

# FRANCHISE DISCLOSURE DOCUMENT

## Chick-fil-A, Inc.

A Georgia Corporation

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[www.chick-fil.com](http://www.chick-fil.com)



The Licensee will use a distinctive system for marketing, preparing and selling, directly or through third-party operators, Chick-fil-A brand products, including a boneless breast of chicken sandwich, from authorized custom facades, counter areas or other retail facilities.

The total investment necessary to begin operation of a Chick-fil-A Licensed Unit is from \$78,100 to \$833,600. You are not charged an initial license payment or fee by Chick-fil-A, Inc. in order to obtain a Chick-fil-A license.

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

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

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

EFFECTIVE DATE: March 31, 2014

## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE LICENSE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN GEORGIA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN GEORGIA THAN IN YOUR OWN STATE.
2. THE LICENSE AGREEMENT STATES THAT GEORGIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

EFFECTIVE DATE: March 31, 2014

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## **Item 1**

### **THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

**Chick-fil-A, Inc.:** The franchisor is Chick-fil-A, Inc. (“we,” “us” or “Chick-fil-A”). We are a Georgia corporation formed on March 23, 1964, and we use the trade name Chick-fil-A. We do not do business under any other name. The person who is granted a license and becomes a Chick-fil-A Licensee is referred to as “you” or “Licensee” throughout this Disclosure Document. Chick-fil-A’s principal business address is 5200 Buffington Road, Atlanta, Georgia 30349-2998. Chick-fil-A currently has no parents, predecessors or affiliates required to be included in this Item. A list of our agents for service of process in various states is contained in Exhibit “A” to this Disclosure Document.

**Chick-fil-A’s Business:** Chick-fil-A’s principal business is the development of a chain of retail quick-service restaurants specializing in a boneless breast of chicken sandwich. Most of these restaurants are operated by franchised operators who are independent contractors. Chick-fil-A franchised operators are sometimes referred to in this Disclosure Document as “Operators”. Chick-fil-A also operates various Chick-fil-A and other restaurants itself from time to time and may do so in the future through its affiliates and subsidiaries. The limited menu, quick-service restaurants operated by Chick-fil-A and its franchised Operators are sometimes referred to in this Disclosure Document as “Chick-fil-A Restaurants.” Chick-fil-A offers its franchises to prospective Operators under a different Disclosure Document.

Chick-fil-A also licenses and continues to offer licenses to prospective Chick-fil-A Licensees from time to time who have access to locations such as schools, workplaces, universities, airports, hospitals and other similar locations (the “Licensed Sites”) to sell Chick-fil-A brand products at such locations. This Disclosure Document addresses and concerns the offering of a license to a prospective Chick-fil-A Licensee. As set forth above, the person who becomes a Chick-fil-A Licensee will be referred to as “you” or “Licensee” throughout this Disclosure Document.

Chick-fil-A, Inc. offers and continues to offer qualified prospective Licensees the opportunity to obtain a license to use a distinctive system for marketing, preparing and selling, directly or through third-party operators, certain chicken and other food products. Chick-fil-A Licensees offer Chick-fil-A brand products, including a boneless breast of chicken sandwich, from authorized limited menu, quick-service restaurants located in custom facades, counter areas or other retail facilities at Licensed Sites. The limited menu, quick-service restaurants operated by Licensees at the Licensed Sites are sometimes referred to in this Disclosure Document as “Chick-fil-A Licensed Units”.

Most Licensees commence operating new Chick-fil-A Licensed Units. Chick-fil-A seeks prospective Licensees on a continuing basis and offers some of them the right to become Licensees depending on their qualifications, and the availability of a suitable Licensed Site or the suitability of the Licensed Site proposed by the Licensee.

**The Chick-fil-A Licensed Unit:** A Chick-fil-A Licensed Unit is a limited menu, quick-service restaurant with its primary product being a boneless breast of chicken sandwich known as a Chick-fil-A® Chicken Sandwich. A Chick-fil-A Licensed Unit may or may not have a seating area. In addition to the Chick-fil-A® Chicken Sandwich, menu items at a Chick-fil-A Licensed Unit include Chick-fil-A® Grilled Chicken Sandwich, Chick-fil-A® Nuggets, Chick-fil-A Waffle Potato Fries®, salad items, freshly squeezed lemonade, and soft drinks (in some locations). Other optional menu items, including a variety of breakfast products, may be added upon Chick-fil-A’s prior written approval.

Chick-fil-A's relationship with its Licensees is governed and defined by a written license agreement which is referred to in this Disclosure Document as a "License Agreement". Chick-fil-A Licensed Units are established in existing facilities such as cafeterias and food courts or operated from custom facades, counter areas or other retail facilities located in Licensed Sites to which you have access or control. You may own a Licensed Site, or lease a Licensed Site from a third party, and operate the Chick-fil-A Licensed Unit directly ("Self-Operators"). Alternatively, you may provide food service at a Licensed Site through a contractual arrangement with the owner or lessee (a "Third-Party") of the Chick-fil-A Licensed Unit as part of providing such food service to the Third-Party at the Licensed Site ("Food Service Providers"). If you act as a Food Service Provider, you may utilize persons in the operation of the Chick-fil-A Licensed Unit who are employees of the Third Party. In such instances, you will be subject to certain additional requirements under the License Agreement for Food Service Providers to which Self-Operators are not subject. Other than these additional requirements for Food Service Providers, which are discussed in this Disclosure Document, the terms of the License Agreement signed by Food Service Providers and the terms of the License Agreement signed by Self-Operators are the same. Both the License Agreement for Self-Operators and the License Agreement for Food Service Providers are attached to this Disclosure Document as Exhibits "B-1" and "B-2," respectively. Unless otherwise noted in this Disclosure Document, the term "License Agreement" includes both of these versions of the License Agreement and the term "you" includes both Self-Operator Licensees and Food Service Provider Licensees.

In order to become a Licensee, you will be required to sign a License Agreement (Exhibits "B-1" and "B-2"), and agree to operate your Chick-fil-A Licensed Unit in strict accordance with Chick-fil-A's standards and specifications. You will initially be licensed to operate a single Chick-fil-A Licensed Unit. Once you begin operating your Chick-fil-A Licensed Unit, Chick-fil-A may offer you the opportunity to operate one or more additional Chick-fil-A Licensed Units at the same or a different Licensed Site. Chick-fil-A is under no obligation to offer you the opportunity to operate an additional Chick-fil-A Licensed Unit and reserves the right to never offer you the opportunity to operate an additional Chick-fil-A Licensed Unit. The terms and conditions for operating any additional Chick-fil-A Licensed Unit offered to you by Chick-fil-A after your first Chick-fil-A Licensed Unit, if any, will be governed by your License Agreement or, alternatively as a condition of Chick-fil-A's approval, a new, separate then-current form of License Agreement for each such additional Chick-fil-A Licensed Unit, and the payment of an initial license fee for each such additional Chick-fil-A Licensed Unit, if Chick-fil-A generally requires prospective licensees to pay an initial license fee in executing its then-current License Agreement.

Although Chick-fil-A, its franchised Operators and its Licensees market Chick-fil-A brand products broadly, we find that the typical Chick-fil-A customer is in the 18-44 age group. We believe that the market for Chick-fil-A products in the broader Sunbelt region from Pennsylvania south through Texas is relatively developed. The market for Chick-fil-A brand products is less developed in other parts of the United States. As a general matter, sales of Chick-fil-A brand products are not seasonal. However, you may experience higher or lower sales during certain seasons of the year depending on the nature of the business or other activities conducted at the Licensed Site at which your Chick-fil-A Licensed Unit is located.

Your Chick-fil-A Licensed Unit will be subject to laws, rules and regulations affecting businesses generally. You will be required to comply with all such laws, rules and regulations that apply to businesses generally, including, without limitation, tax laws and regulations, labor, employment and wage and hour laws and regulations, insurance laws and regulations, business licensing requirements, public health laws, laws regulating the storage, preparation, labeling and sale of food and beverages to the public, food safety and sanitation laws, immigration and homeland security laws, restrictions against smoking in public places and restaurants, the public posting of notices regarding nutritional information, health hazards, fire safety, general emergency preparedness, rules regarding the proper use, storage and disposal of waste

materials, insecticides, and other hazardous materials, standards regarding employee health and safety, sexual harassment laws and any other federal, state and local regulations and ordinances which may be in effect. As a food service business, your Chick-fil-A Licensed Unit may be subject to additional laws, rules and regulations regarding the sale or packaging of products, refuse and sanitation standards and procedures for waste materials and packaging, nutritional claims or other types of advertising, menu or product labeling or information, and the use or maintenance of equipment involved in the preparation of frozen drinks and other products. It is your responsibility to comply with all federal, state and local laws, ordinances, rules and regulations that may affect your Chick-fil-A Licensed Unit, and to obtain and comply with all licenses and licensing requirements necessary for your Chick-fil-A Licensed Unit to open and operate. We encourage you to investigate and make inquiries regarding all these laws.

You will compete with other quick-service restaurants located in the geographic vicinity of your Chick-fil-A Licensed Unit, including possibly other Chick-fil-A Restaurants and Licensed Units located in the geographic vicinity of your Chick-fil-A Licensed Unit, as well as any other quick-service restaurants or other food service operations located at the Licensed Site at which your Chick-fil-A Licensed Unit is established. Primary competition for Licensed Units is from franchised and other food service operations located at the Licensed Site in which your Chick-fil-A Licensed Unit may be located. In some cases, competition may also arise from other restaurants and food service operations located outside of the immediate premises of your Licensed Site's location. These restaurants and food service operations may be associated with national or regional chains (whether or not franchised) or may be local, independent or institutional restaurant locations.

**Prior Business Experience:** S. Truett Cathy, the Chairman and Founder of Chick-fil-A, opened his first restaurant, the Dwarf Grill, in Hapeville, Georgia, in April 1946. The first Chick-fil-A Restaurant in a shopping mall opened for business on November 24, 1967, and the first free-standing Chick-fil-A Restaurant opened for business on April 16, 1986.

The first Chick-fil-A Restaurant opened in a mall location was also the first Chick-fil-A Restaurant operated by an Operator. Chick-fil-A commenced offering prospective restaurant Operators the opportunity to become Operators pursuant to a Disclosure Document on February 10, 1987. Chick-fil-A commenced offering prospective Licensees, who have access to locations such as schools, work places, universities, and airports, the opportunity to become Licensees pursuant to a Disclosure Document on May 4, 1992. Chick-fil-A has never offered a franchise in any other line of business. (See Item 20 for further information on numbers and locations of Chick-fil-A Operator Restaurants, Licensed Units and Company-operated Restaurants.)

## **Item 2**

### **BUSINESS EXPERIENCE**

#### **Director, Founder and Chairman Emeritus – S. Truett Cathy**

Mr. Cathy founded Chick-fil-A, Inc. in March 1964. He served as Chairman and Chief Executive Officer from 1964 until November 7, 2013, when he became Chick-fil-A's Chairman Emeritus. Mr. Cathy has been a member of Chick-fil-A, Inc.'s Board of Directors since 1964.

#### **Director and Secretary/Treasurer - Jeannette M. Cathy**

Mrs. Cathy has served as a member of the Board of Directors and Secretary/Treasurer of Chick-fil-A since 1964.

**Chairman, Chief Executive Officer, President and Assistant Secretary - Dan T. Cathy**

Mr. Cathy has served as Chairman and Chief Executive Officer since November 7, 2013. He has served as President and Assistant Secretary of Chick-fil-A since June 1, 2001. Mr. Cathy has served as a member of the Board of Directors of Chick-fil-A since January 1979.

**Director, Executive Vice President and President, Dwarf House - Donald M. “Bubba” Cathy**

Mr. Cathy has served as a member of the Board of Directors of Chick-fil-A since February 2004. Mr. Cathy has served as Executive Vice President of Chick-fil-A since April, 2012. From November 1994 to April, 2012, Mr. Cathy served as Senior Vice President of Chick-fil-A.

**Executive Vice President, Finance, Chief Financial Officer, Assistant Secretary and Assistant Treasurer - James B. McCabe**

Mr. McCabe has served as an Assistant Treasurer of Chick-fil-A, Inc. since December 12, 2013, and has been an Assistant Secretary since February 2004. Mr. McCabe has served as Executive Vice President, Finance and Chief Financial Officer since April, 2012. From November 1994 to April, 2012, Mr. McCabe served as Senior Vice President, Finance, and Chief Financial Officer of Chick-fil-A.

**Executive Vice President, Marketing and Chief Marketing Officer - Steven A. Robinson**

Mr. Robinson has served as Chick-fil-A’s Executive Vice President, Marketing since April 2012. From November 1994 to April 2012, Mr. Robinson served as Senior Vice President, Marketing.

**Executive Vice President, Operations - Tim Tassopoulos**

Mr. Tassopoulos has served as Chick-fil-A’s Executive Vice President, Operations since April, 2012. From January 1999 to April 2012, Mr. Tassopoulos served as Senior Vice President, Operations.

**Vice President, Corporate Financial Services - Philip A. Barrett, C.P.A.**

Mr. Barrett has served as Vice President, Corporate Financial Services of Chick-fil-A since November 2013. From January 2013 through October 2013 Mr. Barrett served as Vice President, Finance. From January 2001 to January 2013, Mr. Barrett served as Vice President, Controller.

**Vice President, Financial Planning and Development - Roger E. Blythe, Jr.**

Mr. Blythe has served as Vice President, Financial Planning and Development since November 2013. From January 2000 through October 2013, Mr. Blythe served as Vice President, Business Analysis.

**Vice President, Community Affairs – Rodney Bullard**

Mr. Bullard has served as Vice President, Community Affairs since July 2013. Mr. Bullard joined Chick-fil-A, Inc. in January 2013 as Executive Director, Community Affairs, and served in such capacity through June 2013. Prior to his employment with Chick-fil-A, Inc., Mr. Bullard was Executive Director of Chick-fil-A Foundation, Inc. from September 2011 through December 2012. From January 2009 through September 2011, Mr. Bullard was an Assistant United States Attorney for the Department of Justice, Atlanta, Georgia. From August 2006 through January 2009, Mr. Bullard served as Legislative Counsel for the United States Air Force.



**Vice President, Customer Experience – Jonathan B. Bridges**

Mr. Bridges has served as Vice President, Customer Experience since September, 2012. From July 2009 through August 2012, Mr. Bridges served as Vice President, Customer Service and Restaurant Concepts. From January 1998 through June 2009, Mr. Bridges served as Vice President, Information Technology and Chief Information Officer.

**Vice President, People – Andrew T. Cathy**

Mr. Cathy has served as Vice President, People since November 2013. From January 2012 through October 2013, Mr. Cathy served as Director of Franchisee Selection. From January 2011 through December 2011, Mr. Cathy served as Management Consultant, Franchisee Selection. From July 2007 through December 2010, Mr. Cathy was a Franchisee Consultant.

**Vice President, General Counsel and Assistant Secretary - B. Lynn Chastain**

Ms. Chastain has served as Assistant Secretary of Chick-fil-A since December 2013. Ms. Chastain has served as General Counsel of Chick-fil-A since August, 2013, and as Vice President since January 2002.

**Vice President, Supply Chain – Robert P. Dugas**

Mr. Dugas has served as Vice President, Supply Chain January 2014. From August 2010 through December 2013, Mr. Dugas served as Vice President, Supply Chain and Strategic Events. From January 2009 through July 2010, Mr. Dugas served as Vice President, Supply Chain. From January 2006 through December 2008, Mr. Dugas served as Director, Supply Chain.

**Vice President, Field Talent – William J. Dunphy**

Mr. Dunphy has served as Vice President, Field Talent since November 2013. From January 2008 through October 2013, Mr. Dunphy served as Director, Field Operations.

**Vice President, Information Technology and Chief Information Officer – Michael F. Erbrick**

Mr. Erbrick has served as Vice President, Information Technology and Chief Information Officer since July 2009. From January 2004 through June 2009, Mr. Erbrick served as Senior Director, Restaurant Information Systems.

**Vice President, Innovation & Design - William F. (Woody) Faulk**

Mr. Faulk has served as Vice President, Innovation & Design since September 2012. From July 1998 through August 2012, Mr. Faulk served as Vice President, Brand Strategy and Design.

**Vice President, Product Strategy & Development – David B. Farmer**

Mr. Farmer has served as Vice President, Product Strategy & Development since September 2012. From July 2009 through August 2012, Mr. Farmer served as Vice President, Innovations and Service. From January 2001 through June 2009, Mr. Farmer served as Senior Director, Quality and Customer Experience.

**Vice President, Risk Management and Benefits – Donna W. Kirbow**

Ms. Kirbow has served as Vice President, Risk Management and Benefits since November 2013. From October 2007 through October 2013, Ms. Kirbow served as Senior Director of Financial Services.

**Vice President, Corporate Public Relations – Carrie Kurlander**

Ms. Kurlander has served as Vice President, Public Relations since April 2013. Prior to joining Chick-fil-A, she served as Vice President, Public Relations with Southern Company from September 2009 through March 2013. From May 2008 through August 2009, Ms. Kurlander served as Assistant to the President and CEO of Alabama Power, and from February 2003 through April 2008, she served as Director of Corporate Communications for Alabama Power.

**Vice President, Operations, Southeast Region – Richard C. Matherne**

Mr. Matherne has served as Vice President, Operations, Southeast Region, since November 2013. From November 2011 through October 2013, Mr. Matherne served as Senior Director, Field Marketing. From January 2009 through October 2011, Mr. Matherne served as Regional Director of Operations, Atlantic Region, and from October 2006 through January 2009 he served as Management Consultant, Operations.

**Vice President, Restaurant Development – John H. McCleskey**

Mr. McCleskey has served as Vice President, Restaurant Development since February 2013. From October 2008 to February 2013, Mr. McCleskey served as Vice President, Design & Construction. From August 1993 through September 2008, Mr. McCleskey was Senior Director, Development.

**Vice President, Organizational Effectiveness and Development - T. Mark Miller**

Mr. Miller has served as Vice President, Organizational Effectiveness and Development since November 2013. From April 2012 through October 2013, Mr. Miller served as Vice President, Organizational Effectiveness. From January 2000 to April 2012, Mr. Miller served as Vice President, Training and Development.

**Vice President, Business Insights – Sandra T. Moody**

Ms. Moody has served as Vice President, Business Insights since November 2013. From July 2006 through October 2013, Ms. Moody served as Senior Director, Business Analysis.

**Vice President and Assistant General Counsel - S. Tammy Pearson**

Ms. Pearson has served as Vice President and Assistant General Counsel of Chick-fil-A since April 2008. From October 2006 through March 2008, she was Senior Director, Corporate Legal. Ms. Pearson also served as Associate General Counsel of Chick-fil-A, Inc. from January, 2002 through March 2008.

**Vice President, Chief Accounting Officer, Assistant Secretary, Assistant Treasurer – Brent D. Ragsdale**

Mr. Ragsdale has served as Vice President, Chief Accounting Officer since November 2013, and as Assistant Secretary and Assistant Treasurer since December 2013. From January 2013 through October 2013, Mr. Ragsdale served as Vice President, Controller. From April 2011 through December

2012, Mr. Ragsdale served as Vice President, Corporate Financial Services. From January 2006 through March 2011, Mr. Ragsdale served as Senior Director, Financial Consulting.

**Vice President, Real Estate - Erwin Reid**

Mr. Reid has served as Vice President, Real Estate of Chick-fil-A since January 2001.

**Vice President, Field Operations – Clifford T. Robinson**

Mr. Robinson has served as Vice President, Field Operations of Chick-fil-A since January 2009. From January 2007 through December 2008, Mr. Robinson served as Senior Director, National & Market Level Marketing.

**Vice President, National & Regional Marketing - David G. Salyers**

Mr. Salyers has served as Vice President, National and Regional Marketing since July 2009. From January 2009 through June 2009, Mr. Salyers served as Vice President, National and Market Level Marketing. From January 2007 through December 2008, Mr. Salyers served as Vice President, Operations.

**Vice President, Operations, Systems Development – Christopher Todd Sweatt**

Mr. Sweatt has served as Vice President, Systems Development since November 2013. From March 2008 through October 2013, Mr. Sweatt served as Director, Field Operations.

**Vice President, Corporate Talent - Dee Ann Turner**

Ms. Turner has served as Vice President, Corporate Talent since April 2012. From January 2011 through April 2012, Ms. Turner served as Vice President, Talent of Chick-fil-A. From January 2001 through December 2010, Ms. Turner served as Vice President, Human Resources.

**Vice President, Marketing Services - Barry V. White**

Mr. White has served as Vice President, Marketing Services since September 2012. From August 2009 through August 2012, Mr. White served as Vice President, Local Marketing. From November 2003 through July 2009, Mr. White served as Vice President, Sales Development.

**Senior Director, Field Operations-Licensed Operations – Cheryl B. Dick**

Ms. Dick has served as Senior Director, Field Operations – Licensed Operations since January 2014. From November 2011 through December 2013, Ms. Dick served as Team Director, Licensing. From January 2009 through October 2011, Ms. Dick served as Director, Field Operations, Licensing. From January 2003 through December 2008, Ms. Dick was Director, Field Operations.

**Management Consultant, Licensed Operations– Keith Metcalfe**

Mr. Metcalfe has served as Management Consultant, Licensing since January 2011. From January 2006 through December 2010, Mr. Metcalfe served as Senior Licensing Consultant.

**Director, Training & Operating Standards – William M. (Will) Flora**

Mr. Flora has served as Director, Training & Operating Standards since April 2012. From July 2010 to April 2012, Mr. Flora served as Director of Operator Learning & Development. From July 2008

through June 2010, Mr. Flora served as Director of Learning Resources, Learning & Development. From October 2004 through July 2008, Mr. Flora served as Senior Manager of Learning Resources, Learning & Development.

**Senior Manager, Real Estate-Licensing – Sean Warren**

Mr. Warren has served as Senior Manager, Real Estate-Licensing since January 2013. From January 2012 through December 2012, Mr. Warren served as Manager, Real Estate-Licensing. From January 2006 through December 2011, Mr. Warren served as Manager, Restaurant Concepts.

**Item 3**

**LITIGATION**

Joseph A. Horres, Jr. v. Chick-fil-A, Inc., Civil Action No. 5530-VCL (Del. Ch. filed June 2, 2010). Our former franchisee, Joseph Horres, filed an action in the Delaware Court of Chancery on June 2, 2010 alleging unjust termination of his Operator Agreement under the Delaware Franchise Security Law. Mr. Horres sought an injunction reinstating his Operator Agreement and money damages. On the same date, Mr. Horres also filed an action in the Justice of the Peace Court #16, Dover, Delaware, alleging wrongful termination of his leasehold interest in the restaurant premises leased to him pursuant to the Operator Agreement. Horres v. Chick-fil-A, Inc., Civil Action No. JP16-10-00265 (Justice of the Peace Ct. filed June 2, 2010). On June 3, 2010, the Delaware Court of Chancery denied Mr. Horres's request for a temporary restraining order and enjoined him from prosecuting the action in the Justice of the Peace Court to recover possession of the restaurant premises. Mr. Horres then filed a claim on June 11, 2010 with the Delaware Department of Labor alleging a right to receive unemployment compensation benefits based on termination of his Operator Agreement. On June 17, 2010, Mr. Horres filed a notice of dismissal of the action filed in the Delaware Court of Chancery. On June 18, 2010, we filed an action in federal district court in Georgia pursuant to the choice of venue provision in the Operator Agreement seeking a declaration that we had properly terminated Mr. Horres's Operator Agreement and owed him no damages. Chick-fil-A, Inc. v. Joseph A. Horres, Civil Action No. 1:10-CV-1880 (N.D. Ga. filed June 18, 2010). In September 2010, we and Mr. Horres reached a settlement of any and all claims and actions arising out of or relating to the termination of Mr. Horres's Operator Agreement. On September 30, 2010, Mr. Horres withdrew and dismissed, in connection with the settlement, the case he had brought in the Justice of the Peace Court. Under the settlement agreement, neither party admitted liability. Mr. Horres affirmed that his former relationship to Chick-fil-A, Inc. was that of a franchisee and independent contractor, that the Operator Agreement was terminated, and he had no right under contract, common law, or statute to reinstatement as an Operator; Mr. Horres returned a check for \$65,000 that we had previously tendered to him when we terminated the Operator Agreement; we paid Mr. Horres \$180,000; and we and Mr. Horres exchanged releases. The federal court action was dismissed with prejudice by stipulation of the parties filed November 2, 2010.

Other than this action, no litigation is required to be disclosed in this Item.

#### **Item 4**

#### **BANKRUPTCY**

No person previously identified in Item 1, and no officer or other person previously identified in Item 2, of this Franchise Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or any foreign bankruptcy code required to be disclosed in this Item.

#### **Item 5**

#### **INITIAL FEES**

You are not charged an initial license payment or fee by Chick-fil-A in order to obtain a Chick-fil-A license. However, if we provide architectural drawings to you for use in constructing your Chick-fil-A Licensed Unit, you must pay Chick-fil-A for the costs of preparing the drawings in an amount up to approximately \$25,000, to be determined by Chick-fil-A upon completion of the drawings, within forty-five days of your receipt of the drawings. Such payment is non-refundable and payable in a lump sum. If Chick-fil-A decides not to supply such architectural drawings to you, then there is no fee payable to Chick-fil-A and you are responsible for preparing such drawings and submitting them to Chick-fil-A for approval prior to use.

Prior to the opening of your Chick-fil-A Licensed Unit, you must also obtain from Chick-fil-A a portion of your opening inventory (namely, the proprietary seasoning and seasoned coater), and, possibly, the equipment, utensils and promotional goods, as described in Items 6, 7 and 8. Other than for the equipment, these payments will not be due until after your Chick-fil-A Licensed Unit opens.

Except for the circumstances described in this Item 5, we do not refund any initial fee.

#### **Item 6**

#### **OTHER FEES**

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
License Fee	10% of “Gross Receipts” <sup>2</sup>	Monthly, by the 25th day of each month, for the preceding month	All new Licensed Units to be located at Airports will pay 7% of “Gross Receipts”, rather than 10% of Gross Receipts
Additional Training <sup>3</sup>	\$500 per employee <sup>3</sup>	At least 10 days prior to 1 <sup>st</sup> day of training program	There is no training fee for your first 2 employees to be trained.
Handling Fee	7% of the purchase price for your equipment and/or signage	As incurred	If you purchase the equipment or signage through us, you must pay us this fee to cover the administrative costs of our equipment vendor.

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Audit	Total amount of any underpayment plus 12% per annum interest <sup>4</sup>	Within 30 days of notification	
Indemnification	Will vary under the factual circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from your Chick-fil-A Licensed Unit's operations.
Additional Manual(s)	\$500	As incurred	We will provide electronically and lend you for the term of your License Agreement one copy of Chick-fil-A's operations Manual for use at your Chick-fil-A Licensed Unit. If the copy is lost or stolen, we will send you a replacement manual and you must pay a fee of \$500 for such replacement manual.
Late Payment Charge	12% per annum interest on all amounts 30 days overdue	As incurred	

Notes:

1. All fees are imposed by and payable to Chick-fil-A, Inc. All fees are non-refundable and are uniformly imposed except as expressly provided in this Item 6. Chick-fil-A, Inc.'s bank accounts, which may contain fees paid by you from time to time, are not trust funds and Chick-fil-A, Inc. is not your fiduciary and does not otherwise owe you any duties with respect to any funds held, administered, maintained, or controlled in and disbursed from Chick-fil-A, Inc.'s accounts. Only Chick-fil-A, Inc. is entitled to receive the interest, if any, earned on such accounts.
2. "Gross Receipts" includes all cash and charge sales of every kind made at or from or related to the Chick-fil-A Licensed Units except refunds to customers and meals given your employees incident to their employment.
3. Training fee does not include travel costs.
4. If an audit discloses an understatement of 5% or more, Licensee must also pay all of Chick-fil-A, Inc.'s costs of the audit

**Item 7**

**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure <sup>1</sup>	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Opening Inventory/ Paper Supplies <sup>2</sup>	\$7,100 - \$84,600	As Incurred	As Incurred	Chick-fil-A and Other suppliers
Utensils and Other Small wares	\$3,000 - \$7,000	As Incurred	As Incurred	Chick-fil-A and Other suppliers
Equipment/Signage <sup>3</sup>	\$40,000 - \$140,000	As Incurred	As Incurred	Chick-fil-A/ Third Parties
Build-out <sup>4</sup>	\$25,000 - \$500,000	As Incurred	As Incurred	Third Parties
Architectural Drawings <sup>5</sup>	\$2,000 - \$25,000	As Incurred	If payable to Chick-fil-A, within 45 days of Receipt of the Drawings by Licensee.  If payable to Third Parties, as incurred.	Chick-fil-A/ Third Parties
Additional Funds <sup>6</sup>	\$1,000 - \$77,000	As Incurred	As Incurred During First 3 Months of Operation	Employees, Suppliers, Utilities and other Third Parties
<b>TOTAL ESTIMATE OF INITIAL INVESTMENT</b>	<b>\$78,100 - \$833,600</b>			

Notes:

1. The preceding chart describes the costs of initial investment for a Licensed Unit operated by a Self-Operator and a Food Service Provider, including the custom facades, counter areas, or other retail facilities. Chick-fil-A Licensed Units are established in existing facilities such as cafeterias and food courts or operated from other facilities located at Licensed Sites to which you have access. Thus, certain expenses, such as security deposits, cost of insurance and lease or sublease payments cannot be estimated by Chick-fil-A and may vary greatly among Licensees. You should consider these expenses in addition to those described in the table above in deciding whether to become a Licensee.

2. Licensees do not purchase all of their Opening Inventory and Supplies from Chick-fil-A or designated suppliers, Licensees do not provide Chick-fil-A with their total costs for these items, and Licensees' actual costs are likely to vary greatly. Accordingly, Chick-fil-A does not know the actual amounts spent by its Licensees on these items, and can only provide an estimate of these costs based on its own experience. Chick-fil-A's estimate is based on its own experience in establishing similar operations.
3. Chick-fil-A sometimes sells equipment to its Licensees. You will be required to purchase certain proprietary and other equipment from Chick-fil-A or a Chick-fil-A approved supplier for use at your Chick-fil-A Licensed Unit(s). Chick-fil-A has based this estimate on its own experience in establishing similar operations.
4. Licensees' build-out costs are only an estimate and vary greatly depending upon a variety of factors, including the particular location of the Chick-fil-A Licensed Unit. Chick-fil-A has based this estimate on its own experience in establishing similar operations.
5. Prior to opening the Chick-fil-A Licensed Unit and upon any renovation or remodeling of the Licensed Unit, you will be required to obtain architectural drawings from either Chick-fil-A or a third-party. Within forty-five (45) days of Chick-fil-A providing such architectural drawings to you, you must pay Chick-fil-A the reimbursement cost of preparing such drawings in an amount that ranges typically from two thousand dollars (\$2,000) to twenty thousand dollars (\$25,000), which amount shall be determined by Chick-fil-A upon completion of the architectural drawings. If Chick-fil-A does not provide the architectural drawings to you, you will incur similar charges to a third-party.
6. In addition, Chick-fil-A estimates that you will need additional funds for your Chick-fil-A Licensed Unit. This estimate reflects the costs you can expect to pay in your first three months of operation and includes your expenses, as well as the cost of repairs, maintenance and utilities. Please note that, because several Licensees operate multiple concepts and food service operations at their Licensed Site(s), you may experience costs that are different than the level of expenditures set forth above. Chick-fil-A has based this estimate on its own experience in establishing similar operations. The exact amount required for additional funds will vary from operation to operation and cannot be estimated with certainty for your Chick-fil-A Licensed Unit.

## **Item 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

**Approved Supplies and Suppliers:** Chick-fil-A has an interest in the proprietary seasoning used in the preparation of certain Chick-fil-A brand chicken products. Chick-fil-A purchases the seasoning from the producers of the seasoning and has it shipped directly to Chick-fil-A's authorized or approved poultry suppliers. These poultry suppliers then apply the seasoning to most of the chicken products sold to the Licensees. Payments to Chick-fil-A for the proprietary seasoning are received from the poultry supplier when the chicken is sold to our distributor(s). Currently, Chick-fil-A is receiving payments of \$.06 per pound of seasoned chicken, which amount includes a payment to Chick-fil-A for its proprietary interest in the seasoning, and which amount may change from time to time.

Chick-fil-A also has an interest in the proprietary seasoned coater used in the preparation of most Chick-fil-A brand chicken products. The seasoned coater is purchased by Chick-fil-A from the producer and is shipped directly to the distributor(s). Payments to Chick-fil-A for the proprietary seasoned coater



are received from the distributor(s) of the seasoned coater when the seasoned coater is purchased from Chick-fil-A. The distributor(s) then sells the seasoned coater to the Licensees. Your cost for the seasoned coater depends on a pricing formula that includes a markup by Chick-fil-A that may change from time to time. Based upon the cost of ingredients to Chick-fil-A (including any freight charges paid to the producer) your cost will fluctuate from time to time.

Chick-fil-A reserves the right to require you to purchase the signage, fixtures, leasehold improvements, equipment and other features of the building or premises of your Chick-fil-A Licensed Unit from suppliers approved in advance by Chick-fil-A. With respect to your initial Chick-fil-A Licensed Unit, Chick-fil-A may exercise its right by delivering written notice to you promptly upon the execution of the License Agreement by Chick-fil-A. With respect to any additional Chick-fil-A Licensed Units granted after your initial Chick-fil-A Licensed Unit, if any, Chick-fil-A may exercise its right by delivering written notice to you promptly after approval of the additional Chick-fil-A Licensed Unit(s) as indicated on the site description form for such additional Chick-fil-A Licensed Unit(s). Chick-fil-A may appoint as many or as few approved suppliers as it reasonably deems appropriate and such approved suppliers may in some instances include or be limited to Chick-fil-A.

Except as Chick-fil-A may otherwise approve in writing in advance, you must purchase from Chick-fil-A or suppliers approved in advance by Chick-fil-A all present and future items of food and drink and all non-food inventory intended by Chick-fil-A to be sold to or used by your Chick-fil-A Licensed Unit's customers generally and all ingredients, food products, produce, mix, spice, cooking aid, wrapping, food and beverage containers and all other items necessary or optional for preparing such products for sale, and all bags, boxes, wrappers, cups, coffee lids, napkins, cartons, utensils, customer goodwill items and other food and beverage containers and customer convenience items that display one or more of Chick-fil-A's proprietary marks or that are sold or used in at least 25% of the then existing Chick-fil-A Restaurants and other facilities selling any or all of Chick-fil-A's then-approved products even if such items do not display any of Chick-fil-A's proprietary marks. Chick-fil-A may appoint as many or as few approved suppliers as it reasonably deems appropriate and such approved suppliers may in some instances include or be limited to Chick-fil-A.

In order to, among other things, take advantage of marketplace efficiencies and volume pricing, Chick-fil-A negotiates and enters into certain system-wide purchase and distribution arrangements with suppliers and distributors for many supplies, ingredients, food products, produce and other items necessary for use in Chick-fil-A Restaurants and Licensed Units. Among its approved suppliers, Chick-fil-A encourages and reserves the right to require its Licensees to use its system-wide purchase and distribution programs for their purchases of most supplies, ingredients, food products, produce and other items necessary for operating a Chick-fil-A Licensed Unit. When considering whether to approve any particular supplier or to enter into any particular arrangement, Chick-fil-A considers, among others things, the following factors: whether the supplier can show, to our reasonable satisfaction, the ability to meet our then-current standards and specifications; whether the supplier has adequate quality controls and capacity to meet the Chick-fil-A system's needs promptly and reliably; and whether the supplier's approval or the particular supplier arrangement would enable the Chick-fil-A system as a whole, in our sole and exclusive business judgment, to take advantage of marketplace efficiencies and volume pricing.

In some circumstances, such as with respect to certain produce, bread and other product purchases for some Chick-fil-A Licensed Units located in some geographic areas, you may be required to make such purchases locally. Under such circumstances, you may be required to seek local suppliers for such perishable items as bread and produce, but we reserve the right to approve your sources for these items in accordance with our then-current standards and specifications. Except with respect to Chick-fil-A's proprietary seasoning and seasoned coater, Chick-fil-A is not an approved supplier for any items described in this paragraph.

We have not adopted specific criteria to evaluate or approve alternative suppliers for the goods and services which you must purchase from Chick-fil-A-approved sources. We deal with requests for approval of alternative suppliers of goods on a case-by-case basis. If we receive requests for alternate suppliers for items that are not Chick-fil-A trade secret items or items that do not use our trademarks, we typically provide a Licensee the standards and specifications for such item and will consider permitting sourcing from alternative suppliers consistent with such standards and specifications. However, we reserve the right to designate only one supplier or a limited number of suppliers for certain items (including, without limitation, the physical distribution of products, ingredients, etc.) in order to take advantage of marketplace efficiencies and volume pricing. We also reserve the right to not approve or disapprove any supplier if, among other things: (1) the supplier cannot show, to our reasonable satisfaction, the ability to meet our then-current standards and specifications; (2) the supplier cannot show, to our reasonable satisfaction, adequate quality controls and capacity to meet the Chick-fil-A system's needs promptly and reliably; or (3) Chick-fil-A determines in the exercise of its sole and exclusive business judgment that the supplier's approval would impact negatively upon the Chick-fil-A system's ability, as a whole, to take advantage of marketplace efficiencies and volume pricing. Finally, we reserve the right to conditionally approve a supplier or to limit our approval of a supplier to certain products, restaurants or circumstances.

We stock certain items such as small wares and operating supplies, utensils, certain proprietary items, including marketing and promotional materials and other items bearing our trademarks, and other proprietary items and goods which are made available to you for your convenience. Though we are not the sole authorized supplier of most of these items, you are likely to purchase them from us for convenience and/or price savings. Currently, the cost to Licensees for warehouse goods is our cost plus approximately 1.5%, which amount includes a payment to Chick-fil-A for a portion of its costs associated with the processing and storage of the goods and shipping the goods from the supplier to Chick-fil-A's warehouse. We reserve the right to change the mark-up and to profit from such sales in the future. Licensees are also charged for the shipping costs from our warehouse to their Licensed Units. Chick-fil-A may change the warehouse program, and any associated costs and charges to Licensees, from time to time in the exercise of its sole and exclusive business judgment. You also may or may not receive from us a rebate on your purchase of some beverage products (and possibly other products in the future).

In the year ended December 31, 2013, our total revenues from Licensee and Operator purchases of the proprietary seasoning, seasoned coater, equipment, utensils, and promotional goods was \$76,285,481.34 or 5.47% of our total revenues of \$1,395,114,064.19. We estimate that your total purchases from approved or designated suppliers will represent approximately 50% to 80% of your overall purchases in operating your Licensed Unit and approximately 30% to 67% of your overall purchases in establishing your Licensed Unit. During 2013, an approved supplier of services to Chick-fil-A Restaurants paid to us an incentive of approximately \$175,000 according to a formula based on the profitability and volume of transactions the supplier achieved at Chick-fil-A Restaurants during 2012. No incentive is expected to be received from this approved supplier during 2014. Chick-fil-A may receive other forms of compensation directly or indirectly from approved or designated suppliers from time to time, which compensation may be in lieu of or in addition to any seasoning, coater and national advertising fund contributions described above.

**Specifications and Standards:** The foundation of each Chick-fil-A Restaurant and Licensed Unit and the essence of your License Agreement is your adherence to Chick-fil-A's minimum standards and specifications. Every component of Chick-fil-A's restaurant operating system is important to Chick-fil-A and to the operation of your Chick-fil-A Licensed Unit as a Chick-fil-A Licensed Unit. Accordingly, you must operate your Chick-fil-A Licensed Unit in strict accordance with Chick-fil-A's minimum standards for service, sanitation, quality of products, and other aspects of the operation of your Chick-fil-A Licensed Unit. These minimum standards are specified in Chick-fil-A's orientation and operations manuals and

materials, and other confidential information provided by us to you. To meet our standards, you must, among other things, purchase or lease goods, services, supplies, fixtures, equipment, leasehold improvements, insurance and inventory from various suppliers (including, without limitation, Chick-fil-A) in accordance with our standards and specifications.

We review our specifications and standards when necessary and we release any modified specifications or standards to you when you need to be familiar with them. In order to protect against possible infringement, we will release specifications or standards dealing with trade secrets or proprietary information only to those suppliers we think are necessary. We reserve the right to be the sole designator of any product, ingredient or other item that requires knowledge of any of our trade secrets or other confidential or proprietary information. We have no obligation to release any of our trade secrets, confidential information or other proprietary information to any proposed alternative supplier.

You must also comply with our sales reporting procedures and other administrative standards. These currently require you to submit financial reports and other items to us including, without limitation, Weekly Product Sales Reports, Daily Product Sales Reports and Calendar Month Sales Summary Reports.

There is no practice in effect by which Chick-fil-A provides material benefits to you, such as a right of renewal or the granting of additional licenses, based upon your use of designated or approved suppliers, although your license is subject to termination if you do not use the designated suppliers with whom Chick-fil-A has exclusive contractual arrangements, or you use suppliers not approved by Chick-fil-A.

The requirements described in this Item represent the Chick-fil-A system at the present time. However, Chick-fil-A retains the right to change these requirements, including any single source requirements, as the Chick-fil-A system evolves over time and the needs of the Chick-fil-A system change.

There are currently no buying or distribution cooperatives.

## **Item 9**

### **LICENSEE'S OBLIGATIONS**

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

	Obligation	Paragraph in License Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	3	6, 7, 8, 11
b.	Pre-opening purchases/leases	6	7, 11
c.	Site development and other pre-opening requirements	3, 6	11
d.	Initial and ongoing training	5	11

	Obligation	Paragraph in License Agreement	Disclosure Document Item
e.	Opening	6	11
f.	Fees	4	5, 6, 7
g.	Compliance with Standards and Policies/Operating Manual	6	8
h.	Trademarks and Proprietary Information	7	13, 14
i.	Restrictions on Products/Services Offered	2, 6	8, 16
j.	Warranty and Customer Service Requirements	6	8
k.	Territorial Development and Sales Quotas	6	12
l.	Ongoing Product/Service Purchases	6	8, 11
m.	Maintenance, Appearance and Remodeling Requirements	2, 6	7, 8, 11
n.	Insurance	6	6
o.	Advertising	6	6
p.	Indemnification	10	6
q.	Owner's Participation/Management/ Staffing	6	15
r.	Records and Reports	6	6, 11
s.	Inspections and Audits	6	11
t.	Transfer	9	17
u.	Renewal	2	17
v.	Post-Termination Obligations	8	17
w.	Non-Competition Covenants	7	17
x.	Dispute Resolution	10	17
y.	Other (describe)	Not Applicable	

## **Item 10**

### **FINANCING**

Neither Chick-fil-A, nor any affiliate of Chick-fil-A, either directly or indirectly, offers any financing arrangements to Licensees. Chick-fil-A does not receive any direct or indirect payments for placing financing, nor does Chick-fil-A guarantee your obligations to third parties. Chick-fil-A does not offer financing of equipment or other expenditures that require you to waive notice, confess judgment or waive a defense against Chick-fil-A.

Whether you can obtain financing will depend on a variety of factors, including your own creditworthiness, the type of security you can offer, the policies of lending institutions, and the availability of commercial credit generally.

## **Item 11**

### **CHICK-FIL-A'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, Chick-fil-A is not required to provide you with any assistance.**

Before you open your Licensed Unit(s), Chick-fil-A will:

- (i) provide training to two management level employees (Licensee Orientation), and two on-site management level employees (Licensee Operational Training) for each Licensed Site (Section 5.1); and
- (ii) provide electronically and lend a copy of the operations, training and orientation manuals and other materials to you. Chick-fil-A charges \$500 to replace lost or destroyed manuals (Section 6.5).

During your operation of the Licensed Unit(s), Chick-fil-A will:

- (i) provide electronically and lend a copy of the operations, training and orientation manuals and other materials to you as a guide for operating the Licensed Unit(s) (Section 6.5);
- (ii) in its sole business judgment, may make available to you, from time to time, such additional advice and assistance as you may reasonably request or Chick-fil-A may deem necessary, including assistance or advice regarding the operation of the Chick-fil-A Licensed Unit(s), additional training and sales building (Section 5.2); and
- (iii) at an additional charge, sponsor initial training programs for additional management level employees (Section 5.1).

If you are granted the right to operate additional Licensed Sites under your License Agreement, for each additional Licensed Site, Chick-fil-A will provide the same assistance as described above.

**Advertising:** Chick-fil-A is not required to spend any certain amount on advertising in your geographic area or at your Licensed Site(s). Under the License Agreement, Chick-fil-A does not charge you advertising fees or require you to contribute to advertising fees to a local or regional fund. Under the License Agreement, you are required at all times during the term of the License Agreement and at your own cost to use diligent efforts to advance the reputation of Chick-fil-A, and Chick-fil-A's brand products and to develop and enhance consumer awareness of Chick-fil-A's products and proprietary marks. In doing so, you must use only those materials approved or supplied by Chick-fil-A.

Chick-fil-A does not require any expenditures of monies by its Licensees to an advertising cooperative or any advertising fund. As part of Chick-fil-A's local, regional or national marketing efforts, Licensees are required to honor coupons for food items (and some drink items in some locations) at their respective Licensed Units, for which the Licensees may receive food, paper and distribution cost reimbursement from Chick-fil-A. Chick-fil-A's advertising accounts, if any, are not trust funds and Chick-fil-A is not your fiduciary with respect to any advertising funds. Chick-fil-A is not required to ensure that any Operator or Licensee benefits directly or pro rata from the expenditure of any advertising funds.

Chick-fil-A may, to the extent it is able, assist you in any of the above matters on an informal basis.

**Selection of Location:** Upon execution of a License Agreement, a prospective Licensee is granted the right to operate a Licensed Unit at a specific Licensed Site location. Your Licensed Site location must be approved by Chick-fil-A prior to you opening your Chick-fil-A Licensed Unit. Additionally, Licensees may be granted the right to operate additional Chick-fil-A Licensed Units under the License Agreement at additional Licensed Site locations selected by you and approved by us for which Chick-fil-A does not require that you sign a new, separate then-current form of License Agreement and pay an initial license fee. However, Chick-fil-A is under no obligation to offer you the opportunity to operate or to approve any additional Chick-fil-A Licensed Units and expressly reserves the right not to offer you the opportunity to operate or to approve any additional Chick-fil-A Licensed Units. For further information on Chick-fil-A's grant of additional Licensed Site locations, see Item 12 below.

Chick-fil-A licenses and continues to offer licenses to prospective Chick-fil-A Licensees from time to time who have access to Licensed Sites, which are locations such as schools, workplaces, universities, airports, hospitals and other similar locations. Accordingly, you have the sole responsibility to select and must select the Licensed Site for your Chick-fil-A Licensed Unit(s) and the location of your Chick-fil-A Licensed Unit(s) within the Chick-fil-A Licensed Site, subject to Chick-fil-A's prior approval. Chick-fil-A's approval of a Licensed Site or the location of your Chick-fil-A Licensed Unit(s) within the Chick-fil-A Licensed Site is not a representation that the Licensed Unit(s) operated at the Licensed Site will be profitable or safe for your customers or employees or other personnel of yours or of any Third Party.

**Hardware and Software System:** CFA does not supply, purchase, recommend or require specific computer equipment for Licensees. Nevertheless, you may choose to obtain a point-of-sale hardware and software system and a management PC for use in your Chick-fil-A Licensed Unit. Chick-fil-A may provide certain on-line updates, reports and other information to its Licensees from time to time. Although you are not required to have a management PC in your Licensed Unit, you will otherwise need to have access to a computer and the Internet in order to obtain this information. For informational purposes only, Chick-fil-A Restaurants typically use a POS system with accompanying software, which perform standard ECR support, kitchen display systems, time clock, and financial and reporting functions. Other hardware and software systems that perform the same or substantially similar

functions may be purchased by a Licensee. You may choose to pay a fee for technical support of the hardware and software system used in your Licensed Unit. With respect to Chick-fil-A Restaurants, such fees range from \$1,000 per year to \$4,500 per year for high-speed Internet access, equipment support and software upgrades, and are dependent upon the type of system used in the Restaurant. Chick-fil-A will not have independent access to any data compiled by the hardware and software system used in your Licensed Unit, if any.

**Length of Time to Licensed Unit Opening:** You must open your Chick-fil-A Licensed Unit(s) within 360 days of the approval of the site by Chick-fil-A. It is Chick-fil-A's experience that the typical length of time between the signing of a License Agreement and the opening of the Licensee's Chick-fil-A Licensed Unit is approximately three to eight months. The actual length of this period will depend upon such factors as the length of time necessary for completion of construction, making leasehold improvements and remodeling, installing equipment, fixtures and furnishings, procuring initial inventories and other similar matters, and may vary widely under some circumstances.

**Initial Training Program:** Chick-fil-A's initial training program for Licensees is comprised of two parts, Licensee Orientation and Licensee Operational Training. Licensee Orientation is conducted at Chick-fil-A's corporate headquarters in Atlanta, Georgia and lasts approximately one or two days (see Day 1- 2 of the training schedule, below). You must initially send at least two on-site management level employees (including the Food Service Director/General Manager) from each Licensed Site to the Licensee Orientation. You must, at all times thereafter, employ at each Licensed Site at least two management level employees whose duties include direct oversight responsibility for the Chick-fil-A Licensed Unit and who have attended and completed to Chick-fil-A's satisfaction the Licensee Orientation program conducted by Chick-fil-A.

Licensee Operational Training is conducted at your assigned Operator Consultant's operating Chick-fil-A Restaurant, and generally lasts a minimum of one week (see Days 2-3 through 7-8 of the training schedule, below). The actual location and length of the program varies from time to time. The program currently utilized by Chick-fil-A covers most aspects of operation, food preparation, labor scheduling, accounting, maintenance, purchasing, policies and certain other applicable topics. The training program begins at a specific time and date to be determined by Chick-fil-A. Prior to opening each Licensed Site, the training program must be completed to Chick-fil-A's satisfaction by at least two of your on-site, leadership level employees. You must, at all times, employ at each Licensed Site at least two leadership level employees who work in the Chick-fil-A Licensed Unit and whose duties include management of the Chick-fil-A Licensed Unit and who have attended and completed to Chick-fil-A's satisfaction the Licensee Operational Training program conducted by Chick-fil-A.

The training program is conducted by Chick-fil-A's Licensee training staff, which is directed by Mr. Keith Metcalfe. The program's principal instructional materials are the Chick-fil-A orientation and operations manuals and other materials. Other employees of Chick-fil-A and certain consulting Chick-fil-A Operators ("Operator Consultants") participate in the training program in their respective areas of expertise. Mr. Metcalfe's relevant prior experiences are described in Item 2 of this Disclosure Document.

Chick-fil-A pays the costs of the training program with respect to the first two employees from each of your Licensed Site(s) to attend training. However, you are responsible for the travel, room, living and other expenses, salary and workers compensation coverage of your employees attending the training program. Chick-fil-A provides no compensation to your employees for attendance at or during any training described in this Item. With respect to new or additional personnel that you send or are required to send to Chick-fil-A's training program, you will be required to pay Chick-fil-A tuition in the amount of \$500 per employee for such additional training by Chick-fil-A.

## TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF “ON THE JOB” TRAINING	LOCATION
Visions & Values  Purchasing Contractual Issues: Opening Timeline Grand Opening/Marketing Expectations Quality & Customer Service/ Operator Consultant Role/ Sales Reporting @Chick-fil-A demonstration	2 hours  1 hour 1 hour .75 hour .5 hour .75 hour  1 hour		Atlanta, Georgia
Orientation General Operations Backboard Operation Unit Activities Practice	12 hours	As time allows	Operator Consultant Unit Location
Store Opening Activities Product Preparation Customer Service (Counter Operation for Full Service Locations) Unit Activities Practice	10 hours	As time allows	Operator Consultant Unit location
Unit Maintenance Quality (RQA) Review Licensing Operational Evaluation (LOE) Unit Activities Practice Store Closing Activities	11:00 am to close	As time allows	Operator Consultant Unit Location



SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF “ON THE JOB” TRAINING	LOCATION
Team Member Positioning Review of Labor Schedule and Labor Control Licensee Unit Organization and Layout Discussion Product Usage/Inventory Tracking Discussion Team Member Training Program and Grand Opening Training Game Plan Unit Activities Practice	9 hours	As time allows	Operator Consultant Unit Location
Hands-on Practice in Chick-fil-A Unit		Open to 7:00 pm	Operator Consultant Unit Location
Hands-on Practice in Chick-fil-A Unit		11:00 am to close	Operator Consultant Unit Location

Training in all subjects is conducted approximately four to six times each year. Chick-fil-A intends, though is not obligated, to prepare and offer various seminars and conferences to Licensees from time to time in addition to its initial training program. Discussions at these seminars will likely feature topics such as sales techniques, performance standards, marketing programs, self-improvement techniques and other matters. All details concerning any such programs, if offered, such as time, location, duration, cost assessment and other matters, will be determined on a case-by-case basis. Chick-fil-A may under the terms of the License Agreement require the participation of Licensees or their designated managers in such programs. Chick-fil-A considers all information distributed at its training programs and seminars to be confidential and subject to the restrictions described under the “Proprietary Information” subheading in Item 14 below.

In addition, Chick-fil-A from time to time may, though it is not obligated to, offer various programs to or permit the adoption of programs by Licensees to use in promoting or marketing products, recruiting and retaining restaurant personnel or for other purposes that are not expressly set forth in the License Agreement. All details concerning any such programs, such as purpose, timing, implementation, cost sharing and other matters, will be determined by Chick-fil-A on a case-by-case basis.

After initial training, you must train any managerial personnel that you may hire to assist in operating your Chick-fil-A Licensed Unit(s). Subject to your obligations under the License Agreement regarding confidentiality, you may use Chick-fil-A’s orientation and operations manuals and materials in such training.

The Table of Contents of Chick-fil-A’s proprietary orientation and operations manuals are attached for your review as Exhibit “D” to this Disclosure Document.

## **Item 12**

### **TERRITORY**

You will be expressly granted the limited right to operate one Chick-fil-A Licensed Unit at one specific Licensed Site location designated by Chick-fil-A. The rights granted to you under the License Agreement are limited to your Chick-fil-A Licensed Unit location only. You will neither acquire nor have any right to use, or to license the use of, any name, mark or other intellectual property right, except as granted to you under the License Agreement in connection with the operation of your Chick-fil-A Licensed Unit at the specific location designated by Chick-fil-A.

You will not receive an exclusive or protected territory, express or implied. The License Agreement contains no exclusive grant, exclusive area, exclusive territorial rights, protected territory, or right for you to exclude, disapprove, control or impose conditions on the location, development or operation of current or future Chick-fil-A Restaurants or Chick-fil-A Licensed Units. The sales and customer trading patterns that a Chick-fil-A Licensed Unit experiences at any particular time are subject to change by reason of many factors, including our ongoing development of Chick-fil-A Restaurants and Chick-fil-A Licensed Units, and Licensees do not have a right and should not expect that these patterns will never change. Chick-fil-A has the right to establish other Chick-fil-A Licensed Units or Operator-run or company-owned restaurants both within and outside the geographic and customer trading pattern areas surrounding your Chick-fil-A Licensed Unit location, and reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing both within and outside the geographic and customer trading pattern areas surrounding your Chick-fil-A Licensed Unit location. During the term of your License Agreement, however, Chick-fil-A will not operate or grant other parties the right to operate any other Chick-fil-A Licensed Units or Operator-run or company-owned restaurants at the exact same Licensed Site as the Licensed Site where you operate your Chick-fil-A Licensed Unit. Any internal policies that we may develop, apply and modify periodically in connection with decisions to develop new Chick-fil-A Restaurants and Chick-fil-A Licensed Units do not grant you any contract rights, are not part of your contract, and do not modify or affect Chick-fil-A's or your contract rights and obligations under the License Agreement. Chick-fil-A's internal programs and policies are subject to change or cancellation at any time by Chick-fil-A.

You may face competition from other licensees or franchisees, from outlets that we or our affiliates own and/or operate, or from other channels of distribution or competitive brands that we or our affiliates control. We are not required to pay you if we exercise any of the rights specified above outside or inside the geographic and customer trading pattern areas surrounding your Chick-fil-A Licensed Site. We do not restrict you from soliciting or accepting authorized food and beverage orders from outside the geographic and customer trading pattern areas surrounding your Chick-fil-A Licensed Site, but you do not have the right to use other channels of distribution to make sales outside the geographic and customer trading pattern areas surrounding your Chick-fil-A Licensed Site.

You may not relocate your Chick-fil-A Licensed Unit without Chick-fil-A's prior written consent. If you wish to operate a Chick-fil-A Licensed Unit in another location instead of the Licensed Site of your existing Chick-fil-A Licensed Unit, Chick-fil-A may, but is under no obligation to, allow you to relocate to another Licensed Site to establish another Chick-fil-A Licensed Unit. Licensees who relocate in this manner may be required to execute new License Agreements.

If during the term of the License Agreement, you determine that you would (yourself or through a Third Party Operator) like to operate additional proposed Chick-fil-A Licensed Units at additional Licensed Sites, you must notify Chick-fil-A promptly of each such proposed additional Chick-fil-A Licensed Site and convey to Chick-fil-A all information about the proposed additional Chick-fil-A Licensed Site requested by

Chick-fil-A. Chick-fil-A shall have the option to reject or tentatively accept the proposed additional Chick-fil-A Licensed Site, pending Chick-fil-A's completion of a site visit and any further investigative activities it deems necessary or appropriate. You must arrange for Chick-fil-A to have access to each proposed additional Chick-fil-A Licensed Site so that Chick-fil-A can conduct an assessment of the Licensed Site. After Chick-fil-A has completed the site visit, you must complete a site description form for the proposed additional Chick-fil-A Licensed Site and submit it to Chick-fil-A for final approval. Chick-fil-A shall have 10 business days from the date it receives the completed site description form to approve or reject the proposed additional Chick-fil-A Licensed Site. Chick-fil-A may reject your proposal for additional Chick-fil-A Licensed Sites if Chick-fil-A in its sole discretion determines that: (i) the proposed additional Chick-fil-A Licensed Sites are unsuitable for operating Chick-fil-A Licensed Units; (ii) the proposed additional Chick-fil-A Licensed Sites reflect inappropriately on Chick-fil-A or the Chick-fil-A System; or (iii) the lease, facility, use, occupancy or ownership arrangements with respect to the proposed additional Chick-fil-A Licensed Sites do not comply with Chick-fil-A's requirements. Chick-fil-A is under no obligation to offer you the opportunity to operate additional Chick-fil-A Licensed Units and reserves the right under Section 3 of the License Agreement not to offer you the opportunity to operate additional Chick-fil-A Licensed Units. As a condition to Chick-fil-A's approval of each proposed additional Licensed Site, Chick-fil-A may require, in its sole discretion, that you: (i) execute a new, separate License Agreement for each such additional Licensed Site; and (ii) pay an initial license fee for each such additional Licensed Site.

Certain affiliates of Chick-fil-A operate certain Dwarf House restaurants and Truett's Grill restaurants, which are licensed to sell Chick-fil-A products. The Dwarf House restaurants are modeled after the Dwarf Grill restaurant first opened by S. Truett Cathy in Hapeville, Georgia, in 1946. (The 11 Dwarf House restaurants and the three (3) Truett's Grill restaurants that currently exist are directly or indirectly owned by Mr. Cathy.) Depending on the proximity of a Dwarf House or Truett's Grill restaurant to your Chick-fil-A Licensed Unit, a Dwarf House or Truett's Grill restaurant may compete with your licensed business. As described above, Chick-fil-A has also franchised numerous Operators to operate Chick-fil-A Restaurants throughout the country. Depending on the proximity of a Chick-fil-A Restaurant to your Chick-fil-A Licensed Unit, a Chick-fil-A Restaurant may compete with your licensed business. Chick-fil-A has begun to sell Chick-fil-A products in selected cafeterias and food courts as well as through other outlets. Chick-fil-A also has licensed and continues to offer licenses to certain prospective licensees who have access to such locations within schools, workplaces, universities, airports, hospitals and other similar locations to sell Chick-fil-A brand products from such locations. Chick-fil-A has never offered a franchise in the same or any other line of business, although it reserves the right to do so whether by acquisition or start-up.

Chick-fil-A may operate or license others to operate any business competitive with the business of its Operators and/or its Licensees under a name other than Chick-fil-A. As of the date of this Disclosure Document, Chick-fil-A has not formulated any plans or policies to operate or license others to operate any such business, but Chick-fil-A or its affiliates may establish other or similar businesses at some future date.

### **Item 13**

#### **TRADEMARKS**

The License Agreement grants you the right to use the trademark "Chick-fil-A" together with the trade name "Chick-fil-A" and all other trademarks, marks, trade names, designs, signs, emblems, insignia, symbols or slogans used by Chick-fil-A in connection with its Chick-fil-A products. This right is limited strictly to your operation of your Chick-fil-A Licensed Unit and your use must comply with your License Agreement.

CFA Properties, Inc. (“CFA Properties”), an affiliate of Chick-fil-A, owns, among others, the following trademarks, service marks, trade names, logo types and other commercial symbols presently registered on the Principal Register of the United States Patent and Trademark Office, and has licensed these trademarks to Chick-fil-A for sublicense to others to use.

Mark	Registration Number	Registration Date*
C logo	4,213,524	09/25/2012
C logo	2,298,157	12/07/1999
C (Stylized) (Red)	2,341,163	04/11/2000
Chick-fil-A	1,209,211	09/14/1982
Chick-fil-A (Stylized)	1,065,507	05/10/1977
Chick-fil-A (Red) (Stylized)	2,335,546	03/28/2000
Chick-fil-A Any Occasion. Anywhere. (and design)	3,116,739	07/18/2006
Chick-fil-A Chick-N-Strips	1,958,706	02/27/1996
Chick-fil-A Kid’s Meal Growing Kids Inside and Out (and design)	2,424,075	01/23/2001
Chick-fil-A Waffle Potato Fries	2,258,869	07/06/1999
Cool Wrap	2,415,376	12/26/2000
Eat Mor Chikin	2,010,233	10/22/1996
Eat Mor Chikin (and design)	2,538,070	02/12/2002
Home of the Original Chicken Sandwich	2,969,991	07/19/2005
Icedream	1,273,752	04/10/1984
Kneeling Cow Design	2,468,762	07/17/2001
Standing Cow Design	2,463,183	06/26/2001
We Didn’t Invent the Chicken, Just the Chicken Sandwich	1,981,126	06/18/1996

\* Any required affidavits and renewals pertaining to these Marks have been filed.

As of January 1, 2001, CFA Properties has licensed to Chick-fil-A the right to use the trademarks, copyrights, trade secrets, confidential information, inventions and patents used in operating Chick-fil-A Restaurants, and to sublicense them to Chick-fil-A’s Licensees, under a license agreement. The initial term of the license agreement is one year, and the term renews automatically for additional one-year periods unless written notice is given at least 90 days prior to the end of the existing term by either party. Either party may terminate the license agreement with cause if the other party fails to cure a material breach. Except as described, no other agreement limits Chick-fil-A’s right to use or license the use of CFA Properties’ trademarks.

There are no presently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, any pending infringement, opposition or cancellation proceedings or any pending material litigation involving any of the trademarks.

Chick-fil-A has the right to protect any or all of CFA Properties’ trademarks at its own expense, including those listed above. CFA Properties may seek to enhance the protection of any of its intellectual property from time to time by filing trademark applications. You must notify Chick-fil-A immediately when you learn about possible infringement of CFA Properties’ trademarks. The License Agreement does not require Chick-fil-A to take affirmative action when notified of these possible infringements. You must cooperate with us in defending the trademarks, but we have no obligation to pay to you any damages or

costs recovered in such a suit or proceeding, nor are we required to participate in your defense in any suit or proceeding involving the trademarks. Upon any termination of your License Agreement, you must immediately cease all use of CFA Properties' trademarks.

Chick-fil-A does not actually know of any superior prior rights or infringing uses that could materially affect your use of CFA Properties' trademarks.

#### **Item 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

**Patents:** CFA Properties owns all rights to U.S. Patent No. 6,777,009, titled **Cooking Appliance and Method of Use**, which issued on August 17, 2004. The patent relates to an improved cooking system, including providing novel and non-obvious aspects of automation to cooking systems so food items are consistently prepared to a high quality standard. The system provides superior and more consistent food item preparation under varying cooking parameters. You will be licensed to use this improved cooking system in the operation of your Chick-fil-A Licensed Unit.

CFA Properties owns all rights to U.S. Patent No. 8,573,117 and U.S. Patent Application Serial No. 12/644,228, titled **Charbroiler and Method of Charbroiling**. U.S. Patent No. 8,573,117 issued on November 5, 2013, and U.S. Patent Application Serial No. 12/644,228 was filed on October 3, 2012. This patent and patent application relate to restaurant class cooking equipment and methods of cooking, including providing novel and non-obvious aspects of a charbroiling system that charbroils food products simultaneously on both sides using a combination of upper and lower heated grids and upper and lower radiant heaters. You will be licensed to use these improved charbroiling systems in the operation of your Chick-fil-A Licensed Unit.

CFA Properties owns all rights to U.S. Patent Application No. 61/889,848, titled **Produce Washing System Using Electrolyzed Water**, which was filed on October 11, 2013. The patent application relates to an improved produce washing system that can achieve at least a 5 log colony-forming unit (CFU) reduction per unit of produce to meet NSF Protocol P423 - Electrochemically Activated Water Cleaning and Sanitizing Devices in Commercial Food Operations. You will be licensed to use this improved washing system in the operation of your franchised Chick-fil-A Restaurant business.

As described in Item 13, CFA Properties has licensed to Chick-fil-A the right to use the trademarks, copyrights, trade secrets, and confidential information, and the right to make, use, offer for sale and sell the inventions of each patent and patent application, in operating Chick-fil-A Restaurants, and to sublicense them to Chick-fil-A's Licensees, under a license agreement. The initial term of the license agreement is one year, and then renews automatically for additional one-year periods unless written notice is given at least 90 days prior to the end of the existing term by either party. Either party may terminate the license agreement with cause if the other party fails to cure a material breach. Except as described, no other agreement limits Chick-fil-A's right to use or sublicense the use of any CFA Properties patents.

Chick-fil-A has no actual knowledge of any court proceeding or decision, or any pending infringement or validity challenge, or any other pending material litigation involving any CFA Properties patent.

Chick-fil-A has the sole right to protect and enforce any or all of CFA Properties' patents at Chick-fil-A's own expense, including the patent assets listed above. CFA Properties may protect its intellectual property from time to time by filing applications, including patent applications. Chick-fil-A has

the sole right to determine to file a patent application, continue or end prosecution of a pending patent application, and/or to continue or end payment of maintenance fees for any patent. You must notify Chick-fil-A immediately when you learn about possible infringement of a CFA Properties patent and/or inventions of any CFA Properties patent application. The Operator Agreement does not require Chick-fil-A to take affirmative action when notified of these possible infringements. You must cooperate with us in defending patents, but we have no obligation to pay to you any damages and costs recovered in such a suit or proceeding, nor are we required to participate in your defense in any suit or proceeding involving patents. Upon any termination of your Operator Agreement, you must immediately cease all use of CFA Properties' patents and/or the inventions of patent applications.

Chick-fil-A does not actually know of any superior prior rights or infringing uses that could materially affect your use of any CFA Properties patent and/or the inventions of patent applications.

**Proprietary Information:** As also described in Item 13, CFA Properties owns proprietary rights to, and has licensed to Chick-fil-A the right to use and to sublicense others to use, a number of the products that Chick-fil-A sells and the ingredients and preparation techniques and methods used in preparing them, as well as all development and research records, market research data and information contained in Chick-fil-A's operations, marketing or orientation manuals, or other materials or documents given to you by Chick-fil-A or treated by Chick-fil-A as confidential. Chick-fil-A's seasoning and seasoned coater are two of these primary proprietary items.

The License Agreement requires you to acknowledge that you are likely to be given access to Chick-fil-A's trade secrets, confidential information and other proprietary matters, that such information is proprietary and that its protection is necessary for the proficient and profitable operation of all Chick-fil-A Restaurants and Licensed Units.

The License Agreement further requires you to agree that you will not, during the time you are operating a Chick-fil-A Licensed Unit or at any time afterward, without the express prior written consent of Chick-fil-A, publish or disclose to anyone or use other than as approved or required by Chick-fil-A, any of Chick-fil-A's confidential information that is a trade secret under the License Agreement, including information or data of or about Chick-fil-A (including confidential business information, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, lists of actual or potential licensees and franchised operators, customers or suppliers) that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. You must also abide by the same covenant as to Chick-fil-A's other confidential information, but only during the term of your License Agreement and for a period of two years following any expiration or termination of that Agreement (or in the case of your employees who are managers or supervisors of your Chick-fil-A Licensed Unit(s) during the term of employment and for a period of three years thereafter). If you are a Food Service Provider, you are required to obtain similar covenants from any Third Party involved in the operation of your Chick-fil-A Licensed Unit, the employees of such Third Parties who will be involved in the Chick-fil-A Licensed Unit and all other persons working in your Chick-fil-A Licensed Unit operated by a Third Party.

**Copyrights:** Every CFA Properties original work of authorship fixed in a tangible medium of expression is protected by copyright law. Chick-fil-A has the sole right to determine whether to register any copyright-protected work. For example, CFA Properties owns copyrights in the orientation and operations manuals and materials as well as video tapes used in training and other items, including, without limitation, certain advertising, promotional and marketing items and materials which CFA Properties has licensed to Chick-fil-A for its own use and to sublicense to others to use.

### **Item 15**

#### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE LICENSED UNIT**

The License Agreement requires you at all times during the term of the License Agreement, and at your own cost, to use diligent efforts to advance the reputation of Chick-fil-A, and Chick-fil-A brand products and to develop and enhance consumer awareness of Chick-fil-A brand products and Chick-fil-A's proprietary marks. You must maintain at least two management-level employees at each Licensed Site whose duties include the Chick-fil-A Licensed Unit and who have attended, and completed to Chick-fil-A's satisfaction, Chick-fil-A's training program. Managers and supervisors of Chick-fil-A Licensed Unit(s) are required to enter into a confidentiality agreement as described in Item 14.

### **Item 16**

#### **RESTRICTIONS ON WHAT THE LICENSEE MAY SELL**

Chick-fil-A requires you to offer and sell only the Chick-fil-A brand products and other items that Chick-fil-A has approved. (See Item 8). If you desire to sell other products in your Chick-fil-A Licensed Unit, you must request and receive written permission from Chick-fil-A before doing so. Under the terms of the License Agreement, you are prohibited from using or occupying the premises of your Chick-fil-A Licensed Unit for any purpose other than operating your Chick-fil-A Licensed Unit.

You must offer all products that you and Chick-fil-A designate as core menu items on Addendum B to your License Agreement. (See Exhibits "B-1" and "B-2" to this Disclosure Document). Chick-fil-A has the right to add additional products to the list of products that you are required to sell.

### **Item 17**

#### **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

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

Provision	Section in the License or other Agreement	Summary
a. Length of License Agreement term	2	To be determined by CFA prior to the execution of your License Agreement based on a variety of factors including, without limitation, CFA's assessment of the licensing opportunity, the nature of the Licensed Site, the extent of your ability and contractual right, if any, to operate the Licensed Unit at the Licensed Site for a defined or otherwise predictable period of time, and CFA's past economic and operational experiences at similar licensed site locations.

Provision	Section in the License or other Agreement	Summary
b. Renewal or extension of term	2	No right to extend or renew. In the exercise of its sole and exclusive business judgment (which may include, without limitation, its assessment of your performance under the License Agreement, your ability and contractual right, if any, to continue to operate at the Licensed Site, and your past economic and operational performance of the Licensed Unit), CFA may decide, but is under no contractual obligation, to offer you a new license agreement to operate the Licensed Unit for an additional period of time beyond the expiration of the License Agreement.
c. Requirements for Licensee to renew or extend	2	No right to extend or renew. If CFA does decide to offer you a new license, such an offer, if any, will be made in the form of CFA's then-current form of license agreement (which may include new terms, conditions and fees) and may be conditioned upon, among other things, your refurbishment and remodeling of each Licensed Unit to Chick-fil-A's then-current standards and specifications.
d. Termination by Licensee	8	You can terminate the License Agreement upon Chick-fil-A's failure to cure a material breach of the License Agreement within thirty (30) days of you providing notification of such breach (or, depending upon the nature of the breach, such longer period as may be required to complete a cure). You also can terminate the License Agreement if Chick-fil-A makes a material misrepresentation or false statement under the License Agreement upon 10 days prior written notice.
e. Termination by Franchisor without Cause	N/A	Not applicable.
f. Termination by Franchisor with Cause	8	We can terminate the License Agreement with cause. Depending on the reason for termination, we may not provide you with an opportunity to cure. See this Item 17(g) and (h) for further description.
g. "Cause" defined - Defaults which can Be cured	8	Breach of material covenants of License Agreement; damage to goodwill or reputation of Chick-fil-A; failure to comply with hours of operation; continuance of operation materially impaired; loss of Licensed Site; failure to comply with government regulation; failure to comply with Chick-fil-A's standards and specifications.



Provision	Section in the License or other Agreement	Summary
h. "Cause" defined - Defaults which Cannot be cured	8	Material misrepresentations regarding the License Agreement; conviction of a felony or crime of moral turpitude; conversion or embezzlement; misrepresentation or failure to make a material disclosure to Chick-fil-A or any governmental authority or in any offer or sale of securities related to a Licensed Unit; continuance of operation of substantially all of Licensed Units materially impaired; understatement of gross receipts by 5% or more on two or more occasions; insolvency, bankruptcy or appointment of receiver.
i. Licensee's obligations on termination/non-renewal	8	Obligations include: immediately change your Chick-fil-A Licensed Site to a different use; pay Chick-fil-A all sums due; cease to use all trademarks, patents, copyrights and any other intellectual property licensed to you, and return all manuals and other information to Chick-fil-A; obey the terms of any covenant not to compete with Chick-fil-A; and others.
j. Assignment of contract by Franchisor	9	No restriction on Chick-fil-A's right to assign.
k. "Transfer" by Licensee - definition	9	Includes any assignment of your License Agreement or sale of your interest in your License Agreement.
l. Franchisor's approval of transfer by Licensee	9	No transfer allowed without Chick-fil-A's prior written approval.
m. Conditions for Franchisor's approval of transfer	9	Chick-fil-A has the right, but not the obligation, to approve a transfer.
n. Franchisor's right of first refusal to acquire your business	N/A	Not applicable.
o. Franchisor's option to purchase your business	N/A	Not applicable.
p. Licensee's death or disability	N/A	Not applicable.
q. Non-competition covenants during the term of the franchise	7	You may not anywhere within the Licensed Site where the Licensed Unit is located, directly or indirectly sell any other nationally or regionally branded chicken products or any products that are the same as or substantially similar in nature and in presentation to the products offered by you at the Licensed Unit as part of the Chick-fil-A system. Additionally, you may not disclose any of Chick-fil-A's trade secrets and confidential information.

Provision	Section in the License or other Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	7	Following any expiration or termination of your License Agreement, you may not for a period of twelve (12) months at the former Licensed Site, directly or indirectly, alone or in conjunction with any other person (including, where applicable, a Third Party Operator) sell any other nationally or regionally branded chicken products or any products that are the same as or substantially similar in nature and in presentation to the products offered previously by you at the Licensed Unit as part of the Chick-fil-A system.
s. Modification of the agreement	11	The License Agreement may only be modified by the execution of a written agreement between both parties. The orientation and operations manuals and materials are subject to change at any time.
t. Integration/merger clause	11	Only the terms of the License Agreement, including all schedules, exhibits, and ancillary agreements are binding (subject to state law). Any promises or statements not in the License Agreement or in this Disclosure Document should not be relied upon.
u. Dispute resolution by arbitration or mediation	N/A	Not applicable.
v. Choice of forum	10	All litigation must occur in state and federal courts located in the Atlanta, Georgia area.
w. Choice of law	10	Georgia law applies.

A provision in the License Agreement that terminates the License Agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101 *et seq.*

### **Item 18**

#### **PUBLIC FIGURES**

Chick-fil-A does not use any public figure to promote its 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 if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

As of December 31, 2013, there were approximately 1,758 domestic Chick-fil-A Restaurants and Licensed Units open and operating, including approximately 1,507 domestic Chick-fil-A Restaurants and 251 domestic Chick-fil-A Licensed Units. The domestic Chick-fil-A Restaurants, which are operated by Chick-fil-A and Chick-fil-A Operators, and their annual sales volumes are not the subject of these financial performance representations.

As of December 31, 2013, approximately 227 of the 251 domestic Chick-fil-A Licensed Units had been open for at least one full calendar year. The 227 domestic Chick-fil-A Licensed Units that had been open for at least one full calendar year as of December 31, 2013 and their annual sales volumes are the subject of these financial performance representations.

Of the 227 Licensed Units open for at least one full calendar year, 187 Licensed Units are located on college or university campuses. In 2013, approximately 19% of these locations had annual sales volumes less than \$350,000; approximately 20% had annual sales volumes between \$350,000 and \$500,000; approximately 26% had annual sales volumes between \$500,000 and \$750,000; and approximately 35% had annual sales volumes in excess of \$750,000. In 2013, the average annual sales volume of domestic Licensed Units located on college or university campuses that were open at least one year as of December 31, 2013 was \$722,460, with 70 of the 187 or 37% that did as well or better than \$722,460 in annual sales. The highest and lowest annual sales volume for these college and university Chick-fil-A Licensed Unit locations in 2013 was \$2,666,245 and \$61,790, respectively.

Of the 227 Licensed Units open for at least one full calendar year, 40 Licensed Units are located at hospitals, businesses, industries, or airports. In 2013, approximately 25% of these locations had annual sales volumes less than \$350,000; approximately 23% had annual sales volumes between \$350,000 and \$500,000; approximately 15% had annual sales volumes between \$500,000 and \$750,000; and approximately 37% had annual sales volumes in excess of \$750,000. In 2013, the average annual sales volume of domestic Licensed Units located at hospitals, businesses, industries, or airports that were open at least one year as of December 31, 2013 was \$708,922, with 15 of the 40 or 37.5% that did as well or better than \$708,922 in annual sales. The highest and lowest annual sales volume for these hospital, business, industry, and airport Chick-fil-A Licensed Unit locations in 2013 was \$2,692,871 and \$132,638, respectively.

For purposes of the financial performance representations set forth above, the term "annual sales volume" includes a Chick-fil-A Licensed Unit's entire gross receipts (excluding only sales taxes levied upon retail sales and payable over to the appropriate governmental authority) from all sales at, from or related to the Chick-fil-A Licensed Unit during the applicable calendar year, whether for cash or on a

charge, credit or time basis, including sales and services (i) where orders originate and/or are accepted at or in the Chick-fil-A Licensed Unit, or (ii) pursuant to telephone or other similar orders received or filled at or in the Chick-fil-A Licensed Unit.

The financial performance representations set forth above are based upon a total of 227 domestic Chick-fil-A Licensed Units that were open for at least one year as of December 31, 2013.

**YOU ARE URGED TO CONSULT WITH APPROPRIATE FINANCIAL, BUSINESS AND LEGAL ADVISORS IN CONNECTION WITH THE INFORMATION SET FORTH IN THIS ANALYSIS.**

**A NEW LICENSEE'S INDIVIDUAL FINANCIAL RESULTS MAY DIFFER FROM THE RESULTS STATED IN THE FINANCIAL PERFORMANCE REPRESENTATIONS FOR THE REASONS STATED BELOW.** The computations of all actual and average sales, the range of years in operation, and list of addresses of the Chick-fil-A Licensed Units that supplied data used in preparing these financial performance representations will be made available to prospective licensees upon reasonable request.

**THE FINANCIAL PERFORMANCE REPRESENTATIONS DO NOT REFLECT THE COSTS OF SALES OR OPERATING EXPENSES THAT MUST BE DEDUCTED FROM THE GROSS REVENUE OR GROSS SALES FIGURES TO OBTAIN YOUR NET INCOME OR PROFIT. THE BEST SOURCE OF COST AND EXPENSE DATA MAY BE FROM LICENSEES AND FORMER LICENSEES, SOME OF WHOM MAY BE LISTED IN ITEM 20.**

**THE SALES FIGURES SET FORTH ABOVE ARE AVERAGES OF SPECIFIC CHICK-FIL-A LICENSED UNITS AND SHOULD NOT BE CONSIDERED AS THE ACTUAL OR POTENTIAL SALES THAT WILL BE REALIZED BY ANY CHICK-FIL-A RESTAURANT LICENSEE. NEITHER CHICK-FIL-A NOR ANY OTHER PERSON CAN GUARANTEE THE SUCCESS OF A LICENSEE'S UNIT, AND ADMONISHES THAT A LICENSEE'S UNIT MAY LOSE MONEY OR FAIL. CHICK-FIL-A DOES NOT REPRESENT, WARRANT, OR PROMISE THAT YOU CAN EXPECT TO ATTAIN THESE SALES.** Individual Licensees are likely to experience annual sales volume variations. A Chick-fil-A Licensed Unit's physical location within any particular geographic area, a Chick-fil-A Licensed Unit's physical location among different geographic areas of the country, the operational skill and the management methods employed by a Licensee, and menu price variations may significantly affect the sales realized in any given operation.

Chick-fil-A may provide you with supplemental information relating to the projected sales of a Chick-fil-A Licensed Unit at a specific location (the "Supplemental Information"). Any such Supplemental Information will be in writing and will explain how it differs from the information contained in this Item 19.

Other than the preceding financial performance representation, as described above, Chick-fil-A does 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. With regard to 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 S. Tammy Pearson, Vice President and Assistant General Counsel of Chick-fil-A, telephone number (404) 765-8000, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**

**OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1**

**SYSTEMWIDE OUTLET SUMMARY  
FOR YEARS 2011 TO 2013**

**CHICK-FIL-A LICENSED UNITS**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Licensed	2011	212	226	+14
	2012	226	236	+10
	2013	236	251	+15
Company Owned	2011	0	0	0
	2012	0	0	0
	2013	0	0	0
Total Outlets	2011	212	226	+14
	2012	226	236	+10
	2013	236	251	+15

**CHICK-FIL-A RESTAURANTS**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011	1244	1324	+80
	2012	1320	1390	+70
	2013	1383	1462	+79
Company Owned	2011	64	41	-23
	2012	45	40	-5
	2013	47	45	-2
Total Outlets	2011	1308	1365	+57
	2012	1365	1430	+65
	2013	1430	1507	+77

**Note:** For purposes of the foregoing chart, in the total Outlets at the End of the Year we do not include as open a Chick-fil-A Restaurant that operated on December 31, 2013, and then permanently closed after the close of business on December 31, 2013.

TABLE NO. 2

TRANSFERS OF OUTLETS FROM LICENSEES TO NEW OWNERS  
(OTHER THAN CHICK-FIL-A OR AN AFFILIATE)  
FOR YEARS 2011 TO 2013

Table No. 2 Transfers of Licensed Outlets from Licensees to New Owners (Other Than Chick-fil-A or an Affiliate) For Years 2011 to 2013		
State	Year	Number of Transfers
Total	2011	0
	2012	0
	2013	0

**Note:** For purposes of the foregoing chart, a “transfer” means the acquisition of a Chick-fil-A Licensed Unit, during its term, by a person other than Chick-fil-A or an affiliate.

TRANSFERS OF OUTLETS FROM OPERATORS TO NEW OWNERS  
(OTHER THAN CHICK-FIL-A OR AN AFFILIATE)  
FOR YEARS 2011 TO 2013

Table No. 2 Transfers of Outlets from Operators to New Owners (Other Than Chick-fil-A or an Affiliate) For Years 2011 to 2013		
State	Year	Number of Transfers
Total	2011	0
	2012	0
	2013	0

**Note:** For purposes of the foregoing chart, a “transfer” means the acquisition of a franchised Chick-fil-A Restaurant business, during its term, by a person other than Chick-fil-A or an affiliate.

TABLE NO. 3

STATUS OF LICENSED UNITS FOR YEARS 2011 TO 2013

Table No. 3 Status of Licensed Units For Years 2011 to 2013								
State	Year	Outlets at Start of Year	Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
AL	2011	9	0	0	0	0	0	9
	2012	9	1	0	0	0	0	10
	2013	10	1	1	0	0	0	10

Table No. 3 Status of Licensed Units For Years 2011 to 2013								
State	Year	Outlets at Start of Year	Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
AZ	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
	2013	4	1	1	0	0	0	4
AR	2011	5	1	0	0	0	0	6
	2012	5	1	0	0	0	0	6
	2013	6	2	0	0	0	0	8
CA	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
CO	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
DE	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	1	0	0	0	0	2
DC	2011	3	0	2	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
FL	2011	10	1	0	0	0	0	11
	2012	11	1	0	0	0	0	12
	2013	12	3	0	0	0	0	15
GA	2011	18	3	0	0	0	0	21
	2012	21	1	0	0	0	0	22
	2013	22	2	2	0	0	0	22
ID	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
IL	2011	6	0	0	0	0	0	6
	2012	6	2	0	0	0	0	8
	2013	8	0	1	0	0	0	7
IN	2011	3	1	0	0	0	0	4
	2012	4	0	0	0	0	0	4
	2013	4	1	0	0	0	0	5

Table No. 3 Status of Licensed Units For Years 2011 to 2013								
State	Year	Outlets at Start of Year	Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
IA	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
KS	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	0	0	4
	2013	4	0	0	0	0	0	4
KY	2011	6	1	0	0	0	0	7
	2012	7	0	0	0	0	0	7
	2013	7	0	0	0	0	0	7
LA	2011	6	0	0	0	0	0	6
	2012	6	0	0	0	0	0	6
	2013	6	0	0	0	0	0	6
MD	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5
	2013	5	0	0	0	0	0	5
MI	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
MN	2011	2	0	0	0	0	0	2
	2012	2	1	0	0	0	0	3
	2013	3	0	0	0	0	0	3
MS	2011	4	1	0	0	0	0	5
	2012	5	1	0	0	0	0	6
	2013	6	1	0	0	0	0	7
MO	2011	4	1	0	0	0	0	5
	2012	5	0	0	0	0	0	5
	2013	5	1	0	0	0	0	6
NE	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
NJ	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1



Table No. 3 Status of Licensed Units For Years 2011 to 2013								
State	Year	Outlets at Start of Year	Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
NM	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
NY	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
NC	2011	21	2	0	0	0	0	23
	2012	23	0	0	0	0	0	23
	2013	23	1	4	0	0	0	20
OH	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	1	0	0	0	0	2
OK	2011	10	0	0	0	0	0	10
	2012	10	0	1	0	0	0	9
	2013	9	0	0	0	0	0	9
PA	2011	8	0	0	0	0	0	8
	2012	8	0	0	0	0	0	8
	2013	8	0	0	0	0	0	8
SC	2011	7	0	0	0	0	0	7
	2012	7	2	0	0	0	0	9
	2013	9	0	0	0	0	0	9
SD	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
TN	2011	12	1	0	0	0	0	13
	2012	13	2	0	0	0	0	15
	2013	15	1	0	0	0	0	16
TX	2011	37	2	0	0	0	0	39
	2012	39	2	2	0	0	0	39
	2013	39	6	0	0	0	0	45
UT	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1

Table No. 3 Status of Licensed Units For Years 2011 to 2013								
State	Year	Outlets at Start of Year	Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
VA	2011	15	0	0	0	0	0	15
	2012	15	1	2	0	0	0	14
	2013	14	0	0	0	0	0	14
WA	2011	1	0	1	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
WV	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
Totals	2011	212	17	3	0	0	0	226
	2012	226	15	5	0	0	0	236
	2013	236	24	9	0	0	0	251

**Notes:**

1. All numbers for “Outlets at Start of the Year” in the preceding chart are as of the beginning of each fiscal year. All numbers for “Outlets at End of the Year” in the preceding chart are as of the end of each fiscal year.
2. For purposes of the foregoing chart, “Opened” reflects the total number of Chick-fil-A Licensed Units opened in each state during each fiscal year, including both new licensed units and company-owned licensed units purchased by a Licensee from Chick-fil-A.
3. For purposes of the foregoing chart, “Terminations” reflects the total number of License Agreements terminated in each state during each fiscal year by Chick-fil-A prior to the end of the License Agreement’s term and without providing any consideration to the Licensee (whether by payment, forgiveness or assumption of debt, or new Chick-fil-A Licensed Unit opportunity).

STATUS OF FRANCHISED OPERATOR OUTLETS FOR YEARS 2011 TO 2013

Table No. 3 Status of Franchised Operator Outlets For Years 2011 to 2013								
State	Year	Outlets at Start of Year	Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
AL	2011	55	6	0	0	4	0	57
	2012	56	1	0	0	2	0	55
	2013	55	4	0	0	0	0	59
AZ	2011	18	1	0	0	0	0	19
	2012	19	0	0	0	2	0	17
	2013	17	10	0	0	3	1	23
AR	2011	15	4	0	0	2	0	17
	2012	17	1	0	0	0	0	18
	2013	18	2	0	0	1	0	19
CA	2011	38	10	0	0	4	0	44
	2012	44	16	0	0	6	0	54
	2013	54	10	0	0	0	1	63
CO	2011	27	3	0	0	3	0	27
	2012	27	2	0	0	1	0	28
	2013	28	6	0	0	2	0	32
DE	2011	4	3	0	0	2	0	5
	2012	5	1	0	0	0	0	6
	2013	6	1	0	0	0	0	7
FL	2011	137	9	0	0	6	3	137
	2012	137	13	1	0	7	0	142
	2013	142	15	0	0	8	2	147
GA	2011	153	13	0	0	6	0	160
	2012	158	6	1	0	2	0	161
	2013	159	13	0	0	5	2	165
ID	2011	0	1	0	0	0	0	1
	2012	1	2	0	0	0	0	3
	2013	3	1	0	0	0	0	4
IL	2011	5	2	0	0	0	0	7
	2012	7	7	0	0	1	1	12
	2013	12	6	0	0	2	0	16
IN	2011	21	2	0	0	1	0	22
	2012	22	2	0	0	1	1	22
	2013	22	4	0	0	1	0	25

Table No. 3 Status of Franchised Operator Outlets For Years 2011 to 2013								
State	Year	Outlets at Start of Year	Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
IA	2011	5	0	0	0	0	0	5
	2012	5	6	0	0	4	0	7
	2013	7	1	0	0	0	0	8
KS	2011	4	1	0	0	0	0	5
	2012	5	4	0	0	1	0	8
	2013	8	0	0	0	0	0	8
KY	2011	15	4	0	0	1	0	18
	2012	18	2	0	0	1	0	19
	2013	19	2	0	0	0	0	21
LA	2011	21	6	0	0	3	0	24
	2012	24	4	0	0	1	0	27
	2013	27	1	0	0	0	0	28
MD	2011	49	4	0	0	2	0	51
	2012	51	5	0	0	1	0	55
	2013	55	6	0	0	3	0	58
MA	2011	1	2	0	0	1	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
MN	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	4	0	0	0	0	4
MS	2011	16	2	0	0	1	0	17
	2012	17	4	0	0	2	0	19
	2013	19	2	0	0	1	0	20
MO	2011	11	7	0	0	2	0	16
	2012	16	3	0	0	2	0	17
	2013	17	4	0	0	2	0	19
NH	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
NE	2011	0	0	0	0	0	0	0
	2012	0	2	0	0	0	0	2
	2013	2	0	0	0	0	0	2

Table No. 3 Status of Franchised Operator Outlets For Years 2011 to 2013								
State	Year	Outlets at Start of Year	Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
NJ	2011	16	6	0	0	2	0	20
	2012	20	3	0	0	3	0	20
	2013	19	5	0	0	2	0	22
NM	2011	3	1	0	0	0	1	3
	2012	3	1	0	0	1	0	3
	2013	3	1	0	0	0	0	4
NC	2011	118	7	0	0	5	1	119
	2012	119	10	0	0	7	1	121
	2013	121	3	0	0	2	0	122
OH	2011	35	3	0	0	3	0	35
	2012	35	6	0	0	4	0	37
	2013	38	5	0	0	5	1	37
OK	2011	22	3	0	0	2	1	22
	2012	22	1	0	0	0	2	21
	2013	21	5	0	0	4	0	22
PA	2011	45	5	0	0	0	0	50
	2012	50	2	0	0	2	0	50
	2013	49	6	0	0	3	1	51
SC	2011	67	3	0	0	5	0	65
	2012	65	8	0	0	3	1	69
	2013	69	3	0	0	1	1	70
TN	2011	44	10	0	0	2	1	51
	2012	50	6	0	0	3	0	53
	2013	53	5	0	0	2	0	56
TX	2011	199	21	0	0	5	4	211
	2012	211	25	0	0	12	0	224
	2013	221	20	0	0	10	2	229
UT	2011	10	5	0	0	2	0	13
	2012	13	4	1	0	2	1	13
	2013	13	3	0	0	1	0	15
VA	2011	78	12	0	0	5	0	85
	2012	85	4	0	0	2	0	87
	2013	86	7	0	0	5	1	87

Table No. 3 Status of Franchised Operator Outlets For Years 2011 to 2013								
State	Year	Outlets at Start of Year	Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
WV	2011	11	2	0	0	0	0	13
	2012	13	2	0	0	0	0	15
	2013	15	0	0	0	0	1	14
WI	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
WY	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
Totals	2011	1244	160	0	0	69	11	1324
	2012	1320	153	3	0	73	7	1390
	2013	1383	155	0	0	63	13	1462

**Notes:**

1. All numbers for “Outlets at Start of the Year” in the preceding chart are as of the beginning of each fiscal year. All numbers for “Outlets at End of the Year” in the preceding chart are as of the end of each fiscal year, and do not treat as open a Chick-fil-A Restaurant that operated on December 31, 2013, and then permanently closed after the close of business on December 31, 2013.
2. For purposes of the foregoing chart, “Opened” reflects the total number of franchised Chick-fil-A Restaurants opened in each state during each fiscal year, including both new restaurants and company-owned restaurant operations purchased by an Operator from Chick-fil-A.
3. For purposes of the foregoing chart, “Terminations” reflects the total number of Operator Agreements terminated in each state during each fiscal year by Chick-fil-A prior to the end of the Operator Agreement’s term and without providing any consideration to the Operator (whether by payment, forgiveness or assumption of debt, or new franchised Chick-fil-A Restaurant opportunity).

TABLE NO. 4

**STATUS OF COMPANY-OWNED LICENSED UNITS  
FOR YEARS 2011 TO 2013**

Table No. 4 Status of Company-Owned Licensed Units For Years 2011 to 2013							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
All States	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0
Totals	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0

**Note:** Neither Chick-fil-A nor any affiliate opened, reacquired, closed or sold any Chick-fil-A Licensed Units during the 2011, 2012 and 2013 calendar years.

**STATUS OF COMPANY-OWNED CHICK-FIL-A RESTAURANTS  
FOR YEARS 2011 TO 2013**

Table No. 4 Status of Company-Owned Chick-fil-A Restaurants For Years 2011 to 2013							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
AL	2011	0	0	4	0	4	0
	2012	1	0	2	1	1	1
	2013	1	0	0	0	1	0
AZ	2011	1	0	0	0	1	0
	2012	0	0	2	0	0	2
	2013	2	1	4	0	6	1
AR	2011	1	0	2	0	1	2
	2012	2	0	0	0	1	1
	2013	1	0	1	0	2	0
CA	2011	0	0	4	0	2	2
	2012	2	0	6	2	4	2
	2013	2	0	1	1	1	1
CO	2011	0	0	3	0	2	1
	2012	1	0	1	0	2	0
	2013	0	0	2	0	1	1

Table No. 4 Status of Company-Owned Chick-fil-A Restaurants For Years 2011 to 2013							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
DE	2011	1	0	2	0	2	1
	2012	1	0	0	1	0	0
	2013	0	0	0	0	0	0
FL	2011	6	0	9	4	6	5
	2012	5	0	8	2	5	6
	2013	6	0	10	0	10	6
GA	2011	6	0	6	3	8	1
	2012	3	0	3	1	5	0
	2013	2	0	7	2	6	1
IL	2011	0	0	0	0	0	0
	2012	0	0	2	0	1	1
	2013	1	0	2	0	0	3
IN	2011	1	0	1	0	1	1
	2012	1	0	2	0	2	1
	2013	1	0	1	0	1	1
IA	2011	1	0	0	0	0	1
	2012	1	0	4	0	3	2
	2013	2	0	0	0	1	1
KS	2011	1	0	0	0	1	0
	2012	0	0	1	0	1	0
	2013	0	0	0	0	0	0
KY	2011	3	0	1	1	2	1
	2012	1	0	1	0	2	0
	2013	0	0	0	0	0	0
LA	2011	3	0	3	1	2	3
	2012	3	0	1	0	3	1
	2013	1	0	0	1	0	0
MD	2011	2	0	2	0	3	1
	2012	1	0	1	1	1	0
	2013	0	0	3	0	3	0
MA	2011	1	0	1	0	2	0
	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0
MS	2011	2	0	1	0	2	1
	2012	1	0	2	0	1	2
	2013	2	0	1	0	1	2
MO	2011	0	0	2	0	2	0
	2012	0	0	2	0	1	1
	2013	1	0	2	0	3	0



Table No. 4 Status of Company-Owned Chick-fil-A Restaurants For Years 2011 to 2013							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
NJ	2011	2	0	2	0	4	0
	2012	0	0	3	1	1	1
	2013	2	0	2	0	2	2
NM	2011	0	0	1	0	1	0
	2012	0	0	1	0	0	1
	2013	1	0	0	0	1	0
NC	2011	1	0	6	1	4	2
	2012	2	0	8	3	7	0
	2013	0	0	2	0	0	2
OH	2011	2	0	3	3	1	1
	2012	1	0	4	1	3	1
	2013	0	0	6	0	5	1
OK	2011	0	0	3	0	2	1
	2012	1	0	2	0	1	2
	2013	2	0	4	1	3	2
PA	2011	4	0	0	1	3	0
	2012	0	0	2	0	1	1
	2013	2	0	4	1	2	3
SC	2011	4	0	5	1	1	7
	2012	7	0	4	2	7	2
	2013	2	0	2	2	2	0
TN	2011	1	0	3	0	4	0
	2012	1	0	3	1	1	2
	2013	2	0	2	1	2	1
TX	2011	11	0	9	3	12	5
	2012	5	0	12	1	11	5
	2013	8	0	12	2	10	8
UT	2011	1	0	2	0	2	1
	2012	1	0	4	0	3	2
	2013	2	0	1	0	1	2
VA	2011	4	0	5	0	7	2
	2012	2	0	2	0	1	3
	2013	4	0	6	1	3	6
WV	2011	3	0	0	0	1	2
	2012	2	0	0	0	2	0
	2013	0	0	1	0	0	1
WI	2011	1	0	0	0	1	0
	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0

Table No. 4 Status of Company-Owned Chick-fil-A Restaurants For Years 2011 to 2013							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
WY	2011	1	0	0	0	1	0
	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0
Totals	2011	64	0	80	18	85	41
	2012	45	0	83	17	71	40
	2013	47	1	76	12	67	45

**Notes:**

1. All numbers for “Outlets at Start of the Year” in the preceding chart are as of the beginning of each fiscal year. All numbers for “Outlets at End of the Year” in the preceding chart are as of the end of each fiscal year.
2. For purposes of the foregoing chart, “Opened” reflects the total number of company-owned Chick-fil-A Restaurants opened in each state during each fiscal year.
3. For purposes of the foregoing chart, “Outlets Reacquired from Franchisees” includes all instances where a Chick-fil-A Restaurant is transferred from an Operator to Chick-fil-A for any reason. These figures include, among other things, all instances where an Operator voluntarily terminates an Operator Agreement in order to obtain a commitment to be franchised to operate a different Chick-fil-A Restaurant, the Operator Agreement is terminated by Chick-fil-A, an Operator or by mutual consent, or an Operator otherwise leaves the Chick-fil-A system.

**TABLE NO. 5**

**PROJECTED CHICK-FIL-A LICENSED UNIT OPENINGS  
AS OF DECEMBER 31, 2013**

State	License Agreements Signed But Licensed Unit Not Opened	Projected New Licensed Unit In The Next Fiscal Year	Projected New Company-Owned Licensed Units In the Next Fiscal Year
Alabama	0	1	0
Arkansas	0	1	0
California	0	1	0
Florida	0	3	0
Georgia	0	3	0
Illinois	0	1	0
Indiana	0	1	0
Louisiana	0	1	0
New Jersey	0	1	0

State	License Agreements Signed But Licensed Unit Not Opened	Projected New Licensed Unit In The Next Fiscal Year	Projected New Company-Owned Licensed Units In the Next Fiscal Year
Ohio	0	1	0
Oklahoma	0	1	0
South Carolina	0	2	0
South Dakota	0	1	0
Tennessee	0	3	0
Texas	0	4	0
Total	0	25	0

**Note:** Chick-fil-A does not intend to open any company-owned Chick-fil-A Licensed Units.

PROJECTED CHICK-FIL-A RESTAURANT OPENINGS  
AS OF DECEMBER 31, 2013

State	Operator 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
Alabama	0	2	0
Arizona	0	2	0
Arkansas	0	1	0
California	0	6	0
Colorado	2	8	0
Connecticut	0	1	0
Delaware	0	1	0
Florida	2	4	0
Georgia	0	3	0
Idaho	0	1	0
Illinois	4	5	0
Indiana	0	1	0
Iowa	0	1	0
Kansas	0	1	0
Louisiana	0	1	0
Maryland	1	2	0
Massachusetts	1	2	0
Missouri	1	2	0
Nebraska	0	1	0
New Hampshire	0	1	0
New Jersey	2	3	0
North Carolina	0	3	0
Ohio	0	1	0
Pennsylvania	1	3	0
Rhode Island	0	1	0
South Carolina	0	3	0
Tennessee	0	1	0

State	Operator 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
Texas	4	18	0
Utah	2	5	0
Virginia	1	4	0
Wisconsin	0	3	0
Total	21	91	0

OPERATOR AGREEMENTS SIGNED BUT OUTLET  
NOT YET OPENED AS OF DECEMBER 31, 2013

State	City	Name (Last, First)	Street Address	Current Business Phone
CO	Highlands Ranch	Khan, Azim	950 CPL Max Donahue Ln.	<a href="mailto:03183@chick-fil-a.com">03183@chick-fil-a.com</a>
CO	Lakewood	Zuschlag, Matthew	565 Vance St.	<a href="mailto:02952@chick-fil-a.com">02952@chick-fil-a.com</a>
FL	Fern Park	McClarnon, William	80 Oxford Rd.	321-444-6536
FL	Middleburg	Mayo, Joseph	1710 Blanding Blvd.	<a href="mailto:02514@chick-fil-a.com">02514@chick-fil-a.com</a>
IL	Elmhurst	Gutherz, Robert	235 S. Il Route 83	630-279-2263
IL	North Riverside	Botero, Alvaro	7201 W. Cermak Rd.	<a href="mailto:03174@chick-fil-a.com">03174@chick-fil-a.com</a>
IL	Rockford	Horton, Anna-Lisa	280 North Perryville Rd.	815-381-1010
IL	Willowbrook	Park, Hyung-Jin	7101 Kingery Hwy.	630-455-4426
MA	Chicopee	Hewes, Robert	501 Memorial Dr.	<a href="mailto:03279@chick-fil-a.com">03279@chick-fil-a.com</a>
MD	Baltimore	Butler, Amanda	3809 Boston St.	<a href="mailto:03236@chick-fil-a.com">03236@chick-fil-a.com</a>
MO	Jefferson City	Van Voorn, Thomas	3407 Missouri Blvd.	573-638-0151
NJ	Burlington	Gottschling, James	1817 Mount Holly Rd.	<a href="mailto:03192@chick-fil-a.com">03192@chick-fil-a.com</a>
NJ	Voorhees	Williams, Paul	1170 White Horse Rd.	<a href="mailto:03208@chick-fil-a.com">03208@chick-fil-a.com</a>
PA	Lansdale	Friel, Dawn	210 Forty Foot Rd.	215-631-7060
TX	Brownsville	Rodriguez, Pablo	3385 Boca Chica Blvd.	<a href="mailto:03143@chick-fil-a.com">03143@chick-fil-a.com</a>
TX	Copperas Cove	Kennedy, Stephen	202 Robert Griffin III Blvd.	<a href="mailto:03247@chick-fil-a.com">03247@chick-fil-a.com</a>
TX	Frisco	Davis, Christy	8875 Preston Rd.	214-436-5418
TX	Houston	DeCola, James	13412 Briar Forest Dr.	<a href="mailto:03111@chick-fil-a.com">03111@chick-fil-a.com</a>

State	City	Name (Last, First)	Street Address	Current Business Phone
UT	Centerville	Smith, Kelli	540 N. 800 W.	<a href="mailto:03259@chick-fil-a.com">03259@chick-fil-a.com</a>
UT	Provo	Crook, Terrill	484 W. Bulldog Blvd.	801-374-2697
VA	Colonial Heights	Jordan, Cole	661 Southpark Blvd.	804-524-4944

**Note:** Chick-fil-A does not intend to open any company-owned Chick-fil-A Restaurants; however, if an Operator has not been selected for a particular location, Chick-fil-A will sometimes open and operate a new Chick-fil-A Restaurant until an Operator has been selected and trained and an Operator Agreement has been executed for that location.

A list of Licensees and the addresses and telephone numbers of their outlets as of December 31, 2013 is attached as Exhibit “E” to this Disclosure Document. Also included in Exhibit “E” is a list of the names of all Operators and the addresses and telephone numbers of their Chick-fil-A Restaurants as of December 31, 2013. Chick-fil-A owned and operated restaurants are also included in this list and are identified by the designation “TMP.”

A list of the names, city and state, and business telephone number of every Licensee who has had a Chick-fil-A Licensed Unit terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Chick-fil-A License Agreement during fiscal year 2013 and through March 31, 2014 or who has not communicated with us within ten weeks of the issuance date of this Disclosure Document is attached as Exhibit “F.” If you buy this franchise, your contact information may be disclosed to other buyers when you leave the Chick-fil-A franchise system.

If the license being offered relates to a Chick-fil-A Licensed Unit that is a company or affiliate-owned Licensed Unit that was previously a franchised outlet, Chick-fil-A will provide you with a Supplemental Item 20 Disclosure regarding the Licensed Unit’s past five years of operation. The Supplemental Item 20 Disclosure will list the name, city and state, and current business phone number of each previous owner of the Chick-fil-A Licensed Unit during the prior five year period, the beginning and ending date of each person’s respective ownership of the Chick-fil-A Licensed Unit, the reason for each change in ownership, and when Chick-fil-A retained control of the Chick-fil-A Licensed Unit.

During the last three (3) years, we have not signed any confidentiality clauses with any current or former Licensees which would restrict them from speaking openly with you about their experiences with us. However, in some instances during the last three (3) fiscal years, former Chick-fil-A Restaurant Operators have signed provisions restricting their ability to speak openly about their experiences with us. You may want to speak with current and former Licensees and Operators, but be aware that not all Operators will be able to communicate with you.

## **Item 21**

### **FINANCIAL STATEMENTS**

Exhibit “C” to this Disclosure Document includes our audited consolidated financial statements as of December 31, 2013, 2012 and 2011.

## **Item 22**

### **CONTRACTS**

The License Agreement for Licensees who are Self-Operators is attached to this Disclosure Document as Exhibit “B-1”. The License Agreement for Licensees who are Food Service Providers is attached to this Disclosure Document as Exhibit “B-2”.

Chick-fil-A does not lease or otherwise provide the Licensed Sites for the various Chick-fil-A Licensed Units. As a result, the leases, if any, for the various Chick-fil-A Licensed Units vary substantially from Licensed Site to Licensed Site because of the different requirements of landlords and property owners. Accordingly, there is no model lease form that can be said to be a typical lease by which a Licensee will be bound.

## **Item 23**

### **RECEIPTS**

A receipt in duplicate is attached to this Disclosure Document as Exhibit “G.” You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Sales Development, Chick-fil-A, Inc., 5200 Buffington Road, Atlanta, Georgia 30349-2998.

**EXHIBIT “A”**

**LIST OF STATE AGENCIES / REGISTERED AGENTS FOR  
SERVICE OF PROCESS OF CHICK-FIL-A, INC.**

## LIST OF STATE ADMINISTRATORS

<b>CALIFORNIA</b> Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500	<b>NEW YORK</b> Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23 <sup>rd</sup> Floor New York, NY 10271 (212) 416-8000
<b>HAWAII</b> Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	<b>NORTH DAKOTA</b> North Dakota Securities Department 600 East Blvd., 5 <sup>th</sup> Floor Bismarck, ND 58505-0510 (701) 328-2910
<b>ILLINOIS</b> Franchise Bureau Office of Attorney General 500 S. Second Street Springfield, IL 62706 (217) 782-4465	<b>RHODE ISLAND</b> Division of Business Regulation Division of Securities John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9527
<b>INDIANA</b> Franchise Section Indiana Securities Division Secretary of State Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6531	<b>SOUTH DAKOTA</b> Department of Labor and Regulation Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185 (605) 773-4823
<b>MARYLAND</b> Office of the Attorney General Securities Division 200 St. Paul Place, 20 <sup>th</sup> Floor Baltimore, MD 21202 (410) 576-6360	<b>VIRGINIA</b> State Corporation Commission Department of Securities and Retail Franchising 1300 E. Main St., 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051
<b>MICHIGAN</b> Consumer Protection Division Michigan Attorney General 670 Williams Building Lansing, MI 48913 (517) 373-7117	<b>WASHINGTON</b> Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
<b>MINNESOTA</b> Minnesota Department of Commerce Market Assurance Division 85 7 <sup>th</sup> Place East, Suite 500 St. Paul, MN 55101 (651) 296-6328	<b>WISCONSIN</b> Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue Suite 300 Madison, WI 53703 (608) 266-3431



## LIST OF AGENTS FOR SERVICE OF PROCESS

<b>CALIFORNIA</b> Commissioner of Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500	<b>NEW YORK</b> Secretary of the State of New York 41 State Street Albany, NY 12231 (518) 474-4750
<b>HAWAII</b> Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	<b>NORTH DAKOTA</b> North Dakota Securities Department State Capitol, 5 <sup>th</sup> Floor 600 East Blvd. Bismarck, ND 58505-0510 (701) 328-2910
<b>ILLINOIS</b> Illinois Attorney General 500 S. Second Street Springfield, IL 62706 (217) 782-4465	<b>RHODE ISLAND</b> Division of Business Regulation Division of Securities John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9527
<b>INDIANA</b> Indiana Secretary of State Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6531	<b>SOUTH DAKOTA</b> Department of Labor & Regulation Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185 (605) 773-4823
<b>MARYLAND</b> Maryland Securities Commissioner Office of Attorney General 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	<b>VIRGINIA</b> Clerk of the State Corporation Commission Tyler Building, 1 <sup>st</sup> Floor 1300 E. Main St. Richmond, VA 23219 (804) 371-9733
<b>MICHIGAN</b> Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6456 Mercantile Way Lansing, MI 48909 (517) 241-6470	<b>WASHINGTON</b> Director, Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
<b>MINNESOTA</b> Minnesota Department of Commerce Registration and Licensing Division 85 7 <sup>th</sup> Place East, Suite 500 St. Paul, MN 55101 (651) 539-1600	<b>WISCONSIN</b> Commissioner of Securities Securities and Franchise Registration 201 West Washington Avenue Suite 300 Madison, WI 53703 (608) 266-3431

**EXHIBIT “B-1”**

**LICENSE AGREEMENT (SELF-OPERATORS)**

**EXHIBIT “B-2”**

**LICENSE AGREEMENT (FOOD SERVICE PROVIDERS)**

**EXHIBIT “C”**

**CONSOLIDATED FINANCIAL  
STATEMENTS OF CHICK-FIL-A, INC.**

**EXHIBIT “D”**

**TABLE OF CONTENTS OF CHICK-FIL-A MANUALS**

**EXHIBIT “E”**

**LIST OF LICENSED UNITS, OPERATOR RESTAURANTS  
AND CHICK-FIL-A OPERATED RESTAURANTS**

**EXHIBIT “F”**

**LIST OF FORMER LICENSEES**

**EXHIBIT “F”**

Licensees whose License Agreements (or a particular Licensed Site under such License Agreement) were terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Chick-fil-A License Agreement during fiscal year 2013 and through March 31, 2014 or who have not communicated with us within ten weeks of our application date:

<b>State</b>	<b>City</b>	<b>Licensee</b>	<b>Current Business Phone</b>	<b>Licensed Location</b>
AL	Birmingham	Sodexo	205-934-8045	University of Alabama-Birmingham
AZ	Tucson	Eurest	520-794-7758	Raytheon Missile System
GA	Atlanta	HMS Host	404-761-4213	Hartsfield-Jackson Atlanta Int’l Airport
GA	Atlanta	Sodexo	404-727-4070	Emory University
IL	Urbana-Champaign	Self-Op	217-328-0032	University of Illinois-Urbana Champaign
NC	Chapel Hill	Aramark	919-843-7855	University of North Carolina-Chapel Hill
NC	Durham	Self-Op	919-660-3921	Duke University
NC	Raleigh	Self-Op	919-515-6347	North Carolina State-Centennial
NC	Sanford	Morrisons	919-774-2182	Central Carolina Hospital
TN	Knoxville	Aramark	423-439-4389	First Tennessee Plaza



**EXHIBIT “G”**

**RECEIPTS**

## RECEIPT

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

If Chick-fil-A offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, Chick-fil-A in connection with the proposed franchise sale.

New York and Rhode Island require that Chick-fil-A give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the License Agreement or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that Chick-fil-A give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Chick-fil-A does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency.

The franchisor is Chick-fil-A, Inc., located at 5200 Buffington Road, Atlanta, Georgia 30349. Its telephone number is 404-765-8000.

Issuance Date: March 31, 2014

The name, principal business address and telephone number of each franchise seller for this offering: Chick-fil-A, Inc., and \_\_\_\_\_;  
5200 Buffington Road, Atlanta, Georgia 30349; 404-765-8000.

Chick-fil-A authorizes the respective state agencies identified in Exhibit "A" to receive service of process for it in the particular state.

I have received a Disclosure Document for Licensees dated March 31, 2014, that included the following Exhibits:

EXHIBIT "A" List of State Agencies/Agents for Service of Process  
EXHIBIT "B-1" License Agreement (Self-Operators)  
EXHIBIT "B-2" License Agreement (Food Service Providers)  
EXHIBIT "C" Consolidated Financial Statements of Chick-fil-A, Inc.  
EXHIBIT "D" Table of Contents of Chick-fil-A Manuals  
EXHIBIT "E" List of Licensed Units, Operator Restaurants and Chick-fil-A Operated Restaurants  
EXHIBIT "F" List of Former Licensees  
EXHIBIT "G" Receipts

\_\_\_\_\_  
Date

\_\_\_\_\_  
Licensee

\_\_\_\_\_  
Print Name

**Please sign and date this page and retain this page in your possession  
as part of your records.**

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EXHIBIT "F" List of Former Licensees  
EXHIBIT "G" Receipts

\_\_\_\_\_  
Date

\_\_\_\_\_  
Licensee

\_\_\_\_\_  
Print Name

**Please remove this page, sign and date this page, and return this page within 48 hours  
after you receive this Disclosure Document to Real Estate-Licensing, Chick-fil-A, Inc.,  
5200 Buffington Road, Atlanta, Georgia 30349-2998.**