LLC
2374 Niagara Falls Blvd.	Tonawanda	NY	14150	(716) 262-2046	Nowak, Bill and Gentry, Gail	UCG Ventures 3, LLC
635 Old Country Road	Westbury	NY	11590	(516) 333-7992	Gupta, Atul and Joshi, Raju	HKHR Jar Enterprises, LLC
2520 Fayetteville St	Durham	NC	27707	(919) 908-9792	Bookman, Dobbin	Bookman Commercial Holdings, LLC
703 S.E. Greenville Blvd., Suite #23	Greenville	NC	27858	(252) 321-6779	Duffy, Ron	Coastal Carolina Food Corporation

Checkers/Rally's
August
2024

1304 2nd Street NE	Hickory	NC	28601	(828) 578-6075	Gillie, Scott and Rosalind	Reel Food, LLC
643 N. Marine Blvd.	Jacksonville	NC	28540	(910) 346-8197	Duffy, Ron	Coastal Carolina Food Corporation
4370 Fayetteville Rd.	Lumberton	NC	28358	(910) 370-0158	Thompson, Donnell	RWDT Foods, Inc.
1888 E Raleigh Blvd	Rocky Mount	NC	27801	(252) 908-5591	Thompson, Donnell	Country Club Burger, LLC
938 Grove Street	Shelby	NC	28152	(704) 406-9740	Marupaka, Vijay and Ali, Rana	Trident NC QSR , LLC
149 S Bragg Blvd.	Spring Lake	NC	28390	(910) 436-1134	Duffy, Ron	Coastal Carolina Food Corporation
1901 Oleander Dr	Wilmington	NC	28403	(910) 251-7856	Duffy, Ron	Coastal Carolina Food Corporation
5226 Sigmon Road	Wilmington	NC	28403	(910) 392-8299	Patel, Kamlesh	Ishan and Om Inc.
4315 N. George St.	Manchester	PA	17345	(717) 978-5371	Zeigler, Donald	Donald Zeigler, an individual
3500 Aramingo Ave.	Philadelphia	PA	19134	(267) 538-6481	Patel, Jiger	MAA Umiya Foods, LLC
9173 Roosevelt Boulevard	Philadelphia	PA	19114	(215) 552-2471	Goswami, Dinesh	Roosevelt Blvd Burgers, LLC
1846 Remount Road	Charleston	SC	29406	(843) 740-9166	Charania, Shamsuddin	FalconsBurger, LLC
3690 Ashley Phosphate Rd. N.	Charleston	SC	29420	(843) 793-4406	Charania, Shamsuddin	Falcons Burger, LLC
1245 S. Irby Street	Florence	SC	29505	(843) 629-8480	Gillie, Scott, Burger, Jason, Apat, Victor, Tannenbaum, Mike, Vallini, Daniel	Q5 Investments, LLC
1029 Edgefield Road	North Augusta	SC	29860	(803) 426-8237	Charania, Shamsuddin	FalconsBurger, LLC
4299 Dorchester Rd.	North Charleston	SC	29405	(843) 744-4469	Charania, Shamsuddin	FalconsBurger, LLC
601 N. Main St.	Summerville	SC	29483	(843) 285-5733	Charania, Shamsuddin	FalconsBurger, LLC
920 25th Street NW	Cleveland	TN	37311	(423) 473-0293	Roberts, Larry	Bayshore Development, Inc.
4348 Ringgold Road	East Ridge	TN	37412	(423) 622-7120	Roberts, Larry	Bayshore Development, Inc.
930 Rivergate Parkway	Goodlettsville	TN	37072	(615) 239-3548	Rezi, Mike	HAMBURGI NASHVILLE, LLC
620 Carriage House Drive	Jackson	TN	38305	(731) 300-3900	Turner, William and Turner, Sedrick	Global Midsouth Holding Corp
4100 Chapman Hwy	Knoxville	TN	37920	(865) 415-2753	Kizer, Bill	Fast Fries, LLC
3423 Windfield Dunn Pkwy.	Kodak	TN	37764	(865) 465-7811	Lee, Terry	Lee Food Group, Inc.

Checkers/Rally's
August
2024

5062 Murfreesboro Rd.	LaVergne	TN	37086	(615) 573-2393	Rezi, Mike	HAMBURGI NASHVILLE, LLC
3935 Park Ave.	Memphis	TN	38111	(901) 323-0107	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Mid-south Restaurants, LLC
7938 Winchester Rd	Memphis	TN	38125	(901) 590-0412	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Mid-South Restaurants, LLC
3091 S. Perkins Rd.	Memphis	TN	38118	(901) 529-7543	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Tri State Restaurants, LLC
600 N. Germantown Pkwy	Memphis	TN	38018	(901) 654-3082	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Tri-State Restaurants III, LLC
6990 E. Shelby Dr.	Memphis	TN	38125	(901) 410-8242	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Tri State Restaurants III, LLC
3605 Elvis Presley Blvd.	Memphis	TN	38116	(901) 332-0143	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Tri State Restaurants, LLC
6000 Mount Moriah Road	Memphis	TN	38115	(901) 797-8455	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Tri State Restaurants, LLC
3240 Austin Peay Highway	Memphis	TN	38128	(901) 384-9271	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Tri State Restaurants, LLC
3680 Lamar Ave.	Memphis	TN	38118	(901) 433-9480	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Tri State Restaurants III, LLC
631 S. Bellevue	Memphis	TN	38104	(901) 722-9090	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Tri State Restaurants, LLC
434 E Eh Crump Blvd	Memphis	TN	38126	(901) 774-4812	Aman, Anwar, Devji, Rafiq, Badruddin, Kheraj and Sarria, Carlos	Tri State Restaurants, LLC
829 N.W. Broad Street	Murfreesboro	TN	37129	(615) 605-7655	Rezi, Mike	HAMBURGI NASHVILLE, LLC

Checkers/Rally's
August
2024

3001 Gallatin Road	Nashville	TN	37216	(615) 753-9903	Rezi, Mike	HAMBURGI NASHVILLE, LLC
3232 Clarksville Pike	Nashville	TN	37218	(615) 573-7684	Rezi, Mike	HAMBURGI NASHVILLE, LLC
8457 State Hwy 90 N.	Anderson	TX	77830	(936) 510-8024	Momin, Lem	Sunstar Food, Inc.
16160 Interstate 10 E	Baytown	TX	77523	(346) 241-0040	Momin, Lem	Sunstar Food Inc.
6199 Decker Dr.	Baytown	TX	77520	(281) 837-7049	Momin, Lem	Sunstar Food, Inc.
4215 E. Lucas Dr	Beaumont	TX	77708	(409) 333-1465	Sebastien, Scott M.	Checkerboard Restaurants VIII, Inc.
490 N. 11th Street	Beaumont	TX	77702	(409) 833-6365	Sebastien, Scott M.	Checkerboard Restaurants II, Inc.
950 W. St. Mary's St.	Centerville	TX	75833	(903) 536-1170	Momin, Lem	Sunstar Food, Inc.
18703 FM 2100 Rd Suite A	Crosby	TX	77532	(281) 462-7753	Maknoja, Mahendi	Fine Gourmet, LLC
9645 US Hwy 90	Dayton	TX	77535	(936) 681-8659	Maknoja, Mahendi	Fine Gourmet, LLC
210 Hwy 90	Devers	TX	77538	(936) 549-7008	Maknoja, Mahendi	Fine Gourmet, LLC
500 I-45 South	Fairfield	TX	75840	(903) 915-4794	Maknoja, Mahendi	Fine Gourmet, LLC
418 University Dr	Hempstead	TX	77445	(281) 254-8613	Maknoja, Mahendi	Fine Gourmet, LLC
17155 Eastex Freeway Service Rd	Houston	TX	77396	(832) 644-5763	Maknoja, Mahendi	Fine Gourmet, LLC
15710 Ella Blvd.	Houston	TX	77090	(832) 286-4506	Momin, Lem	Sunstar Food, Inc.
121 Remington Valley Drive	Houston	TX	77073	(281) 982-3259	Alam, Khandaker	Alam's QSR, Inc.
6001 Mount Houston Rd	Houston	TX	77050	(281) 416-4100	Panjwani, Shamsuddin (Sam)	NextGen Foods, Inc.
11611 East Sam Houston Parkway North	Houston	TX	77044	(281) 416-5021	Maknoja, Mahendi	Fine Gourmet, LLC
11863 N Sam Houston Pkwy E	Humble	TX	77396	(346) 219-2644	Panjwani, Shamsuddin (Sam)	NextGen Foods, Inc.
29625 Highway Boulevard	Katy	TX	77494	(281) 574-6696	Maknoja, Mahendi	Fine Gourmet, LLC
600 Katy Fort Bend Rd.	Katy	TX	77494	(281) 394-9723	Sarkar, Gopal	Gurudas Hospitality, LLC
35 Highway 105	Moss Hill	TX	77575	(936) 298-1344	Maknoja, Mahendi	Fine Gourmet, LLC

Checkers/Rally's
August
2024

1132 Nederland Ave	Nederland	TX	77627	(409) 344-9062	Sebastien, Scott M.	Checkerboard Restaurants III, Inc.
12050 Highway 59	Splendora	TX	77327	(281) 806-7731	Maknojia, Mahendi	Fine Gourmet, LLC
35515 US-290 BUS	Waller	TX	77484	(936) 372-8026	Maknojia, Mahendi	Fine Gourmet, LLC
3901 Plank Road	Fredericksburg	VA	22407	(540) 412-1626	Rizvi, Syed and Memon, Ali	Fredericksburg BCF, LLC
6530 Trading Square	Haymarket	VA	20169	(703) 754-6241	Ahmed, Mahmood and Magsood	RHA&S Enterprises, Inc.
9540 Liberia Avenue	Manassas	VA	20110	(571) 229-9436	Kalotra, Rakesh and Singh, Rajesh	R & R Enterprise, LLC
7550 Broken Branch Lane	Manassas	VA	20109	(703) 335-0084	Martin, Keith A.	Mar-Chek, Inc.
826 Berryville Ave	Winchester	VA	22601	(540) 722-2001	Afsari, Anthony	AAA Enterprise, LLC
1920 Daniel Stuart Square	Woodbridge	VA	22191	(703) 492-6663	Martin, Keith A.	Mar-Chek II, Inc.
65 Market St	Zion Crossroads	VA	22942	(434) 373-7802	Akram, Anis	Pondview Properties SD, LLC
7525 W Capitol Dr	Milwaukee	WI	53216	(414) 536-5550	Patel, Sanjay and Roepsch, Thomas	MKE Burgers, Inc.
1205 W. North Avenue	Milwaukee	WI	53205	(414) 263-1717	Patel, Sanjay and Roepsch, Thomas	MKE Burgers, Inc.
3431 W. Fond du Lac Avenue	Milwaukee	WI	53210	(414) 444-6774	Patel, Sanjay and Roepsch, Thomas	MKE Burgers, Inc.
1840 8th Street South	Wisconsin Rapids	WI	54494	(715) 421-5140	Brooks, Andrew	AMB Checks, LLC
4110 1st Avenue	Nitro	WV	25143	(304) 755-3505	Hively, Richard	R & R Management, LLC

The following franchisees had signed franchise agreements as of January 2, 2024 but their outlets were not yet open:

Address	City	State	Phone Number	Complete Name	Company Name
812 Southwest Dr.	Jonesboro	AR	(870) 336-3216	Kumar, Namita	M&A Fast Food, LLC
1624 Skyline Blvd	Cape Coral	FL	(239) 922-1070	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
1624 Skyline Blvd	Cape Coral	FL	(239) 922-1070	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
Not yet determined	Jacksonville	FL	(614) 554-3885	Jay Patel	WB of Wildwood, LLC
1265 N Cherokee Rd	Social Circle	GA	(770) 464-1199	Dosani, Yousuf	IMAJE Investments
1055 National Highway	LaVale	MD	(301) 533-8982	Kotak, Dharmesh	Asian Bros.
8201 Veterans Hwy	Millersville	MD	(240) 447-3920	Bastola, Sudhir	
660 US-7	Holly Springs	MS	(901) 409-0975	Turner, Sedrick	Global Midsouth Holding Corporation
30564 Hwy. 441 S.	Burlington Township	NJ	(732) 261-8004	Ali, Rana	
3100 Quakerbridge Rd., Suite 31	Hamilton Township	NJ	(732) 579-1054	Patel, Jimy	Winter Leaf of Trenton, LLC
399 Bristol Pike	Croydon	PA	(267) 554-7139	Patel, Milin	Arar Foods, LLC
4813-23 Lancaster Ave	Philadelphia	PA	(302) 256-0316	Goswami, Dinesh	ARGRP Burgers
232 W Lehigh Ave	Philadelphia	PA	(302) 256-0316	Goswami, Dinesh	ARGRP Burgers
452 Killian Rd	Columbia	SC	(678) 732-9187	Charania, Shamsu	FalconsBurger, LLC
901 Bush River Rd	Columbia	SC	(678) 732-9187	Charania, Shamsu	Falcons Burger, LLC
7373 Two Notch Rd	Columbia	SC	(803) 667-9846	Charania, Shamsuddin	FalconsBurger, LLC
446 N. Willow Ave.	Cookeville	TN	(615) 573-2393	Rezi, Mike	Hamburgi LLC

The following table lists all Rally's Restaurant franchisees as of January 2, 2024:

Address	City	State	Zip	Phone Number	Complete Name	Company Name
4030 First Avenue N	Birmingham	AL	35212	(205) 201-4404	Thompson, Donnell	Checkerboard Foods, LLC
343 West McKellips Road	Mesa	AZ	85201	(480) 835-8857	Ong, Quy Bruce	Ong's AZ Enterprises, LLC
403 N Greenfield Rd	Mesa	AZ	85205	(480) 590-7149	Leung, Daniel	Sun Food Concepts, LLC
1345 West Camelback Rd.	Phoenix	AZ	85013	(602) 675-2255	Ong, Quy Bruce	Ong's AZ Enterprises, LLC
1935 W Northern Ave	Phoenix	AZ	85021	(623) 401-9330	Leung, Daniel	Sun Food Concepts, LLC
7890 W Thomas Rd	Phoenix	AZ	85033	(623) 249-6615	Ramchandani, Gautam and Gallagher, Keith	KGR 7890 Ops, LLC
617 West Bell Road	Phoenix	AZ	85023	(602) 942-2930	Leung, Daniel	Sun Food Concepts, LLC
1410 West University	Tempe	AZ	85281	(480) 968-6434	Ong, Quy Bruce	Ong's AZ Enterprises, LLC
2380 S 4th Ave	Yuma	AZ	85364	(928) 782-7380	Barrios, Jr., Robert	Barrios Foods, Inc.
240 West Main	Brawley	CA	92227	(760) 351-1120	Barrios, Jr., Robert	Barrios Foods, Inc.
200 E. Cole Road	Calexico	CA	92231	(760) 357-8205	Barrios, Jr., Robert	Barrios Foods, Inc.
232 First St	Calexico	CA	92231	(760) 357-5528	Barrios, Jr., Robert	Barrios Foods, Inc.
1004 3rd Avenue	Chula Vista	CA	91911	(619) 476-8780	Ong, Quy Bruce	Ong's Restaurant Group, Inc.
7911 Auburn Blvd.	Citrus Heights	CA	95610	(916) 560-9690	Aibuedefe, Ben	B&A Enterprises, Inc.
280 W. Ashlan Avenue	Clovis	CA	93612	(559) 291-1276	Gomez, Javier	F&M Restaurants Inc.
1261 East Main Street	El Cajon	CA	92021	(619) 444-3496	Barrios, Jr., Robert	Barrios Foods, Inc.
1820 North Imperial Ave	El Centro	CA	92243	(760) 482-5428	Barrios, Jr., Robert	Barrios Foods, Inc.
1157 East Valley Parkway	Escondido	CA	92025	(760) 432-0323	Barrios, Jr., Robert	Barrios Foods, Inc.
1345 Fresno Street	Fresno	CA	93706	(559) 264-2262	Gomez, Javier	F&M Restaurants Inc.
1135 N. Parkway	Fresno	CA	93710	(559) 266-3605	Gomez, Javier	F&M Restaurants Inc.
1034 E. Bullard Avenue	Fresno	CA	93710	(559) 261-9472	Gomez, Javier	F&M Restaurants Inc.
4818 E. Cesar Chavez Blvd.	Fresno	CA	93727	(559) 456-0271	Gomez, Javier	F&M Restaurants Inc.
4020 W Shaw Ave	Fresno	CA	93722	(559) 271-2986	Gomez, Javier	F&M Restaurants Inc.
10642 Katella Ave.	Garden Grove	CA	92804	(657) 220-4299	Danesh, Shahraz	DBD QSR Enterprise, Inc.
14306 Crenshaw Blvd.	Gardena	CA	90249	(310) 527-2238	Delawalla, Farida and Noorali	MZ Burgers, Inc.

Checkers/Rally's
August
2024

1706 W. Lacy Avenue	Hanford	CA	93230	(559) 583-1907	Gomez, Javier	F&M Restaurants Inc.
12812 S. Hawthorne Blvd.	Hawthorne	CA	90250	(310) 219-0013	Delawalla, Farida and Noorali	Elite Restaurant Concepts Inc.
8500 Crenshaw	Inglewood	CA	90305	(323) 753-5033	Hashim, Aziz and Hashim, Fatima	PRM Investments, LLC
7393 El Cajon Blvd	La Mesa	CA	91942	(619) 439-7201	Karas, Wahid	WNK Foods, Inc.
3490 East Artesia	Long Beach	CA	90805	(562) 422-6663	Delawalla, Farida and Noorali	MZ Burgers, Inc.
2001 E. Pacific Coast Hwy.	Long Beach	CA	90804	(562) 434-6536	Delawalla, Farida and Noorali	MZ Burgers, Inc.
7207 S. Avalon	Los Angeles	CA	90003	(323) 751-5839	Hashim, Aziz and Hashim, Fatima	PRM Investments, LLC
3650 MLK Blvd.	Los Angeles	CA	90008	(323) 299-8510	Delawalla, Farida and Noorali	Elite Restaurant Concepts Inc.
1330 E Pacheco Blvd	Los Banos	CA	93635	(209) 826-1946	Gomez, Javier	F&M Restaurants Inc.
2310 West Cleveland	Madera	CA	93637	(559) 662-1377	Gomez, Javier	F&M Restaurants Inc.
12721 Moreno Beach Dr	Moreno Valley	CA	92555	(951) 485-4452	Munagala, Dr. Bhaskara (Reddy)	NNPB Corporation
11750 Imperial Highway	Norwalk	CA	90650	(562) 807-0036	Delawalla, Farida and Noorali	Elite Restaurant Concepts Inc.
1230 W. Henderson Avenue	Porterville	CA	93257	(209) 782-4687	Gomez, Javier	F&M Restaurants Inc.
466 E Foothills Blvd	Rialto	CA	92376	(909) 961-2320	Karas, Wahid	WNK Foods, Inc.
6051 Florin Rd	Sacramento	CA	95823	(916) 603-8928	Kahlon, Serge and Sonia	SSKEATS, Inc.
170 E 40th St.	San Bernardino	CA	92404	(909) 882-0328	Karas, Wahid	WNK Foods
494 South Mount Vernon Ave	San Bernardino	CA	92410	(909) 381-9655	Karas, Wahid	WNK Foods, Inc.
931 S. 30th Street	San Diego	CA	92113	(619) 546-8595	Ong, Quy Bruce	Ong's Restaurant Group, Inc.
1545 Palm Avenue	San Diego	CA	92154	(619) 429-3139	Ong, Quy Bruce	Ong's Restaurant Group, Inc.
3382 Murphy Canyon Rd.	San Diego	CA	92123	(858) 277-2559	Ong, Quy Bruce	Ong's Restaurant Group, Inc.
8667 Jamacha Road	Spring Valley	CA	91977	(619) 464-3223	Ong, Quy Bruce	Ong's Restaurant Group, Inc.
1317 E. Foothill Blvd	Upland	CA	91786	(909) 931-9286	Karas, Wahid	WNK Foods, Inc.

Checkers/Rally's
August
2024

4345 Maine Ave.	Baldwin Park	CA	91706	(626) 426-4004	Hashim, Malik	FMSRS, Inc.
550 South Walnut Street	Bloomington	IN	47401	(812) 650-3868	Charania, Shamsuddin	FalconsBurger, LLC
1010 S Peru Street	Cicero	IN	46034	(317) 984-2379	Banwait, Jaswant and Dhindsa, Sukhdev	Cicero Petro, Inc.
756 E Lewis	Clarksville	IN	47129	(812) 284-5151	Charania, Shamsuddin	FalconsBurger, LLC
2080 North National Road	Columbus	IN	47201	(812) 372-1059	Charania, Shamsuddin	FalconsBurger, LLC
4720 E Morgan Ave.	Evansville	IN	47715	(812) 475-9450	Charania, Shamsuddin	FalconsBurger, LLC
1201 East Virginia Street	Evansville	IN	47711	(812) 425-8119	Charania, Shamsuddin	FalconsBurger, LLC
6139 Stellhorn Road	Fort Wayne	IN	46815	(260) 486-9262	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
4810 Coldwater Road	Fort Wayne	IN	46825	(260) 483-4335	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
320 W Jefferson Blvd.	Fort Wayne	IN	46802	(260) 422-7842	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
3906 E. State Blvd	Fort Wayne	IN	46805	(260) 484-6006	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
6022 W. Jefferson	Fort Wayne	IN	46802	(260) 436-7509	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
5607 Anthony Blvd.	Fort Wayne	IN	46806	(260) 441-8400	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
6735 Indianapolis Blvd.	Hammond	IN	46324	(219) 802-8576	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
4905 Kentucky Ave	Indianapolis	IN	46221	(317) 821-0645	Kaufman, Fred	KENTUCKY AVENUE, LLC
368 US Hwy 231 S	Jasper	IN	47546	(812) 634-9001	Sarmiento, Nathan, Cossin, Luz	Cossar Joint Venture, LLC
400 Clifty Drive	Madison	IN	47250	(812) 273-6600	Charania, Shamsuddin	FalconsBurger, LLC
2102 Franklin St	Michigan City	IN	46360	(219) 243-7634	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
2350 State Street	New Albany	IN	47150	(812) 590-3181	Charania, Shamsuddin	Falcons Burger, LLC
401 Vincennes Street	New Albany	IN	47150	(812) 944-3670	Charania, Shamsuddin	FalconsBurger, LLC
1507 East Tipton Street	Seymour	IN	47274	(812) 522-4623	Charania, Shamsuddin	FalconsBurger, LLC
2021 South Michigan Street	South Bend	IN	46613	(574) 234-3407	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC

Checkers/Rally's
August
2024

129 South 3rd Street	Terre Haute	IN	47807	(812) 232-3886	Sarmiento, Nathan, Cossin, Luz	Cossar Joint Venture, LLC
3175 East Wabash Avenue	Terre Haute	IN	47803	(812) 814-3221	Sarmiento, Nathan, Cossin, Luz	Cossar Joint Venture, LLC
2022 North 6th Street	Vincennes	IN	47591	(812) 886-9530	Sarmiento, Nathan, Cossin, Luz	Cossar Joint Venture, LLC
910 West 5th Avenue	Gary	IN	46402	(219) 455-6601	Sarria, Carlos, Aman, Anwar, Noordin, Salman	United Restaurants, LLC
405 Russell Road	Ashland	KY	41101	(606) 327-5533	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
640 US 31 W Bypass	Bowling Green	KY	42101	(270) 843-8485	Charania, Shamsuddin	FalconsBurger, LLC
475 Campbellsville Bypass	Campbellsville	KY	42718	(270) 469-9032	Johar, Rajiv and Holt, Jerry	Four Star Foods, Inc.
525 W. Dixie Avenue	Elizabethtown	KY	42701	(270) 370-3605	Charania, Shamsuddin	FalconsBurger, LLC
1790 Airport Exchange	Erlanger	KY	41018	(859) 282-8984	Othman, Amani (Amy)	Othman, Amani
321 Mt. Zion Road	Florence	KY	41042	(859) 371-0354	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
210 S. L. Rogers Wells Blvd.	Glasgow	KY	42141	(270) 629-3278	Johar, Rajiv and Holt, Jerry	Four Star Foods, Inc.
1927 US 41 North	Henderson	KY	42420	(270) 869-8251	Charania, Shamsuddin	FalconsBurger, LLC
2921 Ft. Campbell Blvd.	Hopkinsville	KY	42240	(270) 886-0255	Charania, Shamsuddin	FalconsBurger, LLC
511 S. Main Street	Leitchfield	KY	42754	(270) 230-1905	Johar, Rajiv and Holt, Jerry	Four Star Foods II, Inc.
4171 Bates Creek Centre Dr	Lexington	KY	40517	(859) 523-5211	Charania, Shamsuddin	FalconsBurger, LLC
410 Georgetown Road	Lexington	KY	40511	(859) 255-6474	Charania, Shamsuddin	FalconsBurger, LLC
125 New Circle Road NE	Lexington	KY	40505	(859) 299-3884	Charania, Shamsuddin	FalconsBurger, LLC
3455 Taylor Blvd.	Louisville	KY	40215	(502) 368-3956	Charania, Shamsuddin	FalconsBurger, LLC
8601 Preston Highway	Louisville	KY	40219	(502) 968-7145	Charania, Shamsuddin	FalconsBurger, LLC
3290 Bardstown Road	Louisville	KY	40205	(502) 459-4124	Charania, Shamsuddin	FalconsBurger, LLC
5506 New Cut Road	Louisville	KY	40214	(502) 361-5151	Charania, Shamsuddin	FalconsBurger, LLC
2130 W. Broadway	Louisville	KY	40211	(502) 778-3446	Charania, Shamsuddin	FalconsBurger, LLC
10310 Dixie Hwy.	Louisville	KY	40272	(502) 933-8538	Charania, Shamsuddin	FalconsBurger, LLC

Checkers/Rally's
August
2024

4401 Cane Run Road	Louisville	KY	40216	(502) 449-3078	Charania, Shamsuddin	FalconsBurger, LLC
790 East Center Street	Madisonville	KY	42431	(270) 821-9770	Charania, Shamsuddin	FalconsBurger, LLC
3052 Owingsville Road	Mount Sterling	KY	40353	(859) 432-8985	Patel, Romik	Maruti Fast Foods, LLC
1201 Chestnut St	Murray	KY	42071	(270) 917-7255	Johar, Rajiv and Holt, Jerry	Holt Burgers, LLC
1301 Frederica	Owensboro	KY	42301	(270) 685-2788	Charania, Shamsuddin	FalconsBurger, LLC
160 N. Dixie	Radcliff	KY	40160	(270) 352-1611	Charania, Shamsuddin	FalconsBurger, LLC
509 Eastern ByPass	Richmond	KY	40475	(859) 623-5754	Charania, Shamsuddin	FalconsBurger, LLC
441 Adam Shepherd Pkwy.	Shepherdsville	KY	40165	(502) 531-1187	Patel, Ishwar	Ma Kali Li, LLC
1478 W. Lexington Avenue	Winchester	KY	40391	(859) 745-1929	Lack, Scott	Lack Enterprises, LLC
1159 Grand Caillou	Houma	LA	70363	(985) 851-5529	Roberts, Rennis	RCR FOODS, LLC
1526 Martin Luther King Blvd.	Houma	LA	70364	(985) 851-1090	Roberts, Rennis	RCR FOODS, LLC
3102 Loyola Drive	Kenner	LA	70065	(504) 466.6550	Stevens, Jodi	JCS Drive Thru Restaurant 2, Inc.
1229 Veterans Blvd	Ponchatoula	LA	70454	(985) 467-0129	Fontenot, Kendall	Ultimate Restaurants, LLC
400 North Canal Blvd	Thibodaux	LA	70301	(985) 492-2180	Roberts, Rennis	RCR FOODS, LLC
1109 East U.S. 223	Adrian	MI	49221	(517) 265-9545	Rosania, Mike	RR Adrian, LLC
3990 East Wilder Road	Bay City	MI	48706	(989) 686-6877	Chand, Sanjiv	Jasam Enterprises, LLC
102 S. Madison	Bay City	MI	48708	(989) 895-2677	Chand, Sanjiv	Jasam Enterprises, LLC
3514 S. Saginaw st	Burton	MI	48529	(810) 249-3244	Chand, Sanjiv	Jasam Enterprises, LLC
640 Lansing Road	Charlotte	MI	48813	(517) 543-1561	Burkhardt, Matthew	L.B.F.C., Inc.
4514 W Vienna Road	Clio	MI	48420	(810) 686-3942	Chand, Sanjiv	Jasam Enterprises, LLC
15155 Silver Pkwy	Fenton	MI	48430	(810) 215-1225	Chand, Sanjiv	Jasam Enterprises, LLC
4455 Corunna Road	Flint	MI	48532	(810) 733-3809	Balen, Alan	I.B. Corp.
1914 Dort Highway	Flint	MI	48506	(810) 766-9537	Smiley, Alan	SB Group II, Inc.
1095 North Wisner St	Jackson	MI	49202	(517) 787-0478	Chand, Sanjiv	Jasam Enterprises, LLC
3110 S Martin Luther King Jr. Blvd	Lansing	MI	48910	(517) 887-9380	Burkhardt, Matthew	L.B.F.C., Inc.
4721 W. Saginaw Hwy.	Lansing	MI	48917	(517) 483-2578	Chand, Sanjiv	Jasam Enterprises, LLC
505 E. Oakland	Lansing	MI	48906	(517) 482-6464	Burkhardt, Matthew	B.M.A., Inc.
2020 South Saginaw Road	Midland	MI	48640	(989) 750-7359	Chand, Sanjiv	Jasam Enterprises, LLC

Checkers/Rally's
August
2024

1501 S. Mission Street	Mount Pleasant	MI	48858	(989) 773-5404	Chand, Sanjiv	Jasam Enterprises, LLC
3588 Bay Road	Saginaw	MI	48603	(989) 399-1540	Balen, Alan	I.B. Corp.
515 S. Michigan	Saginaw	MI	48602	(989) 799-7748	Chand, Sanjiv	Jasam Enterprises, LLC
420 E Genesee Ave	Saginaw	MI	48607	(989) 752-2257	Chand, Sanjiv	Jasam Enterprises, LLC
2961 Cook Road	West Branch	MI	48661	(989) 701-2601	Stuck, Joyce and Michael	Stuck on Burgers, Inc.
755 Brookway Blvd	Brookhaven	MS	39601	(601) 990-2235	West, Richard	Coastal Express, Inc.
5804 Terry Rd	Byram	MS	39272	(601) 667-4004	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
2100 Raymond Rd	Jackson	MS	39212	(769) 251-1912	West, Richard	Coastal Express, Inc.
1805 Highway 80 West	Jackson	MS	39204	(601) 355-7641	West, Richard	Coastal Express, Inc.
219 Northside Drive	Jackson	MS	39206	(601) 982-7337	West, Richard	Coastal Express, Inc.
318 Woodrow Wilson	Jackson	MS	39213	(601) 354-1020	West, Richard	Coastal Express, Inc.
1533 US 49	Magee	MS	39111	(601) 721-9004	Quinn, Michael and Setzer, Jason	JJB Burgers, LLC
3105 Highway 80 E	Pearl	MS	39208	(601) 932-8874	West, Richard	Coastal Express, Inc.
1134 N Sprigg St.	Cape Girardeau	MO	63701	(573) 388-2514	Turner, William and Turner, Sedrick	Global Midsouth Holding Corp.
1006 W Business Hwy 60	Dexter	MO	63841	(573) 614-5871	Turner, William and Turner, Sedrick	Global Midsouth Holding Corp.
605 N Washington	Farmington	MO	63640	(573) 701-0150	Turner, William and Turner, Sedrick	Global Midsouth Holding Corp.
113 West Jackson Boulevard	Jackson	MO	63755	(573) 204-4529	Turner, William and Turner, Sedrick	Global Midsouth Holding Corp.
1324 N Westwood Blvd	Poplar Bluff	MO	63901	(573) 712-2316	Turner, William and Turner, Sedrick	Global Midsouth Holding Corp.
533 North Main St.	Sikeston	MO	63801	(573) 481-2300	Turner, William and Turner, Sedrick	Global Midsouth Holding Corp.
10650 St Charles Rock Rd	St. Ann	MO	63074	(314) 395-1056	Alabyadh, Mohamed and Ahmed, Tawafeiq	TAK Management, LLC
826 1st Capital Drive	St. Charles	MO	63301	(636) 896-4559	Alabyadh, Mohamed and Ahmed, Tawafeiq	TAK Management
3553 Chouteau Ave	St. Louis	MO	63103	(314) 354-6592	Alabyadh, Mohamed and Ahmed, Tawafeiq	TAK Management
4175 E Desert Inn Rd	Las Vegas	NV	89121	(725) 206-5029	Karas, Wahid	WNK LV, Inc.
4855 South Jones Blvd.	Las Vegas	NV	89103	(725) 204-1059	Karas, Wahid	WNK Foods, Inc.

Checkers/Rally's
August
2024

1900 E. Charleston Blvd.	Las Vegas	NV	89104	(702) 462-9930	Karas, Wahid	WNK LV, Inc.
2319 E. Sharon Rd.	Cincinnati	OH	45241	(513) 407-6268	Crewal, Jagpal (Paul and Sarah)	Tri State Foods, LLC
4115 Glenway Avenue #1	Cincinnati	OH	45205	(513) 471-5248	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
2115 North Verity Parkway	Middletown	OH	45042	(513) 424-6972	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
301 Robbins Avenue	Niles	OH	44446	(330) 574-5005	Pasqualetti, Frank	YW Foods, LLC
1111 Monroe	Portsmouth	OH	45662	(740) 353-5281	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
1035 West Bancroft Street	Toledo	OH	43606	(419) 242-5544	Rosania, Mike	RR Bancroft, LLC
519 South Street	Warren	OH	44483	(330) 469-6107	Pasqualetti, Frank	YW Foods, LLC
3219 Belmont Ave	Youngstown	OH	44505	(234) 254-8058	Pasqualetti, Frank	YW Foods, LLC
906 E. 8th Ave.	Munhall	PA	15120	(412) 426-9128	Goraya, Jasmeet and Gurpal	RC Homestead, Inc.
11749 Frankstown Rd	Pittsburgh	PA	15235	(412) 241-1099	Goraya, Jasmeet and Gurpal	Grupal Goraya, an individual and Jasmeet Goraya, an Individual
1064 W. Mercury Blvd.	Hampton	VA	23666	(757) 224-8040	Fawad, Ahmed	FSR Group, Inc.
410 Denbigh Blvd	Newport News	VA	23608	(757) 874-1888	Raza, Shahid	FSR Group, Inc.
2300 Azalea Garden Road	Norfolk	VA	23513	(757) 852-3779	Raza, Shahid	FSR Group, Inc.
1208 Monticello Avenue	Norfolk	VA	23510	(757) 446-7033	Fawad, Ahmed	FSR Group, Inc.
1366 East Little Creek Rd	Norfolk	VA	23518	(757) 431-7333	Fawad, Ahmed	FSR Realty, Inc.
1101 Frederick Blvd.	Portsmouth	VA	23707	(757) 397-1299	Raza, Shahid	FSR Group, Inc.
1528 North Main St.	Suffolk	VA	23434	(757) 922-7055	Fawad, Ahmed	FSR Realty, Inc.
1641 Independence Blvd.	Virginia Beach	VA	23455	(757) 282-6327	Raza, Shahid	FSR Group, Inc.
1667 3rd Avenue	Charleston	WV	25312	(304) 345-2808	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC
604 5th Avenue	Huntington	WV	25701	(304) 525-5889	Ruggieri, Robert and Wang, Monica	Synergy Restaurant Group, LLC

Checkers/Rally's
August
2024

The following franchisees had signed franchise agreements as of January 2, 2024 but their outlets were not yet open:

Address	City	State	Zip	Phone Number	Complete Name	Company Name
405 E Florence Blvd	Casa Grande	AZ	85122	(520) 836-9569	Ledbetter, Bryan	Triple B Burgers CG, LLC
12239 W Thunderbird Rd	El Mirage	AZ	85335	(602) 374-2890	Ramchandani, Gautam and Gallagher, Keith	KGR 7890 Ops, LLC
3105 N Highway 59	Merced	CA	95348	N/A	Sidhu, Satwinder	
	North Highlands	CA	95660	N/A	Raballi, Karthik	
504 E Foothill Blvd.	Pomona	CA	91767	(909) 675-7042	Delawalla, Farida and Noorali	Elite Restaurant Concepts, Inc.
996 W Highland Ave.	San Bernardino	CA	92405	N/A	Malik, Imran	786 Food, Inc.
14982 N Prospect Ave	Tustin	CA	92780	N/A	Danesh, Shahraz	DBD QSR Enterprises, INC.
12160 Mariposa Road	Victorville	CA	92395	N/A	Matta, Mina	
2920 N Dinuba Blvd.	Visalia	CA	93291	N/A	Gomez, Javier	
7311 West 10th Street	Indianapolis	IN	46214	(317) 734-3458	Tharp, Don	Chapel Hill Rallys, LLC
555 IN-67	Mooresville	IN	46158	N/A	Tharp, Don	
555 IN-67	Mooresville	IN	46158	N/A	Tharp, Don	
106 Hwy 61 S	Natchez	MS		N/A	Setzer, Jason	
6408 W. Cheyenne Ave.	Las Vegas	NV	89130	N/A	Karas, Wahid	WNK Foods

EXHIBIT G
LIST OF FORMER FRANCHISEES

The name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the date of this disclosure document are listed below. The states listed below in which these former franchisees may be contacted are not necessarily the same states in which the former franchisees' restaurants were located. **If you buy this franchise, your contract information may be disclosed to other buyers when you leave the franchise system.**

The following table lists information for former Checkers franchisees, as we describe above:

City	State	Phone	Name	Entity
Dothan	AL	(334) 671-3098	Harms, Russell, Leon, Ken and Kunofsy, Glen	Quick Service Capital Partners LLC
Tuscaloosa	AL	(205) 750-8767	Rockwell, Larry	L.A.D. Foods, Inc.
Wilmington	DE	(403) 903-6726	Pandya, Jignesh	Sri Mahaganapati LLC
Clearwater	FL	(727) 474-2638	Quinn, Michael and Setzer, Jason	JJB Burgers LLC
Daytona Beach	FL	(386) 252-1895	Quinn, Michael and Setzer, Jason	JJB Burgers LLC
Kissimmee	FL	(407) 572-8334	Valiani, Salim	3009 W Vine LLC
Lantana	FL	(561) 855-2938	Freites, Angelo and Chapman, David	JAF Restaurant Group LLC
Palm Springs	FL	(561) 660-7961	Freites, Angelo and Chapman, David	JAF Restaurant Group LLC
Pensacola	FL	(850) 742-3468	Thompson, Donnell	Checkerboard Foods, LLC
Pensacola	FL	(850) 474-6528	Thompson, Donnell	Checkerboard Foods, LLC
Sarasota	FL	(941) 955-9896	Patel, Pritesh	WB of Wildwood, LLC
St. Petersburg	FL	(727) 302-0393	Quinn, Michael and Setzer, Jason	JJB Burgers LLC
West Palm Beach	FL	(561) 660-5804	Freites, Angelo and Chapman, David	JAF Restaurant Group LLC
Conyers	GA	(770) 760-9768	Gonzales, Shana	Paramount Restaurant Group LLC
Dublin	GA	(478) 275-2502	Pace, Will	Pac III-SG Management, LLC
Fayetteville	GA	(706) 496-2602	Charania, Shamsuddin	FalconsBurger, LLC
Gainesville	GA	(678) 989-4483	Campbell, Jim	Diamond Jim's, LLC
La Grange	GA	(706) 845-8600	Akbary, Arash	Akbary Investments, LLC
Savannah	GA	(912) 354-4939	Babb, Valerie and Linderman, Danny	StarrChex Georgia, LLC
Social Circle	GA	(770) 464-1199	Dosani, Yousuf	IMAJE Investments, LLC
Chicago	IL	(773) 904-7285	Mohamed, Aby	Aby Group, Ashland QSR #3786
De Ridder	LA	(337) 463-9103	Pynes, Robert and Pynes, Robert Jr.	RLP Restaurants 2, LLC
Leesville	LA	(337) 238-1011	Pynes, Robert and Pynes, Robert Jr.	RLP Restaurants, LLC
Lake Orion	MI	(248) 977-3019	Latshaw, Mark	KEN-MAR DRIVE-THRU LLC
Tunica Resorts	MS	(662) 357-9776	Masood, Faisal	Early Bird Petroleum Inc.
Hickory	NC	(828) 327-5611	Gillie, Scott, Burger, Jason, Apat, Victor, Tannenbaum, Mike, Vallini, Daniel	Q5 Investments, LLC
Smithfield	NC	(919) 989-2007	Duffy, Ron	Coastal Carolina Food Corporation
Burlington	NJ	(403) 903-6726	Pandya, Jignesh	2105 Burlington LLC
Camden	NJ	(403) 903-6726	Pandya, Jignesh	Shri Chintamani LLC
Amityville	NY	(403) 903-6726	Pandya, Jignesh	Broadway Amityville, LLC
Central Islip	NY	(403) 903-6726	Pandya, Jignesh	Central Islip, LLC
Depew	NY	(716) 601-7743	Malik, Meghna and Ami	Four Fries Inc

City	State	Phone	Name	Entity
Lindenhurst	NY	(403) 903-6726	Pandya, Jignesh	Lindenhurst, LLC
New York	NY	(646) 833-7302	Saleem, Muhammad and Moughal, Kelly	SK63, Inc.
Selden	NY	(403) 903-6726	Pandya, Jignesh	Selden, LLC
Shirley	NY	(403) 903-6726	Pandya, Jignesh	William Floyd Pkwy, LLC
Suffolk	NY	(403) 903-6726	Pandya, Jignesh	Suffolk, LLC
Philadelphia	PA	(215) 856-3861	Rao, Krunal	RAO Group
Philadelphia	PA	(403) 903-6726	Pandya, Jignesh	Sri Kirti, LLC
Philadelphia	PA	(403) 903-6726	Pandya, Jignesh	Shri Ballaleshwar LLC
Philadelphia	PA	(403) 903-6726	Pandya, Jignesh	Shri Siddhatek LLC
Philadelphia	PA	(403) 903-6726	Pandya, Jignesh	2008 W. Oregon Ave. LLC
Philadelphia	PA	(403) 903-6726	Pandya, Jignesh	Shri Varadavinayak LLC
Philadelphia	PA	(403) 903-6726	Pandya, Jignesh	Shri Girijatmaj LLC
Philadelphia	PA	(403) 903-6726	Pandya, Jignesh	Shri Mayureshwar LLC
Reading	PA	(610) 921-5400	Patel, Nehal and Desai, Hemal	Reading Burger, LLC
Florence	SC	(843) 292-0100	Gillie, Scott, Burger, Jason, Apat, Victor, Tannenbaum, Mike, Vallini, Daniel	Q5 Investments, LLC
Goose Creek	SC	(843) 637-4707	Pye, Andy	Kapco Foods
Smyrna	TN	(615) 573-1405	Rezi, Mike	HAMBURGI NASHVILLE, LLC
Houston	TX	(281) 506-8585	Hasan, Kamal	Samiburger1 LLC
Houston	TX	(832) 767-2414	Panjwani, Shamsuddin (Sam)	NextGen Foods, Inc.
Houston	TX	(346) 335-1878	Halani, Faisal	Faceman Corporation
Porter	TX	(281) 577-8101	Alam, Khandaker	Alam's QSR INC.
Richmond	TX	(281) 903-7754	Fareed, Humza	Star Fast Food Corporation
Webster	TX	(346) 230-7190	Fareed, Humza	Star Fast Food Corporation

The following table lists information for former Checkers franchisees whose locations transferred during the fiscal year:

City	State	Phone	Name	Entity
Wilmington	DE	(302) 256-0316	Amrish Patel	Nirdosh Inc.
Chicago	IL	(630) 235-1413	Babar Raza	BFR Foods, LLC
Muskegon	MI	(989) 573-0207	Alan Balen	I.B. Corp.
Linden	NJ	(718) 320-4764	Conrad Roberts	Pembroke Restaurant Group, Inc.
Jackson	TN	(731) 444-4518	Riad Razeq	R and Z Food Service Inc.
Katy	TX	(630) 414-2888	Murtaza Hashwani	Hashwani Brothers Corporation

The following table lists information for former Checkers franchisees whose locations closed after the fiscal year end:

City	State	Phone	Name	Entity
Griffin	GA	(678) 909-2362	Shamsuddin Charania	Falcons Burger, LLC
Marietta	GA	(770) 969-8459	Abid Khutliwala	S I Restuarants Inc.
Valdosta	GA	(229) 560-7697	John Lewis Jr.	J.C. Lewis Enterprises, Inc.
Memphis	TN	(901) 610-3267	Anwar Aman, Rafiq Devji, Kheraj Badruddin and Carols Sarria	Tri State Restuarants LLC
Houston	TX	(404) 503-8754	Samiburger1, LLC	Kamal Hasan
Houston	TX	(404) 503-8754	Samiburger1	Kamal Hasan

The following table lists information for former Rally's franchisees, as we describe above:

City	State	Phone	Name	Entity
Rialto	CA s	(909) 873-5449	Karas, Wahid	WNK Foods
Anaheim	CA	(714) 995-0907	Hashim, Aziz and Hashim, Fatima	PRM Investments, LLC
Middlesboro	KY	(606) 302-7010	Lee, Terry	Lee Food Group, Inc.
Lexington	KY	(859) 269-1900	Charania, Shamsuddin	FalconsBurger, LLC

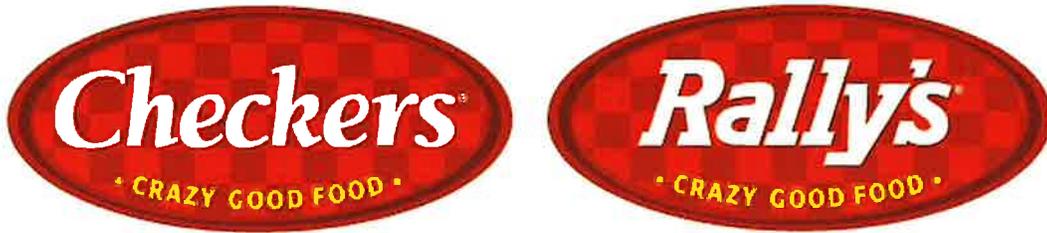
The following table lists information for former Rally's franchisees whose locations transferred during the fiscal year:

City	State	Phone	Name	Entity
Ashland (transferred 2 restaurants in KY)	KY	(301) 387-6779	Scott Lack	Lack Enterprises, LLC
Muskegon (transferred 8 restaurants in MI)	MI	(989) 573-0207	Alan Balen	I.B. Corp.
Farmington (transferred 6 restaurants in MO)	MO	(573) 701-0150	Jeff Maurer	PAJCO Inc.
Portsmouth	OH	(301) 387-6779	Scott Lack	Lack Enterprises, LLC
Virginia Beach (transferred 8 restaurants in VA)	VA	(757) 427-0342	Craig and Debbie Leonard	Mission Foods Inc.
Charleston (transferred 2 restaurants in WV)	WV	(301) 387-6779	Scott Lack	Lack Enterprises, LLC

The following table lists information for former Rally's franchisees whose locations closed after the fiscal year end:

City	State	Phone	Name	Entity
Huntington Park	CA	(404) 499-1960	Aziz Hashim and Fatima Hashim	PRM Investments LLC
San Bernadino	CA	(909) 763-3900	Imran Malik	786 Food, Inc
Jeffersonville	IN	(678) 909-2362	Shamsuddin Charania	Falcons Burger, LLC

EXHIBIT H
FINANCIAL STATEMENTS



AUDITED CONSOLIDATED FINANCIAL STATEMENTS

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

As of January 1, 2024 (Successor) and January 2, 2023 (Predecessor) and For the Periods June 17, 2023 through January 1, 2024 (Successor) and January 3, 2023 through June 16, 2023 (Predecessor) and the fiscal years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor)

With Report of Independent Auditors

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

As of January 1, 2024 (Successor) and January 2, 2023 (Predecessor) and For the Periods June 17, 2023 through January 1, 2024 (Successor) and January 3, 2023 through June 16, 2023 (Predecessor) and the fiscal years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor)

Contents

Report of Independent Auditors	1
Consolidated Balance Sheets as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor)	3
Consolidated Statements of Operations for the periods June 17, 2023 through January 1, 2024 (Successor) and January 3, 2023 through June 16, 2023 (Predecessor), and the fiscal years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor)	4
Consolidated Statements of Cash Flows for the periods June 17, 2023 through January 1, 2024 (Successor) and January 3, 2023 through June 16, 2023 (Predecessor), and the fiscal years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor)	5
Consolidated Statements of Stockholder's Equity (Deficit) for the periods June 17, 2023 through January 1, 2024 (Successor) and January 3, 2023 through June 16, 2023 (Predecessor) and the fiscal years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor)	6
Notes to Consolidated Financial Statements	7



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Report of Independent Auditors

The Board of Directors and Stockholders of Checkers Topco, LLC.

Opinion

We have audited the consolidated financial statements of Checkers Drive-In Restaurants, Inc. and subsidiaries (the Company), which comprise the consolidated balance sheets as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor), and the related consolidated statements of operations, stockholder's equity (deficit) and cash flows for the periods June 17, 2023 through January 1, 2024 (Successor) and January 3, 2023 through June 16, 2023 (Predecessor), and the fiscal years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor), and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at January 1, 2024 (Successor) and January 2, 2023 (Predecessor), and the results of its operations and its cash flows for the periods June 17, 2023 through January 1, 2024 (Successor) and January 3, 2023 through June 16, 2023 (Predecessor), and the fiscal years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor) in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Adoption of New Accounting Standard

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for leases in the fiscal year ended January 2, 2023 due to the adoption of ASU No. 2016-02, *Leases*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when



it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst + Young LLP

August 13, 2024

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

Assets	January 1, 2024 (Successor)	January 2, 2023 (Predecessor)
<i>Current assets:</i>		
Cash and cash equivalents	\$ 12,557	\$ 18,049
Accounts and notes receivable, net	7,399	6,143
Inventory	2,178	2,541
Prepaid expenses	5,308	4,468
Other current assets	2,867	2,280
Total current assets	30,309	33,481
Property and equipment, net	29,309	63,655
Operating lease right-of-use assets	145,380	185,278
Finance lease right-of-use assets	22,632	6,362
Intangibles assets, net	198,849	252,235
Favorable leasehold interests	1,848	1,410
Goodwill, net	30,037	-
Other assets	2,353	2,744
Total assets	\$ 460,717	\$ 545,165
Liabilities and Stock holder's Equity (Deficit)		
<i>Current liabilities:</i>		
Accounts payable	\$ 2,650	\$ 3,543
Accrued liabilities	13,801	17,274
Accrued wages and benefits	4,148	4,264
Current portion of deferred revenue	2,717	2,834
Current maturities of long-term debt, related party credit facility, and financing obligations	1,879	295,004
Current portion of accrued self-insurance	1,640	1,660
Current portion of operating right-of-use lease liabilities	11,742	17,143
Current portion of finance right-of-use lease liabilities	545	225
Total current liabilities	39,122	341,947
Deferred income tax liabilities	48,330	55,294
Operating lease liabilities, less current portion	149,180	202,805
Finance lease liabilities, less current portion	24,738	6,654
Long-term debt and related party credit facility, less current maturities and deferred financing costs	85,812	-
Financing obligations, less current maturities	7,846	8,573
Deferred revenue, less current portion	6,937	7,591
Accrued self-insurance, less current portion	2,211	2,005
Unfavorable leasehold interests	169	251
Other long-term liabilities	1,077	1,137
Total liabilities	365,422	626,257
Commitments and contingencies (Note 17)		
Stockholder's Equity (Deficit):		
Common stock, \$0.01 par value, 100 shares authorized, issued, and outstanding as of January 1, 2024 and January 2, 2023	-	-
Additional paid-in capital	97,951	317,859
Accumulated deficit	(2,656)	(398,951)
Total stockholder's equity (deficit)	95,295	(81,092)
Total liabilities and stockholder's equity (deficit)	\$ 460,717	\$ 545,165

See accompanying notes to consolidated financial statements

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	For the Periods Ended			
	June 17, 2023 through January 1, 2024 (Successor)	January 3, 2023 through June 16, 2023 (Predecessor)	January 2, 2023 (Predecessor)	January 3, 2022 (Predecessor)
Revenues:				
Restaurant sales	\$ 141,217	\$ 130,191	\$ 278,541	\$ 291,447
Franchise and retail royalty revenue	18,608	15,385	30,149	29,613
Franchise fees and other income	5,317	4,061	9,685	10,964
Total Revenues	165,142	149,637	318,375	332,024
Costs and expenses:				
Restaurant food and paper costs	45,102	41,194	91,396	86,774
Restaurant labor costs	44,446	38,348	86,874	88,361
Restaurant occupancy costs	11,778	11,145	23,097	28,432
Restaurant depreciation	2,524	7,529	13,084	13,838
Other restaurant operating expenses	20,357	17,423	39,597	38,570
General and administrative expenses	19,435	36,471	35,999	39,668
Franchise support and service expenses	3,634	1,696	6,447	5,088
Advertising expense	8,077	6,810	14,825	15,464
Other depreciation and amortization	2,093	900	1,542	1,583
Restaurant retirement costs	300	596	305	531
Impairment of long-lived assets	623	66,633	4,763	-
Net loss on disposal of fixed assets	670	839	606	1,301
Net loss on sales of restaurants	-	-	238	-
Total costs and expenses	159,039	229,584	318,773	319,610
Operating income (loss)	6,103	(79,947)	(398)	12,414
Other income (expense)				
Interest income	1	-	1	-
Interest expense	(8,134)	(18,326)	(26,203)	(22,887)
Other income (expense)	-	(375)	24	201
Total other income (expense)	(8,133)	(18,701)	(26,178)	(22,686)
Loss before income tax expense (benefit)	(2,030)	(98,648)	(26,576)	(10,272)
Income tax expense (benefit)	540	(7,542)	(2,952)	(206)
Net loss	\$ (2,570)	\$ (91,106)	\$ (23,624)	\$ (10,066)

See accompanying notes to consolidated financial statements

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Periods Ended			
	June 17, 2023 through January 1, 2024 (Successor)	January 3, 2023 through June 16, 2023 (Predecessor)	January 2, 2023 (Predecessor)	January 3, 2022 (Predecessor)
Operating activities				
Net loss	\$ (2,570)	\$ (91,106)	\$ (23,624)	\$ (10,066)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	4,638	8,552	15,733	17,193
Amortization of deferred financing costs	54	892	1,771	1,570
Provision for credit losses	122	94	134	274
Deferred income tax expense (benefit)	4	(7,529)	(2,961)	(215)
Noncash operating lease expense, net	5,490	6,878	14,914	-
Right-of-use asset amortization for finance lease	455	262	204	-
Change in favorable leasehold interests	232	146	-	-
Change in unfavorable leasehold interests	(31)	(29)	-	-
Noncash stock based compensation	132	5,720	1,208	758
Noncash interest on long-term debt	2,534	13,808	9,882	9,198
Impairment of long-lived assets	623	66,633	4,763	-
Net loss on disposal of fixed assets	670	839	606	1,305
Net loss on sales of restaurants	-	-	238	-
Changes in operating assets and liabilities, net of acquisitions:				
Decrease (increase) in accounts and notes receivable, net	(1,693)	221	522	(685)
Decrease (increase) in inventory	927	(564)	(153)	(449)
Decrease (increase) in prepaid expenses	(1,618)	1,137	1,009	(797)
Decrease (increase) in other current assets	(1,241)	105	931	159
Decrease (increase) in other noncurrent assets	231	602	(78)	-
(Decrease) increase in accounts payable	(16)	(247)	895	(142)
(Decrease) increase in accrued liabilities, accrued wages and benefits, deferred revenue, self-insurance, and long-term liabilities	(7,774)	9,416	(1,598)	(1,205)
(Decrease) increase in reserve for restaurant retirement and rebranding costs	-	-	12	(544)
Change in operating lease liabilities	(8,154)	(8,250)	(18,476)	-
Other changes, net	(237)	(584)	490	-
Net cash (used in) provided by operating activities	<u>(7,222)</u>	<u>6,996</u>	<u>6,422</u>	<u>16,354</u>
Investing activities				
Capital expenditures	(7,269)	(5,513)	(15,354)	(24,838)
Acquisition of restaurants, net of cash acquired	-	-	(1,365)	-
Proceeds from sales of restaurants	-	-	842	-
Net cash used in investing activities	<u>(7,269)</u>	<u>(5,513)</u>	<u>(15,877)</u>	<u>(24,838)</u>
Financing activities				
Payments on short-term financing	-	-	(940)	-
Debt issuance costs	(500)	-	-	-
Principal payments on long-term debt and related party credit facility	(1,304)	(1,360)	-	(2,380)
Principal payments on capital leases and financing	(47)	(400)	(2,239)	(3,541)
Repayments of finance lease liabilities	(254)	(159)	(130)	-
Proceeds from short-term financing	1,540	-	-	-
Proceeds from the issuance of long-term financing	10,000	-	-	20,000
Net cash provided by (used in) financing activities	<u>9,435</u>	<u>(1,919)</u>	<u>(3,309)</u>	<u>14,079</u>
Net increase (decrease) in cash, cash equivalents	(5,056)	(436)	(12,764)	5,595
Cash and cash equivalents at beginning of period	17,613	18,049	30,813	25,218
Cash and cash equivalents at end of period	<u>\$ 12,557</u>	<u>\$ 17,613</u>	<u>\$ 18,049</u>	<u>\$ 30,813</u>

See accompanying notes, including the supplemental disclosure of cash flow information in Note 2.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY (DEFICIT)

(Tabular Dollars in Thousands, Except Share and per Share Data)

	Predecessor			Total Stockholder's Equity (Deficit)
	Common Stock	Additional Paid-in Capital	Accumulated Earnings (Deficit)	
Balances at December 28, 2020	\$ -	\$ 262,976	\$ (326,643)	\$ (63,667)
Stock-based compensation	-	758	-	758
Contributions from Parent	-	52,917	-	52,917
Co-op retained earnings adjustment	-	-	44	44
Net loss	-	-	(10,066)	(10,066)
Balances at January 3, 2022	-	316,651	(336,665)	(20,014)
Stock-based compensation	-	1,208	-	1,208
ASC 842 transition	-	-	(38,618)	(38,618)
Co-op retained earnings adjustment	-	-	(44)	(44)
Net loss	-	-	(23,624)	(23,624)
Balances at January 2, 2023	-	317,859	(398,951)	(81,092)
Stock-based compensation	-	5,720	-	5,720
Co-op retained earnings adjustment	-	-	-	-
Net loss	-	-	(91,106)	(91,106)
Balances at June 16, 2023	\$ -	\$ 323,579	\$ (490,057)	\$ (166,478)

	Successor			Total Stockholder's Equity (Deficit)
	Common Stock	Additional Paid-in Capital	Accumulated Earnings (Deficit)	
Balances at June 17, 2023	\$ -	\$ -	\$ -	\$ -
Contribution from business combination	-	97,819	-	97,819
Stock-based compensation	-	132	-	132
Co-op retained earnings adjustment	-	-	(86)	(86)
Net loss	-	-	(2,570)	(2,570)
Balances at January 1, 2024	\$ -	\$ 97,951	\$ (2,656)	\$ 95,295

See accompanying notes to consolidated financial statements.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

1. Description of Business Purpose and Organization

Checkers Drive-In Restaurants, Inc. (“Checkers”, “CDI”, the “Company”, “we”, “our”, or “us”), operates and franchises quick service restaurants in the United States under two similar operating brands, Checkers and Rally’s.

The following table summarizes the number and mix of Company-operated and franchised restaurants in operation at the end of each period presented:

	For the Periods Ended		
	January 1, 2024 (Successor)	January 2, 2023 (Predecessor)	January 3, 2022 (Predecessor)
Company-operated restaurants			
Beginning of period	255	266	264
New	2	-	3
Acquired from franchisee	-	3	-
Sold to franchisee	-	(9)	-
Closed	(19)	(5)	(1)
End of period	238	255	266
Franchisee-operated restaurants			
Beginning of period	585	585	594
New	22	28	26
Acquired from the Company	-	9	-
Sold to the Company	-	(3)	-
Closed	(60)	(34)	(35)
End of period	547	585	585
Total restaurants operating at end of period	785	840	851

We have a national footprint under our Checkers and Rally’s brands (“Checkers/Rally’s”), with strongholds in the Southeast, Mid-Atlantic and Midwest, as well as a footprint in the Western United States, including California, Nevada and Arizona. Throughout our system of restaurants, we are known for our signature buildings and design that evoke timeless American imagery and for providing customers with bold and flavorful food at an attractive value.

CDI was founded in 1986 in Mobile, Alabama, with a mission to provide customers with a bold and flavorful alternative to the standard burgers served by large hamburger quick service restaurant chains. We have always focused on, and continue to provide, a differentiated menu with robust made-to-order offerings, delivered to customers at an exceptional value.

In September 1991, CDI was incorporated as a Delaware corporation. We conduct business under our corporate name and the names “Checkers” and “Rally’s”. We have owned, operated and franchised Checkers restaurants since 1991 and Rally’s restaurants since our merger with Rally’s in August 1999.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in conformity with United States generally accepted accounting principles (“U.S. GAAP”).

The consolidated financial statements present the results of the operations, financial position and cash flows of CDI, and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. We consolidate all entities where the Company is deemed to have a controlling or voting financial interest, including those that are wholly owned subsidiaries.

As a result of the Out-of-Court Restructuring as further discussed below and in Note 4. Business Combination, periods prior to June 16, 2023 reflect the financial statements of CDI prior to the Out-of-Court Restructuring, (referred to herein as “Predecessor”). The period subsequent to June 16, 2023 reflects the financial statements of CDI after the Out-of-Court Restructuring (referred to herein as “Successor”). As the Out-of-Court Restructuring resulted in a change in control of CDI’s parent, the Company elected to apply pushdown accounting, thus assets and liabilities were recorded at their fair values at the date of the Out-of-Court Restructuring. Due to the changes in the accounting basis of assets and liabilities, the Successor and Predecessor financial statements are not necessarily comparable. Where applicable, a black line separates the Successor and Predecessor periods to highlight the lack of comparability.

Predecessor

On April 25, 2017, pursuant to the merger agreement (the “Merger Agreement”) dated as of March 18, 2017, among Checkers Holdings, Inc. (“Holdings”), Oak Hill Capital Partners IV (Onshore), L.P., a Cayman Islands Exempted Limited Partner (“OHCP”) and Burger BossCo, Inc (“Burger BossCo”), a Delaware corporation and a wholly owned subsidiary of OHCP (“Merger Sub”) formed solely for the purpose of entering into the merger, Holdings was acquired by Merger Sub (the “Merger”). Following the Merger, Checkers and Rally’s Restaurants, Inc. (“CRRI”) merged with and into Holdings, with Holdings surviving such merger and becoming CDI’s immediate parent. Pursuant to the Assignment and Assumption Agreement dated as of April 25, 2017, OHCP assigned all of its rights and future performance obligations under the Merger Agreement to Burger BossCo, a Delaware corporation that was established solely to consummate the acquisition. Pursuant to Amendment One to the Merger Agreement, Merger Sub merged with and into Holdings with Holdings as the surviving corporation. As a result of such merger, Holdings became a wholly owned subsidiary of Burger BossCo, which was a wholly owned subsidiary of Burger BossCo Holdings, Inc. (“BossCo Holdings” or “Parent”). BossCo Holdings was a holding company controlled by various funds operated by Oak Hill Capital Partners (“Oak Hill”).

Successor

On June 5, 2023, Burger BossCo, Holdings, CDI, and certain of their affiliates commenced solicitation of consents to an out-of-court restructuring of the capital structure of Burger BossCo (the “Out-of-Court Restructuring”) from holders of (a) loans under that certain Amended and Restated First Lien Credit Agreement, dated as of August 21, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the “First Lien Credit Agreement” and such loans, the “First Lien Loans”), by and among Holdings, Burger BossCo, the lenders from time to time party to the First Lien Credit Agreement (the “First Lien Lenders”), and Jefferies Finance LLC, as administrative agent and collateral agent for the First Lien Lenders, and (b) loans under that certain Amended and Restated Second Lien Credit Agreement, dated as of August 21, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the “Second Lien Credit Agreement” and such loans, the “Second Lien Loans”), by and among Holdings, Burger BossCo, the lenders from time to time party to the Second Lien Credit Agreement (the “Second Lien Lenders”), and Wilmington Trust, National Association, as administrative agent and collateral agent for the Second Lien Lenders. Checkers obtained consents to the Out-of-Court Restructuring from all of the First Lien Lenders and all of the Second Lien Lenders and consummated the Out-of-Court Restructuring on June 16, 2023, whereby Burger BossCo and its subsidiaries were deconsolidated from BossCo Holdings, newly issued equity of Burger BossCo was issued to Checkers Topco,

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

LLC (“Topco”), the secured creditors of Holdings and Burger BossCo acquired all of the equity of Topco, and the equity of Burger BossCo owned by BossCo Holdings was repurchased by Burger BossCo for a nominal amount.

As part of the Out-of-Court Restructuring, each First Lien Lender was provided with the right to elect to provide up to its pro rata share of commitments to make \$25 million in “First-Out Delayed Draw Term Loans” (“New Money Loans”) under that certain Credit Agreement, dated as of June 16, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement” and such commitments, the “New Money Commitments”), by and among Holdings, CDI, Burger BossCo, the persons party thereto from time to time as “Lenders” thereunder, and Jefferies Finance LLC, as the administrative agent and the collateral agent for such Lenders. The New Money Loans accrue interest at a floating rate, which can be, at the Company’s option, (x) an alternative base rate plus 6.00% per annum or (y) the Adjusted Term Secured Overnight Financing Rate plus 7.00% per annum plus a credit adjustment spread. The Company has the option to pay interest on the New Money Loans that has accrued at a rate equal to 4.00% per annum in kind, rather than in cash. The New Money Loans mature on June 16, 2027. Additionally, the Company is required to make recurring quarterly principal payments on the New Money Loans in the amount equivalent to 0.25% of the original principal amount which may increase upon additional borrowings. The remainder of the principal amount is due upon maturity. Upon each principal repayment, the Company is required to pay a contractual premium, equal to (i) prior to the first anniversary, a make-whole provision calculated as a discounted amount of remaining interest payments prior to the first anniversary (ii) 7% on or after the first anniversary, but prior to the second anniversary, (iii) 5% on or after the second anniversary, but prior to the third anniversary, and (iv) 3% on or after the third anniversary.

Pursuant to the Out-of-Court Restructuring, each First Lien Lender exchanged all of its First Lien Loans for (i) if such First Lien Lender did not elect to provide New Money Commitments, its pro rata share of (a) 55% of the equity of Topco and (b) \$75 million in “Last-Out Term Loans” under the New Credit Agreement (the “Second Out Loans”), or (ii) if such First Lien Lender did elect to provide New Money Commitments, (a) its pro rata share of 55% of the equity of Topco, (b) its pro rata share of Second Out Loans, (c) its adjusted pro rata share (based on the amount of New Money Commitments provided by such First Lien Lender) of 40% of the equity of Topco and (d) the amount of New Money Loans funded by such First Lien Lender on the effective date of the Out-of-Court Restructuring pursuant to its New Money Commitments. The Second Out Loans accrue interest at a floating rate, which can be, at the Company’s option, (x) an alternative base rate plus 8.00% per annum or (y) the Adjusted Term Secured Overnight Financing Rate plus 9.00% per annum plus a credit adjustment spread. The Company has the option to pay interest on the Second Out Loans that has accrued at a rate equal to 6.00% per annum in kind, rather than in cash. The Second Out Loans mature on June 16, 2028. Additionally, the Company is required to make recurring quarterly principal payments on the Second Out Loans in the amount equivalent to 0.25% of the original principal amount. The remainder of the principal amount is due upon maturity. Upon each principal repayment, the Company is required to pay a contractual premium, equal to (i) prior to the first anniversary, a make-whole provision calculated as a discounted amount of remaining interest payments prior to the first anniversary, (ii) 8% on or after the first anniversary, but prior to the second anniversary, (iii) 7% on or after the second anniversary, but prior to the third anniversary, (iv) 5% on or after the third anniversary, and (v) 3% on or after the fourth anniversary.

Pursuant to the Out-of-Court Restructuring, each Second Lien Lender exchanged all of its Second Lien Loans for its pro rata share of 5% of the equity of Topco.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the financial statements in conformity with U.S. 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 revenues and expenses during the reported period. Actual results could differ from those estimates.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

The provisions of Accounting Standards Codification (“ASC”) 805, *Business Combinations*, require an accounting acquirer to record the assets acquired and liabilities assumed at fair value on the closing date using the acquisition method of accounting. The amounts included within the accompanying consolidated financial statements reflect the application of the fair value basis of accounting required by the provisions of ASC 805, *Business Combinations*.

As required by ASC 842, *Leases*, Management makes certain estimates and assumptions regarding each new lease and sublease agreement, renewal and amendment, including, but not limited to, property values, property lives, discount rates and term, all of which can impact the classification and accounting for a lease or sublease as operating or finance for leases where the Company is a lessee and operating, sale-type and direct financing for leases where the company is lessor. The amount of depreciation and amortization, interest and rent expense and income reported would vary if different estimates and assumptions were used.

Fiscal Year

The Company’s fiscal reporting periods consist of 52 or 53 weeks ending on the Monday closest to December 31. References included herein to “year” or “years” ended represent fiscal years. The first, second and third quarters of a fiscal year consist of three 4-week periods and the fourth quarter consists of either a 4-week or 5-week period. The periods January 3, 2023 to June 16, 2023 and June 17, 2023 to January 1, 2024 consisted of 24 and 28 weeks, respectively. The year ended January 2, 2023 consisted of 52 weeks while the year ended January 3, 2022, consisted of 53 weeks.

Due to the presentation of the Successor and Predecessor periods, the period ended January 1, 2024 refers to the period from June 17, 2023 to January 1, 2024 (Successor). The period ended June 16, 2023 refers to the period from January 3, 2023 to June 16, 2023 (Predecessor). The period ended January 2, 2023 (Predecessor) refers to the 52-week period ended January 2, 2023. The period ended January 3, 2022 (Predecessor) refers to the 53-week period ended January 3, 2022.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with original maturities of three months or less to be cash equivalents. The Company maintains cash and cash equivalent balances with financial institutions in excess of federal insured limits. The Company has not experienced any losses related to these balances, and it believes credit risk to be minimal.

The Company has restricted cash balances related to certain letters of credit and debt arrangements and are presented within cash and cash equivalents on the consolidated balance sheets. Restricted cash balances as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor) were \$2.6 million and \$0.4 million respectively.

Accounts and Notes Receivable, Net

Receivables consist primarily of royalties, rents, franchise fees and notes due from franchisees and are recorded net of an allowance for credit losses. Franchisee related accounts receivable are due within 10 days of billing and in some instances we draw the funds directly from the franchisee’s bank account on a predetermined day. Although the Company maintains an allowance for credit loss, the majority of the balance relates to specific accounts where collection is not expected. The reserves are established using the specific identification method based on our best estimate of the collectible balance. When determining collectability, we evaluate the debtor’s financial condition, the historical experience with the debtor, and the pledged security interest value, if any. The Company has traditionally experienced a high rate of collection as the franchise agreements frequently provide remedy to the Company in the event of the franchisee’s default on outstanding balances through a security interest in the assets of the business when a sublease is in place or through a personal guarantee of the franchisee.

Notes receivable consist of funds extended to franchisees as consideration for the sale of restaurants and repayment terms on past due rents and royalties. Specific allowances are established when collection is no longer deemed likely. With respect to secured notes, the assets of the associated restaurant often act as collateral. In the event of default, the Company has the option to acquire the restaurant assets, with the balance of the outstanding notes included in the consideration provided by the Company. However,

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

not all notes are collateralized. Interest on outstanding notes is charged according to the terms of the promissory note and is recognized on a period basis over the term of the note.

Inventory

“Inventory”, which consists of food and paper packaging, is stated at the lower of cost or realizable value. Cost is determined on a first-in, first-out basis.

Business Combination

The Company applies the provisions of ASC 805 in accounting for business combinations. ASC 805 requires the Company to recognize separately from goodwill the assets acquired, and the liabilities assumed at their acquisition date fair values. Goodwill, if any, as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and liabilities assumed.

Estimated consideration transferred in connection with the Out-of-Court Restructuring is allocated to the assets acquired and liabilities assumed based on their fair values as of the date of the Out-of-Court Restructuring, including identifiable intangible assets. The fair value determinations require judgment and involve the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discounts rates, and market multiples, among other items.

Transaction Related Expenses

Transaction related expenses consist primarily of advisory, legal, accounting, valuation, and other professional and consulting fees in connection with the Out-of-Court Restructuring and are expensed as incurred.

Property and Equipment, Net

Property and equipment were recorded at fair value in connection with the Merger for the Predecessor periods and in connection with the Out-of-Court Restructuring for the Successor period and are otherwise recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated over the lesser of their estimated useful lives (generally 10 years) or the remaining lease term.

Amortization of assets recorded as capital leases under ASC 840, *Leases* are included within depreciation expense for the period ended January 3, 2022. Expenditures for betterments are capitalized. Maintenance and repairs are expensed as incurred.

Goodwill

Goodwill represents the excess of the consideration transferred over the net of the acquisition date fair values of the assets acquired and liabilities assumed in a business combination. Goodwill is primarily attributable to the deferred tax liability created by the business combination. The Company elected to amortize the goodwill over a 10-year period on a straight-line basis. Impairment testing is performed at the enterprise level upon the occurrence of a triggering event indication that the fair value of the Company might be less than its carrying amount. When a triggering event occurs, the Company has the option to perform a qualitative assessment to determine whether a quantitative test is needed. If that assessment demonstrates that it is more likely than not that an impairment does not exist, no further testing is required. If impairment of goodwill is more likely than not, a quantitative test is required that compares the fair value of the Company with its carrying amount. If the carrying amount exceeds fair value, that amount represents the impairment loss to be recognized, up to the carrying amount of goodwill. See Note 11. Goodwill and Intangible Assets, Net.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

Definite-Lived

Definite-lived intangible assets, principally franchise agreements are amortized on a straight-line basis over their estimated useful lives of 15 years (see Note 11. Goodwill and Intangible Assets, Net). The Company assesses definite-lived intangibles for impairment on an annual basis, or upon the existence of events or conditions which indicate that the asset may not be recoverable.

The Company determined that the Out-of-Court Restructuring, was an event which indicated that these assets may not be recoverable. Accordingly, as of June 16, 2023 (Predecessor), the Company performed an impairment assessment for its definite-lived assets, indefinite-lived intangible assets, lease ROU assets, property and equipment, which resulted in an impairment. Refer to Notes 8, 10, 11 and 16 for further discussion.

Indefinite-Lived Intangible Assets

The Company assesses the impairment of indefinite-lived intangible assets, which consist of brand name intangibles, on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The annual impairment assessment is performed on the first day of the Company's fourth fiscal quarter. When evaluating potential impairment indicators, we consider the following:

- Significant under-performance relative to expected and/or historical results (negative same store sales growth or operating cash flows)
- Significant industry or economic trends that could have a negative impact on our business

The impairment evaluation typically involves utilizing market conditions and future discounted cash flows, which are based on forecasted operating results. If it is determined that the estimated fair value of the intangible asset is less than its carrying value, we record an impairment loss to adjust the asset carrying value to fair value.

Leases

The Company leases real estate for the operation of its restaurants as well as acts as a sublessor for the operation of certain franchised restaurants. As lessee, the Company is obligated under several noncancelable leases, primarily ground leases that in certain instances it also subleases to franchisees.

The Company accounts for leases as both a lessee and a lessor in accordance with ASC 842, *Leases*. See details on the Company's adoption of ASC 842, *Leases* and the related policy elections below.

Adoption

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASC 842"). ASC 842 requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset ("right-of-use asset") for the lease term and a liability to make lease payments ("lease liability").

At inception of a contract, the Company determines whether the contract contains a lease. The Company evaluates its contracts to determine if the contracts convey the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration.

During transition, a lessee and a lessor recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach and therefore is not required to adjust its comparative prior period financial information for effects of the standard or make the new required lease disclosures for periods prior to adoption. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. ASU 2018-11, *Leases*, was issued in June 2018, which also permits entities to choose to initially apply ASU 2016-02, *Leases*, at the adoption

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. In June 2020, Topic 842 was amended to allow entities to elect to postpone adoption until fiscal years beginning after December 15, 2021

The Company adopted this new standard on January 4, 2022 and elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available. The Company elected to adopt the package of practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Company elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Company's right-of-use assets.

As both lessee and lessor, the Company elected the practical expedient to not separate lease and non-lease components, such as common area maintenance fees, by class of underlying asset and is applying this expedient to all relevant classes.

The Company elected the risk-free rate policy election and accordingly uses the rate implicit in the lease or the yield on United States treasury bonds for the related term to discount the lease payments based on information available at lease commencement. The Company records the related right-of-use assets and right-of-use liabilities at commencement at the present value of lease payments. As of January 1, 2024 and January 2, 2023, the Company does not have any operating or finance leases for which it is obligated that have not yet commenced.

As a result of adopting ASC 842 - *Leases*, the Company recognized on January 4, 2022, an operating lease liability of \$229.6 million which represents the present value of the remaining operating lease payments, discounted using a risk-free interest rate ranging from 0.77% to 2.07% and an operating right-of-use asset of \$193.6 million. The Company also recognized a financing lease liability of \$0.6 million, discounted using a risk-free interest rate ranging from 2.71% to 3.00% and a financing right-of-use asset of \$0.3 million. There was a cumulative adjustment of \$38.6 million recorded to beginning retained earnings on January 4, 2022.

Favorable and Unfavorable Leasehold Interests

Prior to the adoption of ASC 842 on January 4, 2022, favorable and unfavorable leasehold interests, which occur when leases that are assumed in a business combination have contractual payments that are below or above market rental rates, are amortized using the straight-line method over the remaining term of the lease, including any renewal periods that are reasonably certain to be exercised. For the fiscal year ended January 3, 2022, the favorable and unfavorable leasehold interests for lease agreements where the Company was the lessee or lessor, were captured in "favorable leasehold interests" and "unfavorable leasehold interests" in the accompanying consolidated balance sheet.

As part of the adoption of ASC 842, *Leases* on January 4, 2022, favorable and unfavorable leasehold interests for lease agreements where the Company is the lessee were reclassified to the "right-of-use assets, net." The amortization of the right-of-use assets is recorded in "restaurant occupancy expenses" for Company-operated restaurant locations, in "franchise fees and other income" for locations subleased to franchisees and in "general and administrative expenses" for Company headquarters in the accompanying consolidated statements of operations. Favorable and unfavorable leasehold interests for leases where the Company is a lessor continue to be classified as favorable leasehold interests and unfavorable leasehold interests.

In connection with the Out-of-Court Restructuring, the fair value of favorable and unfavorable leasehold interests, where the Company is a lessor, were re-assessed and recognized as favorable and unfavorable leasehold interests. See Note 12.

Prepaid Expenses

The Company prepays certain expenses such as rent, insurance, maintenance, equipment, software and service agreements for future periods. These amounts are capitalized when paid and amortized over the period in which the services are provided, not

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

exceeding one year. As of January 1, 2024 (Successor) and January 2, 2023 (Predecessor) the most significant component of “prepaid expenses” is prepaid insurance which has a balance of \$2.7 million and \$2.4 million, respectively.

Deferred Financing Costs

Deferred financing costs attributable to funded debt are recorded as a deduction from the related debt balance when incurred and amortized into interest expense using the effective-interest over the life of the related debt. If additional cash is drawn, then a proportional amount of the unamortized basis is reclassified from an asset to discount, and amortized using the effective interest method.

For the fiscal periods ended June 16, 2023 (Predecessor), January 2, 2023 (Predecessor), and January 3, 2022 (Predecessor) the Company amortized \$0.9 million, \$1.8 million, and \$1.6 million, respectively, of financing costs associated with the modified first lien credit agreement (the “First Lien Credit Agreement”) and second lien credit agreement (the “Second Lien Credit Agreement”). As the Out-of-Court Restructuring, including the forgiveness of debt, was accounted for under ASC 805 *Business Combinations*, the Company derecognized previous unamortized debt issuance costs and recognized debt issuance costs incurred for the New Money Loans and Second Out Loans.

For the fiscal period ended January 1, 2024 (Successor), the Company amortized \$0.1 million of financing costs associated with the New Money Loans and Second Out Loans issued under the Out-of-Court Restructuring. For the same fiscal period, the Company amortized \$0.1 million of financing costs associated with the unfunded commitment associated with the New Money Loans.

Revenue Recognition

“Restaurant sales” includes revenues recognized upon delivery of food to the customer at Company-operated restaurants. “Restaurant sales” are recognized upon sale and are presented net of coupons and discounts, sales tax and other sales-related taxes. Revenue is recognized when the food is purchased by the customer, which is when our performance obligation is satisfied. “Restaurant sales” also includes revenues recognized upon delivery of food to a third-party delivery company. The revenue is recognized as a receivable from the third-party delivery service and collection is made within three to seven business days. Delivery sales are recognized net of commissions, fees, taxes, and discounts.

“Franchise and retail royalty revenue” includes royalties on sales by franchised restaurants and sales of licensed products in retail stores. Royalties are based on a percentage of sales of the franchised restaurant and sales of licensed products in retail stores which are recognized as earned.

“Franchise fees and other income” is comprised of franchise fees, transfer fees, and area development fees that are generated from the sale of rights to develop, own and operate restaurants, as well as sublease rental income and revenues from advertising cooperative funds. As a sublessor for the operation of certain franchised restaurants, fees for sublease income are also included within “franchise fees and other income.” The Company accounts for leases using the guidance in ASC 842, *Leases*, as well as ASC 606, *Revenue from Contracts with Customers*. See the Note 16. Leases for a discussion on leases. Revenues from advertising cooperative funds were not material for all periods presented.

Franchise fees are recorded as deferred revenue when received and recognized as revenue over the contractual term of the franchise agreements once the restaurant has opened.

Area development 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.

Franchise fees and area development fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. Transfer fees are fees for selecting pre-approved buyers for franchisee-to-franchisee sales of

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

restaurants. The transfer fees are paid by the new franchisee, deferred when received, and recognized as revenue over the contractual term of the new franchise agreement.

Stock-Based Compensation

The Company accounts for stock-based compensation to employees and directors in accordance with ASC 718, *Compensation - Stock Compensation*, which requires the recognition of compensation expense for employee stock options and other share-based payments. Under ASC 718, *Compensation - Stock Compensation*, expense related to employee stock options and other share-based payments is recognized over the relevant service period based on the grant-date fair value of stock options and other equity-based compensation issued to employees and directors. Compensation expense for equity-based awards is generally recognized on a straight-line basis over the requisite service period (see Note 15. Stockholders Equity), with the total amount of compensation cost ultimately recognized relating solely to the awards for which the requisite service is actually provided (i.e., vest). Accordingly, awards that are forfeited prior to vesting do not result in the cumulative recognition of compensation expense. The Company accounts for the impact of forfeitures on stock-based compensation expense as they occur.

Advertising Expense

The Company expenses advertising costs for on-air advertising at the first time aired and advertising costs for on-lot merchandising on the first day of advertising. To the extent the Company participates in independent advertising cooperatives, the Company expenses contributions as incurred.

Advertising expense does not include expenses incurred for coupons and discounts, which are recorded as reductions to restaurant sales at the time of sale.

Income Taxes

The Company accounts for income taxes based upon the provisions of ASC 740, *Income Taxes*. Under the asset and liability method required by ASC 740, *Income Taxes*, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred 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. Deferred tax assets must be reduced by a valuation allowance when it becomes more likely than not that they will not be realized. Realization of the deferred tax assets is dependent on generating sufficient taxable income in the periods when the deferred tax assets are available to be utilized. The Company has recorded a valuation allowance against the deferred tax assets that are not realizable under this standard. The deferred tax assets are reviewed periodically for recoverability, and valuation allowances are adjusted as necessary. Under ASC 740, *Income Taxes*, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income tax expense or benefit in the period that includes the enactment date.

The Company evaluates uncertain tax positions based upon one of the following conditions: (1) the tax position is not more likely than not to be sustained; (2) the tax position is more likely than not to be sustained, but for a lesser amount; or (3) the tax position is more likely than not to be sustained, but not in the financial period in which the tax position was originally taken. For purposes of evaluating whether or not a tax position is uncertain, (1) the Company presumes the tax position will be examined by the relevant taxing authority that has full knowledge of all relevant information; (2) the technical merits of a tax position are derived from authorities, such as legislation and statutes, legislative intent, regulations, rulings, and case law and their applicability to the facts and circumstances of the tax position; and (3) each tax position is evaluated without consideration of the possibility of offset or aggregation with other tax positions taken. The Company recognizes interest and penalties associated with uncertain tax positions as part of its income tax provision. A number of years may elapse before a particular uncertain tax position is audited and finally resolved or when a tax assessment is raised. Although the outcome of tax audits is always uncertain, the Company believes adequate amounts of tax, including interest and penalties, have been provided for any adjustments that are expected to result from those years.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

Reserves for Restaurant Retirement and Refranchising Costs

Prior to the adoption of ASC 842, *Leases*, on January 4, 2022, the Company recognized reserves for restaurant retirement costs, which generally result from the closing or abandoning of a restaurant, in accordance with the provisions of ASC 420, *Exit or Disposal Cost Obligations*. Upon the closing of a restaurant or the abandoning of a site, the Company would reserve all remaining contractual rent and property tax payments, net of actual or estimated sublease rentals. The significant inputs into the valuation of reserves for restaurant retirement costs included payments remaining under the lease terms, reduced by estimated or actual sublease rentals that could reasonably be obtained, discounted at a credit-adjusted risk-free rate. The estimated sublease rentals are based on market conditions in the areas where the restaurants are located and the Company's experience with previous sites. The discount rate is the risk-free rate adjusted for perceived risk in the projected cash flows, which is deemed low in the case of future rent payments.

The Company periodically subleases land and buildings in connection with the sale of Company-operated restaurants to franchisees. In certain cases, the terms of the sublease provide for rents from sublessees that are less than the rents the Company is obligated to pay under the original lease. Prior to the adoption of ASC 842, *Leases*, on January 4, 2022, the Company accounted for these refranchising transactions on an undiscounted basis in accordance with the provisions of ASC 840, which required the recognition of a reserve in the amount of the exposure under the sublease and recognition of the loss in the period the sublease was executed.

As part of the adoption of ASC 842, *Leases*, on January 4, 2022, reserves for restaurant retirement costs and sublease subsidies for lease agreements where the Company is the lessee are captured as an adjustment to the right-of-use assets at the time of transition.

Supplemental Disclosures of Cash Flow Information

	For the Periods		For the Periods Ended	
	June 17, 2023 through January 1, 2024 (Successor)	January 3 through June 16, 2023 (Predecessor)	January 2, 2023 (Predecessor)	January 3, 2022 (Predecessor)
Cash				
Interest paid	\$ 4,619	\$ 458	\$ 13,034	\$ 11,149
Income taxes paid, net of refunds	18	43	81	30
Noncash				
Purchased capital assets on account	300	760	1,055	247
Capital restructuring and interest	-	-	-	52,917
Financed insurance premiums	(1,540)	(518)	(1,449)	(823)
Noncash new and modified leases	9,290	3,911	15,138	-
Non-cash interest	2,534	13,808	9,882	9,198

Disclosure about Fair Value of Financial Instruments

The Company applies the guidance in ASC 820, *Fair Value Measurements*, in recording and/or disclosing assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (the exit price). The fair value is required to be based on assumptions that market participants would use when pricing the asset or liability.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

The three levels of the valuation hierarchy are based upon the transparency of inputs to the valuation of an asset or liability on the measurement date that are defined as follows:

- Level 1 - Quoted prices (unadjusted) for an identical asset or liability in an active market.
- Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- 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.

Recently Issued Accounting Guidance

In December 2023, the FASB issued *ASU 2023-09, Improvements to Income Tax Disclosures*. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The new requirements will be effective for annual periods beginning after December 15, 2025. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. The Company will adopt this standard on December 30, 2025. Management is currently reviewing the impact of the adoption of this accounting standard on the Company's consolidated financial statements.

Recently Adopted Accounting Guidance

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying U.S. GAAP to contract modifications and hedging relationships, subject to meeting certain criteria that reference a rate that is expected to be discontinued. The amendment applies only to contracts, hedging relationships, and other transactions that utilize a reference rate expected to be discontinued because of reference rate reform. In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform - Scope*, which clarified the scope and application of the original guidance. In December 2022, the FASB issued ASU No. 2022-06, *Reference Rate Reform—Deferral of the Sunset Date of Topic 848*, which deferred the sunset date of Topic 848 to December 31, 2024. These ASUs were effective upon issuance, and the Company may elect to apply the amendments prospectively through December 31, 2024 as the transition of reference rates is completed.

On June 16, 2023 the Company modified the reference rate. These modifications replaced the previous LIBOR-based reference rate to SOFR-based rates. Pursuant to the modification of the contractual terms of these instruments, the Company utilized the optional expedients set forth in ASC 848. The modified debt is described in Note 13.

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). The standard was issued as part of the Board's simplification initiative. The amendments in this update simplify the accounting for income taxes by removing certain exceptions to the general principles in ASC 740. The update makes several amendments to Topic 740 including a change in the way an entity recognizes franchise tax. ASU 2019-12 is effective for entities that are not public business entities for annual periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. Upon evaluation of the pronouncement, the Company has adopted the standard as of January 4, 2022, and determined it has no material impact on the financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses* that sets forth a current expected credit loss impairment model for financial assets, which replaced the current incurred loss ("CECL") model, and in 2018 and 2019 issued amendments and updates to the new standard. The amended guidance requires the application of a CECL model, which measures credit losses based on relevant information about past events, including historical experience, current conditions, and reasonable

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

and supportable forecasts. This model requires a financial asset (or group of financial assets), including trade receivables, measured at amortized cost to be presented at the net amount expected to be collected with an allowance for credit losses deducted from the amortized cost basis. The allowance for credit losses should reflect management's current estimate of credit losses that are expected to occur over the remaining life of a financial asset. This guidance is effective for annual periods beginning after December 15, 2022, and interim periods within those annual periods using a modified retrospective transition method. The Company adopted this pronouncement effective January 3, 2023 and determined that it had no material impact on the financial statements and related disclosures.

3. Revenue

The Company generates revenues from sales at Company-operated restaurants, royalties, and fees from franchise restaurants, royalties on sales of licensed products at retail outlets, rental income from subleases of real estate primarily from franchise restaurants, and system fees on product inventory purchases used for brand maintenance, and revenues from advertising cooperative funds.

Performance Obligations in Contracts with Customers

The restaurant sales performance obligation is satisfied upon the delivery of food to the customer at Company-operated restaurants. The payment terms are immediately upon the delivery of the food to the customer. The consideration is variable generally due to coupons and discounts which are recorded at the time of food delivery.

The delivery sales performance obligation is satisfied upon the delivery of food to a third-party delivery partner. The Company acts as an agent in delivery sales and, therefore, records the revenue net of costs which include commissions, fees, and in certain cases taxes. In a delivery sale the Company has arranged for another party to transfer the food to an end-customer. The delivery partner maintains the costs of web and mobile applications and directly transacts with the end-customer. The delivery partner then schedules for the restaurant to prepare and deliver the food to one of the delivery partner's employees. The net revenue is generally paid in terms of 2 to 7 days from the end of the week of sale. Delivery sales revenue varies by the costs of the service and by delivery partner.

The franchise agreement provides the franchisee the right to construct, own, and operate a Checkers or Rally's restaurant upon a site accepted by the Company and to use the Checkers and Rally's system in connection with the operation of the restaurant at that site. The franchise agreement generally provides for a 20-year term and a 10-year renewal subject to certain conditions. The franchise agreement contract performance obligation is considered to be a right to use the Company's symbolic intellectual property over the contractual term. The franchise agreement contract provides for the following revenue sources which are recognized over the contract term:

- Franchise restaurant royalties are earned as the franchise delivers food to their customer or to a third-party delivery partner. The Company recognizes the royalty revenue in the period in which the franchise sales occur over the contract term of the franchise agreement. The Company generally bills royalties bi-monthly or bi-weekly to franchise customers and the payment is due within 10 days of the billing. See the "accounts and notes receivable" below for additional information on franchise royalty payments. Royalty rates are generally 4% of net sales but the rates may vary based on restaurants qualifying under certain development or reimagining programs.
- Franchise fees including the initial franchise fee, transfer fees, area development fees, and renewal fees are recognized over the term of the franchise contract as the performance obligation to grant the franchise right is satisfied over each day of the contract term. Franchise fees may vary based on qualification under certain development incentive programs.

The Company earns retail royalty fees based on a contract for the sale of licensed products, including the Famous Seasoned Fries© at retail outlets. The performance obligation is satisfied as sales in the retail outlets are made, royalties are payable monthly within 30 days, and vary with retail sales volume.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

The Company is the sublessor on certain lease agreements which are generally for franchise restaurants. As of January 4, 2022, the Company accounts for leases using the guidance in ASC 842, *Leases*, and the guidance in ASC 606, *Revenue from Contracts with Customers*. Previously the Company accounted for leases using the guidance in ASC 840, *Leases*, and therefore, the sublease rental income was not in the scope of the guidance in ASC 606, *Revenue from Contracts with Customers*.

See Note 16 - Leases for a discussion on the sublease rental income.

Contract Balances

The following table provides information about the change in deferred franchise fees included in “current portion of deferred revenue” and “deferred revenue, less current portion” in the accompanying consolidated balance sheets:

	<u>January 1, 2024</u> <u>(Successor)</u>	<u>June 16, 2023</u> <u>(Predecessor)</u>	<u>January 2, 2023</u> <u>(Predecessor)</u>
Deferred franchise fees at beginning of period	\$ 10,109	\$ 10,425	\$ 10,212
New deferrals due to cash received and other	403	366	1,596
Revenue recognized during the period	(858)	(682)	(1,383)
Deferred franchise fees at end of period	<u>\$ 9,654</u>	<u>\$ 10,109</u>	<u>\$ 10,425</u>

4. Business Combination

Out-of-Court Restructuring

As discussed in Note 1. Description of Business, the Out-of-Court Restructuring agreement, executed on June 16, 2023, resulted in Topco acquiring all of the voting interests of Burger BossCo. As a result, Topco gained control of Burger BossCo and the transaction was determined to be a business combination in accordance with ASC 805 and is accounted for in accordance with the acquisition method of accounting. As the accounting acquirer, Topco will recognize the assets acquired and liabilities assumed at fair value as of the acquisition date. As an indirect subsidiary of the accounting acquirer, the Company has elected to apply pushdown accounting, whereby it will also recognize the assets acquired and liabilities assumed at fair value as of the acquisition date.

The total stock consideration was \$97.8 million comprised 90 shares of Burger BossCo which were acquired by Topco. The fair value of the stock consideration was determined by a third-party valuation specialist using the market and income approaches, and the results were weighted appropriately.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

The following tables summarize the purchase consideration and the purchase price allocation to estimated fair value of the assets acquired and liabilities assumed as of the acquisition date, June 16, 2023:

Fair Value of stock consideration	\$	97,819
<i>Current assets:</i>		
Cash and cash equivalents		17,613
Accounts and notes receivable, net		5,828
Inventory		3,105
Prepaid expenses		3,690
Other current assets		1,600
Total current assets		31,836
Property and equipment, net		26,300
Operating Right-of-Use Assets		152,445
Finance Right-of-Use Assets		14,831
Intangible assets		198,900
Favorable leasehold interests		2,080
Other assets		2,584
Total assets		428,976
 <i>Current liabilities:</i>		
Accounts payable	\$	(3,126)
Accrued liabilities		(21,547)
Accrued wages and benefits		(3,829)
Current portion of deferred revenue		(2,761)
Current maturities of long-term debt, and financing obligations		(923)
Current portion of accrued self-insurance		(1,565)
Current portion of Operating Lease Liabilities		(11,939)
Current portion of Finance Lease Liabilities		(374)
Total current liabilities		(46,064)
Deferred income tax liabilities		(48,326)
Operating Lease Liability		(158,850)
Finance Lease Liability		(16,548)
Long-term debt, less current maturities and deferred financing costs		(74,438)
Financing obligations, less current maturities		(7,893)
Deferred revenue, less current portion		(7,348)
Accrued self-insurance, less current portion		(2,130)
Unfavorable leasehold interests		(200)
Long-term liabilities		(1,126)
Total liabilities		(362,923)
 Net Assets Acquired		 66,053
Goodwill	\$	31,766

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

The fair values of identifiable intangible assets acquired as of the restructuring date are as follows:

	Acquisition Date Fair Value	Weighted Average Useful Life (Years)
Tradenames	\$ 197,500	Indefinite
Franchise agreements	1,400	15
Total intangible assets acquired	<u>\$ 198,900</u>	

The fair values of our tradenames and franchise agreements were determined using the relief from royalty and the income approach – multi-period excess earning method, respectively. The valuation of intangible assets was prepared by a third-party valuation specialist and incorporates significant unobservable inputs and requires significant judgment and estimates, including the amount and timing of future cash flows.

The Company recognized approximately \$15.8 million of transactions costs in connection with the Out-of-Court Restructuring. Transaction costs incurred by the Predecessor during the period from January 3, 2023 to June 16, 2023 associated with the Out-of-Court Restructuring were approximately \$15.6 million of which \$3.7 million were contingent upon completion of the Out-of-Court Restructuring. Of the transaction costs incurred by the Predecessor \$9.0 million were an assumed liability by the Successor at closing. Additionally, \$0.2 million of costs were incurred related to the transaction that have been recorded by the Successor. The Company recorded the transaction costs within General and Administrative expenses on the Consolidated Statements of Operations.

5. Sales of Restaurants

During the year ended January 1, 2024, the Company had no restaurant sales in either the Predecessor or Successor periods.

During the year ended January 2, 2023, the Company entered into two Asset Purchase and Sale Agreements (“APAs”) to sell an aggregate of nine Company-operated restaurants located in the Nashville and Terre Haute markets. The total price for the transactions was \$0.8 million and resulted in a loss on the sale of \$0.2 million, which is reflected in “net loss (gain) on sales of restaurants” in the accompanying consolidated statement of operations for the year ended January 2, 2023. In connection with the transaction, the Company received \$0.2 million related to initial franchise fees and \$0.1 million in transfer fees, both of which are recorded in “current portion of deferred revenue” and “deferred revenue, less current portion” in the accompanying consolidated balance sheet as of January 2, 2023. The Company disposed of property and equipment with a net book value of \$0.4 million and right-of-use assets of \$0.2 million relating to this transaction. During the year ended January 3, 2022, the Company had no sales of restaurants.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

6. Accounts and Notes Receivable

The following table summarizes the Company’s receivables and allowances as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor):

	January 1, 2024 (Successor)			January 2, 2023 (Predecessor)		
	Gross	Allowance	Net	Gross	Allowance	Net
Current receivables						
Accounts receivable	\$ 7,913	\$ (514)	\$ 7,399	\$ 6,436	\$ (384)	\$ 6,052
Notes receivable	-	-	-	91	-	91
Total current receivables	\$ 7,913	\$ (514)	\$ 7,399	\$ 6,527	\$ (384)	\$ 6,143

Accounts receivable is primarily comprised of franchise royalties, franchise fees, sublease rents, delivery sales receivables, and retail royalties. The Company recognizes an allowance for credit losses based on historical collection experience and on a specific identification basis based upon past due balances and the financial strength of the obligor. The Company monitors that franchisees remain in compliance with all terms of the franchise agreement and sublease, when applicable, and when a franchisee is not in compliance they are placed in default status. When a franchisee is placed in default status, we closely monitor royalties accruing on franchisee sales in order to determine if collectability is reasonably assured. If we determine that certain amounts are not probable of collection, we do not recognize the related royalty revenue. “Accounts and notes receivable” are written off when it is determined that they are uncollectible.

Credit losses are recorded in “general and administrative expenses” in the accompanying consolidated statements of operations. The Company had credit losses of \$0.1 million, \$0.1 million, \$0.1 million, and \$0.3 million for the periods from June 17, 2023 through January 1, 2024 (Successor), from January 3, 2023 through June 16, 2023 (Predecessor), and for the years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor), respectively.

7. Reserves for Restaurant Retirement and Refranchising Costs

The following table summarizes the activity related to the “reserves for restaurant retirement and refranchising costs,” including the income or expense recognized in “restaurant retirement costs” and “net loss on sales of restaurants” in the accompanying consolidated statements of operations:

	Predecessor					
	Balance at Beginning of Period	Expense, Net	Cash Outlays	Adjustments	Balance at End of Period	
For the year ended January 2, 2023	\$ 4.290	\$ -	\$ -	\$ (4.290)	\$ -	\$ -
For the year ended January 3, 2022	\$ 4.834	\$ 375	\$ (1.842)	\$ 923	\$ 4.290	\$ 4.290

The Company adopted ASC 842, *Leases*, in fiscal year 2022 and at the time of transition the \$4.3 million in reserves for restaurant retirement and refranchising costs were included as a reduction to “operating right-of-use assets, net.” Subsequent to its adoption of ASC 842, the Company assesses leases for impairment and no longer recognizes reserves for restaurant retirement and refranchising costs. Accordingly, there was no activity related to restaurant retirement or refranchising for the year ended January 1, 2024 in either the Predecessor or Successor periods. (See Note 16. Leases).

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

The ending reserve balance in prior years represents estimates for the ongoing costs of certain restaurants that have been closed, were never developed or were sold to a franchisee that are subject to an estimated or actual sublease with rents that are less than the rents the Company is obligated to pay under the original lease and are not otherwise reflected within the favorable or unfavorable leasehold interests balances, or that contain other provisions that require the recognition of the reserve. These costs primarily include the non-cancelable rent payments due over the remainder of the contractual rent period at the cease-use date, net of estimated or actual sublease rental income, and estimates of the related contractual property taxes. The cash outlays for these costs have been estimated for various terms ranging from two years to ten years and are discounted at a credit-adjusted risk-free rate in the case of closed or undeveloped restaurants and are undiscounted in the case of sales of restaurants to franchisees. In certain instances, the properties are subleased or have the potential to be subleased for an amount less than the obligation relating to the contractual rent payments. In these cases, the amount of the initial reserve has been reduced by the actual sublease income or an estimate based on local market conditions and the Company's experience with previous sites. The disposal and sale activities were completed in each of the periods in which expense was recognized in the table above and the amounts recognized as expense represent the total costs estimated to be incurred.

8. Fair Value Measurements

From time to time, we measure certain nonfinancial assets at fair value on a non-recurring basis in connection with evaluating long-lived assets for impairment. We estimate the fair value of our long-lived assets using significant inputs such as market conditions, comparable properties and Company experience with similar sites, which may be supplemented by appraisals or independent broker opinions of value when necessary, which would generally be categorized within Level 3 of the fair value hierarchy.

As of January 1, 2024 (Successor) and January 2, 2023 (Predecessor), there were no material assets or liabilities measured at fair value on a recurring basis.

Intangible assets not subject to amortization consist of the brands (tradenames) intangible assets. A quantitative impairment test performed on these intangible assets consists of a comparison of their fair value with their carrying value. The Company evaluates the recoverability of intangible assets with an indefinite life in accordance with ASC 350, *Intangibles-Goodwill and Other*. These assets are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The authoritative guidance allows a company to perform a qualitative or a quantitative assessment of impairment. A company may first perform a qualitative assessment to determine whether it is necessary to perform the quantitative impairment test or it could also bypass the qualitative assessment and proceed directly to performing the quantitative impairment test.

If the carrying value of an intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. The estimates of fair value of intangible assets not subject to amortization are determined using the relief from royalty valuation methodology. Significant assumptions are inherent to this process, including estimates of future revenues generated by the related sales, the discount rate, and the royalty rate. Discount rate assumptions are based on an assessment of the risk inherent in the respective intangible assets. Royalty rate assumptions are based on projected profitability, actual franchisee agreements and comparable market rates.

In 2022 and 2021, the Company performed impairment tests of the brands intangible assets by completing a quantitative assessment at the enterprise level which relied upon unobservable inputs (Level 3) as of September 12, 2022, and September 6, 2021, respectively. The impairment tests did not result in any necessary impairment charges and, therefore, no impairment charges were recognized in 2022 and 2021.

As noted in Note 1 due to the Out-of-Court Restructuring the Company compared the fair value of the asset with its carrying amount and recognized an impairment in the Predecessor period of 2023 as noted within Note 11. As the brands intangible asset and goodwill were recognized at fair value as part of the Out-of-Court Restructuring, the Company subsequently performed a

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

qualitative assessment to determine whether these assets were more likely than not impaired as of the first day of the last fiscal quarter of the fiscal year (Successor). If the Company concludes that the assets are more likely than not impaired, the Company will perform a quantitative test to determine the amount of impairment, if any, to recognize. In making this determination, the Company considered several factors provided by U.S. GAAP, including the Company's performance. By evaluating these factors, the Company determined that these assets are not more likely than not impaired in the Successor period.

Fair Value of Financial Instruments

The carrying amounts for cash and cash equivalents, receivables, other current assets, accounts payable and other current liabilities approximate their fair value due to the short-term nature of these accounts. Accordingly, such financial instruments are considered Level 1 measures within the valuation hierarchy. As of January 1, 2024 (Successor), the carrying value of the Company's long-term debt, current and noncurrent portions, excluding finance leases and financing obligations and net of deferred financing costs was \$87.6 million, and approximated fair value as such debt bears interest at floating rates that are reset at least quarterly. As of January 2, 2023 (Predecessor) the carrying value of the Company's related party credit facility was \$293.8 million and approximated fair value as such debt bears interest at floating rates that are reset at least quarterly.

9. Related Party Transactions

The Company has entered into transactions with certain companies or individuals, which are related parties by virtue of having stockholders in common, by being officers/directors of the Company or because they are controlled by significant stockholders or officers/directors of the Company.

The Company and its franchisees each pay a percentage of sales to the Checkers/Rally's National Production Fund, Inc. (the "Fund" or "NPF"), established for the purpose of creating and producing advertising for the benefit of both Company-operated and franchised restaurants. During the periods ended January 1, 2024 (Successor), June 16, 2023 (Predecessor) and January 2, 2023 (Predecessor), only one member, representing 25% of the Board of Directors of the Fund, is an employee of the Company. The Fund is not included in the accompanying consolidated financial statements, although the Company's contributions to the Fund are included in "advertising expense" in the accompanying consolidated statements of operations. Additionally, certain Company-operated restaurants and franchisees participate in advertising co-ops. The Company consolidates advertising co-ops for which it is determined to control on the basis of voting interests, and does not consolidate advertising co-ops it does not control. Co-ops not controlled by the Company are accounted for similarly to the fund. The contributions to the Fund represent 0.5% of net restaurant sales, while contributions to the advertising co-ops range from 0.5% to 4.25% of net restaurant sales.

The Company and its franchisees each pay charges based on volumes of products purchased from suppliers to Checkers and Rally's Distribution and Services, Inc. ("CDSI"), established for the purpose of providing procurement services and quality assurance support for the benefit of both Company-operated and franchised restaurants. During the period from June 17, 2023 through January 1, 2024 (Successor) and the period from January 3, 2023 through June 16, 2023 (Predecessor) and for the year ended January 2, 2023 (Predecessor), only one member, representing 25% of the CDSI Board of Directors is an employee of the Company. CDSI is not included in the accompanying consolidated financial statements, although the company's contributions to CDSI are included within "restaurant food and paper costs" in the accompanying consolidated statements of operations.

The Company pays invoices on behalf of NPF and CDSI and then bills each for the balance of these invoices each period. This resulted in \$2.6 million and \$0.7 million of accounts receivable for the NPF and CDSI, respectively, as of January 1, 2024 (Successor). As of January 2, 2023 (Predecessor), the accounts receivable recorded for the NPF and CDSI were \$1.2 million and \$1.0 million, respectively. Accounts receivable for the NPF and CDSI are included in the "accounts and notes receivable, net" in the accompanying consolidated balance sheet.

The Fund purchases print advertising on behalf of the Company and franchisees to be used in restaurants. The Company recorded \$0.4 million, \$0.2 million, \$0.9 million and \$0.8 million for the periods ended January 1, 2024 (Successor), June 16, 2023

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

(Predecessor), January 2, 2023 (Predecessor), and January 3, 2022 (Predecessor), respectively, related to this print advertising in “advertising expense” in the accompanying consolidated statements of operations.

Prior to the Out-of-Court Restructuring, OHCP, through its affiliates, owned a majority of the equity interests in BossCo Holdings, our parent, during such time, four directors of BossCo Holdings were employees of OHCP and we paid certain travel-related costs for those directors when conducting business with or on behalf of the Company as well as board fees to several members of our Board of Directors. The amount of board compensation and travel related costs was \$0.2 million for the fiscal period ended January 1, 2024 (Successor) and \$0.4 million for the fiscal period ended June 16, 2023 (Predecessor). The amount of board compensation and travel related costs was \$0.5 million for each of the years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor) and was recorded in “general and administrative expenses” in the accompanying consolidated statement of operations.

Predecessor

On December 31, 2020, the Company entered into an agreement to amend the Amended and Restated Second Lien Credit Agreement whereby \$52.4 million of second lien debt was relieved for \$52.9 million of non-cash consideration that was contributed to the Company by its parent, BossCo Holdings. The Second Lien Credit lenders were also common shareholders of BossCo Holdings. As part of the Second Lien Second Amendment the Company also agreed to a \$25 million term loan with Burger BossCo Debt Holdings, LP, an affiliate of BossCo Holdings. See “Second Amendment to Related Party Credit Facility” in Note 13. Debt, Financing Obligations and Credit Facilities.

Successor

In connection with the Out-of-Court Restructuring, the secured creditors of BossCo Holdings acquired all of the equity of Topco. Accordingly, the equity holders of Topco created a new board of managers. As a Second Lien Lender, Burger BossCo Debt Holdings, LP exchanged its Second Lien Loans for its pro rata share of 5% of the equity of Topco. After the Out-of-Court Restructuring, lenders which own a significant percentage of Topco’s equity are included in the below table as related parties. Refer to Note 13. Debt, Financing Obligations and Credit Facilities.

A summary of related-party transactions follows:

	As of			
	January 1, 2024 (Successor)	January 2, 2023 (Predecessor)		
Balance sheet amounts				
Accounts receivable from NPF and CDSI	\$ 3,325	\$ 2,261		
Accrued liabilities	848	716		
Second Lien Credit Agreement	-	31,066		
First Lien and New Money Loans	66,786	-		
	For the Periods		For the Years Ended	
	June 17, 2023 through January 1, 2024 (Successor)	January 3, 2023 through June 16, 2023 (Predecessor)	January 2, 2023 (Predecessor)	January 3, 2022 (Predecessor)
Expense amounts				
Management fees and travel-related expenses	\$ 216	\$ 372	\$ 450	\$ 452
Advertising expense	2,191	1,705	3,936	4,026
Interest expense	5,472	2,714	4,440	3,526
	<u>\$ 7,879</u>	<u>\$ 4,791</u>	<u>\$ 8,826</u>	<u>\$ 8,004</u>

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

10. Property and Equipment, Net

Property and equipment, net consisted of the following as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor):

	January 1, 2024 (Successor)	January 2, 2023 (Predecessor)	Estimated Useful Lives
Land	\$ 6,735	\$ 4,207	
Leasehold and land improvements	804	25,742	1-10 years
Buildings	3,617	43,349	5-30 years
Equipment, furniture and fixtures	19,689	47,162	3-10 years
Construction in progress	1,320	15,639	
	<u>32,165</u>	<u>136,099</u>	
Less accumulated depreciation	(2,856)	(72,444)	
Property and equipment, net	<u>\$ 29,309</u>	<u>\$ 63,655</u>	

Depreciation expense associated with property and equipment, including property and equipment held under capital leases prior to the adoption of ASC 842, was \$2.9 million, \$7.9 million, \$13.5 million, and \$15.4 million for the periods from June 17, 2023 through January 1, 2024 (Successor), from January 3, 2023 through June 16, 2023 (Predecessor), and for the years ended January 2, 2023 (Predecessor), and January 3, 2022 (Predecessor), respectively.

Capitalized software amortization expense was \$0.5 million and \$0.4 million for the periods from June 17, 2023 through January 1, 2024 (Successor) from January 3, 2023 through June 16, 2023 (Predecessor), respectively, and \$0.9 million for years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor), and recorded within “general and administrative expense.”

The Company recorded impairment charges related to property and equipment in the amount of \$0.3 million for the period ended January 1, 2024 (Successor) due to stores that closed during the period. Additionally, the Company recorded impairment charges of \$13.6 million, and \$2.2 million for the periods from January 3, 2023 through June 16, 2023 (Predecessor) and the year ended January 2, 2023 (Predecessor), respectively. These impairment charges related to stores that were not profitable, and with investment, were not projected to be profitable. No impairments of property and equipment were recorded in the year ended January 3, 2022.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular Dollars in Thousands, Except Share and per Share Data)

11. Goodwill and Intangible Assets, Net

As discussed in Note 4. Business Combination, as part of the business combination, the Company recognized \$31.8 million of goodwill. As of January 2, 2023 (predecessor) there was no goodwill. The changes in goodwill during the successor period are as follows:

	June 17, 2023 through January 1, 2024 (Successor)	Weighted Average Useful Life (Years)
Balance at June 17, 2023	\$ 31,766	10
Amortization	(1,729)	
Balance at January 1, 2024	<u>\$ 30,037</u>	

Estimated future amortization of goodwill is as follows:

Fiscal year ending	Amount
2024	\$ 3,166
2025	3,166
2026	3,166
2027	3,227
2028	3,166
Thereafter	14,146
Total	<u>\$ 30,037</u>

Intangible assets consisted of the following as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor):

	January 1, 2024 (Successor)	January 2, 2023 (Predecessor)
Tradenames	\$ 197,500	\$ 225,900
Finite-lived intangible assets, net	1,349	26,335
Intangible assets, net	<u>\$ 198,849</u>	<u>\$ 252,235</u>

Finite-lived intangible assets, net consisted of the following as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor):

	January 1, 2024 (Successor)			January 2, 2023 (Predecessor)		
	Gross Amount	Accumulated Amortization	Net	Gross Amount	Accumulated Amortization	Net
Franchise agreements	\$ 1,400	\$ (51)	\$ 1,349	\$ 29,900	\$ (6,305)	\$ 23,595
Reacquired franchise rights	-	-	-	3,220	(480)	2,740
Total finite-lived intangible assets	<u>\$ 1,400</u>	<u>\$ (51)</u>	<u>\$ 1,349</u>	<u>\$ 33,120</u>	<u>\$ (6,785)</u>	<u>\$ 26,335</u>

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

Franchise agreements are amortized based on the expected future benefits to be realized. As such, the amortization period for franchise agreements is 15 years (Successor) and 27 years (Predecessor) and amortization expense is recorded on a straight-line basis over such period. We recorded amortization expense of \$0.1 million for the period ending January 1, 2024 (Successor). We recorded amortization expense of \$0.5 million for the period ended June 16, 2023 (Predecessor) and \$1.1 million for each of the years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor), which is recorded in “other depreciation and amortization” in the accompanying consolidated statements of operations.

In connection with the purchase of three restaurants in 2022 from franchisees in Florida, we recorded \$0.4 million for reacquired franchise rights in 2022. The reacquired franchise rights are amortized on a straight-line basis over the useful lives of each right. The Successor period did not include the amortization of reacquired franchise rights as they were not ascribed any value as part of the Out-of-Court Restructuring and therefore amortization ceased as of that date.

The Company recorded \$0.1 million for the fiscal period ended January 1, 2024 (Successor), \$0.1 million for the fiscal period ended June 16, 2023 (Predecessor), \$0.5 million for the year ended January 2, 2023 (Predecessor), and \$0.2 million for the year ended January 3, 2022 (Predecessor) of amortization expense on reacquired franchise rights. These amounts are included in “franchise and retail royalty revenue” in the accompanying consolidated statements of operations.

In connection with the impairment charge previously discussed in Note 1, the Company recognized impairment losses related to franchise agreements of \$21.7 million and trade names of \$28.4 million during the period ended June 16, 2023 (Predecessor). There were no impairment losses recognized during the period ended January 1, 2024 (Successor) or the years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor).

Estimated future amortization of definite-lived intangible assets is as follows:

Fiscal year ending	Amount
2024	\$ 93
2025	93
2026	93
2027	95
2028	93
Thereafter	882
Total	\$ 1,349

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

12. Leasehold Interests, Net

“Leasehold interests, net” consisted of the following as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor):

	January 1, 2024 (Successor)			January 2, 2023 (Predecessor)		
	Gross Amount	Accumulated Amortization	Net	Gross Amount	Accumulated Amortization	Net
Favorable leasehold interests	\$ 2,080	\$ (232)	\$ 1,848	\$ 4,605	\$ (3,195)	\$ 1,410
Unfavorable leasehold interests	(200)	31	(169)	(2,380)	2,129	(251)
Total amortizable intangible leasehold interests	\$ 1,880	\$ (201)	\$ 1,679	\$ 2,225	\$ (1,066)	\$ 1,159

Upon a business combination, U.S. GAAP requires leases, where the Company is a lessor and a lessee, recognize an asset or liability when the contractual lease payments are different than market lease payments, commonly referred to as an off-market component of a lease. Prior to the adoption of ASC 842, the Company recognized favorable leasehold interests and unfavorable leasehold interests for leases where the Company is a lessor and a lessee. As part of the adoption of ASC 842, *Leases*, on January 4, 2022, favorable and unfavorable leasehold interests for lease agreements where the Company is the lessee were reclassified as an adjustment to the “right-of-use assets, net.” This resulted in the Company derecognizing \$19.4 million of “favorable leasehold interest” and \$11.8 million of “unfavorable leasehold interests”. This derecognition resulted in 202 favorable and 118 unfavorable leasehold interests being derecognized for prime leases. Subsequent to the adoption of ASC 842, “favorable leasehold interest” and “unfavorable leasehold interest” are only recognized for leases where the Company is a lessor as the off-market component of a lease where the Company is a lessee is recognized as part of the “right-of-use assets, net.”

For the year ended January 2, 2023 (Predecessor), the Company derecognized \$0.04 million of “favorable leasehold interest” and \$0.02 million of “unfavorable leasehold interests” for the termination of one favorable and four unfavorable subleases with the offsetting charges in “franchise fees and other income.”

For the period January 3, 2023 to June 16, 2023 (Predecessor), the Company derecognized \$0.3 million of “favorable leasehold interests” and \$0.01 million of “unfavorable leasehold interests” for the termination of 1 favorable and 1 unfavorable leases with the offsetting charges in “franchise fees and other income.”

As part of the Out-of-Court Restructuring, which was accounted for a business combination, the Company recognized “favorable leasehold interests” and “unfavorable leasehold interests” at fair value.

For the period from June 17, 2023 to January 1, 2024 (Successor), no “favorable leasehold interests” or “unfavorable leasehold interests” were derecognized as no associated leases were terminated.

Leasehold interests have definite lives and are amortized on a straight-line basis over the remaining lease term including any optional renewal periods that are likely to be exercised. The average amortization period for leasehold interests as of January 1, 2024 (Successor) was 11.1 years. The Company recognized amortization expense, net of revenue, of \$0.2 million, \$0.1 million, \$0.2 million, and (\$0.9) million for the periods ended January 1, 2024 (Successor), June 16, 2023 (Predecessor), January 2, 2023 (Predecessor), and January 3, 2022 (Predecessor), respectively. These amounts were recorded in the consolidated statements of operations as shown below.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

	For the Periods		For the Years Ended	
	June 17, 2023 through January 1, 2024 (Successor)	January 3, 2023 through June 16, 2023 (Predecessor)	January 2, 2023 (Predecessor)	January 3, 2022 (Predecessor)
Franchise fees and other income	\$ (203)	\$ (114)	\$ (224)	\$ (657)
Restaurant occupancy expense	-	-	-	1,417
Franchise support and services	-	-	-	130
General and administrative expenses	-	-	-	(9)
	<u>\$ (203)</u>	<u>\$ (114)</u>	<u>\$ (224)</u>	<u>\$ 881</u>

Estimated future amortization of leasehold interests is as follows:

<u>Fiscal year ending</u>	<u>Amount</u>
2024	\$ 368
2025	342
2026	314
2027	257
2028	146
Thereafter	252
Total	<u>\$ 1,679</u>

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

13. Debt, Financing Obligations and Credit Facilities

Debt, financing obligations and credit facilities consisted of the following as of January 1, 2024 (Successor), and January 2, 2023 (Predecessor):

	January 1, 2024 (Successor)	January 2, 2023 (Predecessor)
Related party note maturing April 25, 2024 bearing interest at LIBOR plus an applicable margin or an alternative base rate plus an applicable margin. Interest is paid quarterly.	\$ -	\$ 181,913
Related party Restatement Date Term Loan maturing April 25, 2023 bearing interest at LIBOR plus an applicable margin or an alternative base rate plus an applicable margin. Interest is paid quarterly.	-	19,244
Related party note maturing April 25, 2025 bearing interest at LIBOR plus an applicable margin or an alternative base rate plus an applicable margin. Interest is capitalized on all payment dates.	-	65,126
Related party amended note maturing April 25, 2025 bearing interest at LIBOR plus an applicable margin or an alternative base rate plus an applicable margin. Interest is capitalized on all payment dates.	-	31,066
Related party revolver maturing April 25, 2025 bearing interest at LIBOR plus an applicable margin or an alternative base rate plus an applicable margin.	-	1,000
Obligations under premium financing arrangements, with short-term maturities	1,028	1,127
Financing obligations relating to restaurant sales maturing at various dates through October 1, 2039, bearing interest rates ranging from 3.20% to 7.06%	7,923	8,640
Last-Out Term Loans, maturing June 16, 2028, bearing interest at an alternative base rate plus 8% or the Adjusted Term SOFR plus 9% plus a credit adjustment spread. Company has option to pay interest in kind at a rate equal to 6% rather than in cash.	76,952	-
New Money Loans, maturing June 16, 2027, bearing interest at an alternative base rate plus 6% or the Adjusted Term SOFR plus 7% plus a credit adjustment spread. Company has option to pay interest in kind at a rate equal to 4% rather than in cash.	10,081	-
Deferred financing and issuance costs, net	(447)	(4,539)
Total debt, financing obligations, and credit facility	95,537	303,577
Less current maturities	(1,879)	(295,004)
Total debt, financing obligations, and credit facility, less current maturities	\$ 93,658	\$ 8,573

Predecessor Debt Agreements

Related Party Credit Facility

On April 25, 2017, Holdings entered into a first lien credit agreement (the “First Lien Credit Agreement”) and second lien credit agreement (the “Second Lien Credit Agreement”) with Jefferies Finance LLC as administrative agent, joint lead arranger and joint bookrunner, and the financial institutions party thereto. The First Lien Credit Agreement consisted of (i) a \$192.5 million First Lien Term Loan maturing on April 25, 2024 and (ii) a \$25.0 million Revolver maturing on April 25, 2022. The Second Lien Credit Agreement consisted of an \$87.5 million Second Lien Term Loan maturing on April 25, 2025. The First Lien Term Loan and Second Lien Term Loan are collectively referred to as the “Term Loans” or the “2017 Senior Credit Facility”. The proceeds from the Term Loans were used to fund the Merger.

The Company entered into an intercompany allocation agreement (the “Allocation Agreement”) with Holdings on October 12, 2018. Under the terms of the Allocation Agreement, the Company jointly and severally unconditionally guarantees payment and performance of obligations under the 2017 Senior Credit Facility and covenants and agrees to pay as due all obligations, whether for principal, interest or otherwise, with respect to the 2017 Senior Credit Facility. Accordingly, the Company has recorded the

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

debt obligation as “related party credit facility” with an offsetting amount against “additional paid-in capital” in the accompanying consolidated balance sheets. Obligations due by the Company to Holdings for amounts outstanding under the First Lien Term Loan and Second Lien Term Loan are referred to herein as the “Related Party Note” and amounts outstanding under the Revolver are referred to herein as the “Related Party Revolver” and amounts outstanding under the Restatement Date Term Loan are referred to herein as “Related Party Restatement Date Term Loan”.

Subsequent to the execution of the Allocation Agreement, principal payments paid by the Company for the related party note were recorded in “principal payments on related party note” in the accompanying consolidated statements of cash flows, and draws and repayments under the related party revolver were recorded in “borrowings under related party revolver” and “payments on related party revolver”, respectively. The terms of the Related Party Credit Facility were amended in the same manner as the amendments to Holdings First Lien Restated Credit Agreement and Second Lien Restated Credit Agreement dated August 21, 2019 as well as Holdings Second Amendment to the Amended and Restated First Lien and Second Lien Credit Agreements dated December 31, 2020 as discussed above.

Amendment to Related Party Credit Facility

On August 21, 2019, Holdings entered into an amendment to the First Lien Credit Agreement (the “First Lien Restated Credit Agreement”) with Jefferies Finance LLC continuing as administrative agent, joint lead arranger and joint bookrunner, and the financial institutions party thereto. Holdings also entered into an amendment to the Second Lien Credit Agreement (the “Second Lien Restated Credit Agreement”) with Wilmington Trust, National Association (as successor to Jefferies Finance LLC), as administrative agent and collateral agent for the lenders party thereto.

Holdings Restated Credit Agreement converted \$19.9 million in aggregate principal amount of Revolver into Restatement Date Term Loans (“RDTL”) maturing April 25, 2022 leaving \$5.1 million of Revolver. Within fiscal 2021, the maturity date of the RDTL and Revolver was extended to April 25, 2023.

Holdings Restated Credit Agreement amended the terms in that any interest on the loans accrued on or prior to June 14, 2021, shall be payable “in kind”, which interest shall be capitalized and added to the outstanding principal balance of the loans on the applicable interest payment dates. The capitalized interest was deemed to be principal on the loan and interest accrued on the capitalized interest until June 14, 2021. Within fiscal 2021, the treatment of interest as payable “in kind” was extended beyond June 14, 2021 through the maturity date of the Second Lien.

Borrowings under the Term Loans incurred interest at a floating rate which was, at Holdings’ option, (i) the London Interbank Offer Rate (“LIBOR”) for a specified interest period plus an applicable margin, or (ii) an alternative base rate, plus an applicable margin.

Second Amendment to Related Party Credit Facility

On December 31, 2020, (i) the Company entered into the Second Amendment to the Amended and Restated First Lien Credit Agreement (“Second Amendment to First Lien”) and (ii) the Company and BossCo Holdings entered into the Exchange Agreement and Second Amendment and Joinder to Amended and Restated Second Lien Credit Agreement (“Second Amendment to Second Lien”).

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

The Second Amendment to First Lien extended the maturity of the Related Party Restatement Date Term Loan and Related Party Revolver from April 25, 2022 to April 25, 2023. The Second Amendment to First Lien also amended the leverage ratio covenant. The change in terms under the Second Amendment to First Lien were recorded as a modification as the amendment did not significantly impact the amount or timing of the cash flows. The modification resulted in an increase to deferred issuing costs of \$1.6 million. In addition, the Company incurred \$0.3 million of third-party costs that were expensed within “general and administrative expenses” within the Consolidated Statements of Operations for the year ended January 3, 2022. There was no gain or loss recorded as part of the Second Amendment to First Lien.

Under the Second Amendment to Second Lien, on December 31, 2020, 50% of the aggregate principal amount of Related Party Second Lien Term Loans outstanding (including all accrued and unpaid interest thereon) were exchanged for Series C-1 Preferred Stock of BossCo Holdings. The aggregate principal amount of Related Party Second Lien Term Loans and accrued interest exchanged for Series C-1 Preferred Stock was \$52.4 million. Burger BossCo Intermediate, Inc. received a capital contribution from Parent of \$52.9 million presented in “Additional paid-in capital” and the proceeds from this capital contribution were paid to the Second Lien lenders and presented within “Long-term debt, less current maturities and deferred financing costs” on the Consolidated Balance Sheets.

The change in terms under the Second Amendment to Second Lien were recorded as a modification as the amendment did not significantly impact the amount or timing of the cash flows. The modification resulted in an increase to deferred issuing costs of \$1.3 million. In addition, the Company incurred \$3.4 million of third-party costs that were expensed within “general and administrative expenses” within the consolidated statements of operations for the year ended January 3, 2022. There was no gain or loss recorded as part of the modification of the Second Lien. There was no change in the maturity date applicable to the Related Party Second Lien Term Loans. Subject to a refinancing of the indebtedness under the First Lien Credit Agreement satisfying certain terms, the maturity date of the Related Party Second Lien Term Loans could be extended.

Borrowings under the Second Lien incurred interest at a floating rate which was, at the Company’s option, (i) the London Interbank Offer Rate (“LIBOR”) for a specified interest period plus an applicable margin, or (ii) an alternative base rate, plus an applicable margin. The applicable margin was 10.00% per annum for LIBOR loans under the Related Party Second Lien Term Loans and 9.00% per annum for alternative base rate loans. Prior to the modification, the applicable margins were 8.00% per annum for LIBOR loans under the Related Party Second Lien Term Loans and 7.00% per annum for alternative base rate loans. The Related Party Second Lien Term Loans also were modified to extend interest payable in-kind through maturity.

BossCo Holdings had separately received Preferred Financing Commitment Letters from the holders of Related Party Second Lien Term Loans and certain of BossCo Holdings’ equity holders, under which such parties committed to purchase preferred stock of BossCo Holdings in an aggregate amount equal to \$61.5 million plus additional amounts equal to 80% of interest capitalized and added to the Additional Term Loans and Related Party Second Lien Term Loans thereafter (the “Preferred Financing Commitments”). The Preferred Financing Commitments were separately transferrable by each of the commitment parties, subject to certain conditions relating to the creditworthiness of the transferee. The obligations of the commitment parties (or their transferees) under the Preferred Financing Commitment Letters were conditioned upon a refinancing of the indebtedness under the First Lien Credit Agreement satisfying certain terms.

Concurrently on December 31, 2020, the Company borrowed \$25 million in aggregate principal amount of additional Second Lien Term Loans, which were funded net of an original issue discount of \$5.0 million by Burger BossCo Debt Holdings, a related party. The Additional Second Lien Term Loans were scheduled to mature on April 25, 2025, subject to an extension upon a refinancing of the indebtedness under the First Lien Credit Agreement satisfying certain terms. Borrowings under the Additional Second Lien Term Loans incurred interest at a floating rate which were, at the Company’s option, (i) the London Interbank Offer Rate (“LIBOR”) for a specified interest period plus an applicable margin, or (ii) an alternative base rate, plus an applicable margin. The applicable margin was 10.00% per annum for LIBOR loans under the Additional Second Lien Term Loans and 9.00% per annum for alternative base rate loans. The Additional Second Lien Term Loans incurred interest payable in-kind through maturity.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

The proceeds of the Additional Second Lien Term Loans, net of original issue discount, were presented within “long-term debt, less current maturities and deferred financing costs” on the consolidated balance sheets. The proceeds were available to the Company to use for capital expenditures and general business expenses. The Company incurred debt issuance costs of \$5.0 million that were deferred and were being amortized over the remaining term of the Additional Second Lien Term Loans through April 25, 2025.

Revolver

Borrowings under the Revolver incurred interest, at the Company’s option, at either (i) the LIBOR rate plus 4.25% or (ii) the alternative base rate plus 3.25% (in each case, as defined in the First Lien Restated Credit Agreement). The Revolver was required to be guaranteed by domestic subsidiaries of the Company and was secured by substantially all of the Company’s and any subsidiary guarantor’s assets. The Revolver contained customary representations and warranties, subject to limitations and exceptions, and customary covenants and events of default.

In accordance with the terms of the Revolver, the Company was obligated to pay quarterly fees on the unused portion of the facility at a rate of 0.50% per annum on the average daily amount of unused revolving credit commitments. The Company was also obligated to pay a letter of credit participation fee on the aggregate stated amount of each letter of credit available to be drawn equal to the applicable margin for LIBOR rate loans.

In accordance with the terms of the Revolver, the Company was obligated to pay quarterly fees on the unused portion of the facility at a rate of 0.50% per annum on the average daily amount of unused revolving credit commitments. The Company was also obligated to pay a letter of credit participation fee on the aggregate stated amount of each letter of credit available to be drawn equal to the applicable margin for LIBOR rate loans.

Restrictive Covenants

The Company was subject to several restrictive financial and nonfinancial covenants under the Senior Credit Facility which imposed certain restrictions on us, including restrictions on our ability to incur debt or provide guarantees; grant or suffer to existing liens; sell our assets; prepay certain indebtedness; make loans, advances, investments, and acquisitions; change our line of business; and a total leverage ratio financial covenant measured quarterly that steps down through the term of the agreement. The Second Amendment to the Restated Credit Agreements amended the total leverage ratio financial covenant based on quarterly test periods applied beginning March 22, 2021, which is the last day of the first fiscal quarter of 2021, through April 25, 2024, the maturity date of the First Lien.

Financing Obligations

As a result of the Merger and the application of the acquisition method of accounting, the financing obligations that existed as of April 24, 2017 were required to be recorded at fair value. The fair value that was estimated relating to the outstanding financing obligations approximated \$8.6 million as of April 25, 2017 based upon interest rates ranging from 3.20% to 7.06%. As of January 2, 2023 there were \$8.6 million of financing obligations recorded within “financing obligations, less current maturities” and \$0.1 million of financing obligations recorded within “current maturities of long-term debt and financing obligations” in the accompanying consolidated balance sheets.

As part of the adoption of ASC 842, *Leases*, on January 4, 2022, capital lease obligations were accounted for as “finance lease liabilities.” This resulted in the Company derecognizing \$0.1 million relating to capital lease obligations recorded within “current maturities of long-term debt and financing obligations” and \$0.3 million relating to capital lease obligations recorded within “financing obligations, less current maturities,” in the accompanying consolidated balance sheets.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

Deferred Financing and Issuance Costs

In 2021, in connection with the Second Amendment to the Amended and Restated Term Loans and revolver, the Company incurred debt issuances costs of \$7.9 million, \$1.6 million of which were applied to the First Lien Term loan, \$1.3 million which were applied to the Second Lien Term Loan and \$5.0 million of which were applied to the Additional Second Lien Term Loan. Deferred issuance costs were recorded as deferred financing and issuance costs and will be amortized over the life of the related debt using the effective interest method. Deferred financing and issuance costs were not recorded on the Company's financial statements associated with any debt entered into prior to the Allocation Agreement and no such costs were subsequently incurred until the year ended January 3, 2022.

The deferred financing costs were included as a deduction from the related debt balance in "long-term debt, less current maturities and deferred financing costs" in the accompanying consolidated balance sheets as of January 2, 2023 and January 3, 2022.

March 2023 Default

On March 6, 2023, the Company failed to make a required interest payment which resulted in an event of default under the terms of the Senior Credit Facility. Upon an event of default, the Senior Credit Facility lenders may declare all amounts outstanding under the Senior Credit Facility due and payable. Upon notification of the event of default, the Company and the Senior Credit Facility lenders entered into a forbearance agreement that provided the Company, through June 20, 2023, a temporary waiver from paying the interest and principal amounts due under the Senior Credit Facility and an opportunity for the Company and lenders to negotiate a potential out-of-court restructuring transaction. The forbearance agreement would terminate on June 20, 2023, and absent a successful transaction all remedies under the Senior Credit Facility would become available to the lenders, including the right to demand payment of the outstanding obligations. Due to the event of default and cross default provisions in other facilities and the waiver expiring less than 12 months from the balance sheet date, all outstanding obligations under the Senior Credit Facility were reclassified from non-current to current at January 2, 2023. The Company completed the Out-of-Court Restructuring on June 16, 2023.

Successor Debt Agreements

The Credit Agreement, which resulted from the Out-of-Court Restructuring, determined the new debt amount that would be held between the existing lenders and the Company. The First Lien lenders had the option to contribute, on a pro rata share, to fund new delayed draw term loans on a cash basis. As outlined in note 1, the Lenders received varying pro rata equity shares of Topco depending on whether they elected to participate in the funding of the new debt. Additionally, the Second Lien was completely exchanged in favor of a pro rata share of Topco's equity. As a result, the Company's new parent became Topco which is owned by the Lenders of the previously held First and Second Liens.

The terms of the repayment of the debt outstanding under the Agreement called for the restructuring of the First Lien Loan into up to \$25 million in New Money Loans and \$75 million in Second Out Loans plus the issuance of 40% and 55% equity in Topco, respectively. We note that at the time of the restructuring, only \$10 million in New Money Loans was issued. Additionally, the restructuring resulted in the complete cancellation of the Second Lien Loan in exchange for the issuance of 5% equity in Topco.

The New Money Loan accrues interest at a floating rate, to be determined at the Company's option, of either an alternative base rate plus 6% per annum or the Adjusted Term Secured Overnight Financing Rate plus 7% per annum plus a credit adjustment spread with the option to pay interest at a rate equal to 4% per annum in kind rather than in cash. The Second Out Loan accrues interest at a floating rate that equals, at the Company's option, either an alternative base rate plus 8% per annum or the Adjusted Term Secured Overnight Financing Rate plus 9% per annum plus a credit adjustment spread with the option to pay interest at a rate equal to 6% per annum in kind rather than in cash.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

As part of issuing the New Money Loans, the Company funded \$10 million out of the total \$25 million commitment. Additionally, the Company was required to pay lenders' costs of \$1.3 million. Accordingly, the Company allocated financing costs proportionally to the funded component and the unfunded component. The portion allocated to the funded balance is recorded as a reduction to long-term debt and the portion allocated to the unfunded balance is recorded as deferred financing cost asset. As of the date of the Out-of-Court Restructuring, the Company recognized \$0.5 million and \$0.8 million as a reduction to long-term debt and a deferred financing cost asset, respectively. As of January 1, 2024 (Successor), the Company had \$0.4 million and \$0.6 million as a reduction to long-term debt and a deferred financing cost asset, respectively. The deferred financing cost asset is recognized in Other Current Assets on the balance sheet.

Payments under financing obligations in effect as of January 1, 2024 (Successor) for the next five years and thereafter are as follows:

<u>Fiscal year ending</u>	<u>Amount</u>
2024	\$ 1,879
2025	942
2026	994
2027	10,761
2028	74,118
Thereafter	7,290
Total payments	95,984
Less current portion	1,879
Less deferred financing cost	447
Non-current portion	<u>\$ 93,658</u>

14. Income Taxes

Prior to the Out-of-Court Restructuring, BossCo Holdings filed a consolidated federal and state (where appropriate) income tax returns which included the Company. As noted in Note 1, the Out-of-Court Restructuring, on June 16, 2023, resulted in BossCo Holdings deconsolidating which included the Company. As a result, Burger BossCo intermediate files consolidated federal and state (where appropriate) income tax returns which include the Company. For the fiscal period January 3, 2023 to June 16, 2023 (Predecessor), and for the years ended January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor), the Company's current and deferred income taxes are presented as if the Company was a separate taxpayer. As part of the Out-of-Court Restructuring, which was accounted for as a business combination, the Company recognized the deferred tax asset and liabilities based on the difference in the fair values of the assets and liabilities acquired and their tax basis. In addition, as part of the Out-of-Court Restructuring, the Company reassessed its tax attributes and recognized a reduction in tax attributes no longer available to the Company.

The Company accounts for income taxes in accordance with the provisions of ASC 740, *Income Taxes*, which require the Company to recognize income tax benefits and expenses for the changes in income tax assets and liabilities. Deferred tax assets must be reduced by a valuation allowance in certain circumstances. Realization of deferred tax assets is dependent on generating sufficient taxable income prior to the expiration of any net operating loss carryforwards ("NOLs"). The deferred tax assets are reviewed periodically for recoverability and valuation allowances are adjusted as necessary. After reviewing all relevant factors, including cumulative losses during the last three years, management believes that it is more likely than not that a portion of the Company's deferred tax assets will not be realized in a future period. As such, as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor), the valuation allowance has been adjusted to the amount of deferred tax assets, net of reversing deferred tax liabilities, that management believes will not be realized.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

Under ASC 740, *Income Taxes*, the tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities recognized within “deferred income tax liabilities” in the accompanying consolidated balance sheets as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor) were as follows:

	For the Periods Ended	
	January 1, 2024 (Successor)	January 2, 2023 (Predecessor)
Deferred tax assets:		
Net operating loss carryforwards	\$ -	\$ 13,890
Business interest limitation carryforward	21,518	15,579
Accruals	2,211	1,757
Operating right-of-use assets	39,355	53,837
Difference between book and tax basis of property and equipment	9,423	-
Allowance for credit losses	69	94
Stock-based compensation	32	967
Alternative minimum tax and tax credit carryforwards	-	3,943
Deferred revenue and other	2,507	4,479
Deferred tax assets	<u>75,115</u>	<u>94,546</u>
Less valuation allowance	<u>(38,288)</u>	<u>(42,399)</u>
Net deferred tax assets	<u>36,827</u>	<u>52,147</u>
Deferred tax liabilities:		
Difference between book and tax basis of brands intangible assets	(48,300)	(55,294)
Difference between book and tax basis of other intangible assets	(1,365)	(6,512)
Difference between book and tax basis of property and equipment	-	(256)
Operating lease liabilities	(35,246)	(45,346)
Other	(246)	(33)
Deferred tax liabilities	<u>(85,157)</u>	<u>(107,441)</u>
Deferred income tax liabilities, net	<u>\$ (48,330)</u>	<u>\$ (55,294)</u>

Net Operating Losses

In connection with the Out-of-Court Restructuring, Burger Bossco is subject to the Internal Revenue Code (“IRC”) Section 382 for a change in ownership. The Company believes the annual limitation will restrict the utilization of the Company’s IRC 163j interest expense attribute.

As of January 2, 2023 (Predecessor), the Company had approximately \$42.9 million of federal NOLs, approximately \$0.1 million of federal alternative minimum tax credit carryforwards and approximately \$3.8 million of federal employment credits available to be utilized. In addition to the federal NOLs and credit available, the Company has similar NOLs available in many of the states in which it currently operates. Due to the Out-of-Court Restructuring, the Company reduced its basis in tax attributes (NOLs and credits) to zero. Due to the Out-of-Court restructuring, there is no tax-deductible goodwill.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

Income tax (benefit) expense consisted of the following:

	For the Periods		For the Years Ended	
	June 17, 2023 through January 1, 2024 (Successor)	January 3, 2023 through June 16, 2023 (Predecessor)	January 2, 2023 (Predecessor)	January 3, 2022 (Predecessor)
Current:				
State	\$ 85	\$ 10	\$ 9	\$ 8
Federal	433	-	-	-
	518	10	9	8
Deferred:				
State	3	(774)	(3,646)	(766)
Federal	19	(6,778)	685	552
	22	(7,552)	(2,961)	(214)
Total income tax expense (benefit)	\$ 540	\$ (7,542)	\$ (2,952)	\$ (206)

The following is a reconciliation of the income tax (benefit) expense computed by applying the federal statutory income tax rate to “loss before income tax benefit” to the “income tax benefit” shown in the accompanying consolidated statements of operations:

	For the Periods		For the Years Ended	
	June 17, 2023 through January 1, 2024 (Successor)	January 3, 2023 through June 16, 2023 (Predecessor)	January 2, 2023 (Predecessor)	January 3, 2022 (Predecessor)
Federal income tax benefit computed at statutory rate	\$ (494)	\$ (20,786)	\$ (5,617)	\$ (2,157)
State and local income tax benefit, net of federal income tax benefit	(20)	(3,871)	(907)	(804)
Permanent differences and other	397	2,203	139	(1,369)
Unrecognized tax benefits	-	10	9	8
Other	16	1,778	(7)	104
Deferred tax asset write-off	-	2,366	-	-
State accrual changes	-	544	(1,458)	(695)
State tax rate change	-	(17)	(1,867)	-
Change in deferred tax asset valuation allowance	641	10,231	6,756	4,707
Total income tax expense (benefit)	\$ 540	\$ (7,542)	\$ (2,952)	\$ (206)

The Company is involved in various tax matters that involve various degrees of uncertainty with respect to the ultimate outcome and records a liability or reduces a deferred tax asset for unrecognized tax benefits for such matters as required by the provisions of ASC 740, *Income Taxes*.

For the periods ended January 1, 2024 (Successor) and January 2, 2023 (Predecessor), the Company recorded \$0.1 million and less than \$0.1 million of unrecognized tax benefits, respectively, of which \$0.01 million and less than \$0.1 million represents interest expense.

As of January 2, 2023 (Predecessor), the total liability for unrecognized tax benefits was \$0.1 million, respectively, and is recorded in “other long-term liabilities” in the accompanying consolidated balance sheets.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

The Company expects a change in unrecognized tax benefits of approximately \$.01 million during the next 12 months due to the lapse in the applicable statute of limitations. The Company is subject to tax in U.S. federal and various state and local jurisdictions. The Company is subject to U.S. federal, state or local income tax examinations in material jurisdictions for tax years beginning 2011 to the current year.

15. Stockholder's Equity

Predecessor period equity-based compensation plan

Company employees participated in the BossCo Holdings, Inc. 2017 Management Incentive Plan, which is administered by BossCo Holdings. The 2017 Management Incentive Plan was created to attract and retain the best available employees and non-employee directors to serve in the Company's management. The Plan provides for the granting of Options, Restricted Stock, Restricted Stock Units and Unrestricted Stock and was amended and restated February 25, 2021.

The number of shares of common stock for which options or other forms of equity awards permitted by the terms of the Amended and Restated 2017 Management Incentive Plan may be granted to management and members of the Board of Directors or consultants and which may be issued upon the exercise thereof cannot exceed, in the aggregate, 50,000. Awards that expire unexercised or are canceled, terminated, or forfeited in any manner without the issuance of common stock thereunder, are available for future issuance. As of January 2, 2023 (Predecessor) and January 3, 2022 (Predecessor), there were approximately 2,568 and 3,631 shares, respectively, of common stock available for future grants under the Amended and Restated 2017 Management Incentive Plan.

Restricted Shares

During the year ended December 28, 2020 (Predecessor), the Company granted 5,700 restricted stock units ("RSUs") under the amended 2017 Management Incentive Plan. These RSUs primarily cliff vested after three to four years from the date of the grant and had a weighted-average fair market value of \$149 as of December 28, 2020 (Predecessor) for the RSUs granted and outstanding. In 2021 (Predecessor), the Company cancelled all previously issued stock options and RSUs in exchange for new RSUs in accordance with the Amended and Restated 2017 Management Incentive Plan. The RSUs granted under the Amended and Restated 2017 Management Incentive Plan, includes both service- and performance-based RSUs. Two-thirds of the RSUs are service-based and one-third are performance-based. One-sixth of the service-vesting RSUs vest on the grant date, one-sixth vest on December 1, 2021, and the remaining four-sixths vest in equal installments on each of the first four anniversaries of December 1, 2021 with 100% of the service-based vesting RSUs and performance-based RSUs vesting as of the consummation of a change of control subject to continued employment through the date of such change of control.

Noncash Compensation

The pretax stock-based compensation cost recognized under the Amended and Restated 2017 Management Incentive Plan was \$5.7 million, \$1.2 million, and \$0.8 million, for the period January 3, 2023 through June 16, 2023 (Predecessor) and for the years ended January 2, 2023 (Predecessor), and January 3, 2022 (Predecessor), respectively. Stock-based compensation is recorded in "general and administrative expenses" in the respective accompanying consolidated statements of operations. The Out-of-Court Restructuring resulted in a change in control, per the 2017 Management Incentive Plan. Accordingly, all outstanding service-based and performance-based awards vested. As part of the \$5.7 million of stock-based compensation cost recognized during the period January 3, 2023 through June 16, 2023 (Predecessor), the Company recognized \$5.3 million due to this accelerated vesting.

Successor period equity-based compensation plan

On August 25, 2023 (Successor), Topco created a new management incentive plan, "Management Incentive Plan," which authorized Topco to issue various equity awards to managers and executives of Topco and its consolidated subsidiaries. Equity

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

awards authorized to be issued include class B units (“Class B Units”), phantom units, options, warrants, and other securities convertible into Class B units of Topco. For the period ended January 1, 2024 (Successor), the only awards issued were for Class B Units. Class B Units are profit-sharing interests that participate in earnings upon reaching a contractual hurdle rate.

As of January 1, 2024 (Successor), under the Management Incentive Plan, 1,111,111 Class B Units were authorized to be issued. During the period ended January 1, 2024, 861,111 Class B Units were included in awards granted to employees of Topco and 250,000 Class B Units are available for grant as of January 1, 2024 (Successor).

Awards for Class B Units

For the awards issued, 50% of the Class B Units are service-based and vest evenly over the first to fifth anniversaries of the grant date. The remaining 50% of the Class B units are performance-based which will vest upon a Liquidity Event. A Liquidity Event is defined within the Management Incentive Plan as the sale, or similar type transaction, of Topco. Upon the occurrence of a Liquidity Event, all unvested service-based units will become fully vested. The Management Incentive Plan further defines Specified Event(s), such as termination for cause, that will result in the automatic forfeiture of all vested and unvested shares without consideration.

The Company records the resulting stock-compensation expense for service-based units ratably over the five-year period and the performance-based units, as well as any expense for unvested service-based Class B Units, upon the occurrence of a Liquidity Event. The stock-based compensation expense recorded is based upon the fair value of the Class B Units which was calculated using the Black-Scholes Model as of the grant date of these awards.

The Company has elected to use the practical expedient under ASU 2021-07 which allows a nonpublic entity to determine the current price input of a share option using the “reasonable application of a reasonable valuation method,” which is determined as of the award’s measurement date, taking into consideration certain factors as required by the guidance.

During the period ended January 1, 2024 (Successor), 861,111 awards for Class B Units were granted and no Class B Units were forfeited, cancelled, or expired. The fair value of the awards for Class B Units granted during the period ended January 1, 2024 (Successor) was determined using the following assumptions:

Assumption	January 1, 2024 (Successor)
Expected dividend yield	-
Volatility	85%
Risk-free interest rate	4.58%
Expected life in years	4.0
Fair value of units	\$ 4.11

Stock-compensation expense recorded under the Management Incentive Plan for the period June 17, 2023 through January 1, 2024 (Successor) was \$0.1 million.

As of January 1, 2024 (Successor), the total stock-based compensation cost related to unvested awards not yet recognized is \$3.4 million. Of this total, \$1.6 million relates to performance-based units for which the timing of vesting is uncertain due to the occurrence of a Liquidity Event not being certain as of this date. The remaining \$1.8 million relates to service-based units

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

which are expected to be recognized over a remaining period of 4.7 years. The total expected stock-compensation cost for the next five years related to unvested service-based units not yet recognized is as follows:

<u>Fiscal year ending</u>	<u>Amount</u>
2024	\$ 393
2025	393
2026	393
2027	401
2028	262
Total	<u>\$ 1,842</u>

Other Compensation

The Company sponsors a qualified defined contribution plan covering all non-director employees. There was no match of employee contributions and there was less than \$0.1 million in expense associated with this plan in each of the periods June 17, 2023 through January 1, 2024 (Successor) and January 3, 2023 through June 16, 2023 (Predecessor) and for the years ended January 2, 2023, and January 3, 2022.

16. Leases

The Company leases real estate for the operation of its restaurants as well as acts as a sublessor for the operation of certain franchised restaurants. As lessee, the Company is obligated under several noncancelable leases, primarily ground leases that in certain instances it also subleases to franchisees.

The Company accounts for leases as both a lessee and a lessor in accordance with ASC 842, *Leases*. For details on the Company's adoption of ASC 842, *Leases* and the related policy elections refer to Note 2. Results for reporting periods beginning on or after January 4, 2022 are presented under ASC 842, *Leases*. Prior period amounts were not revised and continue to be reported in accordance with ASC 840, *Leases*, the accounting standard then in effect.

Company as Lessee

The Company leases land and buildings generally under agreements with terms of, or renewable to, 10 to 30 years. The Company determines the lease term by assuming exercise of renewal options that are reasonably certain to be exercised. The leases are evaluated for classification as operating or finance leases.

The Company has elected the practical expedient to account for lease components and non-lease components as a single lease component for all underlying classes of assets. The leases generally obligate the Company to pay for costs associated with property taxes, insurance and maintenance and are evaluated by the Company as fixed or variable in nature. If it is concluded that they are fixed, they are included in the calculation of the lease liability. Fixed lease costs for operating lease payments are recognized on a straight-line basis over the lease term and are included in the "restaurant occupancy expense", "franchise support and services expenses," "general and administrative expenses" and "restaurant retirement costs" within the accompanying consolidated statement of operations.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

The following table provides quantitative information concerning the Company's leases under ASC 842, *Leases*.

	For the Periods		For the Year
	June 17, 2023 through January 1, 2024 (Successor)	January 3, 2023 through June 16, 2023 (Predecessor)	Ended January 2, 2023 (Predecessor)
Finance lease cost	\$ 1,201	\$ 674	\$ 329
Amortization of right-of-use assets	455	237	204
Interest expense on lease liabilities	746	437	125
Operating lease cost	9,117	8,801	19,351
Variable lease cost	1,171	920	2,333
Sublease income	(1,858)	(1,029)	(3,691)
Total net lease cost	\$ 9,631	\$ 9,366	\$ 18,322
Other lease information:			
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from finance leases	\$ 746	\$ 437	\$ 125
Operating cash flows from operating leases	8,154	8,250	22,667
Financing cash flows from finance leases	254	159	130
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ 8,283	\$ 7,808	\$ 6,382
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 1,006	\$ 1,058	\$ 8,756

	January 1, 2024 (Successor)	January 2, 2023 (Predecessor)
Weighted-average remaining lease term—finance leases	22.6 years	22.4 years
Weighted-average remaining lease term—operating leases	19.1 years	19.5 years
Weighted-average discount rate—finance leases	4.15%	2.99%
Weighted-average discount rate—operating leases	3.94%	2.07%

The Company wrote-off right-of-use operating lease assets in the amount of \$0.4 million for the period ended January 1, 2024 (Successor) due to stores that closed during the period. Additionally, the Company wrote-off right-of-use operating lease assets in the amount of \$2.9 million and \$2.0 million in the period ended June 16, 2023 (Predecessor), and year ended January 2, 2023 (Predecessor), respectively. These impairment charges related to stores that were not profitable, and with investment, were not projected to be profitable.

Under ASC 840, *Leases*, lease expense was \$23.4 million for the year ended January 3, 2022 (Predecessor) and is included in the "restaurant occupancy expense", "franchise support and services expenses", "general and administrative expenses" and "restaurant retirement costs" within the accompanying consolidated statement of operations.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

Certain leases contain contingent rental provisions based on percentages of gross sales if an established threshold is met. Contingent rent expenses are considered to be variable and are recognized once minimum sales volume is expected to be achieved. Contingent rent expense was not material for the periods ended January 1, 2024 (Successor), June 16, 2023 (Predecessor), January 3, 2023 (Predecessor), and January 3, 2022 (Predecessor).

The Company classifies the current lease liability by applying the liability's effective interest rate to the total contractual payments that are due within the next 12 months. A maturity analysis of annual undiscounted cash flows for lease liabilities under noncancelable leases as of January 1, 2024 (Successor), is as follows (in thousands):

Fiscal Year	<u>Operating leases</u>	<u>Finance leases</u>
2024	\$ 17,522	\$ 1,536
2025	17,385	1,626
2026	15,484	1,674
2027	12,937	1,702
2028	12,362	1,746
Thereafter	156,936	32,063
Total undiscounted lease payments	<u>\$ 232,626</u>	<u>\$ 40,347</u>
Less Interest	(71,704)	(15,064)
Present value of lease payments	<u>\$ 160,922</u>	<u>\$ 25,283</u>

Company as Lessor

The Company subleases land and buildings associated with the sale of certain Company-operated restaurants with terms of, or renewable to, 10 to 15 years with no option to purchase. The Company determines the sublease term by assuming exercise of renewal options that are reasonably certain to be exercised. The Company continues to be responsible for the rent payments to the original lessors. The subleases are evaluated for classification as operating, direct financing or sales-type leases. The Company has elected the practical expedient to account for lease components and non-lease components as a single lease component for all underlying classes of assets. The subleases generally obligate the sublessee to pay for costs associated with property taxes, insurance and maintenance costs and are considered to be variable. Variable sublease rental income recorded for the periods ended January 1, 2024 (Successor), June 16, 2023 (Predecessor), January 3, 2023 (Predecessor) and January 2, 2022 (Predecessor), was \$0.1 million, \$0.1 million, \$0.3 million and \$0.3 million, respectively.

The Company is the sublessor on operating leases. The revenue from these subleases is recorded in "franchise fees and other income" in the accompanying consolidated statements of operations. Sublease rental income recorded for the periods ended January 1, 2024 (Successor), June 16, 2023 (Predecessor), January 2, 2023 (Predecessor), and January 3, 2022 (Predecessor) was \$1.9 million, \$1.0 million, \$3.7 million, and \$4.8 million, respectively.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular Dollars in Thousands, Except Share and per Share Data)

Maturity analysis of lease receivables – lessor

	<u>Operating leases</u>
Fiscal year ending:	
2024	\$ 2,064
2025	1,882
2026	1,600
2027	1,212
2028	840
Thereafter	1,977
Total future minimum lease receipts	<u>\$ 9,575</u>

17. Commitments and Contingencies

Self-Insurance

The Company is partially self-insured for a portion of its expected losses under its workers' compensation and general liability programs. We also carry excess liability limits above the primary coverages as we have determined necessary. We believe we maintain insurance coverage that is customary for businesses of our size and type.

The Company's reserves for both general liability and workers' compensation claims are based, in part, on estimates provided by a third-party specialist of expected losses based on statistical analysis of historical industry data, as well as the Company's own estimates based on actual historical data. These assumptions are adjusted when warranted by changing circumstances. Should a higher number of claims occur compared to original estimates or if the cost of those claims is higher than anticipated, liabilities for self-insurance may not be sufficient and additional expense may be recorded. Should the actual claims experience be more favorable than estimated, a resulting expense reduction may be recorded. The Company maintained a \$2.1 and \$2.0 million letter of credit as of January 1, 2024 (Successor) and January 2, 2023 (Predecessor), respectively, as collateral securing general liability claims and self-insured workers' compensation claims until they are settled. The Company is also self-insured, subject to umbrella policies, for health care claims for eligible participating employees, subject to certain deductibles and limitations. The liabilities for self-insurance are presented on an undiscounted basis in the accompanying consolidated balance sheets under the caption "current portion of accrued self-insurance" for \$1.6 million as of January 1, 2024 (Successor) and \$1.7 million as of January 2, 2023 (Predecessor) and "accrued self-insurance, less current portion" for \$2.2 million as of January 1, 2024 (Successor) and \$2 million as of January 2, 2023 (Predecessor).

Litigation

From time to time, we are involved in legal proceedings arising in the ordinary course of business relating to matters including, but not limited to, disputes with franchisees, suppliers, employees (including pursuant to employment discrimination and wage and hour laws) and customers, as well as disputes over intellectual property. We do not expect the outcome of pending litigation to have a material impact on our business or consolidated financial position, although it may have a material impact on our consolidated results of operations in any particular annual period.

18. Subsequent Events

The Company has evaluated subsequent events through August 13, 2024, the date the financial statements were available to be issued and determined that there were no events that have occurred since the consolidated balance sheet date that require disclosure to prevent the consolidated financial statements from being materially misleading.

**THESE FINANCIAL STATEMENTS ARE PREPARED
WITH-OUT AN AUDIT. PROSPECTIVE
FRANCHISEES OR SELLERS OF FRANCHISES
SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC
ACCOUNTANT HAS AUDITED THESE FIGURES OR
EXPRESSED HIS OR HER OPINION WITH REGARD TO
THEIR CONTENT OR FORM.**



CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
PERIODIC REPORT
FOR THE PERIOD ENDED JUNE 17, 2024

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 17, 2024

Consolidated Balance Sheet.....	3
Consolidated Statement of Operations.....	4

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

(Unaudited)
June 17,
2024*

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 15,895
Accounts and notes receivable, net	8,737
Inventory	2,419
Prepaid expenses	3,295
Other current assets	2,802
Total current assets	33,148
Property and equipment, net	28,825
Operating lease right-of-use assets	139,170
Finance lease right-of-use assets	22,285
Goodwill and intangible assets, net	227,254
Favorable leasehold interests	1,721
Other assets	2,746
Total assets	\$ 455,149
LIABILITIES AND STOCKHOLDER'S EQUITY	
Current liabilities:	
Accounts payable	2,558
Accrued liabilities	11,068
Accrued wages and benefits	3,989
Current portion of deferred revenue	2,641
Current maturities of long-term debt and financing obligations	1,027
Current portion of accrued self-insurance	1,008
Current portion of operating right-of-use lease liabilities	11,386
Current portion of finance right-of-use lease liabilities	566
Total current liabilities	34,243
Deferred income tax liabilities	48,330
Operating lease liabilities, less current portion	142,582
Finance lease liabilities, less current portion	24,523
Long-term debt, less current maturities and deferred financing costs	88,130
Financing obligations, less current maturities	7,833
Deferred revenue, less current portion	6,693
Accrued self-insurance, less current portion	2,212
Unfavorable leasehold interests	143
Other long-term liabilities	1,134
Total liabilities	355,823
Stockholder's Equity:	
Common stock, \$0.01 par value, 100 shares authorized, issued and outstanding as of June 17, 2024 and January 1, 2024	—
Additional paid-in capital	98,419
Retained Earnings	907
Total stockholder's equity	99,326
Total liabilities and stockholder's equity	\$ 455,149

*Financial statements exclude final and formal purchase accounting entries.

CHECKERS DRIVE-IN RESTAURANTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(IN THOUSANDS)

	(Unaudited)
	Six Periods Ended
	June 17, 2024*
Revenues:	
Restaurant sales	\$ 123,457
Franchise and retail royalty revenue	17,072
Franchise fees and other income	3,587
Total revenues	144,116
Costs and expenses:	
Restaurant food and paper costs	38,336
Restaurant labor costs	36,802
Restaurant occupancy expense	10,017
Restaurant depreciation	2,366
Other restaurant operating expenses	16,430
General and administrative expenses	19,229
Franchise support and service expenses	2,399
Advertising expense	6,166
Other depreciation and amortization	1,774
Restaurant retirement costs	78
Net loss on disposals of fixed assets	278
Net (gain) loss on sales of restaurants	-
Total costs and expenses	133,875
Operating income	10,241
Other income (expense):	
Interest expense	(6,579)
Income before income tax expense	3,662
Income tax expense	99
Net income	\$ 3,563

*Financial statements exclude final and formal purchase accounting entries.

EXHIBIT I
DISCLOSURE ADDENDA FOR REGISTRATION STATES

**ADDENDUM TO THE CHECKERS DRIVE-IN RESTAURANTS, INC. FRANCHISE
DISCLOSURE DOCUMENT FOR
THE STATE OF CALIFORNIA**

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 14 DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

2. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**

3. The “**Special Risks to Consider about *This Franchise***” cover page is amended by adding the following:

Personal Guarantee: Franchisees and all owners must sign a personal guarantee, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guarantee will place your and your spouse’s marital and personal assets at risk if your franchise fails.

4. Item 3 of the Franchise Disclosure Document is amended to provide that neither the franchisor, nor any person in Item 2 of the Franchise Disclosure Document, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

5. The California Business and Professions Code Section 20000 through 20043 provide rights to the Franchisee concerning termination or non-renewal for a Franchise. If the Franchise Agreement or Development Agreement contain a provision that is inconsistent with the law, the law will control.

6. The Franchise Agreement and Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

7. The Franchise Agreement and Development Agreement contain a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

8. The Franchise Agreement and Development Agreement require binding arbitration. The arbitration will occur in the State of Florida, with the costs being borne as provided in those Agreements. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Checkers/Rally's
August 2024

9. The Franchise Agreement and Development Agent Agreement require application of the laws of the State of Florida. This provision might not be enforceable under California law.

10. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

11. You must sign a general release if you renew or transfer your franchise. California Corporations Code § 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§ 31000 through 31516). Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043).

12. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

13. 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.

14. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

15. Despite the payment provisions in Item 5 of the Disclosure Document, we will defer your payment of initial fees owed by you to us under the Franchise Agreement until all of our pre-opening obligations have been satisfied and you commence doing business under the Franchise Agreement. We also will defer collection of all initial fees owed under the Development Agreement until we have completed all of our pre-opening obligations under the applicable franchise agreement entered into pursuant to the Development Agreement and you commence doing business under that franchise agreement.

**ADDENDUM TO THE CHECKERS DRIVE-IN RESTAURANTS, INC. FRANCHISE
DISCLOSURE DOCUMENT FOR
THE STATE OF ILLINOIS**

Illinois law governs the franchise agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' 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.

Despite the payment provisions in Item 5 of the Disclosure Document, we will defer your payment of initial fees owed by you to us under the Franchise Agreement until all of our pre-opening obligations have been satisfied and you commence doing business under the Franchise Agreement. We also will defer collection of all initial fees owed under the Development Agreement until we have completed all of our pre-opening obligations under the first franchise agreement entered into pursuant to the Development Agreement and you commence doing business under the first franchise agreement. This deferral requirement has been imposed by the Illinois Attorney General's Office based on the Franchisor's audited financial statements.

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.

**ADDENDUM TO THE CHECKERS DRIVE-IN RESTAURANTS, INC. FRANCHISE
DISCLOSURE DOCUMENT FOR
THE STATE OF MARYLAND**

The following paragraph is added at the end of Item 5 of the Disclosure Document:

Payment of all initial fees due under the Franchise Agreement is deferred until franchisor has completed all of its pre-opening obligations under the Franchise Agreement. Payment of all initial fees due under the Development Agreement is deferred until franchisor has completed all of its pre-opening obligations under the first franchise agreement entered into pursuant to the Development Agreement.

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all Franchises offered and sold in the State of Maryland:

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.).

Pursuant to COMAR 02.02.08 16L, the general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any clause(s) referencing choice of forum is not applicable to claims arising under the Maryland Franchise Registration and Disclosure Law.

The following language is added to Item 17:

Any general releases you sign will not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law. (See Exhibit K to the Franchise Disclosure Document for the form of general release that we currently intend to use in connection with franchise transfers and renewals.)

Any limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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

Checkers/Rally's
August 2024

any other or inconsistent term of any document executed in connection with the franchise.

**ADDENDUM TO THE CHECKERS DRIVE-IN RESTAURANTS, INC. FRANCHISE
DISCLOSURE DOCUMENT FOR
THE STATE OF MICHIGAN**

THIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT OF CHECKERS DRIVE-IN RESTAURANTS, INC. REFLECTS CERTAIN REQUIREMENTS OF THE STATE OF MICHIGAN. IT IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION, AND SHOULD BE REVIEWED IN CONJUNCTION WITH THE FRANCHISE DISCLOSURE DOCUMENT, OF WHICH THIS IS MADE A PART.

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 furnishing 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.

* A federal court held that this provision of the Michigan law was preempted by the Federal Arbitration Act and therefore is not enforceable. We intend to enforce the arbitration clause as it is written in the agreements.

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:

State of Michigan
Department of Attorney General
Consumer Protection Agency
Attention: Franchise
670 Law Building
525 West Lansing
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

**ADDENDUM TO THE CHECKERS DRIVE-IN RESTAURANTS, INC. FRANCHISE
DISCLOSURE DOCUMENT FOR
THE STATE OF MINNESOTA**

1. Item 13 is amended by the addition of the following language:

The franchisor will protect the franchisee's right 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.

2. Item 17 is amended by the addition of the following paragraphs:

With respect to franchisees governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3,4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

Under Minn. rule 2860.4400J, (1) a franchisee cannot waive any rights, (2) the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief, and (3) a franchisee cannot be required to consent to waiver of a jury trial.

Pursuant to Minn. Rule 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Under Minn. Rule 2860.4400J, we are prohibited from requiring you to consent to liquidated damages.

3. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

Checkers/Rally's
August 2024

4. Each provision of this addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this addendum to the Franchise Disclosure Document.

**ADDENDUM TO THE CHECKERS DRIVE-IN RESTAURANTS, INC. FRANCHISE
DISCLOSURE DOCUMENT FOR
THE COMMONWEALTH OF VIRGINIA**

1. Item 5 is amended by the addition of the following language:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee and other initial payments owed by area franchisees to the franchisor until the franchisor has completed all of its pre-opening obligations under the first franchise agreement entered into pursuant to the development agreement.

2. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document for Checkers Drive-In Restaurants, Inc. is supplemented by the following:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

3. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

**ADDENDUM TO THE CHECKERS DRIVE-IN RESTAURANTS, INC.
FRANCHISE DISCLOSURE DOCUMENT FOR
THE STATE OF WISCONSIN**

REGISTRATION OF THIS FRANCHISE IN WISCONSIN DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT.

The conditions under which the Franchise Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.

EXHIBIT J

AGREEMENT RIDERS FOR CERTAIN REGISTRATION STATES

Checkers/Rally's
August 2024

**ILLINOIS RIDER
TO THE FRANCHISE AGREEMENT**

In recognition of the requirements of the Illinois Franchise Disclosure Act and the rules and regulations promulgated thereunder, the Franchise Agreement shall be modified by this document (the "Rider") as follows:

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, _____ ("Agreement") that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because the Franchised Restaurant to be operated by Franchisee pursuant to the Agreement will be located in the state of Illinois and/or because Franchisee is a resident of the state of Illinois. This Rider shall be of no force and effect unless the jurisdictional requirements of the Illinois Franchise Disclosure Act and any regulations thereunder are met independently without reference to this Rider.

2. Initial Franchise Fee. Section 6.01 of the Agreement shall be amended by adding the following:

Despite the payment provisions above, Franchisor will defer collection of all initial fees owed by Franchisee to Franchisor under this Agreement until Franchisor has completed all of its pre-opening obligations under this Agreement and the Franchisee has commenced doing business. This deferral requirement has been imposed by the Illinois Attorney General's Office based on the Franchisor's audited financial statements.

3. Arbitration; Jurisdiction and Venue. Sections 18.05 and 18.07 of the Agreement shall be amended by adding the following:

Despite the provision, Franchisor and Franchisee agree that any action brought by one of them against the other must be instituted in a state or federal court located in the State of Illinois.

4. Governing Law. Section 18.08 of the Agreement shall be amended by adding the following:

Despite the provision above, Franchisor and Franchisee agree that Illinois law will govern this Agreement.

5. 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.

6. 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

Checkers/Rally's
August 2024

material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

[SIGNATURES ON FOLLOWING PAGE]

CHECKERS DRIVE-IN RESTAURANTS, INC. FRANCHISEE

A Delaware Corporation

By: _____

By: _____

Title: _____

Title: _____

ILLINOIS RIDER TO THE DEVELOPMENT AGREEMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act and the rules and regulations promulgated thereunder, the Development Agreement shall be modified by this document (the "Rider") as follows:

1. Background. Franchisor and Area Franchisee are parties to that certain Development Agreement dated _____, _____ ("Agreement") that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because the Restaurant(s) to be developed by Area Franchisee pursuant to the Agreement will be located in the state of Illinois and/or because Area Franchisee is a resident of the state of Illinois. This Rider shall be of no force and effect unless the jurisdictional requirements of the Illinois Franchise Disclosure Act and any regulations thereunder are met independently without reference to this Rider.

2. Development Fee. Section 2.01 of the Agreement shall be amended by adding the following:

Despite the payment provisions above, Franchisor will defer collection of all initial fees owed by Area Franchisee to Franchisor under this Agreement until Franchisor has completed all of its pre-opening obligations under the first franchise agreement entered into pursuant to this Agreement and Area Franchisee has commenced doing business under the first franchise agreement. This deferral requirement has been imposed by the Illinois Attorney General's Office based on the Franchisor's financial condition.

3. Arbitration; Jurisdiction and Venue. Sections 10.06 and 10.07 of the Agreement shall be amended by adding the following:

Despite the provision above, Franchisor and Area Franchisee agree that any action brought by one of them against the other must be instituted in a state or federal court located in the State of Illinois.

4. Governing Law. Section 10.07 of the Agreement shall be amended further by adding the following:

Despite the provision above, Franchisor and Franchisee agree that Illinois law will govern this Agreement.

5. 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.

6. 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

Checkers/Rally's
August 2024

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.

CHECKERS DRIVE-IN RESTAURANTS, INC.
A Delaware Corporation

AREA FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

Checkers/Rally's
August 2024

MARYLAND RIDER TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law and the rules and regulations promulgated thereunder, the Franchise Agreement shall be modified by this document (the "Rider") as follows:

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, _____ ("Agreement") that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because the Franchised Restaurant to be operated by Franchisee pursuant to the Agreement will be located in the State of Maryland and/or because Franchisee is a resident of the State of Maryland. This Rider shall be of no force and effect unless the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law and any regulations thereunder are met independently without reference to this Rider.

2. Your Acknowledgments. Sections 1.02 of the Agreement is hereby deleted and replaced with the following.

You accept the terms of this Agreement as being reasonably necessary to maintain the uniformity of our high quality standards at all Restaurants in order to protect the goodwill of the Marks and the integrity of the System. You recognize that the restaurant industry is highly competitive, with constantly changing market conditions. All acknowledgments or representations of Franchisee requiring you to assent to a release, estoppel or waiver of liability 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.

3. Your Representations. The following language is added to Section 1.03 of the Agreement:

All acknowledgments or representations of Franchisee requiring you to assent to a release, estoppel or waiver of liability 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.

4. Initial Franchise Fee. Section 6.01 shall be amended by adding the following:

Despite the payment provisions above, Franchisee need not pay Franchisor any initial fees due under this Agreement until Franchisor has completed all of its pre-opening obligations under this Agreement.

5. 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.).

6. Pursuant to COMAR 02.02.08 16L, the general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Checkers/Rally's
August 2024

7. Any clause(s) referencing choice of forum is not applicable to claims arising under the Maryland Franchise Registration and Disclosure Law.

8. Limitation on Claims. The following language is added to Section 18.03 of the Agreement:

However, the limitation of such claims shall not act to reduce the three (3) year statute of limitations afforded to you for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

9. Franchisee's Release. The following language is added to Section 18.14 of the Agreement:

However, such release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

10. 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.

CHECKERS DRIVE-IN RESTAURANTS, INC.
A Delaware Corporation

FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

**MARYLAND RIDER
TO THE DEVELOPMENT AGREEMENT**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law and the rules and regulations promulgated thereunder, the Area Development Agreement shall be modified by this document (the "Rider") as follows:

1. Background. Franchisor and Area Franchisee are parties to that certain Development Agreement dated _____, _____ ("Agreement") that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because the Restaurant(s) to be developed by Area Franchisee pursuant to the Agreement will be located in the State of Maryland and/or because Area Franchisee is a resident of the State of Maryland. This Rider shall be of no force and effect unless the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law and any regulations thereunder are met independently without reference to this Rider.

2. Your Acknowledgments. Sections 1.02 of the Agreement is hereby deleted and replaced with the following:

You accept the terms of this Agreement as being reasonably necessary to maintain the uniformity of our high quality standards at all Restaurants in order to protect and preserve the goodwill of the Marks and the integrity of the System. You recognize that the restaurant industry is highly competitive, with constantly changing market conditions. You recognize that the nature of Restaurants may change over time. All acknowledgments or representations of Area Franchisee requiring you to assent to a release, estoppel or waiver of liability 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.

2. Your Representations. The following language is added to Section 1.03 of the Agreement:

All acknowledgments or representations of Area Franchisee requiring you to assent to a release, estoppel or waiver of liability 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.

3. Development Fee. Section 2.01 shall be amended by adding the following:

Despite the payment provisions above, Area Franchisee need not pay Franchisor any initial fees due under this Agreement until Franchisor has completed all of its pre-opening obligations under the first franchise agreement entered into pursuant to this Agreement.

4. The 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.).

Checkers/Rally's
August 2024

5. Pursuant to COMAR 02.02.08 16L, the general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
6. Any clause(s) referencing choice of forum is not applicable to claims arising under the Maryland Franchise Registration and Disclosure Law.
7. Limitations on Legal Actions. The following language is added to Section 10.03 of the Agreement:

However, the limitation of such claims under this Section shall not act to reduce the three (3) year statute of limitations afforded to you for bringing a claim under the Maryland Franchise Registration and Disclosure Law.
8. Release. The following language is added to Section 10.13 of the Agreement:

However, such release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.
9. 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.

CHECKERS DRIVE-IN RESTAURANTS, INC.
A Delaware Corporation

AREA FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

MINNESOTA RIDER TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the Minnesota Franchise Law and the rules and regulations promulgated thereunder, the Franchise Agreement shall be modified by this document (the "Rider") as follows:

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, _____ ("Agreement") that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because the Franchised Restaurant to be operated by Franchisee pursuant to the Agreement will be located in the State of Minnesota and/or because Franchisee is a resident of the State of Minnesota. This Rider shall be of no force and effect unless the jurisdictional requirements of the Minnesota Franchise Law and any regulations thereunder are met independently without reference to this Rider.

2. Trademarks. Section 5.04 shall be amended by adding the following:

"Franchisor will protect the Franchisee's right 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."

3. Franchisee's Right to Transfer. Section 13.02 and Renewal of Rights Section 15.03 are amended by the inclusion of the following:

Under Minn. Rule 2860.4400D, we are prohibited from requiring you to sign a general release.

4. Termination of Agreement. Sections 14.01 and 14.02 shall be amended by adding the following:

"With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C., 14 Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

5. Miscellaneous. Sections 18.04 and 18.09 shall be amended by the inclusion of the following:

Under Minn. Rule 2860.4400J, a franchisee cannot waive any rights, and the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief. The court will also determine whether a bond is required.

6. Miscellaneous. Section 18.07 is amended by the inclusion of the following:

Checkers/Rally's
August 2024

Notwithstanding the foregoing, Minnesota Rule 2860.4400J prohibits the waiver of a jury trial.

7. Miscellaneous. Sections 18.05, 18.07 and 18.08 shall be amended by adding the following:

“Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, this section shall not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes, Chapter 80C.”

8. 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.

CHECKERS DRIVE-IN RESTAURANTS, INC. **FRANCHISEE**
A Delaware Corporation

By: _____

By: _____

Title: _____

Title: _____

**MINNESOTA RIDER
TO THE DEVELOPMENT AGREEMENT**

In recognition of the requirements of the Minnesota Franchise Law and the rules and regulations promulgated thereunder, the Development Agreement shall be modified by this document (the “Rider”) as follows:

1. Background. Franchisor and Area Franchisee are parties to that certain Development Agreement dated _____, _____ (“Agreement”) that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because the Restaurant(s) to be developed by Area Franchisee pursuant to the Agreement will be located in the State of Minnesota and/or because Franchisee is a resident of the State of Minnesota. This Rider shall be of no force and effect unless the jurisdictional requirements of the Minnesota Franchise Law and any regulations thereunder are met independently without reference to this Rider.

2. Area Franchisee's Right to Transfer. Section 7.02 is amended by the inclusion of the following:

Under Minn. Rule 2860.4400D, we are prohibited from requiring you to sign a general release.

3. Termination of Agreement. Sections 8.01 and 8.02 shall be amended by adding the following:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.,14 Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

4. Miscellaneous. Sections 10.05 and 10.09 are amended by the inclusion of the following:

Under Minn. Rule 2860.4400J, a franchisee cannot waive any rights, and the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief. The court will also determine whether a bond is required.

5. Miscellaneous. Sections 10.06 and 10.07 shall be amended by adding the following:

“Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, this section shall not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes, Chapter 80C.”

6. Miscellaneous. Section 10.06 is amended further by the inclusion of the following:

Minnesota Rule 2860.4400J prohibits the waiver of a jury trial.

Checkers/Rally's
August 2024

7. 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.

CHECKERS DRIVE-IN RESTAURANTS, INC.
A Delaware Corporation

AREA FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

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NEW YORK RIDER TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the New York General Business Law and the rules and regulations promulgated thereunder, the Franchise Agreement shall be modified by this document (the "Rider") as follows:

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, _____ ("Agreement") that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because the Franchised Restaurant to be operated by Franchisee pursuant to the Agreement will be located in the State of New York and/or because Franchisee is a resident of the State of New York. This Rider shall be of no force and effect unless the jurisdictional requirements of the New York General Business and any regulations thereunder are met independently without reference to this Rider.

2. Releases. Sections 13.02(i) and 15.03 are amended by the inclusion of the following:

“, provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights Franchisee enjoys and any causes of action arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.”

3. Franchisor's Right to Transfer. The following is added as a new Section 13.08:

“However, to the extent required by applicable law, no assignment will be made except to an assignee who, in Franchisor’s good faith judgment, is willing and able to assume Franchisor’s obligations under this Agreement.”

4. Termination of Agreement. Sections 14.01 and 14.02 shall be amended by adding the following:

“Franchisee may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.”

5. Governing Law. Sections 18.05 and 18.07 shall be amended by adding the following:

“However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.”

Checkers/Rally's
August 2024

6. Limitations on Legal Actions. Sections 18.03 and 18.10 shall be amended by adding the following:

“To the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.”

7. Application of Rider. There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed to be made in New York if Franchisee is domiciled, and the franchise will be opened, in New York. Franchisor is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

8. 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.

CHECKERS DRIVE-IN RESTAURANTS, INC.
A Delaware Corporation

FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

Checkers/Rally's
August 2024

**NEW YORK RIDER
TO THE DEVELOPMENT AGREEMENT**

In recognition of the requirements of the New York General Business Law and the rules and regulations promulgated thereunder, the Development Agreement shall be modified by this document (the "Rider") as follows:

1. Background. Franchisor and Area Franchisee are parties to that certain Development Agreement dated _____, _____ ("Agreement") that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because the Restaurant(s) to be developed by Area Franchisee pursuant to the Agreement will be located in the State of New York and/or because Franchisee is a resident of the State of New York. This Rider shall be of no force and effect unless the jurisdictional requirements of the New York General Business Law and any regulations thereunder are met independently without reference to this Rider.

2. Releases. Section 7.02(h) is amended by the inclusion of the following:

“, provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights Franchisee enjoys and any causes of action arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.”

3. Franchisor's Right to Transfer. The following is added as a new Section 7.08:

“However, to the extent required by applicable law, no assignment will be made except to an assignee who, in Franchisor’s good faith judgment, is willing and able to assume Franchisor’s obligations under this Agreement.”

4. Termination of Agreement. Sections 8.01 and 8.02 shall be amended by adding the following:

“Franchisee may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.”

5. Governing Law. Sections 10.06, 10.07 and 10.08 shall be amended by adding the following:

“However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.”

Checkers/Rally's
August 2024

6. Limitations on Legal Actions. Sections 10.03 and 10.09 shall be amended by adding the following:

“To the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.”

7. Application of Rider. There are circumstances in which an offering made by Franchisor would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed to be made in New York if Franchisee is domiciled, and the franchise will be opened, in New York. Franchisor is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

8. 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.

CHECKERS DRIVE-IN RESTAURANTS, INC.
A Delaware Corporation

AREA FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

Checkers/Rally's
August 2024

**VIRGINIA RIDER
TO THE FRANCHISE AGREEMENT**

In recognition of the requirements of the Virginia Retail Franchising Act and the rules and regulations promulgated thereunder, the Franchise Agreement shall be modified by this document (the "Rider") as follows:

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, _____ ("Agreement") that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because the Franchised Restaurant to be operated by Franchisee pursuant to the Agreement will be located in the Commonwealth of Virginia. This Rider shall be of no force and effect unless the jurisdictional requirements of the Virginia Retail Franchising Act and any regulations thereunder are met independently without reference to this Rider.

2. Initial Franchise Fee. Section 6.01 shall be amended by adding the following:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires Franchisor to defer payment of the initial franchise fee and other initial payments owed by Franchisee to Franchisor until Franchisor has completed its pre-opening obligations under the Franchise Agreement.

3. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

CHECKERS DRIVE-IN RESTAURANTS, INC. **FRANCHISEE**
A Delaware Corporation

By: _____

By: _____

Title: _____

Title: _____

Checkers/Rally's
August 2024

**VIRGINIA RIDER
TO THE DEVELOPMENT AGREEMENT**

In recognition of the requirements of the Virginia Retail Franchising Act and the rules and regulations promulgated thereunder, the Development Agreement shall be modified by this document (the “Rider”) as follows:

1. Background. Franchisor and Area Franchisee are parties to that certain Development Agreement dated _____, _____ (“Agreement”) that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being executed because the Restaurant(s) to be developed by Area Franchisee pursuant to the Agreement will be located in the Commonwealth of Virginia. This Rider shall be of no force and effect unless the jurisdictional requirements of the Virginia Retail Franchising Act and any regulations thereunder are met independently without reference to this Rider.

2. Development Fee. Section 2.01 shall be amended by adding the following:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires Franchisor to defer payment of the development fee and other initial payments owed by Area Franchisee to Franchisor until Franchisor has completed all of its pre-opening obligations under the first franchise agreement entered into pursuant to the Development Agreement.

3. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee’s investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

CHECKERS DRIVE-IN RESTAURANTS, INC.
A Delaware Corporation

AREA FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

Checkers/Rally's
August 2024

**RIDER TO THE CHECKERS DRIVE-IN RESTAURANTS, INC. FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA, INDIANA, MICHIGAN, RHODE ISLAND, AND WISCONSIN**

This Rider (the “**Rider**”) is made and entered into by and between CHECKERS DRIVE-IN RESTAURANTS, INC., a Delaware corporation located at 4300 West Cypress Street, Suite 710, Tampa, Florida 33607 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”). This Rider is part of the Franchise Agreement.

2. **No Waiver of Disclaimer of Reliance in Certain States.** The following provision applies only to franchisees and franchises that are subject to the state franchise disclosure laws in California, Indiana, Michigan, Rhode Island, or Wisconsin:

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 any 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 and delivered this Rider effective on the Effective Date stated in the Franchise Agreement.

CHECKERS DRIVE-IN RESTAURANTS, INC.
A Delaware Corporation

FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

Checkers/Rally's
August 2024

EXHIBIT K

SAMPLE GENERAL RELEASE

CHECKERS DRIVE-IN RESTAURANTS, INC.
GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

Checkers Drive-In Restaurants, Inc. (“we,” “us,” or “our”) and the undersigned franchisee, _____ (“you” or “your”), currently are parties to a certain Franchise Agreement (the “Franchise Agreement”) dated _____. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]_____

_____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our current and former officers, directors, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “Checkers Parties”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Checkers Parties (1) arising out of or related to the Checkers Parties’ obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Checkers Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Checkers Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your transferring owners likewise grant to us the release and covenant not to sue provided above.

[Signature Page Follows]

Checkers/Rally's
August 2024

The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law

The release provided above will not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law. Subject to your arbitration obligation under the Franchise Agreement, you may commence a lawsuit against us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

CHECKERS DRIVE-IN RESTAURANTS, INC. FRANCHISEE
A Delaware Corporation

By: _____

By: _____

Title: _____

Title: _____

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATE	CHECKERS EFFECTIVE DATE	RALLY'S EFFECTIVE DATE
California		
Illinois		
Indiana		
Maryland		
Michigan		
Minnesota		Not Registered
New York		Not Registered
Rhode Island		Not Registered
Virginia		
Wisconsin		Not Registered

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.

ITEM 23
RECEIPT

This Franchise Disclosure Document for Checkers Restaurants and Rally’s Restaurants summarizes certain provisions of the franchise agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If Checkers Drive-In Restaurants, Inc. (“Checkers”) offers you a franchise, Checkers must provide this Franchise Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to us or an affiliate of ours in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state law in (a) Michigan requires us to provide you the Franchise Disclosure Document at least 10 business 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 and (b) New York and Rhode Island require us to provide you the Franchise Disclosure Document the earlier of the first personal meeting or 10 business 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.

If Checkers does not deliver this Franchise 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 any applicable state agency.

The name, principal business address, and telephone number of the franchise seller(s) offering the franchise is (check the appropriate seller):

Robert Bhagwandat, 4300 West Cypress Street, Suite 600, Tampa, Florida 33607, (813) 283-7000; and/or

Issuance Date: August 16, 2024.

I received a Franchise Disclosure Document dated August 16, 2024. The Franchise Disclosure Document included the following Exhibits and Attachments:

Exhibit A	List of State Agencies/Agents for Service of Process	Exhibit D	Operations Manual Table of Contents
Exhibit B	Franchise Agreement	Exhibit E	Electronic Payment Authorization
Exhibit B-1	Existing Franchisee Incentive Addendum	Exhibit F	List of Current Franchisees
Exhibit B-2	Growth Incentive Addendum	Exhibit G	List of Former Franchisees
Exhibit B-3	Non-Traditional Site Addendum	Exhibit H	Financial Statements
Exhibit B-4	Vet Fran Addendum	Exhibit I	Disclosure Addenda For Registration States
Exhibit B-5	Women Business Owner Addendum	Exhibit J	Agreement Riders For Registration States
Exhibit C	Development Agreement	Exhibit K	Sample General Release

Date

Franchisee

Print Name

[Our copy - Insert date, sign and return to us]

ITEM 23
RECEIPT

This Franchise Disclosure Document for Checkers Restaurants and Rally's Restaurants summarizes certain provisions of the franchise agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If Checkers Drive-In Restaurants, Inc. ("Checkers") offers you a franchise, Checkers must provide this Franchise Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to us or an affiliate of ours in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state law in (a) Michigan requires us to provide you the Franchise Disclosure Document at least 10 business 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 and (b) New York and Rhode Island require us to provide you the Franchise Disclosure Document the earlier of the first personal meeting or 10 business 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.

If Checkers does not deliver this Franchise 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 any applicable state agency.

The name, principal business address, and telephone number of the franchise seller(s) offering the franchise is (check the appropriate seller):

Robert Bhagwandat, 4300 West Cypress Street, Suite 600, Tampa, Florida 33607, (813) 283-7000; and/or

Issuance Date: August 16, 2024.

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Exhibit B-3	Non-Traditional Site Addendum	Exhibit H	Financial Statements
Exhibit B-4	Vet Fran Addendum	Exhibit I	Disclosure Addenda For Registration States
Exhibit B-5	Women Business Owner Addendum	Exhibit J	Agreement Riders For Registration States
Exhibit C	Development Agreement	Exhibit K	Sample General Release

Date

Franchisee

Print Name

[Your copy - Insert date, sign and keep for your records]