

## FRANCHISE DISCLOSURE DOCUMENT



Bojangles' International, LLC  
a Delaware limited liability company  
9432 Southern Pine Boulevard  
Charlotte, North Carolina 28273  
(704) 527-2675  
bojadmin@bojangles.com  
www.bojangles.com

The franchisee will operate a quick service chicken and biscuit restaurant.

The total investment necessary to begin operation of a Bojangles' Restaurant is from \$357,000 to \$553,750 for a leased, traditional, free-standing Bojangles' Restaurant, and from \$385,500 to \$770,750 for a Bojangles' Express® Restaurant developed as part of another retail operation. This includes \$25,000 for each traditional Bojangles' Restaurant, and \$15,000 for each Express Bojangles' that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Leigh Ann Stump at 9432 Southern Pine Boulevard, Charlotte, North Carolina, 28273 and (704) 940-8659.

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

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

Issuance date: March 30, 2012, as amended August 10, 2012

## 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 OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit I 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 FRANCHISE AGREEMENT REQUIRES THAT ANY ACTION BROUGHT BY EITHER PARTY AGAINST THE OTHER IN ANY COURT SHALL BE BROUGHT WITHIN THE STATE OF NORTH CAROLINA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE IN NORTH CAROLINA THAN IN YOUR HOME STATE. THIS PROVISION IS SUPERSEDED BY CERTAIN STATE LAWS.
2. THE FRANCHISE AGREEMENT STATES THAT NORTH CAROLINA 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.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See following page

### STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

|            |            |  |
|------------|------------|--|
| California | Exempt     | January 1, 2012                            |
| Illinois   | Exempt     | March 30, 2012, as amended August 10, 2012 |
| Indiana    | Exempt     | March 30, 2012, as amended August 10, 2012 |
| Michigan   | Registered | October 9, 2011                            |
| Maryland   | Exempt     | April 12, 2012, as amended August 10, 2012 |
| New York   | Exempt     | March 30, 2012, as amended August 10, 2012 |
| Virginia   | Exempt     | April 28, 2012, as amended August 17, 2012 |
| Wisconsin  | Registered | May 15, 2012                               |

In all other states, the effective date of this disclosure document is the issuance date of March 30, 2012, as amended August 10, 2012.

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## ITEM 1

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

#### The Franchisor

To simplify the language in this disclosure document "we" or "us" means Bojangles' International, LLC, the franchisor. "You" means the corporation or limited liability company that buys the franchise and the shareholders of that corporation or members of that limited liability company. Throughout this disclosure document whenever we refer to "company-operated" Restaurants we mean all Restaurants operated by our affiliate and direct parent company, Bojangles' Restaurants, Inc., and those managed on behalf of franchisees by Bojangles' Restaurants, Inc.

Bojangles' International, LLC is a limited liability company organized under the laws of the State of Delaware on March 26, 1998. On March 31, 1998, we acquired the Proprietary Marks associated with the Bojangles' system from Bojangles' Restaurants, Inc. We do business under the service marks and trade names "Bojangles'®", "Bojangles' Famous Chicken 'N Biscuits®", "Bojangles' Express®", "Bo-To-Go®" and the other Proprietary Marks. Our principal place of business is at 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273, and our telephone number is (704) 527-2675. Our affiliate, Bojangles' Restaurants, Inc., provides services to franchisees on our behalf under a management agreement.

We authorize the respective agents for service of process as referenced in Exhibit J.

We offer for sale or grant franchisees the right to develop and operate quick service chicken and biscuit restaurants ("Restaurants"). We began offering franchises similar to the franchises offered by this disclosure document on April 1, 1998. As of August 10, 2012, we had 524 franchised Restaurants in operation. We do not operate any of the Restaurants, but our affiliate, Bojangles' Restaurants, Inc., operated 203 of the franchised Restaurants as of August 10, 2012, all of which are similar to the Restaurants to be operated under franchise agreements offered by this disclosure document. Of the 203 restaurants operated by our affiliate, Bojangles' Restaurants, Inc., 17 are operated by Bojangles' Restaurants, Inc. under management agreements with its related companies.

No affiliate is offering franchises under the franchisor's principal trademark.

We have not offered franchises in any other line of business and do not conduct any other kind of business. We do not maintain a sales office at any location other than our principal place of business and do not retain the services of any sales organization other than the Franchise Brokers listed in Item 2. Our agents for service of process are listed in Exhibit J to this disclosure document.

#### Our Parent Companies

Our direct parent company is Bojangles' Restaurants, Inc., a Delaware corporation, which has its principal business address at 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273. Our indirect parent companies are BHI Exchange, Inc., which is owned by BHI Intermediate Holding Corp., which is in turn owned by BHI Holding Corp. Each of these entities is a Delaware corporation and each has their principal business address at 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273.

BHI Holding Corp.'s principal shareholders are Advent International GPE VI Limited Partnership, and Advent International GPE VI-A Limited Partnership, both of which have their principal business address at 75 State Street, Boston, Massachusetts 02109.

## Our Predecessors and Affiliates

Bojangles' of America, Inc., a North Carolina corporation, was incorporated on May 11, 1976 and as a result of a merger in 1982 became Bojangles' of America, Inc., a Nevada corporation. On August 30, 1990, BJ Acquisition Corp. acquired all the trademarks and service marks associated with the Bojangles' system, together with other assets owned or controlled by Bojangles' of America, Inc. and Bojangles' Corporation, and assumed the interests of Bojangles' of America, Inc. under each of the then-existing Bojangles' franchise agreements. On March 9, 1993, BJ Acquisition Corp. changed its name to Bojangles' Restaurants, Inc.

From August 30, 1990, to March 31, 1998, Bojangles' Restaurants, Inc. offered franchises similar to the franchises offered by this disclosure document. From August 30, 1990, to the present, Bojangles' Restaurants, Inc. owned and operated, and continues to operate Restaurants similar to the franchised Restaurants being offered by this disclosure document. Bojangles' Restaurants, Inc. maintains its principal place of business at 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273. Bojangles' Restaurants, Inc. continues to be our affiliate and also provides services to franchisees on our behalf under management agreements.

None of our predecessors has offered franchises in any other line of business.

## The Franchise and Development Rights Offered

You must be a corporation or a limited liability company, as approved by us, to be eligible to buy a franchise. We may offer you a development agreement (the "Development Agreement") which grants you the right to establish and operate a specific number of franchised Restaurants in an assigned area. We may reserve the right to develop or to grant franchise rights to others to develop restaurants within the assigned area on the premises of colleges, universities, hospitals, airports and within one (1) mile along each side of interstate highways. We may also reserve the right to develop or franchise full-size or express Restaurants to others in your assigned area. We individually negotiate the number of Restaurants that you may develop under each Development Agreement. You will enter into a separate Franchise Agreement with us (the "Franchise Agreement") for each Restaurant that you establish under the terms of the Development Agreement. We also offer Franchise Agreements without a prior Development Agreement which grant you the right to establish and operate one franchised Restaurant in a specific market (the "Individual Franchise Agreement"). We also offer Franchise Agreements with or without a prior Development Agreement which grant you the right to establish and operate one franchised Restaurant within or attached to a convenience store or other structure such as a shopping mall, food court, college campus, airport location or stadium (the "Bojangles' Express® Franchise Agreement"). We may offer a Bojangles' Express® Franchise Agreement that offers a limited-menu because of space restrictions or other limitations. For full-size Restaurants we may offer you a Renewal Franchise Agreement which grants you the right to continue operating your existing full-size franchised Restaurant upon expiration of your Franchise Agreement or Individual Franchise Agreement and upon satisfaction of the renewal conditions stated in your Franchise Agreement and Individual Franchise Agreement.

The rights granted under an Individual Franchise Agreement are similar to the rights granted under a Franchise Agreement offered under a Development Agreement and include the right to use the Proprietary Marks and the System solely in connection with the franchised Restaurant. Unless otherwise stated, references in this disclosure document to "the Franchise Agreement" or "the Agreements" apply to the Franchise Agreement, to the Individual Franchise Agreement, to the Bojangles' Express® Franchise Agreement and to the Renewal of Individual Franchise Agreement.

The Restaurants are characterized by a unique system which we developed and which includes unique exterior and interior design, color schemes, and layout, including specially designed decor and furnishings; a special selection of menu items, largely prepared "from scratch"; procedures and techniques

for food and beverage preparation; prompt and courteous service; a clean, wholesome atmosphere; methods for inventory, operating, cash, and financial controls; a training school using special teaching techniques, course instruction, and manuals; and unique advertising and promotional programs and materials (the "System"). We will continue to improve and develop the System and will provide you with new information and techniques as they may develop.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the mark "Bojangles'®", that we currently designate and may designate in writing in the future for use with the System (the "Proprietary Marks") and certain unique trade dress, including but not limited to specific color schemes, patterns, design, decor, furnishings and layout, that we now or hereafter use in connection with the System (the "Trade Dress").

The Restaurants offer a standard limited menu of quality food products, emphasizing a special selection of menu items such as buttermilk biscuits with chicken filet, steak, sausage, country ham, bacon, egg, cheese, jelly, or melted butter. During lunch and dinner hours, Restaurants generally feature Bojangles' Cajun Spiced Chicken® served with side orders of homemade biscuits, Bojangles' Dirty Rice®, Bojangles' Seasoned Fries™, Bojangles' Cajun Pintos®, Bojangles' Cajun Gravy, coleslaw and other side items. Restaurants also offer chicken sandwiches, Bojangles' Chicken Supremes™, salads, Bo-Tato Rounds®, roasted chicken bites (baked, seasoned chicken pieces), soft drinks, Bojangles' Legendary Iced Tea®, and coffee, as well as sweet potato pies, cinnamon biscuits or cinnamon pecan twists, and Bo-Berry Biscuits® (blueberry flavored biscuits).

A typical franchised Restaurant will be free-standing in an urban or suburban location, with direct access to a major "going-to-work" traffic artery, in order to benefit from Bojangles' significant breakfast business. In addition to free-standing buildings, Bojangles' Express® Restaurants may also be located in store fronts, food courts, grocery stores or convenience stores and other non-traditional locations.

The franchised Restaurants use one of several standard building plans. Our standard traditional Restaurant building plan is 3,808 square feet. On a case by case basis we may permit building plans of approximately 2,775 to 4,080 square feet. We update these plans periodically to incorporate improvements in systems, layout and design. You are responsible for adapting these plans for local use and to obtain architect sealing/signing of these standard building plans at your expense. On a case-by-case basis, we may permit non-standard conversions of existing buildings, shopping center and in-line locations, food court, shopping mall or convenience store locations, subject to our approval of detailed conversion plans. Restaurant buildings are generally constructed of wood or metal studs and brick and stucco and have an orange mansard roof. There are a variety of specially designed decor packages available.

A Restaurant located in or attached to a convenience store or other structure such as a shopping mall, food court, travel plaza, grocery or department store, college campus, airport location, or stadium that is substantially smaller than our standard 3,808 square foot restaurant is referred to as a Bojangles' Express®. A Bojangles' Express® may be developed by modification/conversion of an existing convenience store layout or incorporated as part of the original plan for a combination convenience store and Bojangles' Express® or by modification/conversion of the existing layout of another structure such as a shopping mall, food court, college campus, airport location, or stadium or as part of the original plan for such structure. Bojangles' Express® locations vary in size from 800 to 3,800 square feet, although the Bojangles' Express® location may be part of a larger structure or complex.

A Bojangles' Express® unit may operate under the Bojangles'®, Bojangles' Famous Chicken and Biscuits® or Bojangles' Express® trademarks. We may provide preliminary equipment layout and equipment rough-in plans but we do not provide architecturally prepared plans for development of Bojangles' Express® Restaurants. You are responsible to provide such plans, and all plans for modification/conversion and original plans and decor for new development are subject to our approval.

The menu for a Bojangles' Express® may not include all of the menu items offered in our full size freestanding Restaurants, and instead may have a limited number of items selected from our larger approved menu. If you develop a Bojangles' Express®, we typically will require you to refrain from selling or offering for sale from the convenience store or other structure outside of the Bojangles' Express® items offered for sale from the Bojangles' Express® and, generally, freshly prepared foods. In addition, we typically will require you to refrain from selling or offering for sale from the convenience store or other structure any adult books or magazines, pornographic materials, other items featuring nudity or sexual activity or any sexually oriented devices.

As of the issuance date of this disclosure document Bojangles' Restaurants, Inc., also contracts with foodservice operators for retailing opportunities and the sale of Bojangles' products in venues such as sports arenas, stadiums, college campuses and other nontraditional venues for Bojangles' branded food and drinks.

The restaurant business, particularly the quick service restaurant business, is highly competitive and is often affected by changes in taste and eating habits of the public and by local and national economic conditions. The principal basis of competition in the industry is the quality and price of the food products offered, but name identification, site selection, speed of service, advertising, and attractiveness of facilities are also important. Your competition will include other quick service restaurants, some of which may be located close to your Restaurant, including national and regional restaurant chains, as well as secondary competition, including coffee shops, budget restaurants, grocery stores offering prepared foods and convenience stores which serve hot food. In addition, competition for management and other operating personnel is intense within the industry. Sales are generally seasonally affected and may be lower during winter months and may be affected generally by weather conditions, and in some areas with seasonal traffic (for example, vacation areas) sales may be particularly seasonal in nature.

#### Industry-Specific Regulations

Each franchised Restaurant will be subject to local health inspection authorities which govern the handling of food, temperatures and other health considerations. Federal law requires chain retail food establishments with more than twenty locations to disclose the number of calories of each standard menu item on the menu and menu boards, make additional written nutritional information available to customers on request and provide a statement on menu boards about the availability of additional information. In some states or municipalities or other political subdivisions there may be local regulations that limit trans-fats in foods offered for sale, or that require posting of calorie content or other nutritional information.

### **ITEM 2**

#### **BUSINESS EXPERIENCE**

Chief Executive Officer, President and Director: James R. Kibler

Mr. Kibler has served as our Chief Executive Officer, President and Director and of our affiliate, Bojangles' Restaurants, Inc., since September, 2007. From January, 2004 to February, 2008, Mr. Kibler served as Member and Manager of Southeastern Interstate Group, LLC in Spartanburg, South Carolina. From October, 2002 to February, 2008, Mr. Kibler also served as Member and Manager of Carolina Sub House, LLC and Spartan Sub House, LLC in Spartanburg, South Carolina. From September, 1996 to April, 2011, Mr. Kibler also served as President of Kibler-Mitchell Enterprises, Inc. in Spartanburg, South Carolina.

Director: Steven J. Collins

Mr. Collins has served as our Director and of our affiliate, Bojangles' Restaurants, Inc., since August 18, 2011. From January, 2007 until present, Mr. Collins has served as Vice President and Managing Director of Advent International Corporation in Boston, Massachusetts.

Director: Andrew Crawford

Mr. Crawford has served as our Director and of our affiliate, Bojangles' Restaurants, Inc., since August 18, 2011. From August, 2003 until present, Mr. Crawford has served as a Principal of Advent International Corporation, first in Boston, Massachusetts, and since March, 2010, in New York.

Director: Tommy L. Haddock

Mr. Haddock has served as our Director and of our affiliate, Bojangles' Restaurants, Inc., since September, 2007. Since September 1979 until present, Mr. Haddock has served as President and Director of our franchisee, Tri Arc Food Systems, Inc., in Raleigh, North Carolina, which owns and operates 48 franchised Bojangles' restaurants.

Director: William A. Kussell

Mr. Kussell has served as our Director and of our affiliate, Bojangles' Restaurants, Inc., since August 18, 2011. From January, 2010 until present, Mr. Kussell has served as an Operating Partner of and a consultant to Advent International Corporation in Boston, Massachusetts. From January, 2008 to January, 2010, Mr. Kussell served as President and Chief Brand Officer of Dunkin' Brands in Canton, Massachusetts. From March, 2006 to January, 2010, Mr. Kussell served as a member of the Board of Directors of Dunkin' Brands, Inc., in Canton, Massachusetts. From March, 2003 to January, 2008, Mr. Kussell served as Chief Operating Officer of Dunkin' Brands, Inc. in Canton, Massachusetts.

Director: Steven M. Tadler

Mr. Tadler has served as our Director and of our affiliate, Bojangles' Restaurants, Inc., since August 18, 2011. From August, 1986 until present, Mr. Tadler has served as Senior Vice President and Managing Partner of Advent International Corporation in Boston, Massachusetts.

Executive Vice President, General Counsel and Secretary: Eric M. Newman

Mr. Newman has served as our Executive Vice President, Secretary and General Counsel and of our affiliate, Bojangles' Restaurants, Inc., since July, 1999, and Vice President and General Counsel of our Predecessors since February, 1985.

Senior Vice President, Finance and Chief Financial Officer: M. John Jordan

Mr. Jordan has served as our Senior Vice President of Finance and Chief Financial Officer and of our affiliate, Bojangles' Restaurants, Inc, since March, 2009. From May, 2006 to March, 2009, Mr. Jordan served as our Vice President and Chief Financial Officer and of our affiliate, Bojangles' Restaurants, Inc.

Senior Vice President, Purchasing: Mike J. Bearss

Mr. Bearss has served as our Senior Vice President and of our affiliate, Bojangles' Restaurants, Inc., since January, 2004.

Senior Vice President, Marketing: K. Randall Poindexter

Mr. Poindexter has served as our Senior Vice President and of our affiliate, Bojangles' Restaurants, Inc., since July, 1999, and Vice President of our Predecessors since September, 1990.

Vice President, Company Operations: Kenneth E. Avery

Mr. Avery has served as our Vice President of Company Operations and of our affiliate, Bojangles' Restaurants, Inc., since March, 2009. From December, 2007 to March, 2009, Mr. Avery served as our Vice President of Operations Support and of our affiliate, Bojangles' Restaurants, Inc. From January, 2006 to December, 2007, Mr. Avery served as Vice President of Franchise Operations for CKE Restaurants, Inc. in Rocky Mount, North Carolina.

Vice President, Information Technology: M. Shad Collins

Mr. Collins has served as our Vice President of Information Technology and of our affiliate, Bojangles' Restaurants, Inc., since December, 2011. From June, 2009 to December, 2011, Mr. Collins served as our Senior Director of Information Technology and of our affiliate, Bojangles' Restaurants, Inc. From September, 2004 to June, 2009, Mr. Collins served as our Director of Information Technology and of our affiliate, Bojangles' Restaurants, Inc.

Vice President, Real Estate: William F. Easterling

Mr. Easterling has served as our Vice President of Real Estate and of our affiliate, Bojangles' Restaurants, Inc., since November, 2007. From March, 2005 to November, 2007, Mr. Easterling served as Senior Director of Real Estate for AFC Enterprises, Inc. (MN) in Atlanta, Georgia.

Vice President, Franchise Operations: Anthony C. Hopson

Mr. Hopson has served as our Vice President of Franchise Operations and of our affiliate, Bojangles' Restaurants, Inc., since March, 2009. From November, 2007 to March, 2009, Mr. Hopson served as Regional Vice President of our affiliate, Bojangles' Restaurants, Inc. From May, 2004 to November, 2007, Mr. Hopson served as Vice President of Franchise Operations of CKE Restaurants, Inc. in St. Louis, Missouri.

Vice President, Purchasing: Keith Rosenthal

Mr. Rosenthal has served as our Vice President of Purchasing and of our affiliate, Bojangles' Restaurants, Inc., since December, 2000, and Director of Purchasing of our Predecessors since February, 1989.

Vice President, Human Resources: Victoria A. Smith

Ms. Smith has served as our Vice President of Human Resources since March, 1998, and has served as the Vice President of Human Resources of our affiliate, Bojangles' Restaurants, Inc., since March, 1997, and Director of Training of our Predecessors from March, 1993 to December, 1999.

Training Director: Rene Dexter

Ms. Dexter has served as our Director of Training and of our affiliate, Bojangles' Restaurants, Inc., since October, 2004.

Franchise Field Training Manager: Robert Burgoyne

Mr. Burgoyne has served as our Franchise Field Training Manager and of our affiliate, Bojangles' Restaurants, Inc., since September, 2009. From February, 2005 to September, 2009, Mr. Burgoyne served as our Franchise Training and Operations Support Manager and of our affiliate, Bojangles' Restaurants, Inc.

Franchise Marketing and Sales Manager: Leigh Ann Stump

Ms. Stump has served as our Franchise Marketing & Sales Manager and of our affiliate, Bojangles' Restaurants, Inc., since December, 2010. From April, 2010 to August, 2010, Ms. Stump served as Director of Marketing for Mirrus f/k/a Luxury Tec in Huntersville, North Carolina. From October, 2008 to April, 2009, Ms. Stump served as Senior Brand Manager for Rowley Company, LLC in Gastonia, North Carolina. From February, 2002 to September, 2008, Ms. Stump served as Marketing and Special Events Manager for Belk, Inc., in Charlotte, North Carolina.

Franchise Business Consultant: David Boeckstiegel

Mr. Boeckstiegel has served as our Franchise Business Consultant and of our affiliate, Bojangles' Restaurants, Inc., since February, 2007. From December, 1991 to February, 2007, Mr. Boeckstiegel served as our Senior Director of Franchise Services and of our affiliate, Bojangles' Restaurants, Inc.

Franchise Business Consultant: Robert Carlton

Mr. Carlton has served as our Franchise Business Consultant and of our affiliate, Bojangles' Restaurants, Inc., since February, 2008. From May, 2005 to February, 2008, Mr. Carlton served as our Field Training Manager and of our affiliate, Bojangles' Restaurants, Inc.

Franchise Business Consultant: James D. Dickey, Jr.

Mr. Dickey has served as our Franchise Business Consultant and of our affiliate, Bojangles' Restaurants, Inc., since February, 2007. From January, 1997 to January, 2007, Mr. Dickey served as our Franchise Area Director and of our affiliate, Bojangles' Restaurants, Inc.

Franchise Business Consultant: William H. Luther, Jr.

Mr. Luther has served as our Franchise Business Consultant and of our affiliate, Bojangles' Restaurants, Inc., since November, 2007. From July, 2007 to December, 2007, Mr. Luther was self-employed and served as an independent consultant in Spartanburg, South Carolina. From June, 1997 to July, 2007, Mr. Luther served as Vice President of Operations for Kibler-Mitchell Enterprises, Inc. in Spartanburg, South Carolina.

Franchise Business Consultant: James E. McDaniel

Mr. McDaniel has served as our Franchise Business Consultant and of our affiliate, Bojangles' Restaurants, Inc., since April, 2009. From June, 1998 to April, 2009, Mr. McDaniel served as Director of Food Safety of Hardee's Food Systems, Inc. in St. Louis, Missouri.

Franchise Business Consultant: Mark Oshefsky

Mr. Oshefsky has served as our Franchise Business Consultant and of our affiliate, Bojangles' Restaurants, Inc., since February, 2007. From July, 2001 to February, 2007, Mr. Oshefsky served as our Franchise Area Director and of our affiliate, Bojangles' Restaurants, Inc.

Franchise Business Consultant:            Anthony P. Miles

Mr. Miles has served as our Franchise Business Consultant and of our affiliate, Bojangles' Restaurants, Inc., since April, 2012. From August, 2004 to March, 2012, Mr. Miles served as Franchise Business Consultant of Hardee's Food Systems, Inc. in Atlanta, Georgia.

Brokers:

Bojangles' Restaurants, Inc. is an affiliate, one of our predecessors and our parent company, and provides services to us and to franchisees on our behalf under management agreements. Under the management agreement, Bojangles' Restaurants, Inc. may also serve as a franchise broker for us.

**ITEM 3**

**LITIGATION**

There is no litigation required to be disclosed in this Item.

**ITEM 4**

**BANKRUPTCY**

On August 26, 2004, Robert L. Burgoyne, our Franchise Field Training Manager, filed for protection under Chapter 7 of the U.S. Bankruptcy Code in U.S. Bankruptcy Court for the Western District of Louisiana in Shreveport, Louisiana, the matter being entitled *In re: Robert Lloyd Burgoyne and Hazel Helen Burgoyne, 04-13036*, and was subsequently discharged from bankruptcy on February 7, 2005 under section 727 of title 11, United States Bankruptcy Code.

Except as described above, during the ten year period before the date of this disclosure document, neither we nor our predecessors nor any person previously identified in Item 1 or Item 2 of this disclosure document have been involved as a debtor in proceedings under the U.S. Bankruptcy Code or under the laws of foreign nations required to be disclosed in this Item.

**ITEM 5**

**INITIAL FEES**

Development Fee

You must pay a development fee of \$5,000 for each Restaurant which you are authorized to develop under a Development Agreement. The development fee for each Restaurant is credited against the franchise fee payable under the Franchise Agreement for each Restaurant established if the Franchise Agreement is executed upon the earlier of 45 days after the commencement of construction of the Restaurant or within ten days prior to the Restaurant's opening. You must pay the development fee to us upon execution of the Development Agreement whether or not you actually develop Restaurants after that time. The development fee is fully earned and non-refundable in consideration of administrative and other expenses we incur in entering into the Development Agreement and for our lost or deferred opportunity to enter into the Development Agreement with others.

During our previous fiscal year, each development fee collected was \$5,000 per Restaurant.

### Initial Franchise Fee

You must pay a franchise fee of \$25,000 upon execution of the Franchise Agreement for each Restaurant you develop according to the development schedule in your Development Agreement. However, the franchise fee will be credited with \$5,000 for each Restaurant for which you have paid equivalent development fees, so long as you execute the Franchise Agreement for the particular Restaurant no later than the earlier of 45 days after commencement of construction of the Restaurant or within ten days prior to the Restaurant's opening.

The franchise fee for each Individual Franchise Agreement is \$25,000 and is payable upon execution of the Individual Franchise Agreement.

The franchise fee for a Bojangles' Express® is \$15,000 and is payable upon execution of the Bojangles' Express® Franchise Agreement. However, the franchise fee will be credited with \$5,000 for each Bojangles' Express® for which you have paid an equivalent development fee, so long as you execute the Bojangles' Express® Franchise Agreement for the Bojangles' Express® Restaurant no later than the earlier of 45 days after commencement of construction of the Restaurant or within ten days prior to the Restaurant's opening.

All development fees and franchise fees are fully earned and non-refundable when paid.

We do not require our affiliate, Bojangles' Restaurants, Inc., to pay us full franchise fees or development fees.

Some franchisees may be "grandfathered" under earlier agreements that establish franchise fees, royalties and contributions to the Marketing Development Fund in amounts less than described in this disclosure document. During the previous fiscal year, the franchise fee for all Bojangles' Express® restaurants was \$15,000 per Restaurant. During our previous fiscal year, for all other Restaurants the franchise fee ranged from \$20,000 to \$25,000 per Restaurant.

### ITEM 6

#### **OTHER FEES**

| <b>Type of Fee</b>                       | <b>Amount</b>  | <b>Due Date</b>  |
|--|--|--|
| Royalty <sup>1</sup>                     | 4% of total monthly Gross Sales. <sup>2</sup>  | Payable on the 15th day of each month calculated on Gross Sales made during the preceding month. |
| Marketing Development Fund <sup>3</sup>  | 1% of total monthly Gross Sales.   | Payable on the 15th day of each month calculated on Gross Sales made during the preceding month. |
| Local Marketing Expenditure <sup>4</sup> | 3% of total monthly Gross Sales less amounts spent on cooperative advertising. <sup>4</sup>        | This expenditure must be demonstrated to us on a quarterly basis. <sup>5</sup>                   |
| Cooperative Advertising <sup>6</sup>     | Maximum of 4% of Gross Sales, which is credited against local marketing requirements.              | Determined by agreement of cooperative members and by agreement with us. Payable upon invoice.   |
| Audit <sup>7</sup>                       | All costs and expenses connected with the audit, if audit reveals an understatement of 5% or more. | Payable upon invoice.  |

|                       |  |  |
|-----------------------|--|--|
| Interest <sup>8</sup> | Payable on any overdue amount or underpayment from the date such amount was due until paid at a rate of 1.5% per month compounded monthly or the maximum rate permitted by law, whichever is less. | Payable upon demand.   |
| Transfer <sup>9</sup> | \$2,500 per Restaurant   | Payable prior to consummation of transfer.   |
| Renewal <sup>10</sup> | 50% of franchise fee in effect at time of renewal.   | Payable upon signing of Renewal of Individual Franchise Agreement prior to end of then current term. |

<sup>1</sup> This fee is imposed by and payable to us, is not collected on behalf of nor paid to any third party and is non-refundable. We reserve the right to require that royalties be directly drafted by us from your account. Certain franchisees operating before May 1, 1989 and certain assignees of these franchisees may be entitled to credits against royalty obligations and may have different contractual obligations. Our affiliate, Bojangles' Restaurants, Inc., pays us one percent (1%) of gross sales as royalty. The 17 Restaurants operated by Bojangles' Restaurants, Inc. under management agreements for some of our franchisees do not pay royalties to us.

<sup>2</sup> "Gross Sales" includes all revenue from the sale of all services and products related to the franchised Restaurant, whether for cash or credit and regardless of collection in the case of credit; provided, however, that Gross Sales shall not include any sales taxes or other taxes that you collect from customers for transmittal to the appropriate taxing authority.

<sup>3</sup> This fee is imposed by and is payable to us, is not collected on behalf of nor paid to any third party and is non-refundable. We reserve the right to require that payments for the Marketing Development Fund be directly drafted by us from your account. Franchisees operating before May 1, 1989 may have different contractual obligations and lesser rates of contribution to the Marketing Development Fund.

Fees related to advertising are raised through Franchisor and Franchisee contributions to the Bojangles' Marketing Development Fund and participation in regional cooperative advertising organizations. All contributions to the Bojangles' Marketing Development Fund are used exclusively for advertising and promotion of the Bojangles' System and to pay for reasonable administrative expenses and overhead, if any, that we incur in activities reasonably related to the administration or direction of the Bojangles' Marketing Development Fund (including the cost of preparing and conducting television, radio, print, and billboard advertising campaigns and other public relations activities; conducting research; employing advertising agencies and other specialists to assist in those activities; preparing and providing promotional materials and other point of purchase marketing materials to franchisees in the Bojangles' System; and system-wide, regional or market promotions). All funds contributed to regional cooperative advertising organizations shall be expended solely for advertising and marketing within a specified region. Franchisees also must spend a designated percentage of Gross Sales of the franchised Restaurant on local and regional media advertising. See Item 11 for a detailed description of advertising fees and expenditures. You may obtain an accounting of advertising expenditures upon written request to us at the following address: Bojangles' International, LLC, c/o Bojangles' Restaurants, Inc., 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273, Attention: Marketing. You may obtain an accounting of advertising expenditures of a cooperative organization of which you are a member upon request to the chairman of the cooperative organization.

<sup>4</sup> Franchisees operating before May 1, 1989 and certain of their assignees may have different contractual obligations and lesser local and regional advertising requirements. Except as stated below,

local marketing spending requirements are not paid directly to us, but are paid to local suppliers of advertising. Local marketing expenditures generally are non-refundable, and availability of refunds is determined by local suppliers of advertising. We may require that some or all of this spending requirement be made by participation with other franchisees in advertising cooperative organizations or programs or by direct payments made to us as a contribution to our media spending outside of any cooperative organization or program.

<sup>5</sup> If you fail to make or report the required advertising expenditures, we may require you to make payment directly to us for spending by us at our discretion on behalf of our Proprietary Marks and System. Any such payments would be non-refundable.

<sup>6</sup> Except as discussed below, you will be required to sign a co-op agreement for a particular Designated Market Area (“DMA”). The initial organization of a new cooperative and continuation of its activities typically require a vote of 51% of the participating Restaurants. Some existing co-op agreements require a vote of 85% of participating Restaurants to commence and continue activities. A new franchisee who opens a Restaurant in a DMA in which the co-op agreement in use requires a vote of 85% of participating Restaurants may be required to sign a similar agreement. Other new franchisees may be required to sign a co-op agreement that requires a vote of 51% of participating Restaurants. Your co-op agreement may not be as favorable as those of other members of the co-op.

A new franchisee may be required to pay a pre-set percentage of gross sales into the cooperative or directly to the Company in lieu of participation in a co-op without regard to voting percentages. We may exempt certain new franchisees from membership or full participation in a co-op if, in our discretion, a Restaurant may receive inadequate benefit from co-op advertising. We may also move a Restaurant’s participation in one co-op to another if, in our discretion, a Restaurant may receive a greater benefit in another DMA’s co-op.

Generally, each full-size free-standing Restaurant in a cooperative, including company-operated Restaurants, has one vote in the cooperative, except that we may acquire the voting power of particular franchisees in a cooperative by agreement. In a DMA that contains both traditional, free-standing Restaurants and Express Restaurants, we may require a franchisee to sign a co-op agreement that gives one-half vote per Restaurant for Express Restaurants.

Some cooperatives in DMAs in North Carolina and South Carolina are controlled by our affiliate because our affiliate operates Restaurants in those markets. We may have a majority of the votes in the cooperative. In all markets, including those in which we have a majority of votes, we may require up to a 4% contribution if we believe it is necessary to support advertising in the DMA. Therefore, in those DMAs, the initial organization of the cooperative and continuation of its activities and all material decisions requiring a vote of the cooperative may be controlled by us. Generally, required co-op advertising contributions for each Restaurant are a maximum of 2% of gross sales. However, as a condition to our granting a franchise in some DMA’s in which we have pre-existing company-operated Restaurants, we may require greater than 2% contribution if there is substantial television or radio advertising coverage. Advertising contributions required under cooperative arrangements are paid to the cooperative and are non-refundable.

As a condition to our granting a franchise in some DMAs in which we have pre-existing company-operated Restaurants and in which we expend money for advertising on a regular basis, in lieu of your voting participation in a cooperative, we may require you to pay directly to us an amount up to 4% of the gross sales of your Restaurants located in that DMA in order to offset a portion of our advertising expenditures made in that DMA. These payments are made to us and are non-refundable.

We may, in our discretion, grant to a franchisee entering a pre-existing market a period of time in which such franchisee shall not be obligated to pay any amount into a cooperative established in such market or to permit an offset against cooperative contributions for certain types of advertising.

<sup>7</sup> You must keep during the term of the Agreement, and for at least five years from the date on which they are prepared, complete and accurate books, records and accounts in accordance with generally accepted accounting principles in the form and manner prescribed by us periodically in writing.

You must submit to us, by the 15th day of each month during the term of the Agreement, beginning with the opening of the franchised Restaurant, a statistical report and statement of receipts in a form prescribed by us, accurately stating the amount of all gross sales during the preceding month, and such other data or information as we may require.

We or our designated agents will have the right at all reasonable times to examine and copy, at our expense, your books, records, and tax returns. We will also have the right, at any time, to have an independent audit made of your books. If an inspection reveals that any payments have been understated in any report to us, then you must immediately pay us the amount understated, in addition to interest from the date such amount was due until paid at 1.5% per month compounded monthly or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any report of 5% or more, you must, in addition, reimburse us for all costs and expenses connected with the inspection. All such payments of understated amounts, interest, costs and expenses are payable to us and non-refundable.

<sup>8</sup> Interest is imposed by and payable to us, is not collected on behalf of, nor paid to, any third party and is non-refundable.

<sup>9</sup> Payable only if a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring a controlling interest in you or in any Development or Franchise Agreement. The fee is reimbursement for our reasonable costs and expenses for the review of the application for a transfer. Transfer fees are imposed by us on all developers and franchisees, are payable to us, and are not collected on behalf of, nor paid to, any third party and are non-refundable.

<sup>10</sup> This fee is imposed by and payable to us, is not collected on behalf of, nor paid to, any third party and is non-refundable. The Bojangles' Express® Franchise Agreement does not provide for renewal rights, and therefore, the renewal fee is not applicable. However, we may negotiate the renewal of a Bojangles' Express® Franchise Agreement and a fee for such renewal at our option.

## **ITEM 7**

### **ESTIMATED INITIAL INVESTMENT**

#### **YOUR ESTIMATED INITIAL INVESTMENT**

You will be required to make various expenditures in addition to the payments described above in Items 5 and 6 in connection with commencing operation of a Restaurant. The following tables set forth the range of expenditures we anticipate as reasonable for the total initial investment which may be required to establish a Restaurant, depending upon the type of Restaurant, as shown, but subject to variations according to location and site. Except for security deposits, all payments should be assumed to be non-refundable. All payments are expected to be determined prior to opening of the Restaurant itself, except for costs.

**LEASED TRADITIONAL BOJANGLES' RESTAURANTS**

| <b>Type of expenditure</b>   | <b>Estimated Low Amount</b> | <b>Estimated High Amount</b> | <b>Method of payment</b>  | <b>When due</b>                   | <b>To whom payment is to be made</b>      |
|--|-----------------------------|------------------------------|---|-----------------------------------|---|
| Initial franchise fee <sup>1</sup>   | \$25,000                    | \$25,000                     | Lump Sum  | At signing of Franchise Agreement | Bojangles' International, LLC             |
| Insurance <sup>2</sup>   | \$3,000                     | \$4,750                      | As arranged   | As incurred                       | Insurers                                  |
| Pre-opening salaries, travel, living expenses during initial training <sup>3</sup> | \$20,000                    | \$37,500                     | As arranged and as incurred   | During training                   | Employees, suppliers of food and lodging  |
| Site selection <sup>4</sup>  | \$100                       | \$20,000                     | As arranged   | As incurred                       | Suppliers                                 |
| Land & building – 1 <sup>st</sup> month's rent <sup>5</sup>                        | \$8,900                     | \$16,500                     | As arranged   | As incurred                       | Owner/Lessor                              |
| Equipment, furniture, signage and fixtures <sup>6</sup>                            | \$275,000                   | \$320,000                    | As arranged   | As incurred                       | Suppliers                                 |
| Initial inventory <sup>7</sup>   | \$5,000                     | \$10,000                     | As arranged   | As incurred                       | Suppliers                                 |
| Utility deposits & business licenses <sup>8</sup>                                  | \$5,000                     | \$45,000                     | As arranged   | As incurred                       | Utility Companies, Government Authorities |
| Additional funds <sup>9</sup> (3 months initial phase)                             | \$15,000                    | \$75,000                     | As arranged   | As incurred                       |   |
| <b>Total:</b>  | \$357,000                   | \$553,750                    | (Does not include initial development fee which is a credit against franchise fees) |                                   |   |

<sup>1</sup> The franchise fee for each Restaurant developed under a Development Agreement or for your individual Restaurant developed under an Individual Franchise Agreement is \$25,000. Development fees discussed in Item 5, which are \$5,000 and are payable in advance, are credited against the franchise fees for Restaurants developed under a Development Agreement. The initial franchise fee is discussed in Item 5.

<sup>2</sup> The figures in the chart are annual expenses of \$12,000 to \$19,000 calculated on a quarterly basis, including Workers Compensation costs. In some cases you may be required to pay the entire annual premium initially. The figures in the chart are estimates of your insurance costs during the first three months of operations. Costs may vary among different underwriters and may be based on variables including how long you have been in business, your financial condition, your prior risks and location of your Restaurant.

<sup>3</sup> You will incur expenses associated with our initial training program. For this training program, we provide instructors and instructional materials, but you will need to arrange for transportation, food and lodging for yourself and employees. The cost will depend on the distance you must travel and the type of accommodations you choose and will range from \$100 to \$125 per day per manager in training. In addition, you must pay any wages due employees during training.

We are not required to send personnel as part of our training or ongoing support obligations. The level of support as to the number of personnel, the length of time those personnel remain, the number of Restaurant openings requiring the presence of our personnel or the per-person cost of additional support may change at our discretion.

We may provide on-site opening assistance at no additional charge to you. Our current policy is that for your first Restaurant, we will provide one to five support personnel on site for ten days, with one to two of our opening personnel to remain an additional six days without additional cost to you. For your second Restaurant opening, it is our current policy to provide one to five on-site personnel for a total of ten days without additional cost to you. It is also our current policy not to provide on-site personnel for Restaurant openings after the opening of your second Restaurant. If you request additional on-site personnel support for a Restaurant opening or at any time beyond these policies, we will charge you \$1,500 per person per week.

<sup>4</sup> We anticipate that site selection under a Development Agreement will be completed before the execution of a Franchise Agreement for a particular location. An Individual Franchise Agreement or Bojangles' Express® Franchise Agreement that is not associated with a Development Agreement may be signed prior to the selection of a site. Our site selection requirements are contained in the Development Agreement, in the Individual Franchise Agreement and the Bojangles' Express® Franchise Agreement. In connection with site selection, you will incur certain costs. Information about proposed sites must be submitted to us on forms or in the manner we designate. Before submission, you must carefully evaluate the site, determine that it meets the criteria for Restaurant sites which we have established, and determine that it may be acquired or leased by you. We ordinarily require the submission of studies which may include such factors as traffic flow and count, location of competing businesses, population level and trends, commercial, industrial, office, institutional, and residential development, and median income and age. Your costs in connection with the site selection will vary between \$100 and \$20,000 depending upon the number of sites, the extent of the required investigation by you and the location of the sites in relation to your office. We do not collect any fees in connection with site selection.

<sup>5</sup> Monthly rental is estimated based upon a 15 or 20 year lease from a third party, which lease may require percentage rent which may be higher in some cases since it is based on Restaurant Gross Sales. The estimated monthly rental is also based on an expected range of acquisition costs of \$287,000 to \$1,200,000 for an acre of land with 200 foot frontage, and construction costs of \$900,000 to \$1,000,000 for the building, estimated site improvements and associated development costs. Land and site improvements vary widely depending on the particular market, the size, location and the desirability of the lot, amount of frontage, soil conditions, elevation and other factors. The high and low ranges assume a lease rate of nine percent (9%) capitalization rate. Your lease rate may be more than this, although the lease rate available to our affiliate to develop company operated stores in the last fiscal year has been less than nine percent (9%).

<sup>6</sup> You must purchase or lease certain items of equipment including kitchen and serving line equipment, cash register systems of your choice, decor package, refrigeration and installation, point-of-sale materials, sound system, safe, menu boards, miscellaneous small wares and equipment and signage. You may be able to convert an existing restaurant property with hood systems, walk-in cooler and walk-in freezer which may lower the cost of equipment acquisition. We require that for your first Bojangles' Restaurant you pay in full for the equipment package and avoid equipment financing. In our discretion we may extend this requirement for later Restaurants.

<sup>7</sup> We estimate that the range given will be sufficient to cover initial supplies of products, and cleaning, office and general supplies for the opening of the franchised Restaurant.

<sup>8</sup> We estimate that you will need to provide deposits for utilities. The amount of the deposits will vary depending upon the practices of the utility companies. Generally, these deposits are refundable under the utility company's terms. The locality in which you place your Restaurant may also require a business license which may require you to pay a fee. There may also be impact fees or other like development fees charged by the municipal authority or utility company.

<sup>9</sup> You will need capital to support on-going and miscellaneous expenses to the extent these costs are not covered by sales revenue. New businesses often generate a negative cash flow for some period of time. We estimate that the amount shown will be sufficient to cover on-going expenses for a period of three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during the first three months or thereafter.

***BOJANGLES' EXPRESS® RESTAURANTS***

| <b>Type of Expenditure</b>   | <b>Estimated Low Amount</b> | <b>Estimated High Amount</b> | <b>Method of Payment</b>  | <b>When Due</b>                   | <b>To whom payment is to be made</b>     |
|--|-----------------------------|------------------------------|---|-----------------------------------|--|
| Initial Franchise Fee <sup>1</sup>   | \$15,000                    | \$15,000                     | Lump Sum  | At signing of Franchise Agreement | Bojangles' International, LLC            |
| Insurance <sup>2</sup>   | \$2,000                     | \$3,500                      | As arranged   | As incurred                       | Insurers                                 |
| Pre-opening salaries, travel, living expenses during initial training <sup>3</sup> | \$10,000                    | \$18,750                     | As arranged and as incurred   | During training                   | Employees, suppliers of food and lodging |
| 1st month rent <sup>4</sup>  | \$0                         | \$6,500                      | As arranged   | As incurred                       | Owner/Lessor                             |
| Upfitting cost to existing building to accommodate express restaurant <sup>5</sup> | \$200,000                   | \$350,000                    | As arranged   | As incurred                       | Contractors and Suppliers                |
| Equipment, furniture, signage and fixtures <sup>6</sup>                            | \$150,000                   | \$320,000                    | As arranged   | As incurred                       | Suppliers                                |
| Initial inventory <sup>7</sup>   | \$3,500                     | \$7,000                      | As arranged   | As incurred                       | Suppliers                                |
| Additional funds <sup>8</sup> (3 Months initial phase)                             | \$5,000                     | \$50,000                     | As arranged   | As incurred                       |  |
| <b>Total:</b>  | \$385,500                   | \$770,750                    | (Does not include Initial Development Fee which is a credit against franchise fees) |                                   |  |

<sup>1</sup> The franchise fee for a Bojangles' Express® is \$15,000 and is payable upon execution of the Bojangles' Express® Franchise Agreement. Development fees discussed in Item 5, which are \$5,000 and are payable in advance, are credited against the franchise fees for Restaurants developed under a Development Agreement. The initial franchise fee is discussed in Item 5.

<sup>2</sup> The figures in the chart are annual expenses of \$8,000 to \$14,000 calculated on a quarterly basis, including Workers Compensation costs. In some cases you may be required to pay the entire annual premium initially. The figures in the chart are estimates of your insurance costs during the first three months of operations. Costs may vary among different underwriters and may be based on variables including how long you have been in business, your financial condition, your prior risks and location of your Restaurant.

If you currently own the structure in which the Bojangles' Express® Restaurant is located, you may have no greater insurance costs or you may have some additional insurance costs for the improvements and for liability coverage. Your insurance costs may be less than those shown here if you are able to incorporate Bojangles' Express® insurance costs in your current insurance coverage for facility and for liability insurance coverage.

<sup>3</sup> You will incur expenses associated with our initial training program. For this training program, we provide instructors and instructional materials, but you will need to arrange for transportation, food and lodging for yourself and employees. The cost will depend on the distance you must travel and the type of accommodations you choose and will range from \$100 to \$125 per day per manager in training. In addition, you must pay any wages due employees during training. The expenses associated with the Bojangles' Express® Restaurants are for a six-week training period and generally will involve the training of fewer managers than those required in a traditional Bojangles' Restaurant.

We are not required to send personnel as part of our training or ongoing support obligations. The level of support as to the number of personnel, the length of time those personnel remain, the number of Restaurant openings requiring the presence of our personnel or the per person cost of additional support may change at our discretion.

We may provide on-site opening assistance at no additional charge to you. Our current policy is that for your first Restaurant, we will provide one to five support personnel on site for ten days, with one to two of our opening personnel to remain an additional six days without additional cost to you. For your second Restaurant opening, it is our current policy to provide one to five on-site personnel for a total of ten days without additional cost to you. It is also our current policy not to provide on-site personnel for Restaurant openings after the opening of your second Restaurant. If you request additional on-site personnel support for a Restaurant opening or at any time beyond these policies, we will charge you \$1,500 per person per week.

<sup>4</sup> If you currently own the building in which a Bojangles' Express® Restaurant is placed, no additional rental costs will be incurred. If you lease space within a facility owned by a third party landlord your monthly rental will vary and may require percentage rent which may be higher than the amount shown if it is based on Restaurant Gross Sales. The cost of renovation of the facility for inclusion of the Bojangles' Express® in some cases may be paid in whole or in part by the owner of the facility, which will generally increase the amount of rent required. If utilities, taxes and insurance for casualty to the facility are included within the rent, the rents may also be higher than the amounts shown.

<sup>5</sup> The costs for upfitting an existing facility to accommodate a Bojangles' Express® Restaurant will vary depending on several factors, including whether an existing food or deli type facility is being converted, whether a drive-thru window is being added to the facility if none exists, the square footage and dimensions of the Bojangles' Express® Restaurant which may vary from approximately 2,400 square feet to 3,800 square feet, whether a seating addition is added, the size required for the kitchen depending on the menu format adopted for the Bojangles' Express® Restaurant and the existence of adequate hood systems and HVAC.

<sup>6</sup> You must purchase or lease certain items of equipment including kitchen and serving line equipment, cash register system of your choice, decor package, refrigeration and installation, point-of-sale materials, sound system, safe, menu boards, miscellaneous small wares and equipment and signage. The equipment package required for a Bojangles' Express® Restaurant will vary depending on factors, including the presence of existing food service or deli type facilities, the square footage and anticipated volumes of the Bojangles' Express® Restaurant, the menu format adopted for the Bojangles' Express® Restaurant and the addition of a drive-thru window. We require that for your first Bojangles' Restaurant you pay in full for the equipment package and avoid equipment financing. In our discretion we may extend this requirement for later Restaurants.

<sup>7</sup> We estimate that the range given will be sufficient to cover initial supplies of products, and cleaning, office and general supplies for the opening of the franchised Restaurant.

<sup>8</sup> You will need capital to support on-going and miscellaneous expenses to the extent these costs are not covered by sales revenue. New businesses often generate a negative cash flow for some period of time. We estimate that the amount shown will be sufficient to cover on-going expenses for a period of

three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during the first three months or thereafter.

Bojangles' relied upon the experience of various executives with expertise in the restaurant business and outside sources of consultation to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

Bojangles' does not offer direct or indirect financing to Franchisees for any of these costs.

## **ITEM 8**

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

Neither we nor any of our affiliates are suppliers of food or other products consumed in restaurants operations and you are not obligated to purchase or lease any goods, services or real estate from us or any of our affiliates. None of our officers owns an interest in any of our suppliers.

You must purchase proprietary seasonings and specially formulated pre-prepared mixes that are required ingredients of various menu items from our designated suppliers, McClancy Seasoning Co., Griffith Laboratories and Southeastern Mills. Our current exclusive distributor for frozen food items, most dry goods items and some refrigerated items is the Pate-Dawson Company. See Item 11 for a description of required register, computer and software vendors.

In particular, we have the right in our discretion, to require you to offer only certain brands of cola and other soft drink, Post-Mix Products. We may change this designation at any time. Pepsi-Cola is our "Exclusive Beverage Supplier of Choice" throughout the domestic Bojangles' System for new franchisees. If you became a franchisee after March 30, 2000, you are required, as a condition to becoming a Bojangles' franchisee, to offer for sale exclusively Pepsi-Cola soft drink products unless (1) you received an disclosure document prior to March 30, 2000; or (2) you are affiliated with a third party which has the absolute and sole right to designate the supplier of Post-Mix Products. If you are under prior written agreement with another provider of soft drink, Post-Mix Products, you must convert to Pepsi-Cola Post-Mix Products within a reasonable time after the expiration of your prior commitments.

You must purchase all other food items, ingredients, equipment, furnishings, supplies, materials, and other items used or offered for sale at the Restaurant solely from suppliers (including manufacturers, distributors, and other sources) who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply your needs promptly and reliably; and who have been approved by us in writing and not thereafter disapproved.

The cost of food items, ingredients, equipment, furnishings, supplies, materials, and other items and the cost of distribution of these items from approved vendors may vary among franchise-owned Restaurants and company-operated Restaurants. These variations in cost are due to various factors, including the geographic proximity of your Restaurant to the supplier's distribution center, the number of deliveries scheduled to your area each week and actual transportation costs. Our distributors may charge surcharges or other costs that are not equally charged to other franchisees or company-operated Restaurants, particularly if your restaurants are not close to other Bojangles' Restaurants or far from a central distribution location. In evaluating which approved suppliers you wish to purchase from, you may want to take these factors into consideration.

If you desire to purchase products from other than approved suppliers or distributors, you must submit or have the proposed supplier submit to our Purchasing Department at our principal place of business a written request for approval together with such evidence of conformity with our specifications

as we may reasonably require. We will have sole discretion to determine whether the proposed supplier will be approved. We will have the right to require that our representatives be permitted to inspect the suppliers facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us. You or the supplier must pay to us a charge not to exceed the reasonable cost of the evaluation and testing. This includes costs of travel and time of personnel that we estimate to be \$3,000. If the review involves product testing, we estimate the cost to be an additional \$3,000. We estimate the time necessary to approve a supplier after receipt of all necessary information to be 30 to 60 days. We will, within 90 days after your request, notify you of our approval or disapproval of the proposed supplier. You must not sell or offer for sale any products of the proposed supplier until you receive our written approval of the proposed supplier. You must use products purchased from approved suppliers solely for the purpose of operating the franchised Restaurant and not for any other purpose.

Our criteria for supplier approval include (a) adequate quality controls assuring ability to consistently produce product of desired quality in flavor, size, appearance and texture, (b) sufficiently high sanitation rating of facility producing product, (c) financial stability, (d) ability to consistently and promptly produce desired quality and quantity of product, (e) full compliance with all government regulations and specifications, (f) positive reputation in restaurant community and ethical operation of organization and (g) competitive pricing.

You must permit us or our agent, at any reasonable time, to remove samples of food or non-food items from your inventory, or from the Restaurant, without payment, in amounts reasonably necessary for testing by us in independent laboratories, to determine whether the samples meet our then-current standards and specifications. You must bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our specifications.

Formulae for proprietary seasonings and specially formulated pre-prepared mixes are not available to you or other franchisees. Standards and specifications for other food and paper products are not uniformly issued to franchisees but are available for specific products upon a franchisee's written request to us. We determine the standards and specifications for those food and paper products, sometimes in consultation with suppliers, to assure our desired quality of ingredients, size, flavor and appearance and our desired quantities for each product. We formulate and modify standards and specifications through consumer research and internal product testing.

We may from time to time revoke our approval of particular products or suppliers when we determine in our sole discretion that those products or suppliers no longer meet our standards. Upon your receipt of notice of such revocation, you must stop selling any disapproved products and stop purchasing from any disapproved supplier.

You must obtain our written approval of the terms of any lease or mortgage for any site on which a Restaurant is to be developed. The lease or mortgage must permit assignment to us in the event of default by you under the lease, mortgage, deed of trust, or any agreement between you and us. The documents must provide, in form and substance satisfactory to us, provisions for quiet enjoyment, subordination, and mutual attornment. Leases and mortgages must be bona fide and provide financial terms consistent with those prevalent in the area. Leases must also provide for a term not less than the term of the Franchise Agreement for the franchised Restaurant to be developed on the site. You must use your best efforts to obtain an option to renew the Lease on stated financial terms which, if exercised, will, when added to the initial term, be for a period of not less than an additional twenty years.

The Pepsi-Cola Company offers to franchisees and to us rebates known as Post-Mix Products Marketing Funds based upon actual usage. These Post-Mix Products Marketing Funds are rebated to you based upon your actual usage of Pepsi-Cola post-mix products. The per-gallon rebate for Post-Mix Products Marketing Funds that our affiliate, Bojangles' Restaurants, Inc., receives for its purchases of

Pepsi syrup is determined by the percentage of all Bojangles' Restaurants in the System that exclusively serve Pepsi products, including franchised restaurants. If the percentage of all Bojangles' Restaurants that exclusively sell Pepsi soft drinks falls below designated thresholds, then the per-gallon rebate available to our affiliate, Bojangles' Restaurants, Inc., decreases. The Pepsi Cola Company has agreed to offer a per-gallon rebate of Post-Mix Products Marketing Funds at least equal to that which is offered to us. The Pepsi-Cola Company has made available to franchisees that exclusively use Pepsi-Cola Post-Mix Products, in some cases, funds to reimburse expenditures incurred by franchisees for new and updated menu-boards. These reimbursements are made by The Pepsi-Cola Company within their sole discretion.

The Pepsi-Cola Company has advanced funds to us designated as Growth Target Incentive Funds based upon estimated usages of Pepsi-Cola Post-Mix Products by the Bojangles' System, including all franchisees that use Pepsi-Cola Post-Mix Products. If the Bojangles' System does not reach designated annual usage targets of Pepsi-Cola Post-Mix Products, we, but not franchisees, may be liable to The Pepsi-Cola Company to repay a portion of the advanced funds. We also receive other payments from The Pepsi-Cola Company based solely on our own purchases of Pepsi-Cola branded products.

In 2011, we negotiated with the Minute Maid division of the Coca Cola Company for creation of a \$20,000 fund administered by Minute Maid. The Minute Maid fund, controlled by Minute Maid provided \$20,000 in 2011 to offset a systemwide price increase on Minute Maid products.

We estimate all of your purchases and leases will represent approximately 100% of the cost of all purchases and leases of goods and services to establish the franchised Restaurant and 100% of the cost of all purchases and leases of goods and services to operate the franchised Restaurant.

We negotiate purchase arrangements with some suppliers for your benefit. In addition to our arrangements with The Pepsi-Cola Company, we receive rebates or volume discounts from some suppliers on some orders of products, which rebates or discounts are based on the volume of products we purchase for company-operated Restaurants and which are typically a set percentage of the total purchase. Generally, these same percentage discounts or rebates are available and paid directly to you from the supplier when you purchase the same products. On occasion, we may receive negotiated incentive payments from selected suppliers as part of our negotiation with suppliers. If these incentive payments are not based upon the volumes of goods purchased, we may retain these funds for our use and you will not receive a portion of these funds.

During our 2011 fiscal year we had revenues of \$20,597,947 none of which was derived from required franchisee purchases or leases. During the same fiscal year our affiliates did not receive revenues or material consideration from franchisees for required purchases or leases.

We may require you to participate in an advertising cooperative under a standard Advertising Expense Sharing Agreement that is imposed on Restaurants in a particular Designated Market Area. If the Advertising Expense Sharing Agreement is activated you must contribute up to 4% of your gross sales to the cooperative, which is used to purchase and place media advertising in the Designated Market Area covered. As a condition to our granting a franchise in some DMA's in which we have pre-existing company-operated Restaurants and in which we expend money for advertising on a regular basis, in lieu of requiring you to join a cooperative, we may require you to pay directly to us or our affiliate, Bojangles' Restaurants, Inc., an amount up to 4% of the gross sales of your Restaurants located in that DMA in order to offset a portion of our advertising expenditures made in that DMA.

You must purchase and use one of the computer hardware and software systems described in Item 11. You may also be required to acquire equipment for offering for sale and accepting gift cards and credit cards and to work with our approved credit card and gift card program vendors. You will be required to receive communication from us on a variety of subjects on an on-going basis by e-mail. You

will be required to use an e-mail address that we provide as part of the Bojangles' system as a means of receiving information from us.

You must purchase insurance in accordance with the Franchise Agreements as shown in Item 7.

There are no purchasing or distribution cooperatives in the Bojangles' System except the advertising cooperatives described above.

As a condition to grant a franchise we require that for your first Bojangles' Restaurant you pay in full for the equipment package and avoid equipment financing. In our discretion we may extend this requirement for later Restaurants. We consider a variety of factors when determining whether to renew or grant additional franchises. Among the factors we consider is compliance with the requirements described above.

## ITEM 9

### FRANCHISEE'S OBLIGATIONS

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

|    | <b>Obligation</b>                                   | <b>Section in Agreement</b>   | <b>Item in Disclosure Document</b> |
|----|---|---|------------------------------------|
| a. | Site selection / acquisition lease                  | Development Agreement Section IV.; Individual Franchise Agreement Section V; Bojangles' Express® Franchise Agreement Section V.   | Items 7, 8, 11 and 12              |
| b. | Pre-opening purchase/ leases                        | Franchise Agreement Section VI. A., C., E., I.-L., P.; Individual Franchise Agreement Section VII.A., B., D., H.-K., O.; Bojangles' Express® Franchise Agreement Sections VI., VIII.A., C., E., I.-L., P.   | Items 7 and 8                      |
| c. | Site development and other pre-opening requirements | Development Agreement Sections I.A. and B., IV and VI.; Franchise Agreement Section VI. A.-E., H., I.(6), J., K. and L.; Individual Franchise Agreement Section VII.A.-D., G., H.(6), I., J. and K.; Bojangles' Express® Franchise Agreement Sections VI, VIII.A.-E., H., I.(6), J., K. and L.            | Items 7, 8 and 11                  |
| d. | Initial and ongoing training                        | Franchise Agreement Sections II.B.(8), III.A. and VI.E. and G.; Individual Franchise Agreement Sections II.B.(8), III.A. and VII.D. and F.; Bojangles' Express® Franchise Agreement Sections III.A. and VIII.E.; Renewal of Individual Franchise Agreement Sections II. B. (8), III.A. and VII. D. and F. | Items 7 and 11                     |
| e. | Opening   | Development Agreement Section IV; Franchise Agreement Section VI; Individual Franchise Agreement Sections V and VII;  | Item 11                            |

|    |   |   |                      |
|----|---|---|----------------------|
|    |   | Bojangles' Express® Franchise Agreement Sections VI.B. and VIII.  |                      |
| f. | Fees  | Development Agreement Sections II, IV.D. and E., VII.C., IX.B.(2)(h) and F. and [G.], X.F. and [H.] and XVI.E.; Franchise Agreement Sections II.B.(6), IV, VI.E.(2), K. and O., VII.G., IX.C., X.F., XI.A.-C. and E., XII., XIII.B.(3)(j) and F., XV.F. and G., XVI.F.; Individual Franchise Agreement Sections II.B.(6), IV., VII.D.(2), J. and N., VIII.G., X.C., XI.F., XII.A.-C. and E., XIII., XIV.B.(3)(j) and F., XVII.E. and F. and XVII.F.; Bojangles' Express® Franchise Agreement Sections IV, VIII.E.(2), K. and O., IX.G., XI.C., XII.F., XIII.A.-C. and E., XIV, XV.B.(3)(j) and G., XVII.E. and F. and XVIII.E.; Renewal of Individual Franchise Agreement Sections II.B.(6), IV., VII.D.(2), J. and N., VIII.G., X.C., XI.F., XII.A.-C. and E., XIII., XIV.B.(3)(j) and F., XVI.E. and F. and XVII.F.; Advertising Expense Sharing Agreement Sections 5-7 and 16. | Items 5, 6, 7 and 11 |
| g. | Compliance with standards and policies/operating manual | Development Agreement Sections IV. and VI.; Franchise Agreement Sections VI. and VIII.; Individual Franchise Agreement Sections V, VII and IX; Bojangles' Express® Franchise Agreement Sections VIII and X.; Renewal of Individual Franchise Agreement Sections VII. and IX.  | Items 8, 11 and 14   |
| h. | Trademarks and proprietary information                  | Development Agreement Sections VII. and X.; Franchise Agreement Sections VI.L., VII., VIII., IX., XV.C. and D. and XVI.; Individual Franchise Agreement Sections VII.K., VIII., IX., X., XVI.C. and D. and XVII; Bojangles' Express® Franchise Agreement Sections VIII.L., IX, X, XI, XVII.C. and D. and XVIII.; Renewal of Individual Franchise Agreement Sections VII.K., VIII., IX., X., XVI.C. and D. and XVII.   | Items 8, 13 and 14   |
| i. | Restrictions on products/ services offered              | Franchise Agreement Section VI. G.-Q.; Individual Franchise Agreement Section VII.F.-P.; Bojangles' Express® Franchise Agreement Sections VIII.G.-Q.; Renewal of Individual Franchise Agreement Section VII.F.-P.   | Items 8 and 16       |
| j. | Warranty and customer service requirements              | Development Agreement Section XIV.B. and XVII.A.; Franchise Agreement Section VI., XX.B. and XXV.A.; Individual Franchise Agreement Sections VII., XXI.B. and XXVI.A.; Bojangles' Express® Franchise Agreement Sections VIII, XXII.B. and XXVII.A.; Renewal of Individual Franchise Agreement Sections VII., XXI.B. and   | Item 11              |

|    |   |  |                   |
|----|---|--|-------------------|
|    |   | XXVI.A.  |                   |
| k. | Territorial development and sales quotas            | Development Agreement Sections I.A. and B. and IV.; Individual Franchise Agreement Section V; Bojangles' Express® Franchise Agreement Section V.   | Item 12           |
| l. | Ongoing product/service purchases                   | Franchise Agreement Section VI. G.-Q.; Individual Franchise Agreement Section VII.F.-P.; Bojangles' Express® Franchise Agreement Section VIII.G.-Q.; Renewal of Individual Franchise Agreement Section VII.F.-P.   | Items 8 and 16    |
| m. | Maintenance, appearance and remodeling requirements | Franchise Agreement Section II. B.(2) and VII.I.(1) and (6), M.-O.; Individual Franchise Agreement Sections II. B.(2), VII.H.(1) and (6), and L.-N.; Bojangles' Express® Franchise Agreement Sections VIII.I.(1) and (6), M.-O.; Renewal of Individual Franchise Agreement Sections II.B.(2), VII.H. (1) and (6), and L.-N.  | Item 8            |
| n. | Insurance   | Franchise Agreement Section XII; Individual Franchise Agreement Section XIII; Bojangles' Express® Franchise Agreement Section XIV.; Renewal of Individual Franchise Agreement Section XIII.  | Item 7            |
| o. | Advertising   | Franchise Agreement Sections. III.C. and D., IV.C., VI.L. and XI; Individual Franchise Agreement Sections III.C. and D., IV.C., VII.K. and XII; Bojangles' Express® Franchise Agreement Sections III.C. and D., IV.C., VIII.L., XIII; Renewal of Individual Franchise Agreement Sections III.C. and D., IV.C., VII.K. and XII.; Advertising Expense Sharing Agreement. | Items 6, 7 and 11 |
| p. | Indemnification                                     | Development Agreement Section XIII.C.; Franchise Agreement Section XIX.C.; Individual Franchise Agreement Section XX.C.; Bojangles' Express® Franchise Agreement Section XXI.C.; Renewal of Individual Franchise Agreement Section XX.C.; Advertising Expense Sharing Agreement Section 10.  | None              |
| q. | Owner's participation/management/staffing           | Development Agreement Section VI.B.; Franchise Agreement Section VI.D. and G. and XVI.A.(1)(b); Individual Franchise Agreement Sections VII.C. and F., XVII.A.(1)(b); Bojangles' Express® Franchise Agreement Sections VIII.D. and G. and XVIII.A.(1)(b).; Renewal of Individual Franchise Agreement Sections VII.C. and F. and XVII.A.(1)(b).                         | Items 11 and 15   |
| r. | Records/reports                                     | Development Agreement Sections III.A.(6) and B. (B. not applicable to Bojangles' Express®) and VI.C.; Franchise Agreement  | Items 6 and 11    |

|    |                              |   |                 |
|----|------------------------------|---|-----------------|
|    |                              | Sections IV.D., V.A.(6) and B., X., XI.A. and C.; Individual Franchise Agreement Sections IV.D., VI.A.(6) and B., XI. and XII.A. and C.; Bojangles' Express® Franchise Agreement Sections IV.D., VII.E., XII, XIII.A. and C.; Renewal of Individual Franchise Agreement Sections IV.D., VI.A.(6) and B., XI. and XII.A. and C.; Advertising Expense Sharing Agreement Sections 12 and 17.   |                 |
| s. | Inspections and audits       | Franchise Agreement Section VI.I.(5), K. and O., X.F.; Individual Franchise Agreement Sections VII.H.(5), J. and N., XI.F.; Bojangles' Express® Franchise Agreement Section VIII.I.(5), K. and O., XII.F.; Renewal of Individual Franchise Agreement Sections VII.H.(5), J. and N., XI.F.   | Items 6 and 11  |
| t. | Transfer                     | Development Agreement Section IX.; Franchise Agreement Section XIII.; Individual Franchise Agreement Section XIV.; Bojangles' Express® Franchise Agreement Section XV.; Renewal of Individual Franchise Agreement Section XIV.; Advertising Expense Sharing Agreement Section 13.   | Item 17         |
| u. | Renewal                      | Franchise Agreement Section II.B.; Individual Franchise Agreement Section II.B.; Bojangles' Express® Franchise Agreement - None.; Renewal of Individual Franchise Agreement Section II.B.   | Item 17         |
| v. | Post-termination obligations | Development Agreement Section VIII.E.(3)-(5), X.A.(2) and B. (for Bojangles' Express® X.B.-D.); Franchise Agreement Sections XIV.D.-H., XV, XVI.A.(2) and B.; Individual Franchise Agreement Section XV.D.-H., XVI. and XVII.A.(2) and B.; Bojangles' Express® Franchise Agreement Sections XVI.D., XVII and XVIII.A.(2)-(4); Renewal of Individual Franchise Agreement Sections XV.D.-H., XVI. and XVII.A.(2) and B.; Confidentiality Agreement. | Item 17         |
| w. | Non-competition covenants    | Development Agreement Section VII. and X; Franchise Agreement Section VIII., IX. and XVI.; Individual Franchise Agreement Sections IX., X. and XVII; Bojangles' Express® Franchise Agreement Sections X, XI and XVIII; Renewal of Individual Franchise Agreement Sections IX., X. and XVII.; Confidentiality Agreement.   | Items 14 and 17 |
| x. | Dispute resolution           | Development Agreement Section IX.D. and [E.] and XVI.B.-E.; Franchise Agreement Sections XIII.D. and XXIV.; Individual Franchise Agreement Sections XIV.D. and XXV.; Bojangles' Express® Franchise Agreement Sections XV.E. and XXVI.;  | Item 17         |

|     |   |   |                |
|-----|---|---|----------------|
|     |   | Renewal of Individual Franchise Agreement Sections XIV.D. and XXV.  |                |
| y.  | Organization and capital structure              | Development Agreement Section III; Franchise Agreement Section V; Individual Franchise Agreement Section VI; Bojangles' Express® Franchise Agreement Section VII.; Renewal of Individual Franchise Agreement Section VI.  | Items 1 and 15 |
| z.  | Taxes, permits and indebtedness                 | Development Agreement Section IV; Franchise Agreement Section XVIII; Individual Franchise Agreement Section XIX; Bojangles' Express® Franchise Agreement Section XX.; Renewal of Individual Franchise Agreement Section XIX.  | None           |
| aa. | Requirements to exercise right of first refusal | None  | None           |
| bb. | Releases  | Franchise Agreement Sections II.B.(7), VI.B. and XIII.B.(3)(c); Individual Franchise Agreement Sections II.B.(7), XIV.B.(3)(c); Bojangles' Express® Franchise Agreement Section XV.B.(3)(c).; Renewal of Individual Franchise Agreement Sections II.B.(7) and XIV.B.(3)(c). | None           |
| cc. | Use of premises                                 | Franchise Agreement Section VI.F.; Individual Franchise Agreement Section VII.E.; Bojangles' Express® Franchise Agreement Section VIII.F.; Renewal of Individual Franchise Agreement Section VII.E.   | Item 16        |
| dd. | Independent contractor                          | Development Agreement Section XIII; Franchise Agreement Section XIX; Individual Franchise Agreement Section XX; Bojangles' Express® Franchise Agreement Section XXI.; Renewal of Individual Franchise Agreement Section XX.   | None           |
| ee. | Shareholder or member guarantee obligations     | Guarantee to Development Agreement; Guarantee of Franchise Agreement; Guarantee of Individual Franchise Agreement; Guarantee of Bojangles' Express® Franchise Agreement; Guarantee of Renewal of Individual Franchise Agreement; Confidentiality Agreement.                 | Item 15        |

## **ITEM 10**

### **FINANCING**

We do not offer direct or indirect financing except as described below. We do not guarantee your note, lease or obligation.

Franchisees or prospective franchisees are eligible for expedited and streamlined Small Business Administration (“SBA”) loan processing through the SBA’s Franchise Registry Program, [www.franchiseregistry.com](http://www.franchiseregistry.com).

## ITEM 11

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

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

We may provide any of the services described in this Item 11 through our affiliate, Bojangles' Restaurants, Inc., and its employees.

#### Pre-Opening Obligations

Before you open your Restaurant, we will:

1. If you sign a Development Agreement with us, designate your number of Restaurants and your Assigned Area for development of Restaurants (Development Agreement, Section I.A.), and approve or disapprove the specific location of Restaurant (Development Agreement Section I.A.; Franchise Agreement Section I.A.; Individual Franchise Agreement Section I.A.; Bojangles' Express® Franchise Agreement Section I.A.).

2. Provide reasonable site selection assistance and counseling upon your request. We will approve your site or disapprove your site with comments as to why it was disapproved within 30 days of our receipt of your application for site approval (Development Agreement Section IV.A.; Individual Franchise Agreement Section V.A.; Bojangles' Express® Franchise Agreement Section V.A.).

3. Approve or disapprove your mortgage deed of trust or lease with comments as to any disapproval within 20 days of our receipt of a copy of it. This requirement may be waived by us, in our discretion. (Development Agreement Section IV.B.; Individual Franchise Agreement Section V.B.; Bojangles' Express® Franchise Agreement Section V.B.).

Upon receipt of a copy of an executed lease or copy of an executed unconditional contract to purchase the site (or deed if you own the site), provide preliminary plans and specifications for the construction of a standard, free-standing Restaurant building for use by you and your architects in preparation of final plans and specifications for the Restaurant to be constructed; however, we do not provide any plans or specifications under our Bojangles' Express® Franchise Agreement (Development Agreement Section IV.D.; Individual Franchise Agreement Section V.D.).

4. Provide an initial training program as described below to instruct you as to the procedures and techniques to be used at the Restaurant (Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement Section III.A.). The initial training program is approximately six weeks in duration consisting of classroom instruction and on-the-job training, and is conducted on an as needed basis.

5. Provide a copy of written or electronic operating materials (the "Manual") on loan (Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement Section III.E.). The total number of pages in the Manual is 308, and the table of contents of the Manual is attached as Attachment A to this disclosure document. The Manual may be provided to you by electronic access rather than physical, written copy. There are additional publications and memoranda that have been provided by email electronic transmission or will be provided in written form or by electronic access to Bojangles' intranet system ("Portal") to which franchisee's have access. These communications, publications and advisories are all part of the Manual.

6. Provide to you advice and consultation in connection with the operation of the Restaurant and new developments, techniques, and improvements in areas of restaurant management, food preparation, sales promotion, and service which may be provided by us by sending our employees or representatives to the Restaurant, by providing publications, other written materials, tapes, or films or by conducting meetings or seminars (Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement Sections III.B. and E.).

We are not obligated by the Franchise Agreement, or any other agreement, to provide any other supervision, assistance or services prior to the opening of the franchised Restaurant.

### Continuing Obligations

During the operation of each franchised Restaurant we will:

1. Provide such training programs from time to time as we may deem appropriate (Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement/Renewal of Individual Franchise Agreement Section III.A.).

2. Provide to you advice and consultation in connection with the operation of the Restaurant and new developments, techniques, and improvements in areas of restaurant management, food preparation, sales promotion, and service which may be provided by us by sending our employees or representatives to the Restaurant, by providing publications, other written materials, DVD's or by conducting meetings or seminars. Some or all of these publications or programs may be provided electronically by Franchisor and not by printed or physical documents. (Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement/Renewal of Individual Franchise Agreement Sections III.B. and E.).

3. Provide to you advice and assistance in local advertising from time to time and, at your expense, promotional materials for local advertising (Franchise Agreement Sections III.C. and XI.D. and F.; Individual Franchise Agreement Sections III.C. and XII.D. and F.; Bojangles' Express® Franchise Agreement Sections III.C. and XIII.D. and F.; Renewal of Individual Franchise Agreement Sections III.C. and XII.D. and F.).

4. Develop advertising materials and direct advertising programs for the Marketing Development Fund with sole discretion over the creative concepts, materials, and media used in such programs (Franchise Agreement Sections III.D. and XI.; Individual Franchise Agreement Sections III.D. and XII.; Bojangles' Express® Franchise Agreement Sections III.D. and XIII; Renewal of Individual Franchise Agreement Sections III.D. and XII.).

5. Provide as we deem advisable revisions periodically of the contents of written operating materials (Franchise Agreement Section VIII.D.; Individual Franchise Agreement Section IX.D.; Bojangles' Express® Franchise Agreement Section X.D.; Renewal of Individual Franchise Agreement Section IX,D.).

6. Perform, as we deem advisable, inspections of the Restaurant, and evaluations of products sold and services rendered (Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement/Renewal of Individual Franchise Agreement Section III.F.).

7. We will, for each of our company-operated Bojangles' Restaurants, make contributions to the Fund equal to the contributions required of comparable franchised Restaurants within the Bojangles' System so that our average contribution for each company-operated Restaurant will be equal to the average contribution per franchise-owned Restaurant. (Franchise Agreement Section XI.E.; Individual Franchise Agreement Section XII.E.; Bojangles' Express® Franchise Agreement Section XIII.E.;

Renewal of Individual Franchise Agreement Section XII.E.). This average per Restaurant contribution for franchise-owned Restaurants will be calculated by dividing the total contributions of franchisees to the Fund by the total number of franchise-owned Restaurants. Our total contribution to the Fund will equal this average per Restaurant contribution multiplied by our total number of company-operated Restaurants.

We are not obligated by the Franchise Agreement or any other agreement to provide any supervision, assistance or services in connection with the on-going operation of the franchised Restaurant other than as stated herein.

### Site Selection

The Development Agreement shall grant you either an assigned area within which to establish and operate Restaurants under the System at specific locations to be designated in separate Franchise Agreements or specific locations at which you may operate Restaurants under the authority of specific Franchise Agreements. The Individual Franchise Agreement and Bojangles' Express® Franchise Agreement when not associated with a Development Agreement grant you an assigned location to be determined under procedures established in the Individual Franchise Agreement and Bojangles' Express® Franchise Agreement, respectively, for the establishment and operation of a Restaurant under the System.

For Restaurants developed under the Development Agreement and for the Restaurant developed under the Individual Franchise Agreement or Bojangles' Express® Franchise Agreement not associated with a Development Agreement, you must propose the site for our approval, before your acquisition by lease or purchase of any site for a Restaurant, on forms or in the manner designated by us periodically. You may submit a site to us only after you have carefully evaluated the site, determined that it meets the criteria for Restaurant sites which we have communicated to you, and determined that you may acquire or lease it. If we need more time or information to evaluate a site that you submit we will contact you within 30 days of your submission of the site. If more information or time to evaluate the site is needed we will inform you. If we do not approve a site you submit you will not be permitted to develop a Restaurant on the site. We will review your application for site approval, and, within 30 days of our receipt of your application we will either approve the proposed site or reject the site in our sole discretion with comments concerning the reasons for rejection. If you do not submit an acceptable site to us within the time required for construction of Restaurants under the Development Agreement, we have the right to terminate the Development Agreement. The factors which we consider in approving sites include population within a 1, 3 and 5 mile radius, traffic counts on roads serving the location, signage available under local regulations, visibility of the location from nearby roads, ease of ingress and egress, speed limits on adjoining roads, demographic information, existence of nearby traffic generators (such as shopping centers, schools and hospitals) and existence of population and commercial growth.

It is our experience that after an acceptable site has been located and a Franchise Agreement executed, it takes approximately four to six months before a franchised Restaurant is ready to open for business. You must construct, furnish and open the Restaurant according to the development schedule which we will have agreed upon with you in writing. If you execute an Individual Franchise Agreement or Bojangles' Express® Franchise Agreement not associated with a Development Agreement, you must complete construction of the Restaurant and open for business within 180 days of the execution of the Agreement. Factors that may affect the time period from execution of the Agreement to the opening of the Restaurant include ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions, shortages or delayed installation of equipment, fixtures and signs.

Generally, your Restaurant location will be purchased or leased by you from independent third parties.

## Computer Hardware and Software

For each Restaurant, you are required to buy an electronic cash register and computer system with related software, components, terminals and other peripherals from either Par Tech, Inc. or Lucas Systems, Inc. These two vendors are our current exclusive vendors for the Restaurant register, computer and software systems. As of the date of this disclosure document, the vendor-quoted cost of the Par System for a traditional full-size restaurant with four POS terminals is \$23,980 plus applicable taxes; and the vendor-quoted cost of the comparable Lucas System is \$22,570 plus applicable taxes. While these two systems are similar in function and components, there may be differences in components, function, services and cost when the components and services attached to each system are compared. The costs of these systems may change, and depending on the size and configuration of your Restaurant, there may be optional components and services included in these estimates that increase or decrease your costs. In the future we may also add or change the list of approved systems and vendors, components, software and services. The estimated costs of restaurant register, computer and software systems are included in the estimated equipment costs in Item 7.

There are ongoing required maintenance and support services that may be acquired on an annual basis from the respective vendor that supplies the cash register, computer and software system that you purchase. The costs of these annual programs may also change, and may be affected by certain optional services you elect. We may require you to upgrade to the most current version of software and hardware as these become available. As of the date of this disclosure document the costs of those annual support services as quoted by Par Tech and Lucas Systems are:

|                                 | <u>Par Tech</u>                 | <u>Lucas Systems</u>            |
|---------------------------------|---------------------------------|---------------------------------|
| Software Update Maintenance:    | \$432 per Restaurant per year   | \$800 per Restaurant per year   |
| Menu Maintenance-Configuration: | \$720 per Restaurant per year   | \$540 per Restaurant per year   |
| Help Desk/Telephone Support:    | \$1,490 per Restaurant per year | \$1,200 per Restaurant per year |

The types of data generated and stored by these systems include transaction detail, method of payment, time keeping, register operator, payroll and hours, human resource statistical information, inventory information, menu-mix and cash management. Although we have the technical capability to access this information directly with franchisee co-operation, we do not do so at the current time. There are no contractual limitations on the franchisor's right of access to this information, and it is our intent to create programs to create direct access to some categories of this information.

## Training

You must designate an individual to serve as your Principal Operating Officer if franchisee is a corporation or Principal Operating Partner if franchisee is a limited liability company. For the qualifications required of a Principal Operating Officer or Partner, see Item 15. Before the opening of the Restaurant, the Principal Operating Officer or Partner, if he has not previously attended our initial training program, and such number as we designate of your managers who will work in the Restaurants, must attend and complete, and any other of your Restaurant employees may attend and complete, the initial training program that we offer. After the opening of your Restaurant, any person employed by you in the position of Restaurant manager, and each Principal Operating Officer or Partner, if he has not already attended our initial training program, must attend and complete, and any other of your Restaurant employees may attend and complete, the initial training program.

The Principal Operating Officer or Partner and your Restaurant managers and other Restaurant employees must also attend other courses, seminars, and other training programs in Charlotte or elsewhere at our discretion, as we may periodically require. We will provide, at no charge to you, instructors and training materials for all required training programs; and you or your employees will be

responsible for all other expenses incurred by them in connection with any training programs, including the cost of transportation, lodging and meals (which are estimated to be approximately \$100.00 to \$125.00 per day), cost of required uniform t-shirt (approximately \$15.00) and wages.

The Principal Operating Officer or Partner, your Restaurant managers, and other Restaurant employees may also attend such optional training programs and seminars as we may offer from time to time. You must pay to us, for each person attending such a program, the training fee, if any, then charged by us. If any training fee is imposed by us, the training fee will be in addition to any other expenses incurred by the persons attending training.

We currently provide training in our company-operated Restaurants and our training center located at 9600-H Southern Pine Boulevard in Charlotte, North Carolina and known as Bojangles' University ("Bo-U"). Location of training is at our discretion. The initial training program will be approximately six weeks in duration consisting of classroom instruction and on-the-job training, and is conducted on an as-needed basis. We bear the cost of maintaining Bo-U, including the overhead costs of training, staff salaries, materials and training tools. The training portion of the Manual and some training materials are available in Spanish.

Training should be scheduled so that your trainees graduate from the initial 6-week training program approximately two weeks before the Restaurant opens.

Each trainee must complete the training program to our satisfaction in order to be certified as a Bojangles' Restaurant manager.

The initial training program will be coordinated by Ms. Rene' Dexter. Ms. Dexter's relevant employment history is described in Item 2. Direct supervision of classroom and in restaurant training will be provided by training staff that we designate and all of whom have previous management and training experience in our Restaurants. The instructional materials include an Operations Manual and supporting handouts and job aids (Available on the Portal at [one.bojangles.com](http://one.bojangles.com)).



to two of our opening personnel to remain an additional six days without additional cost to you. For your second Restaurant opening, it is our current policy to provide one to five on-site personnel for a total of ten days without additional cost to you. It is also our current policy not to provide on-site personnel for Restaurant openings after the opening of your second Restaurant. If you request additional on site personnel support for a Restaurant opening or at any time beyond these policies, we will charge you \$1,500 per person per week.

### Advertising

Advertising, and the standardization of System advertising, is important to the goodwill and the public image of the System. You must spend at least 3% of the gross sales of the franchised Restaurant on local and regional media advertising, in addition to any other advertising contribution required as discussed below. You shall demonstrate on a quarterly basis, to our reasonable satisfaction, that you have made such expenditures. This advertising shall include radio, television, magazine, newspaper, billboard campaigns, print, direct mail and other forms of advertising media and public relations activities but shall not include the costs of advertising production, production of other marketing materials, cost of food promotion, point of purchase materials, telephone book advertising, stationery, or Restaurant indoor or outdoor site location signs. We may offer periodically to provide, upon your request and at your expense, approved local advertising and promotional plans and materials. Franchisees operating before May 1, 1989 may have different contractual obligations and lesser local and regional advertising requirements. We may require that some or all of this spending requirement be made by participation with us or other franchisees in advertising cooperative organizations or programs or by direct payments made to us as a contribution to our media spending outside of any cooperative organization or program. Also, if you fail to make or report the required advertising expenditures, we may require you to make payment directly to us or it may be drafted by us from your account for spending by us at our discretion on behalf of our Proprietary Marks and System. Any payments made to us that are not spent during the fiscal year received may and shall be carried forward for use as provided in this Paragraph in the next fiscal year. You may receive an annual accounting of payments made directly to us at the following address: Bojangles' International, LLC, c/o Bojangles' Restaurants, Inc., 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273, Attention: Marketing.

All franchisees must contribute an amount equal to 1% of the gross sales of the franchised Restaurant to the Bojangles' Marketing Development Fund (the "Fund") for advertising and promotional purposes except there may be some franchisees operating under different forms of agreement and who may not be required to make payments into the Fund equivalent to your payments. Some franchisees that were operating prior to the date of this disclosure document may be permitted to contribute at a lower rate with respect to existing Restaurants and new development in existing territories. Payment must be made monthly based upon sales of the prior month. The Fund will be maintained and administered by us or our designee as follows:

1. We will direct the creation of all advertising programs, with sole discretion over the creative concepts, materials, and media used in such programs. The Fund is intended to maximize general public recognition and acceptance of the trade names, trademarks, and service marks which are designated as part of the System for the benefit of the System through research and the creation of marketing materials. We are not obligated, in administering the Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from Fund expenditures.

2. We will, for each of our company-operated Restaurants, make contributions to the Fund equal to the contributions required of comparable franchised Restaurants within the Bojangles' System so that our average contribution for each company-operated Restaurant will be equal to the average contribution per franchise-owned Restaurant. This average per Restaurant contribution for franchise-owned Restaurants will be calculated by dividing the total contributions of franchisees to the Fund by the

total number of franchise-owned Restaurants. Our total contribution to the Fund will equal this average per Restaurant contribution multiplied by our total number of company-operated Restaurants. In addition, we may contribute promotional rebates we receive from suppliers to the Fund.

3. All contributions to the Fund will be used exclusively for advertising and promotion of the Bojangles' System (including the cost of preparing and conducting television, radio, print, and billboard advertising campaigns and other public relations activities; conducting research; employing advertising agencies and other specialists to assist in those activities; preparing and providing promotional materials and other point of purchase marketing materials to franchisees in the Bojangles' System; and system-wide, regional or market promotions). No sums paid by you or other franchisees to the Fund will be used to defray any of our general operating expenses except for such reasonable administrative expenses and overhead, if any, as we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs, including conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Fund.

4. We are not required to spend all advertising fees contributed to the Fund in the fiscal year in which they accrue. However, any funds accrued and not spent in the fiscal year received shall be carried forward for use as provided in Paragraph 3 and are not returned to franchisee. A franchisee may receive upon request an annual accounting of expenditures of the Fund upon written request to us at the following address: Bojangles' International, LLC, c/o Bojangles' Restaurants, Inc., 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273, Attention: Marketing.

5. We do not maintain separate bookkeeping accounts for the Fund, and the Fund is not audited separately. The Fund is reviewed as part of our annual audit. Audited financial statements are not prepared separately for the fund, but upon request, we will provide you with information about contributions and expenses of the Fund.

6. During the last fiscal year, 54.7% of the monies in the Fund were spent on production of marketing materials, 3.1% on media research (*i.e.*, Arbitron reports) and marketing research, 15.8% on administrative expenses (expenses arising from storage, distribution and management of fulfillment house for point-of-purchase materials, costs of implementation and support of the system-wide gift card program and a portion of marketing employee salaries and expenses), and 21.6% for marketing promotions. During the last fiscal year 4.8% of the Fund dollars were carried over to the following year. During the last fiscal year, company-operated Restaurants (Restaurants owned or operated by our affiliate) contributed 35.2% of the total payments to the Fund and franchisees contributed 64.8% of the total payments to the Fund.

All advertising by you in any medium, including electronic media and internet advertising, must be conducted in a dignified manner and shall conform to such standards and requirements as we may specify periodically in writing. You must submit to us (through the mail, return receipt requested), for our prior written approval, samples of all advertising and promotional plans and materials that you desire to use and that have not been prepared or previously approved by us. You shall not use any advertising or promotional plans and materials that have not received our prior written approval.

The coverage of the media in which advertising is distributed is local and regional in scope and is limited to those locales and regions where we or our franchisees operate Restaurants. We do not pay for media for you. You are required to purchase and place media advertising in your own local or through an active advertising cooperative, if there is one. We do not have a national advertising program.

The source of the advertising is as follows:

1. Our in-house Marketing Department prepares the design work and art layout for the creation of print and point-of-purchase materials and outdoor designs.

2. Boone Oakley, which is a national advertising agency, creates and produces our radio and television commercials for us and for the Fund.

3. Boone Oakley and Mary Kidd Photography are responsible for still and action food photography for us and the Fund.

4. Erwin Penland is responsible for our brand-based public relations activities and of our operating affiliate, Bojangles' Restaurants, Inc.

5. Fishman Public Relations is responsible for handling our franchise based public relations.

Currently, there is no advertising council composed of franchisees that advises us on advertising policies.

We have the right to require you to participate along with other franchisees in regional cooperative advertising organizations or programs established currently or in the future by us or other franchisees for the purpose of advertising and promoting the System. Except as otherwise provided below, at the time you execute a Franchise Agreement or Individual Franchise Agreement or Bojangles' Express® Franchise Agreement, you may be required to execute an Advertising Expense Sharing Agreement (the "Expense Sharing Agreement"). The Expense Sharing Agreement establishes DMA memberships composed of (a) franchisees owning a Restaurant(s) within a particular DMA, (b) each franchisee that is a franchisee upon the date of execution of the Expense Sharing Agreement and who may have elected to become a member of a particular DMA under specific provisions in the Expense Sharing Agreement allowing that election and (c) us as to each DMA in which we own a Restaurant. A DMA is a geographical area designated as a television Designated Market Area by the Nielsen Ratings Company. (For purposes of radio advertising, this geographical area is designated as a radio area of dominant influence or ADI by Arbitron.) An "Eligible DMA" is a DMA with two or more members. The following provisions are contained in our standard Expense Sharing Agreement, but we may require changes to the standard agreement as a condition to signing a Franchise Agreement with you for a restaurant in a DMA in which we currently operate.

1. The cooperative must be organized and must operate from a written governing document, the Expense Sharing Agreement, which is available for your review.

2. Each Eligible DMA shall conduct an initial meeting of its Membership at a time and place as the Membership may mutually agree, or in the absence of such agreement, at such time and place as we designate, but in either event within 60 days from the date of the Expense Sharing Agreement. The first order of business at the initial meeting shall be the election of a chairman for the DMA.

3. The chairman will have authority to call and conduct meetings, to collect contributions from Members and deposit the funds, as trustee, in a bank account and to have signature authority over such funds, to bring collection actions to collect delinquent contributions and to perform general administrative and accounting functions. The chairman may be elected for one year or until his successor has been duly elected. A majority vote of the DMA Membership may remove the chairman at any time.

4. The Membership of the DMA may periodically designate or appoint an individual or committee to supervise or to conduct the advertising functions for the Eligible DMA. The Membership of a DMA may employ an advertising agency or individual for a period not greater than one year to carry out some or all of the advertising functions for the Eligible DMA. A vote of 51% of the DMA Membership present and voting at an annual or special meeting of the DMA will be required for such employment or for extending the term of the employment beyond one (1) year; however, in some markets in which there are pre-existing franchised Restaurants, cooperative arrangements with new franchisees

may require 85% of the votes. Under the Franchise Agreement, we may change some of the terms in the Expense Sharing Agreement as a condition to entering a Franchise Agreement.

5. Upon each question that may come before the Membership of a DMA for vote, each Member of such DMA shall be entitled to one (1) vote for each Restaurant owned by that Member and located within the DMA or transferred by an Initial Franchisee into the DMA by election under specific provisions of the Expense Sharing Agreement. All matters voted on require a majority vote of the members unless provided otherwise in the Expense Sharing Agreement. Under the Expense Sharing Agreement, if a DMA contains both Express Restaurants and freestanding, independent Restaurants, the Franchisor may change the nature of the DMA Membership of Express Restaurants by giving written notice to all DMA Members granting Express Restaurants one-half (½) vote and full size freestanding Restaurants one (1) vote each within the DMA. In DMA's in which there are Restaurants operated by our affiliate, we may acquire the voting rights of some franchisees which may give us voting control of the cooperative. As a condition to the sale of existing Restaurants owned by our affiliate, we may retain the voting rights of the transferred Restaurants in the cooperative.

6. At the initial and at each annual meeting the Membership shall, and at any special meeting the Membership may, vote upon the question of activating DMA Advertising (initiating marketing programs for the DMA) if DMA Advertising shall not be then activated for the DMA, or if DMA Advertising shall then be activated, whether to continue such activation. DMA Advertising shall be initiated or continued only if approved by 51% of the DMA Membership voting upon the question, however, in some markets there are pre-existing franchised Restaurants cooperative arrangements with franchisees that may require 85% of the votes. In some markets in which we have pre-existing company-operated Restaurants you may be required to pay a preset percentage of gross sales into the cooperative or directly to us in lieu of membership in a cooperative without regard to voting percentages. Advertising may include marketing programs using television, radio, print, mail out, billboards or other media or means. We have the right to discontinue any cooperative in a DMA at any time.

7. Except during a period when DMA Advertising is activated, no DMA Advertising shall be conducted and no contributions shall be required of the DMA Membership except pro rata reimbursement (computed on a per Restaurant basis) for reasonable and necessary administrative expenses incurred by the chairman in fulfillment of his duties. During any period when DMA Advertising is activated, the Membership shall contribute to the costs of DMA Advertising such percentage of the gross sales (defined as set forth in the Franchise Agreement) of each such Member's Restaurants located within the DMA or transferred to the DMA, as required in the advertising co-op agreement signed by the franchisee. Cooperative contributions shall not exceed four percent (4%) of such gross sales except by unanimous consent or unless you agree to a greater percentage at the time you purchase existing restaurants from our affiliate. The factors to be considered in determining the percentage of gross sales to be contributed to a cooperative include the amount of television and radio coverage received by a particular franchised Restaurant, the percentage of contribution made by us and other franchised Restaurants, and the television and radio coverage received by your Restaurant from contiguous markets in which we are active. The rates of contribution by the Members of a DMA co-op may not be uniform among all Members of the co-op.

Required contributions shall be paid on a monthly basis on or before the 15th day of the month immediately following the calendar month in respect to which such contribution is being made.

8. If any Member shall fail to make the required contributions within 10 days after the due date, such Member shall not be entitled to vote upon any DMA matters until the amounts shall be paid. The chairman, us, or any Member of the DMA is authorized to bring a collection action as may be necessary to collect delinquent contributions, and if any collection action shall be necessary, in addition to the delinquent contribution, the delinquent Member shall also be liable for the reasonable expenses incurred in such collection, including reasonable attorney's fees (such expenses shall be reimbursed to the party incurring them).

9. Each Member of a DMA shall, during any Advertising Period, submit to the chairman of the DMA or such other person as the DMA Membership may have designated, reports reflecting the gross sales of each Restaurant owned by such Member that is located in the DMA or that has been transferred to the DMA. Such reports shall be made in such form and shall be due at such time as may be periodically determined by the chairman of the DMA.

10. All funds contributed by DMA Members shall be expended solely for advertising and marketing within that DMA, including, (i) direct costs for measurable media for television, radio, billboard, direct mail, newspaper, and print advertising, including time charges, agency commissions, and associated costs; and (ii) out-of-pocket expenses directly incurred and related to the cost of such advertising and administration of the DMA Advertising. All contributions required by the Members of a DMA shall be paid over to the chairman or to another person, corporation, or legal entity as may be designated by a majority vote of the Membership. Such funds shall be deposited in a bank account designated by the person, corporation, or legal entity directed to receive them in an account in such person, corporation, or other legal entity's name as trustee for the Eligible DMA. The chairman or such other persons as may be designated by the Membership of the DMA shall have signature authority over such funds.

11. DMA Advertising shall comply with our overall marketing strategies and guidelines for use of our trademark and logo. All DMA Advertising, in any media, shall be conducted in a dignified manner and shall conform to such standards and requirements as we may specify periodically in writing. We may, at our option, require that any advertising be submitted to us for our prior written approval. Each DMA Member agrees that advertising created by or for DMA Advertising and advertising used by the DMA Membership shall be subject to all applicable provisions contained in the Franchise Agreements, including those provisions governing the ownership and use of proprietary marks. Any trademark, service mark, or copyright used or created in the DMA Advertising shall be our property.

12. Each DMA shall maintain records of any DMA Advertising period reflecting all contributions made or due to be made by Members and all expenditures. The chairman may employ an independent accounting firm on behalf of the DMA Membership for the purpose of compiling, maintaining, and recording records of the financial transactions of the DMA. The agreement does not require that records of financial statements be audited. The availability of financial records is controlled by the voting Membership of the cooperative.

13. All amounts contributed by a Member for DMA advertising shall, to the extent expended for Local Advertising, be an allowable Local Advertising expense which shall be prorated among the DMA Members in proportion to their contributions, and each Member's pro-rated amount shall be taken into full account in determining that Member's fulfillment of its Local Advertising requirement under the Franchise Agreement.

14. Each Member of an Eligible DMA shall determine its own prices independently of each other Member and shall otherwise be in compliance with all applicable laws and regulations.

In DMAs in which we generally contribute more than the contribution rate of other Members in the DMA, we may require you to pay 2% to 4% of your gross sales to us instead of forming an advertising cooperative in that DMA.

As a condition to our granting a franchise in some DMAs in which we have pre-existing company-operated Restaurants and in which we expend money for advertising on a regular basis, in lieu of membership in a cooperative, we may require you to pay directly to us an amount of 2% to 4% of the gross sales of your Restaurants located in that DMA in order to offset a portion of our advertising expenditures made in that DMA.

As a condition to our granting a franchise in some DMAs in which we have pre-existing company-operated Restaurants which comprise 51% or more of the total Restaurants in DMAs and in which there is an established cooperative, we may require you, for Restaurants that are not full-sized or are not freestanding, such as Bojangles' Express® units, to pay directly to us an amount of 2% to 4% of the gross sales of your Restaurants located in that DMA in lieu of being a member of and making contributions to the cooperative.

We shall have the right in our discretion to grant to a franchisee entering a pre-existing market a period of time in which such franchisee shall not be obligated to pay any amount into a cooperative established in such market. We may dissolve a particular co-op in our discretion.

No advertising fees set forth in this Item 11 paid by you or other franchisees are used for the solicitation for the sale of franchises.

NO OTHER SUPERVISION, ASSISTANCE, OR SERVICES ARE PROVIDED BY BOJANGLES' OR ANY PARENT OR AFFILIATE FOR THE ESTABLISHMENT OR OPERATION OF A FRANCHISED RESTAURANT.

## **ITEM 12**

### **TERRITORY**

We offer three possible types of development rights: (1) exclusive development within a defined territory for a limited period of time; (2) non-exclusive development within a territory; and (3) single locations without any exclusive rights. If we sign a Development Agreement with you, we will grant you a territory in which you are allowed to develop Restaurants. The territory is referred to as an Assigned Area in the Development Agreement. The Assigned Area will be described by street boundaries or political subdivisions or may designate certain locations, intersections or market areas. The Assigned Area will be negotiated individually with you. The Assigned Area and the individual franchise locations will be based upon relevant factors including population, traffic patterns, trade areas and proximity to business generators such as schools and hospitals, and your ability to develop the Assigned Area in a timely manner. You must always obtain our approval for each specific Restaurant location within the Assigned Area. If we approve the location, a franchise is granted for that specific location only, and we will sign a Franchise Agreement with you for that location.

Your right to develop may be nonexclusive in the Assigned Area or a portion of your Assigned Area. If your Assigned Area or a portion of your Assigned Area is non-exclusive: you will not receive an exclusive territory; you may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

In all cases, if you have an exclusive right to develop in the Assigned Area it will be for a limited time and be subject to your compliance with the terms of your Development Agreement. After the expiration of the development schedule you will no longer have exclusive rights to develop or operate in the Assigned Area. You do not have the right to open and operate any Restaurants in excess of the number of Restaurants specified in the Development Agreement. The Development Agreement does not grant options, rights of first refusal or similar rights to acquire additional franchises beyond those listed in the development schedule.

If we do not sign a Development Agreement with you, you will not have the right to develop Restaurants except the particular location described in a Franchise Agreement. If we sign an Individual Franchise Agreement or Bojangles' Express® Franchise Agreement not associated with a Development Agreement with you, you will not receive an Assigned Area. An Individual Franchise Agreement or

Bojangles' Express® Franchise Agreement not associated with a Development Agreement grants you the right to establish one Restaurant in a specific location.

In all cases you will operate from the specific location designated in each of your Franchise Agreements and you must receive our prior written permission before relocating any of those designated Restaurants. Our approval will be based upon a variety of factors including the viability of the then-current location, whether the proposed location is outside of your Assigned Area, and the characteristics and demographics relating to the proposed location (including number of households, household income, number of licensed drivers and number of businesses) and the proximity of other Bojangles' Restaurants to the proposed location.

We retain the right, among others, on any terms and conditions we deem advisable, and without granting you any rights therein: (a) to establish and operate and license others to establish and operate Bojangles' Restaurants at any location outside your exclusive Assigned Area; (b) to establish and operate or license others to establish and operate Bojangles' Restaurants at any location within the Assigned Area after the expiration or termination of your development schedule or your Development Agreement; (c) if you do not have an Assigned Area, to establish, operate or license others to establish and operate other Bojangles' Restaurants in all areas we deem advisable; and (d) to develop or to grant franchise rights to others to develop Restaurants within the Assigned Area on the premises of colleges, universities, hospitals and airports, other non-traditional locations and along major highways; and (e) if your Assigned Area is not exclusive, to establish, operate or license others to establish and operate Bojangles' Restaurants within or outside your Assigned Area as we deem advisable.

In all cases we and our affiliates retain the right to offer for sale similar products and services in connection with the Proprietary Marks through alternate channels of distribution within your exclusive or non-exclusive Assigned Area or outside your Assigned Area. These alternate channels of distribution may include sales of products or services through grocery stores, other retail outlets, catalogs, telemarketing, direct marketing sales or through the internet. Neither we nor any of our affiliates has established, or presently intends to establish other restaurants or alternate channels of distribution for sale of similar products or services under a different trade name or trademark, but we reserve the right to do so. You may not use alternative distribution channels to make sales outside or inside an Assigned Area and you will receive no compensation for our sales through alternative distribution channels.

You may only solicit sales and orders, fulfill orders, and prepare and sell food from your franchised locations; and you may deliver food only to customers at your franchised locations; however, you are not restricted from advertising outside your location or assigned area if all sales are made from your franchised locations. We and other Bojangles' franchisees are not restricted from soliciting sales inside your Assigned Area.

The development exclusivity granted to you in an Assigned Area is not dependent upon your achievement of a certain sales volume or any other contingency. However, in the event of certain defaults, including your failure to meet the development schedule, we may, in addition to any other remedies we may have, terminate, or reduce the area of, the territorial exclusivity granted to you.

## ITEM 13

### TRADEMARKS

#### Development Agreement

The Development Agreement does not grant any right to use or to license others to use the Proprietary Marks for the System.

#### Franchise Agreement

We are the owner of all right, title and interest in and to the Proprietary Marks. The Agreement grants you the right to use the Proprietary Marks designated by us only in a manner authorized and permitted by us and only for the operation of the franchised Restaurant at the location authorized in the Franchise Agreement or in advertising for the franchised Restaurant. Under the terms of the Franchise Agreement, you must not use the Proprietary Marks as part of your corporate or other legal name.

Our principal trademarks and service marks that we license you to use under the Franchise Agreement are registered with the United States Patent and Trademark Office and are:

| <b>Federal Registrations</b>          | <b>Registration Number</b> | <b>Date of Registration</b> | <b>Register</b> | <b>Renewed</b> |
|---------------------------------------|----------------------------|-----------------------------|-----------------|----------------|
| Bo To Go & Design                     | 1,503,173                  | 09-06-88                    | Principal       | Yes            |
| Bo-Berry Biscuits                     | 1,750,293                  | 02-02-93                    | Principal       | Yes            |
| Bo-Tato Rounds                        | 1,496,914                  | 07-19-88                    | Principal       | Yes            |
| Bo-To-Go                              | 1,488,726                  | 05-17-88                    | Principal       | Yes            |
| Bojangles' Express® & Design          | 1,948,685                  | 01-16-96                    | Principal       | Yes            |
| Bojangles' Cajun Pintos               | 1,218,514                  | 11-30-82                    | Principal       | Yes            |
| Bojangles' Cajun Spiced Chicken       | 1,177,496                  | 11-10-81                    | Principal       | Yes            |
| Bojangles' Dirty Rice                 | 1,219,347                  | 12-07-82                    | Principal       | Yes            |
| Bojangles' & Design                   | 1,185,003                  | 01-05-82                    | Principal       | Yes            |
| Bojangles' Famous Chicken 'N Biscuits | 1,271,956                  | 03-27-84                    | Principal       | Yes            |
| Bojangles'                            | 1,214,458                  | 10-26-82                    | Principal       | Yes            |
| Carolina Grille                       | 1,761,584                  | 3-30-93                     | Principal       | Yes            |
| Come Taste the Difference             | 1,963,170                  | 03-19-96                    | Principal       | Yes            |
| Egg Bo Biscuit                        | 1,386,213                  | 03-11-86                    | Principal       | Yes            |

| <b>Federal Registrations</b>                               | <b>Registration Number</b> | <b>Date of Registration</b> | <b>Register</b> | <b>Renewed</b> |
|--|----------------------------|-----------------------------|-----------------|----------------|
| It's Cajun Spiced  | 1,175,371                  | 10-27-81                    | Principal       | Yes            |
| There's Always Something Happenin' At The Bo               | 1,505,350                  | 09-20-88                    | Principal       | Yes            |
| Un* Bo*Lievable!   | 1,924,331                  | 10-03-95                    | Principal       | Yes            |
| Bojangles' Famous Chicken 'N Biscuits and Design (2 stars) | 3,027,485                  | 12-13-05                    | Principal       | Yes            |
| Buffalo Bites  | 3,034,730                  | 12-27-05                    | Principal       | Yes            |
| GottaWannaNeedaGettaHava                                   | 3,040,530                  | 11-15-11                    | Principal       | No             |
| Bojangles' Famous Chicken 'N Biscuits and Design (3 stars) | 3,049,355                  | 01-24-06                    | Principal       | Yes            |
| Show Me The Chicken  | 3,323,878                  | 10-30-07                    | Principal       | No             |
| Our Food is Famous. Our Customers Love Us                  | 3,481,168                  | 8-5-08                      | Principal       | No             |
| Show Me The Chicken  | 3,593,281                  | 3-17-09                     | Principal       | No             |
| It's Bo Time   | 3,900,108                  | 1-4-11                      | Principal       | No             |
| BOJ & Design   | 3,943,974                  | 4-12-11                     | Principal       | No             |
| Bojangles'   | 3,947,877                  | 4-19-11                     | Principal       | No             |
| It's Bo Time (with flashing light)                         | 3,947,905                  | 4-19-11                     | Principal       | No             |
| Bojangles' Famous Chicken 'N Biscuits and Design (2 stars) | 4,059,782                  | 11-22-11                    | Principal       | No             |
| Bojangles' Famous Chicken 'N Biscuits and Design (3 stars) | 4,060,147                  | 11-22-11                    | Principal       | No             |
| Legendary Ice Tea  | 4,060,148                  | 11-22-11                    | Principal       | No             |

For all principal federal registrations, all necessary affidavits have been filed for all marks.

Except for the Franchise Agreement itself, there are no agreements currently in effect which significantly limit our right to use or license others to use our Proprietary Marks that are material to any franchise.

In the event that litigation involving the principal trademarks is instituted or threatened against you, and you promptly notify us, we will conduct the defense and bear the expense of such litigation, and will be entitled to settle or otherwise dispose of the litigation on terms which, in our sole discretion, we may decide. You must cooperate fully with us in defending or settling such litigation.

The right to use the principal trademarks granted in the Franchise Agreement is non-exclusive. We, therefore, have and retain the rights, among others:

1. To use the principal trademarks in connection with selling products and services;
2. To grant other licenses for the principal trademarks, in addition to those licenses already granted to existing franchisees; and
3. To develop and establish other systems using the same or similar principal trademarks, or any other principal trademarks, and to grant licenses or franchises thereto without providing any rights therein to you.

There is no currently effective determination of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the trademarks, service marks, trade names, logotypes, or other commercial symbols which are relevant to their use in the state in which any Restaurant is to be located or elsewhere.

There are no superior prior rights or infringing uses actually known to us that could materially affect your use of the principal trademarks in the state in which any Restaurant is to be located or elsewhere. We will take all steps reasonably necessary to preserve and protect our ownership in and validity of the principal trademarks.

You must promptly notify us of any suspected unauthorized use of the principal trademarks and of any litigation involving the principal trademarks that is threatened or instituted against you. We are not obligated by the Franchise Agreement, nor otherwise, to protect any rights granted to you to use the principal trademarks or to protect you against claims of infringement or unfair competition with respect to them. We have the sole right to direct and control any administrative proceeding or litigation involving the principal trademarks, including any settlement.

We reserve the right to modify or discontinue principal trademarks or substitute different principal trademarks for use in identifying the System and the businesses operating under it at our sole discretion and will have no obligation or liability to you as a result of any modification, discontinuance or substitution.

#### **ITEM 14**

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

Except as disclosed below, we do not own rights in, or licenses to, patents or copyrights that are material to the franchise. As of the date of this disclosure document, there are no patents or copyrights pending and no patent applications, that are material to the Franchisee.

Although we have not filed applications for copyright registrations for all items, we claim a copyright in our building prototype plans and specifications, confidential operations manuals, advertising material, specifications, training handbooks, and a variety of forms and programs. The information contained in these items is proprietary and they may be used only with our permission, and at our direction. You must operate the franchised Restaurant in accordance with the Manual. The Manual may be provided to you by electronic access rather than physical, written copy. You must treat the Manual, any other manuals created for or approved for use in the operation of the franchised Restaurant, and the information contained in them, as confidential, and must use reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. We may

periodically revise the contents of the Manual, and you must comply with each new or changed standard. You must ensure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us at our home office shall be controlling.

You must notify us immediately if you learn about an infringement on our and your use of any item that may be copyrighted by us. However, we are not obligated by the Franchise Agreement, nor otherwise, to protect any rights that may be granted to you or to protect you against claims of infringement or unfair competition with respect to them.

In the event that litigation involving any items that may be copyrighted is instituted or threatened against you, you must promptly notify us. We will conduct the defense and bear the expense of such litigation, and will be entitled to settle or otherwise dispose of the litigation on terms which, in our sole discretion, we may decide. You must cooperate fully with us in defending or settling such litigation.

If we decide to add, modify or discontinue the use of a proprietary item, whether or not we claim a copyright in such item, you must also do so and we will have no obligation or liability to you as a result of any addition, modification or discontinuance of the use of a proprietary item.

### Confidential Information

You must not, during the term of the Development Agreement, Franchise Agreement, Individual Franchise Agreement, Bojangles' Express® Franchise Agreement, or Renewal of Individual Franchise Agreement, or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation, any confidential information, knowledge, or know-how concerning the methods of operation of the franchised Restaurant which may be communicated to you, techniques, recipes, formulas, processes, procedures, designs, financial information and information contained in the Manual, or of which you may be apprised by virtue of your operations under the terms of such Agreements (including information, knowledge or know-how concerning any recipes or formulas). We will disclose proprietary recipes and preparation methods to you necessary to operate a Bojangles' Restaurant, but we are not required to disclose contents of proprietary seasonings, ingredients and mixes that are purchased from approved suppliers. You may divulge confidential information only to those of your employees who must have access to it in order to operate the franchised Restaurant, and you must take such precautions as we deem necessary to ensure that your employees keep such information in confidence. Any and all information, knowledge, know-how, and techniques which we designate as confidential will be deemed confidential, except information which you can demonstrate came to your attention before our disclosure of it, or which, at the time of our disclosure to you, had become a part of the public domain, through publication or communication by others, or which, after our disclosure to you, becomes a part of the public domain, through publication or communication by others. Your Principal Operating Officer or Partner, manager and other employees may be required to enter into an agreement not to compete with Restaurants under the System and an agreement not to reveal confidential information obtained in the course of their employment with you. You must not use any proprietary or confidential information or proprietary marks, including any processes, procedures, recipes and formulas, for any purpose other than the operation of the Restaurant and must take all steps necessary to prevent any other use of them.

### **ITEM 15**

#### **OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You must be a corporation or a limited liability company composed solely of shareholders/members who are individuals and not corporations, limited liability companies, or any other legal entities in order to be a developer or franchisee. You must designate an individual to serve as your

Principal Operating Officer if a franchisee is a corporation or Principal Operating Partner if franchisee is a limited liability company. The Principal Operating Officer or Partner must meet the following qualifications:

1. Devote full time and best efforts to the supervision and conduct of the Restaurants which you developed and operate.
2. Complete successfully our initial training program.
3. Own at least a ten percent (10%) equity interest in you during the entire period he serves as Principal Operating Officer or Partner.
4. Execute the Development Agreement and Franchise Agreement or Bojangles' Express® Franchise Agreement or Individual Franchise Agreement or Renewal of Individual Franchise Agreement and be individually bound by all your obligations under those agreements.
5. Be approved by us.

If a Principal Operating Officer or Partner is unable or elects not to continue to meet his obligations as Principal Operating Officer or Partner, or if, in our sole discretion, a Principal Operating Officer or Partner no longer qualifies to act as such, you must promptly designate another Principal Operating Officer or Partner. The same individual may serve as your Principal Operating Officer or Partner and of all the franchised Restaurants controlled by you.

You must take such precautions as we deem necessary to ensure that your Principal Operating Officer or Partner maintains confidentiality of the information described in Item 14 and conforms with the covenants not to compete described in Item 17.

You must have no involvement in any competing business anywhere in the United States for one year, no involvement in any fast food restaurant located within 20 miles of one of your franchised restaurants or within a Designated Market Area within which your Restaurant is located.

The franchised Restaurant must at all times be under the direct, on premises supervision of a manager who has satisfactorily completed our initial training program. You must also maintain a competent, conscientious, trained staff, including fully-trained manager, co-managers and shift leaders for the Restaurant. We impose no limitations as to who you may hire as the Restaurant manager, except that you must comply with all applicable laws and that you must not harm the goodwill associated with the System and the Proprietary Marks (this requirement may affect who you hire as your manager).

The Principal Operating Officer or Partner, Restaurant manager and other Restaurant employees may also be required to enter into an agreement not to compete with Restaurants under the System and an agreement not to reveal confidential information obtained in the course of their employment with you. See Item 17 for a description of these obligations.

Each individual who owns an interest in you must sign a Guarantee agreeing to be bound by all the terms and conditions of the Franchise Agreement including any amendments and to unconditionally guarantee the payment of all liabilities incurred by you, as franchisee, at any time and must sign as additional signatories the Franchise Agreement. In addition, in the case where a Development Agreement is executed, each individual who owns an interest in you must sign a Guarantee agreeing to be bound by all the terms and conditions of the Development Agreement, including any amendments, and to unconditionally guarantee the payment of all liabilities incurred by you, as developer, at any time and must sign as additional signatories the Franchise Agreement.

## **ITEM 16**

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

You must offer and sell all products and services which are part of the Bojangles' System, and all services and products we incorporate into the Bojangles' System in the future. You may not use the Proprietary Marks for any other business. You must use the Restaurant premises solely for the operation of the franchised Restaurant and keep the Restaurant open and in normal operation for such minimum hours and days as we may periodically specify or approve in writing. You must not use, or permit the use of, the premises for any other purpose or activity at any time without first obtaining our written consent. You may sell Bojangles' products only at the location specified in the Franchise Agreement.

You must meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. To ensure that the highest degree of quality, cleanliness, appearance and service is maintained, you must operate the Restaurant in strict conformity with such methods, standards, and specifications as we may periodically require in the Manual or otherwise in writing. You must also maintain in sufficient supply and use at all times only such ingredients, products, materials, supplies, and paper goods as conform to our standards and specifications, and you must not deviate from those standards and specifications by the use or offer of non-conforming items, without our prior written consent.

You must sell, or offer for sale only such menu items, products and services as we have expressly approved for sale in writing. You must sell, or offer for sale, all menu items, products, and services specified by us, and you must not deviate from our standards and specifications without our prior written consent. You must discontinue selling and offering for sale any menu items, products or services, which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized menu items, goods and services, and there are no limits on our rights to make changes.

You must offer all services that we may require including, for example, acceptance of specified credit and debit cards; use, acceptance and participation in our gift card programs, and all other System promotions, local marketing, contests and other Restaurant and System services and activities.

If you develop a Bojangles' Express®, we typically will require you to refrain from selling from the convenience store or other structure outside of the Bojangles' Express® items offered for sale from the Bojangles' Express® and generally will require you to refrain from selling freshly prepared food items outside the Bojangles' Express®. In addition, we typically will require you to refrain from selling from the convenience store or other structure any adult books or magazines, pornographic materials, other items featuring nudity or sexual activity or any sexually oriented devices.

You must operate the franchised Restaurant in strict conformity with all applicable federal, state and local laws, ordinances and regulations. Such laws, ordinances and regulations vary from jurisdiction to jurisdiction and are amendable or may be implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all laws, ordinances and regulations applicable to the then-current implementation or integration of them.

For a description of your restrictions on some purchases, see Item 8 of this disclosure document.

**ITEM 17**

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

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

**THE FRANCHISE RELATIONSHIP**

Franchise Agreement/Individual Franchise Agreement/Renewal of Individual Franchise Agreement/Bojangles' Express® Franchise Agreement

| Provision   | Section in Franchise Agreement/ Individual Franchise Agreement/Renewal of Individual Franchise Agreement Bojangles' Express® Franchise Agreement | Summary  |
|---|--|--|
| a. Length of the franchise term                   | Section II.A./<br>Section II.A./<br>Section II.A./<br>Section II.  | Franchise Agreement/Individual Franchise Agreement: term expires earlier of 20 years from date of Franchise Agreement or upon expiration or termination of the initial term of lease (if any) of Restaurant location. Renewal of Individual Franchise Agreement: term expires earlier of 10 years from the date of the Agreement or upon expiration or termination of the term of lease (if any) of Restaurant location. Bojangles' Express® Franchise Agreement: 10 years from the date of the Agreement.   |
| b. Renewal or extension of the term               | Section II.B./<br>Section II.B./<br>Section II.B./<br>None   | Franchise Agreement/Individual Franchise Agreement: 2 additional consecutive terms of 10 years each, subject to contractual requirements. The Renewal of Individual Franchise Agreement provides for either 1 or no remaining additional 10 year terms. The Bojangles' Express® Franchise Agreement does not provide for renewal rights.   |
| c. Requirements for franchisee to renew or extend | Section II.B./<br>Section II.B./<br>Section II.B./<br>None   | You must:<br><ol style="list-style-type: none"> <li>1. Provide written notice not less than 6 months nor more than 9 months prior to the end of the term.</li> <li>2. Renovate and modernize restaurant premises.</li> <li>3. Be in full compliance, not in defaults under any of the agreements with us.</li> <li>4. Have satisfied all monetary obligations.</li> <li>5. Present evidence of your right to remain in possession of the restaurant premises for the renewal term.</li> <li>6. Execute current form of franchise agreement.</li> <li>7. Pay us a renewal fee of 50% of our then-current franchise fee.</li> <li>8. Execute a general release in a form prescribed by us.</li> <li>9. Comply with our then-current qualification and</li> </ol> |

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|  |   | <p>training requirements.</p> <p>You may be asked to sign an agreement with materially different terms and conditions than your original agreement. If the Renewal of Individual Franchise Agreement is signed for the second renewal term there are no additional renewal terms. The Bojangles' Express® Franchise Agreement does not provide for renewal rights.</p>   |
| d. Termination by franchisee               | None  | Not Applicable   |
| e. Termination by franchisor without cause | None  | Not Applicable   |
| f. Termination by franchisor with cause    | Section XIV./<br>Section XV./<br>Section XV./<br>Sections XV.C. and XVI.                                  | We can terminate only if you default under the Franchise Agreement, Individual Franchise Agreement, Bojangles' Express® Franchise Agreement or Renewal of Individual Franchise Agreement.  |
| g. "Cause" defined – curable defaults      | Section XIV.C./<br>Section XV.C./<br>Section XV.C./<br>Section XVI.C.                                     | You have 30 days after receipt of written notice of default from us (or such longer period as applicable law may require) to cure: non-payment of monies due us or others or failure to give required financial or other information; sanitation problems; failure to observe standards or procedures, failure to obtain required consents; denial of our right to inspect the Restaurant; use of confusingly similar proprietary marks; use of our Trade Dress other than in connection with the Restaurant; use of our products, procedures or methods in any operation not authorized by us; failure to comply within interim non-competition covenants of the Franchise Agreement; seeking to employ our employees or our affiliates' or other franchisees' employees; final judgment against you remains unsatisfied or of record for at least 30 days (unless a supersedeas bond is filed); your dissolution; execution is levied against your business or property; suit to foreclose any lien or mortgage against the franchised Restaurant or equipment in it is instituted against you and not dismissed or bonded off within 60 days; the real or personal property of the franchised Restaurant is sold after levy on it by any sheriff, marshal or constable; failure to make approved transfer of a controlling interest in you within the prescribed period following the death or mental incapacity of one of your shareholders or members as provided in the Franchise Agreement. |
| h. "Cause" defined – non-curable defaults  | Section XIV.A. and B./<br>Section XV.A. and B./<br>Section XV.A. and B./<br>Sections XV.C., XVI.A. and B. | Non-curable defaults: bankruptcy, (See Note 1) insolvency, general assignment for benefit of creditors, filing of petition in bankruptcy unopposed by you; bill in equity or other proceeding for appointment of a receiver for you or other custodian   |

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|  |   | <p>for your business or assets is filed and consented to by you; a court of competent jurisdiction appoints a receiver or other custodian of any of your assets or property; proceedings for a composition with creditors under any state or federal law are instituted by or against you. <u>Note 1:</u> Any provision in the Agreements that provides for termination of the franchise upon bankruptcy may not be enforceable under federal bankruptcy law. The following defaults are non-curable at our option: failure to construct and open Restaurant in accordance with Development Agreement or within 180 days of signing an Individual Franchise Agreement or a Bojangles' Express® Franchise Agreement not associated with a Development Agreement; conviction of certain crimes; transfer of any of rights or obligations under the Franchise Agreement or any interest in you to a third party without our consent; disclosure of confidential information; knowingly maintaining false books or records or submitting any false reports to us; unauthorized use of any of our Proprietary Marks; premature termination of your rights to or possession of the Restaurant location (subject to exception in the case of condemnation); material default under any lease or mortgage on the Restaurant property; if you cease to operate or abandon the Restaurant or attempt such; if you agree or attempt to sell or sell the real property where the Restaurant is located or substantially all interest in the Restaurant or real property lease or substantially all of your assets of the Restaurant without our prior written consent; your default and resulting termination of any other Franchise Agreement, Individual Franchise Agreement, Bojangles' Express® Franchise Agreement, Renewal of Individual Franchise Agreement or Development Agreement with us; committing same previously cured default within 180 days of previous default; and repeated defaults for failure to comply with Agreement.</p> <p>The Bojangles' Express® Franchise Agreement also provides that the following default is non-curable at our option: transfer by you or an owner of an interest in you without our prior written consent of controlling interest in you to a competitor.</p> |
| <p>i. Franchisee's obligations on termination/ non-renewal</p> | <p>Sections XIV.D.-H. and XV./Sections XV.D.-H. and XVI./Sections XV.D.-H. and XVI./Sections XVI.D. and XVII.</p> | <p>Obligations include: cease operations and representing yourself as present or former franchisee; allow us to enter, take possession of and operate Restaurant; in event we are prevailing party in contest of validity of termination, you must pay any profits earned during contest to us; cease to use confidential information and Proprietary Marks and</p>  |

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|   |   | Trade Dress; complete de-identification; payment of amounts due; return of all correspondence, records and all other materials related to operating the Restaurant; payment of our costs in enforcing obligations after termination; and, with respect to the Franchise Agreement, Individual Franchise Agreement and Renewal of Individual Franchise Agreement only, leave all furniture, fixtures, signs and equipment on the Restaurant premises until expiration of our option to purchase; honor our option to purchase; within 60 days prior to date of expiration of Agreement or takeover in condemnation you shall not remove any property from Restaurant.   |
| j. Assignment of contract by franchisor           | Section XIII.A./<br>Section XIV.A./<br>Section XIV.A./<br>Section XV.A.                 | No restriction on our right to assign.   |
| k. "Transfer" by franchisee - definition          | Section XIII.B./<br>Section XIV.B./<br>Section XIV.B./<br>Section XV.B.                 | Includes transfer of interest (including mortgage or grant of security interest) in Restaurant, in Franchise Agreement, Individual Franchise Agreement, Renewal of Individual Franchise Agreement, Bojangles' Express® Franchise Agreement or franchise or license rights or obligations thereunder or in you.   |
| l. Franchisor approval of transfer by franchisee  | Section XIII.B.-E./<br>Section XIV.B.-E./<br>Section XIV.B.-E./<br>Section XV.B., D.-F. | We have the right to approve all transfers but will not unreasonably withhold approval, except we have sole discretion to require you to meet certain conditions before our approval of transfer of a controlling interest in a Restaurant, Development Agreement/Franchise Agreement/Individual Franchise Agreement/Renewal of Individual Franchise Agreement/Bojangles' Express® Franchise Agreement or franchise or license rights or obligations thereunder or in you. In addition, the Bojangles' Express® Franchise Agreement provides that we may terminate that agreement and all your rights thereunder upon 90 days written notice in the event a competitor acquires a controlling interest in you without our consent. |
| m. Conditions for franchisor approval of transfer | Section XIII.B.-D./<br>Section XIV.B.-D./<br>Section XIV.B.-D./<br>Section XV.B.-E.     | Transfer is subject, where applicable, to our option to purchase and is subject to terms of other agreements including Development Agreement, if any. Transfer of controlling interest is subject to any or all of the following conditions at our sole discretion: satisfaction of all monetary obligations; no defaults; you sign release and agree to remain liable for specified period; assumption of your obligations and obligations of any transferor who is a guarantor of your obligations; new franchisee qualifies; current agreements signed by new franchisee and guarantee of such agreements signed by shareholders or   |

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|   |   | <p>members of transferee; transferee to upgrade Restaurant to then-current standards; your continued liability for obligations prior to transfer; completion of training programs by transferee's Principal Operating Officer or Partner and managers; payment of \$2,500 per restaurant transfer fee.</p> <p>Party to hold security interest in Franchise Agreement/Individual Franchise Agreement/Renewal of Individual Franchise Agreement/Bojangles' Express® Franchise Agreement or Restaurant must give us right to purchase its rights in event you default under security agreements. Bojangles' Express® Franchise Agreement also provides there shall be no prohibition on your right to transfer your real property interests or other hard assets, excluding items that bear any Proprietary Marks.</p> |
| n. Franchisor's right of first refusal to acquire franchisee's business | <p>Section XIII.C./<br/>Section XIV.C./<br/>Section XIV.C./<br/>Section XV.D.</p>   | <p>We can match any offer to purchase a controlling interest in a Restaurant, the Development Agreement/Franchise Agreement/Individual Franchise Agreement/Renewal of Individual Franchise Agreement/Bojangles' Express® Franchise Agreement or in you.</p>   |
| o. Franchisor's option to purchase franchisee's business                | <p>Sections XIII.C. and D. and XIV.D./Sections XIV. C. and D. and XV.D./Sections XIV. C. and D. and XV.D./<br/>Section XV.D. and E.</p> | <p>If approved transfer after death is not completed in stated period. Franchise Agreement, Individual Franchise Agreement and Renewal of Individual Franchise Agreement also provide that upon default and termination we have option to purchase or lease Restaurant subject to certain terms, or we may elect, within 60 or 90 days of termination to purchase at fair market value your furniture, fixtures, signs, equipment, leasehold improvements and other property. Upon expiration of agreement or termination resulting from any condemnation proceedings, we may give written notice at least 30 days prior to the expiration date or takeover date of our intention to purchase any of the furniture, fixtures, signs, equipment and other chattels for fair market value.</p>                        |
| p. Death or disability of franchisee                                    | <p>Section XIII.D./<br/>Section XIV.D./<br/>Section XIV.D./<br/>Section XV.E.</p>   | <p>Upon the death or mental incapacity of any person with a direct or indirect interest in the Development Agreement/Franchise Agreement/Individual Franchise Agreement/Renewal of Individual Franchise Agreement/Bojangles' Express® Franchise Agreement or in you, interest shall be transferred within 12 months after the death or mental incapacity to a third party approved by us.</p>   |
| q. Non-competition covenants during the term of the franchise           | <p>Section XVI./<br/>Section XVII./<br/>Section XVII./<br/>Section XVIII.</p>   | <p>Franchise Agreement, Individual Franchise Agreement and Renewal of Individual Franchise Agreement provide: no diversion of business, customers or employees to any competitor; no injury of our goodwill; no involvement in competing</p>  |

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|   |   | business anywhere in U.S.; no involvement in any fast food restaurant located within 20 miles of one of your franchised Restaurants or within a designated market area within which your Restaurant is located. Bojangles' Express® Franchise Agreement provides: no diversion of business, customers or employees to any competitor; no injury of goodwill; no involvement in other restaurant business which uses our products, procedures or recipes; no involvement in other food service business that offers products similar to our signature products.  |
| r. Non-competition covenants after the franchise is terminated or expires | Section XVI./<br>Section XVII./<br>Section XVII./<br>Section XVIII.   | Franchise Agreement, Individual Franchise Agreement and Renewal of Individual Franchise Agreement provide: no involvement in competing business anywhere in U.S. for one year; no involvement in any fast food restaurant located within 20 miles of one of your franchised Restaurants or within a Designated Market Area within which your Restaurant is located for 3 years. Bojangles' Express® Franchise Agreement provides: No involvement in other restaurant business which uses our products, procedures or recipes; no involvement in other food service business that offers products similar to our signature products unless as a franchisee of another franchisor which offers similar products in its established product line; for 3 years after termination no sale from franchised location of products competing with our chicken and/or biscuits. |
| s. Modification of the agreement  | Sections XXII. and XXIII.A. and C./<br>Sections XXIII. and XXIV.A. and C./<br>Sections XXIII. and XXIV.A. and C./<br>Sections XXIV. and XXV.A. and C. | No modifications generally unless agreed to and executed by the parties to the original agreement. Court determined unreasonable and unenforceable provisions shall be replaced by maximum duty permitted by law.   |
| t. Integration/merger clause  | Section XXII./<br>Section XXIII./<br>Section XXIII./<br>Section XXIV.   | Only terms of Franchise Agreement/Individual Franchise Agreement/Renewal of Individual Franchise Agreement/Bojangles' Express® Franchise Agreement, the documents referred to therein and the exhibits thereto are binding. Any other promises may not be enforceable.  |
| u. Dispute resolution by arbitration or mediation                         | Section XIII.D./<br>Section XIV.D./<br>Section XIV.D./<br>Section XV.E.   | May be elected by us or you to determine fair market value of Restaurants to be sold to us after death or mental incapacity.  |
| v. Choice of forum  | Section XXIV.B./<br>Section XXV.B./<br>Section XXV.B./<br>Section XXVI.B.   | Litigation must be in North Carolina (subject to state laws).   |
| w. Choice of law  | Section XXIV.A./<br>Section XXV.A./   | North Carolina law applies, except laws of state of your principal place of business apply to provisions  |

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|  | Section XXV.A./<br>Section XXVI.A. | that are not enforceable under North Carolina law. |
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Development Agreement

| Provision   | Section in Development Agreement | Summary   |
|---|----------------------------------|---|
| a. Length of the development term                 | Section V.A.                     | Negotiated term expiring no later than 2 years after the last year set forth in the development schedule.   |
| b. Renewal or extension of the term               | Section V.A.                     | You have no rights to renew the development rights.   |
| c. Requirements for franchisee to renew or extend | None                             | You have no rights to renew the development rights.   |
| d. Termination by franchisee                      | None                             | Not Applicable  |
| e. Termination by franchisor without cause        | None                             | Not Applicable  |
| f. Termination by franchisor with cause           | Section VIII.                    | We can terminate if you default under Development Agreement.  |
| g. "Cause" defined – curable defaults             | Section VIII.D.                  | You have 30 days after receipt of written notice of default from us (or such longer period as applicable law may require) to cure: failure to comply with any requirements of Development Agreement or carry them out in good faith; final judgment against you remains unsatisfied or of record for at least 30 days (unless a supersedeas bond is filed); your dissolution; execution is levied against your business or property; suit to foreclose any lien or mortgage against any franchised Restaurant or equipment in it is instituted against you and not dismissed or bonded off within 60 days; the real or personal property of any franchised Restaurant is sold after levy on it by any sheriff, marshal or constable; failure to make approved transfer of a controlling interest in you within the prescribed period following the death or mental incapacity of one of your shareholders or members. |
| h. "Cause" defined – non-curable defaults         | Section VIII.B. and C.           | Noncurable defaults: bankruptcy (See Note 2), insolvency, general assignment for benefit of creditors, filing of petition in bankruptcy unopposed by you, bill of equity or other proceeding for appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; a court of competent jurisdiction appoints a receiver or other custodian of any of your assets or property; proceedings for a composition with creditors under any state or federal law are instituted by or against you. <u>Note 2</u> : Any provision in the  |

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|  |  | Development Agreement that provides for termination of the franchise upon bankruptcy may not be enforceable under federal bankruptcy code. The following defaults are noncurable at our option: Failure to comply with development schedule, except in cases of force majeure; conviction of certain crimes; transfer of interest in Development Agreement, any rights or obligations under the Development Agreement or any interest in you to a third party without our consent; knowingly maintaining false books or records or submitting any false reports to us; termination of any Franchise Agreement between you and us because of your default under it; if you cease to operate or abandon the Restaurant or attempt such; if you agree or attempt to sell or sell the real property where a Restaurant is located or substantially all interest in the Restaurant or real property lease or substantially all of your assets of any Restaurant without prior written consent; committing same previously cured default within 180 days of previous default; and repeated defaults for failure to comply with Development Agreement. If the Development Agreement is associated with a Bojangles' Express® Franchise Agreement the following additional default is noncurable at our option: transfer by you or by owner of an interest in you without our prior written consent of controlling interest in you to a competitor. |
| i. Franchisee's obligations on termination/non-renewal | Section VIII.E.(3) and (5) and F.          | You must comply with all obligations upon termination or expiration set forth in the Franchise Agreements; you must not establish or operate any Restaurant for which a Franchise Agreement has not been executed by us and delivered to you prior to termination, and we can establish and license others to establish Restaurants in the assigned area. Under certain circumstances, you must sell the assets of all of the Restaurants, you have opened under the Development Agreement to us.   |
| j. Assignment of contract by franchisor                | Section IX.A.                              | No restrictions on our right to assign.   |
| k. "Transfer" by franchisee - definition               | Section IX.B.                              | Includes transfer of interest (including mortgage or grant of security interest) in Restaurant, in Development Agreement or in any rights or obligations thereunder or in you.  |
| l. Franchisor approval of transfer by franchisee       | Section IX.B., D. and [E.] and E. and [F.] | We have the right to approve all transfers but will not unreasonably withhold approval, except we have sole discretion to require you to meet certain conditions before our approval of transfer of a controlling interest in a Restaurant, Development Agreement or in any rights or obligations thereunder or in you.   |
| m. Conditions for                                      | Section IX.B., C. and                      | Transfer is subject, where applicable, to our option to   |

|   |  |  |
|---|--|--|
| franchisor approval of transfer   | [D.] and D. and [E.]   | purchase. Transfer of controlling interest is subject to any or all of the following conditions at our sole discretion: satisfaction of all monetary obligations; no defaults; you sign release and agree to remain liable for specified period; assumption of your obligations and obligations of any transferor who is a guarantor of your obligations; new franchisee qualifies; current agreements signed by new franchisee and guarantee of such agreements signed by shareholders or members of transferee; completion of training programs by transferee's Principal Operating Officer or Partner and managers; payment of \$2,500 per restaurant transfer fee. Party to hold security interest in Development Agreement or any Restaurant developed under it must give us the right to purchase its rights in the event you default under security agreements; transferee shall acquire development rights, all Restaurants opened under Development Agreement and all your rights under all Franchise Agreements with us. If the Development Agreement is associated with a Bojangles' Express® Franchise Agreement, no prohibition of transfer of your real property interests or other hard assets, excluding items which bear any Proprietary Marks. |
| n. Franchisor's right of first refusal to acquire franchisee's business | Section IX.C. and [D.] and D. and [E.]   | We can match any offer to purchase interest in you or Development Agreement.   |
| o. Franchisor's option to purchase franchisee's business                | Sections VIII.E. (except if Development Agreement is for Bojangles' Express® Restaurants) and IX.C. and [D.] and D. and [E.] | If approved transfer of interest after death is not completed in designated period, we have option to purchase.<br><br>Within 60 days of a non-curable default or 90 days of an uncured curable default under the Development Agreement, we may under certain circumstances purchase the assets of all Restaurants you have opened under the Development Agreement.  |
| p. Death or disability of franchisee                                    | Section IX.D. and [E.]   | Upon the death or mental incapacity of any person with a direct or indirect interest in you or the Development Agreement, interest shall be transferred within 12 months after the death or mental incapacity to a third party approved by us.   |
| q. Non-competition covenants during the term of the franchise           | Section X.   | Development Agreement associated with a Franchise Agreement provides: No diversion of business, customers or employees to any competitor; no injury of our goodwill; no involvement in competing business anywhere in U.S.; no involvement in any fast food restaurant located within 20 miles of one of your franchised Restaurants or within a Designated Market Area within which any of your assigned area is situated.  |

|   |                                |   |
|---|--------------------------------|---|
|   |                                | Development Agreement associated with a Bojangles' Express® Franchise Agreement provides: No diversion of business, customers or employees to any competitor; no injury of our goodwill; no involvement in other restaurant business which uses our products, procedures or recipes; no involvement in other food service business that offers products similar to our signature products in its established product line.  |
| r. Non-competition covenants after the franchise is terminated or expires | Section X.                     | Development Agreement associated with a Franchise Agreement provides: No involvement in competing business anywhere in U.S. for one year; no involvement in any fast food restaurant located within 20 miles of one of your franchised Restaurants or within a Designated Market Area within which any of your assigned area is situated for 3 years.<br><br>Development Agreement associated with a Bojangles' Express® Franchise Agreement provides: No involvement in other restaurant business which uses our products, procedures or recipes; no involvement in other food service business that offers products similar to our signature products unless as a franchisee of another franchisor which offers similar products in its established products line; for 3 years after termination no sale from any franchised location of products competing with our chicken and/or biscuits. |
| s. Modification of the agreement  | Sections XV.A. and C. and XVI. | No modifications generally unless agreed to and executed by the parties to the original agreement. Court-determined unreasonable and unenforceable provisions shall be replaced by maximum duty permitted by law.   |
| t. Integration/merger clause  | Section XVI.                   | Only terms of Development Agreement, the documents referred to therein and the exhibits thereto are binding. Any other promises may not be enforceable.   |
| u. Dispute resolution by arbitration or mediation                         | Section IX.D. and [E.]         | May be elected by you or us to determine fair market value of Restaurants to be sold to us after death or mental incapacity.  |
| v. Choice of forum  | Section XVI.C.                 | Litigation must be in North Carolina (subject to state laws).   |
| w. Choice of law  | Section XVI.B.                 | North Carolina law applies, except laws of state of your principal place of business apply to provisions that are not enforceable under North Carolina law.   |

## **ITEM 18**

### **PUBLIC FIGURES**

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

## **ITEM 19**

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

The following tables reflect information about the past financial performance of a selected group of our Full-Size and Express Restaurants which are franchise-owned and company-operated. This information consists of the sales shown for Restaurants operated, continuously through June 30, 2012 and that were still operating as of the date of this disclosure document. "Company-operated" Restaurants include (1) Restaurants owned by BJ Restaurant Development, LLC and BJ Georgia, LLC since our affiliate, Bojangles' Restaurants, Inc. operates these restaurants under a management agreement; and (2) Restaurants owned and operated by Bojangles' Restaurants, Inc. directly. Annual sales shown for franchise-owned Restaurants may be based on our fiscal year or the calendar year depending on how a particular franchisee has reported sales. Restaurants outside the United States and all special event concession operations are not included in any of the disclosures contained in Item 19.

Expenses shown are only for company-operated Restaurants.

**The information contained in this Item 19 refers to specific franchise-owned and company-operated Restaurants, and should not be considered as the actual or potential sales or costs that will be achieved by your Restaurant. A new franchisee's individual financial results may differ from the results stated in this financial performance representation.**

1. Full-Size Restaurants:<sup>1</sup>

Disclosed below is information concerning the gross sales of franchise-owned and company-operated Full-Size Restaurants which were in operation continuously through June 30, 2012 and that remained in operation as of the date of this disclosure document.

2. Express Restaurants:<sup>2</sup>

Disclosed below is information concerning the gross sales of franchise-owned and company-operated Express Restaurants which were in operation continuously through June 30, 2012 and that remained in operation as of the date of this disclosure document.

"Gross Sales" used in all Tables include revenue received by the applicable Restaurant, but excludes all sales tax and non-cash discounts; or more simply, gross sales are cash sales received from franchise-owned and company-operated Restaurants. All Food and Paper and Direct Labor (including payroll taxes) expenses are shown as a percentage of Gross Sales from company-operated Restaurants.

# I. FULL SIZE RESTAURANTS

## TABLE A: Annual Gross Sales Range of Restaurants by State

| State          | Over \$4,000,000 |                  | Between \$3,000,000 And \$3,999,999 |                  | Between \$2,000,000 and \$2,999,999 |                  | Between \$1,600,000 and \$1,999,999 |                  | Between \$1,400,000 And \$1,599,999 |                  | Between \$1,200,000 and \$1,399,999 |                  | Between \$1,000,000 and \$1,199,999 |                  | Between \$900,000 and \$999,999 |                  | Less than \$900,000 |                  | Total Number of Restaurants |                  |
|----------------|------------------|------------------|-------------------------------------|------------------|-------------------------------------|------------------|-------------------------------------|------------------|-------------------------------------|------------------|-------------------------------------|------------------|-------------------------------------|------------------|---------------------------------|------------------|---------------------|------------------|-----------------------------|------------------|
|                | Franchise Owned  | Company Operated | Franchise Owned                     | Company Operated | Franchise Owned                     | Company Operated | Franchise Owned                     | Company Operated | Franchise Owned                     | Company Operated | Franchise Owned                     | Company Operated | Franchise Owned                     | Company Operated | Franchise Owned                 | Company Operated | Franchise Owned     | Company Operated | Franchise Owned             | Company Operated |
| North Carolina | 2                | 0                | 14                                  | 2                | 47                                  | 17               | 26                                  | 41               | 13                                  | 30               | 8                                   | 25               | 5                                   | 7                | 1                               | 2                | 0                   | 0                | 116                         | 124              |
| South Carolina | 0                | 0                | 0                                   | 0                | 1                                   | 3                | 3                                   | 5                | 5                                   | 14               | 18                                  | 6                | 7                                   | 13               | 4                               | 1                | 1                   | 1                | 39                          | 43               |
| Georgia        | 0                | 0                | 0                                   | 0                | 2                                   | 0                | 9                                   | 0                | 3                                   | 1                | 7                                   | 2                | 5                                   | 1                | 1                               | 1                | 1                   | 1                | 28                          | 6                |
| Virginia       | 0                | 0                | 0                                   | 0                | 4                                   | 0                | 5                                   | 0                | 9                                   | 0                | 6                                   | 0                | 3                                   | 0                | 1                               | 0                | 6                   | 0                | 34                          | 0                |
| Pennsylvania   | 0                | 0                | 0                                   | 0                | 0                                   | 0                | 1                                   | 0                | 0                                   | 0                | 0                                   | 0                | 0                                   | 0                | 0                               | 0                | 0                   | 0                | 1                           | 0                |
| Tennessee      | 0                | 0                | 0                                   | 0                | 1                                   | 0                | 3                                   | 0                | 4                                   | 0                | 4                                   | 0                | 5                                   | 0                | 0                               | 0                | 1                   | 0                | 18                          | 0                |
| Florida        | 0                | 0                | 0                                   | 0                | 0                                   | 0                | 1                                   | 0                | 0                                   | 0                | 1                                   | 0                | 1                                   | 0                | 3                               | 0                | 1                   | 0                | 7                           | 0                |
| Maryland       | 0                | 0                | 0                                   | 0                | 0                                   | 0                | 0                                   | 0                | 0                                   | 1                | 0                                   | 3                | 0                                   | 1                | 0                               | 0                | 0                   | 0                | 0                           | 5                |
| Alabama        | 0                | 0                | 0                                   | 0                | 0                                   | 0                | 2                                   | 0                | 3                                   | 0                | 1                                   | 0                | 0                                   | 3                | 2                               | 2                | 1                   | 3                | 9                           | 8                |
| Mississippi    | 0                | 0                | 0                                   | 0                | 0                                   | 0                | 0                                   | 0                | 0                                   | 0                | 0                                   | 0                | 0                                   | 0                | 0                               | 0                | 1                   | 0                | 1                           | 0                |
| <b>Total</b>   | <b>2</b>         | <b>0</b>         | <b>14</b>                           | <b>2</b>         | <b>55</b>                           | <b>20</b>        | <b>50</b>                           | <b>46</b>        | <b>37</b>                           | <b>46</b>        | <b>45</b>                           | <b>36</b>        | <b>26</b>                           | <b>25</b>        | <b>12</b>                       | <b>6</b>         | <b>12</b>           | <b>5</b>         | <b>253</b>                  | <b>186</b>       |

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

## II. EXPRESS RESTAURANTS

**TABLE B: Annual Gross Sales Range of Restaurants by State**

| State                   | Over<br>3,000,000  |                     | Between<br>\$2,000,000<br>and<br>\$2,999,999 |                     | Between<br>\$1,000,000<br>and<br>\$1,999,999 |                     | Between<br>\$800,000<br>and<br>\$999,999 |                     | Between<br>\$600,000<br>and<br>\$799,999 |                     | Less than<br>\$600,000 |                     | Total Number<br>of<br>Restaurants |                     |
|-------------------------|--------------------|---------------------|--|---------------------|--|---------------------|--|---------------------|--|---------------------|------------------------|---------------------|-----------------------------------|---------------------|
|                         | Franchise<br>Owned | Company<br>Operated | Franchise<br>Owned                           | Company<br>Operated | Franchise<br>Owned                           | Company<br>Operated | Franchise<br>Owned                       | Company<br>Operated | Franchise<br>Owned                       | Company<br>Operated | Franchise<br>Owned     | Company<br>Operated | Franchise<br>Owned                | Company<br>Operated |
| North<br>Carolina       | 1                  | 0                   | 0  | 0                   | 8  | 2                   | 2  | 1                   | 1  | 0                   | 3                      | 0                   | 15                                | 3                   |
| South<br>Carolina       | 0                  | 0                   | 1  | 0                   | 6  | 1                   | 3  | 0                   | 2  | 0                   | 1                      | 0                   | 13                                | 1                   |
| Georgia                 | 0                  | 0                   | 0  | 0                   | 2  | 0                   | 2  | 0                   | 1  | 0                   | 0                      | 0                   | 5                                 | 0                   |
| Virginia                | 0                  | 0                   | 0  | 0                   | 2  | 0                   | 2  | 0                   | 1  | 0                   | 0                      | 0                   | 5                                 | 0                   |
| New York                | 0                  | 0                   | 0  | 0                   | 0  | 0                   | 0  | 0                   | 0  | 0                   | 0                      | 0                   | 0                                 | 0                   |
| Florida                 | 0                  | 0                   | 0  | 0                   | 0  | 0                   | 0  | 0                   | 1  | 0                   | 0                      | 0                   | 1                                 | 0                   |
| Tennessee               | 0                  | 0                   | 0  | 0                   | 0  | 0                   | 1  | 0                   | 0  | 0                   | 0                      | 0                   | 1                                 | 0                   |
| District of<br>Columbia | 0                  | 0                   | 0  | 0                   | 1  | 0                   | 0  | 0                   | 0  | 0                   | 0                      | 0                   | 1                                 | 0                   |
| <b>Total</b>            | 1                  | 0                   | 1  | 0                   | 19   | 3                   | 10                                       | 1                   | 6  | 0                   | 4                      | 0                   | 41                                | 4                   |

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**TABLE C: Summary of Gross Sales Ranges of Full Size Restaurants by Percentage**

| Gross Sales             | Percentage of Franchise-Owned Restaurants | Percentage of Bojangles'-Operated Restaurants | Percentage of All Restaurants |
|-------------------------|---|---|-------------------------------|
| Over \$4,000,000        | 0.80%                                     | 0.00%   | 0.46%                         |
| \$3,000,000-\$3,999,999 | 5.53%                                     | 1.08%   | 3.64%                         |
| \$2,000,000-\$2,999,999 | 21.74%                                    | 10.75%  | 17.08%                        |
| \$1,600,000-\$1,999,999 | 19.76%                                    | 24.73%  | 21.87%                        |
| \$1,400,000-\$1,599,999 | 14.62%                                    | 24.73%  | 18.91%                        |
| \$1,200,000-\$1,399,999 | 17.79%                                    | 19.35%  | 18.45%                        |
| \$1,000,000-\$1,199,999 | 10.28%                                    | 13.44%  | 11.62%                        |
| \$900,000-\$999,999     | 4.74%                                     | 3.23%   | 4.10%                         |
| Under \$900,000         | 4.74%                                     | 2.69%   | 3.87%                         |

**TABLE D: Summary of Gross Sales Ranges of Express Restaurants by Percentage**

| Gross Sales               | Percentage of Franchise-Owned Restaurants | Percentage of Bojangles'-Operated Restaurants | Percentage of All Restaurants |
|---------------------------|---|---|-------------------------------|
| Over \$3,000,000          | 2.44%                                     | 0.00%   | 2.22%                         |
| \$2,000,000-\$2,999,999   | 2.44%                                     | 0.00%   | 2.22%                         |
| \$1,000,000 - \$1,999,999 | 46.34%                                    | 75.00%  | 48.90%                        |
| \$800,000 - \$999,999     | 24.39%                                    | 25.00%  | 24.44%                        |
| \$600,000 - \$799,999     | 14.63%                                    | 0.00%   | 13.33%                        |
| Under \$600,000           | 9.76%                                     | 0.00%   | 8.89%                         |

**TABLE E: Average Gross Sales of Full Size Restaurants**

|           | Arithmetic           |     | Median      |
|-----------|----------------------|-----|-------------|
| Franchise | \$1,748,582          |     | \$1,559,743 |
|           | Number Above Average | 99  |             |
|           | Number Below Average | 154 |             |
| Company   | \$1,542,313          |     | \$1,496,889 |
|           | Number Above Average | 84  |             |
|           | Number Below Average | 102 |             |

**TABLE F: Gross Sales Range of Full Size Restaurants**

|           | High        | Low       |
|-----------|-------------|-----------|
| Franchise | \$4,752,460 | \$770,026 |
| Company   | \$3,307,097 | \$842,067 |

**TABLE G: Average Gross Sales of Express Restaurants**

|           | Arithmetic           | Median      |    |
|-----------|----------------------|-------------|----|
| Franchise | \$1,121,593          | \$1,043,403 |    |
|           | Number Above Average |             | 18 |
|           | Number Below Average |             | 23 |
| Company   | \$1,312,055          | \$1,254,392 |    |
|           | Number Above Average |             | 2  |
|           | Number Below Average |             | 2  |

**TABLE H: Gross Sales Range of Express Restaurants**

|           | High        | Low       |
|-----------|-------------|-----------|
| Franchise | \$3,411,033 | \$321,499 |
| Company   | \$1,750,606 | \$988,829 |

**TABLE I: Selected Expenses of Company-Operated Restaurants<sup>4</sup>**

| Expense Category                          | Average Cost |
|---|--------------|
| Food and Paper                            | 32.94%       |
| Direct Labor<br>(including payroll taxes) | 25.91%       |

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Remarks and footnotes:

1. The gross sales information from "Full Size Restaurants" refers to domestic free-standing Restaurants which are 2,400 to 4,080 square feet that were in operation through June 30, 2012 and remained in operation as of the date of this disclosure document. We have excluded, in Tables A through I the following:
  - a. Five Full Size company-operated Restaurants and twenty-two Full Size franchise-owned Restaurants that were not open a full year through June 30, 2012.
  - b. Three Full Size company-operated Restaurants and three Full Size franchise-owned Restaurants that were closed prior to the date of the disclosure document.
  - c. Four Full Size franchised-owned Restaurants that were transferred to company-operated Restaurants prior to June 30, 2012.
  - d. One Full Size company-operated Restaurant that was closed during 2011 due to fire.
2. The gross sales information from "Express Restaurants" refers to domestic restaurants operated and attached to another business such as a convenience store or a grocery store, generally 800 to 3,800 square feet, in operation through June 30, 2012 and remained in operation as of the date of this disclosure document. Also included in "Express Restaurants" are small unit Restaurants operated as part of a food court or contained within an airport or college campus, "drive-thru-only" Restaurants without interior seating and walk-up units without drive-thru windows. We have excluded in Tables A through I the following:
  - a. One Express franchise-owned Restaurant that was not open a full year through June 30, 2012.
  - b. One Express franchise-owned Restaurant that was transferred to company-operated Restaurant prior to June 30, 2012.
  - c. One Express franchise-owned Restaurant that was closed during 2012 prior to the date of the disclosure document.
3. We relied on the royalty reports submitted by franchisees for their franchise-owned Restaurants and the internal reports prepared by company personnel for company-operated Restaurants, when preparing the information appearing in these tables. These results are unaudited, but we have no reason to question the accuracy of the reports submitted to us.
4. The information concerning expenses of company-operated Restaurants that appears in Table I reflects the results of the 190 company-operated Restaurants whose results are reflected in Tables A through H. Both Full Size and Express company-operated Restaurants are included in Table I. No franchise results are contained in this chart. Food costs include costs of all food and food components, paper sold and condiments given at retail level, but excludes costs of supplies and uniforms. "Direct Labor (including payroll taxes)" includes the combined costs of management and crew labor, including payroll taxes, but excluding all other fringe benefits such as workers' compensation insurance premiums, health and insurance benefits, 401(k) and other retirement plans. Also excluded from "Direct Labor (including payroll taxes)" is the cost of multi-unit Restaurant supervision above store level. You will incur other costs in addition to this selected expense category described in Table I. We strongly recommend that you consult with your accountant and other business advisors to properly analyze and budget for your Restaurant's revenues and expenses. This chart contains information from Full-Size and Express Restaurants.
5. We have written substantiation in our possession to support the information appearing in this Item 19. This substantiation will be made available by us to all prospective franchisees upon reasonable request.
6. Except for the information contained in this disclosure document, we do not furnish or authorize our sales persons to furnish any oral or written information concerning the actual, average, projected or forecasted sales, income or profits of a company-operated or franchise-owned Full Size Restaurant or Express Restaurant.
7. Restaurants outside the United States are not included in any of the disclosures contained in Item 19.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting, Eric M. Newman, 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273 (704) 527-2675; the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**

**OUTLET AND FRANCHISEE INFORMATION**

**Systemwide Outlet Summary  
For the Years 2009 to 2011**

| Outlet Type      | Year | Outlets at the Start of the Year | Outlets at the End of the Year <sup>1</sup> | Net Changes |
|------------------|------|----------------------------------|---|-------------|
| Franchise-Owned  | 2009 | 270                              | 292   | +22         |
|                  | 2010 | 292                              | 297   | +5          |
|                  | 2011 | 297                              | 310   | +13         |
| Company-Operated | 2009 | 154                              | 163   | +9          |
|                  | 2010 | 163                              | 186   | +23         |
|                  | 2011 | 186                              | 196   | +10         |
| Total Outlets    | 2009 | 424                              | 455   | +31         |
|                  | 2010 | 455                              | 483   | +28         |
|                  | 2011 | 483                              | 506   | +23         |

**Transfers of Outlets From Franchisees to New Owners (other than the Franchisor)  
For Years 2009 to 2011<sup>2</sup>**

| State                | Year | Number of Transfers |
|----------------------|------|---------------------|
| Alabama              | 2009 | 0                   |
|                      | 2010 | 0                   |
|                      | 2011 | 0                   |
| Arkansas             | 2009 | 0                   |
|                      | 2010 | 0                   |
|                      | 2011 | 0                   |
| District of Columbia | 2009 | 0                   |
|                      | 2010 | 0                   |
|                      | 2011 | 0                   |
| Florida              | 2009 | 0                   |
|                      | 2010 | 0                   |
|                      | 2011 | 0                   |
| Georgia              | 2009 | 1                   |
|                      | 2010 | 1                   |
|                      | 2011 | 0                   |

| <b>State</b>          | <b>Year</b> | <b>Number of Transfers</b> |
|-----------------------|-------------|----------------------------|
| <b>Maryland</b>       | 2009        | 0                          |
|                       | 2010        | 0                          |
|                       | 2011        | 0                          |
| <b>Mississippi</b>    | 2009        | 0                          |
|                       | 2010        | 0                          |
|                       | 2011        | 0                          |
| <b>New Jersey</b>     | 2009        | 0                          |
|                       | 2010        | 0                          |
|                       | 2011        | 0                          |
| <b>New York</b>       | 2009        | 0                          |
|                       | 2010        | 0                          |
|                       | 2011        | 0                          |
| <b>North Carolina</b> | 2009        | 1                          |
|                       | 2010        | 0                          |
|                       | 2011        | 0                          |
| <b>Pennsylvania</b>   | 2009        | 0                          |
|                       | 2010        | 0                          |
|                       | 2011        | 0                          |
| <b>South Carolina</b> | 2009        | 0                          |
|                       | 2010        | 0                          |
|                       | 2011        | 0                          |
| <b>Tennessee</b>      | 2009        | 0                          |
|                       | 2010        | 0                          |
|                       | 2011        | 0                          |
| <b>Virginia</b>       | 2009        | 0                          |
|                       | 2010        | 2                          |
|                       | 2011        | 0                          |
| <b>Total</b>          | 2009        | 2                          |
|                       | 2010        | 3                          |
|                       | 2011        | 0                          |

**Status of Franchise Outlets  
For Years 2009 to 2011<sup>2</sup>**

| State                | Year | Outlets at Start of the Year | Outlets Opened | Terminations | Non-Renewals | Reacquired By Franchisor | Ceased Operation other reasons | Outlets at End of the Year |
|----------------------|------|------------------------------|----------------|--------------|--------------|--------------------------|--------------------------------|----------------------------|
| Alabama              | 2009 | 5                            | 2              | 0            | 0            | 0                        | 0                              | 7                          |
|                      | 2010 | 7                            | 1              | 0            | 0            | 0                        | 0                              | 8                          |
|                      | 2011 | 8                            | 1              | 0            | 0            | 0                        | 0                              | 9                          |
| District of Columbia | 2009 | 0                            | 0              | 0            | 0            | 0                        | 0                              | 0                          |
|                      | 2010 | 0                            | 0              | 0            | 0            | 0                        | 0                              | 0                          |
|                      | 2011 | 0                            | 1              | 0            | 0            | 0                        | 0                              | 1                          |
| Florida              | 2009 | 4                            | 1              | 0            | 0            | 0                        | 0                              | 5                          |
|                      | 2010 | 5                            | 2              | 0            | 0            | 0                        | 0                              | 7                          |
|                      | 2011 | 7                            | 2              | 0            | 0            | 0                        | 0                              | 9                          |
| Georgia              | 2009 | 31                           | 3              | 1            | 1            | 0                        | 0                              | 32                         |
|                      | 2010 | 32                           | 1              | 0            | 0            | 0                        | 0                              | 33                         |
|                      | 2011 | 33                           | 2              | 0            | 0            | 0                        | 0                              | 35                         |
| Mississippi          | 2009 | 0                            | 0              | 0            | 0            | 0                        | 0                              | 0                          |
|                      | 2010 | 0                            | 1              | 0            | 0            | 0                        | 0                              | 1                          |
|                      | 2011 | 1                            | 0              | 0            | 0            | 0                        | 0                              | 1                          |
| New York             | 2009 | 1                            | 0              | 0            | 0            | 0                        | 1                              | 0                          |
|                      | 2010 | 0                            | 0              | 0            | 0            | 0                        | 0                              | 0                          |
|                      | 2011 | 0                            | 0              | 0            | 0            | 0                        | 0                              | 0                          |
| North Carolina       | 2009 | 137                          | 7              | 0            | 0            | 0                        | 0                              | 144                        |
|                      | 2010 | 144                          | 7              | 0            | 0            | 17                       | 1                              | 133                        |
|                      | 2011 | 133                          | 6              | 0            | 2            | 0                        | 1                              | 136                        |
| Pennsylvania         | 2009 | 1                            | 0              | 0            | 0            | 0                        | 0                              | 1                          |
|                      | 2010 | 1                            | 0              | 0            | 0            | 0                        | 0                              | 1                          |
|                      | 2011 | 1                            | 0              | 0            | 0            | 0                        | 0                              | 1                          |
| South Carolina       | 2009 | 47                           | 4              | 0            | 0            | 0                        | 1                              | 50                         |
|                      | 2010 | 50                           | 8              | 0            | 0            | 0                        | 0                              | 58                         |
|                      | 2011 | 58                           | 2              | 0            | 0            | 0                        | 1                              | 59                         |
| Tennessee            | 2009 | 16                           | 3              | 0            | 0            | 0                        | 0                              | 19                         |
|                      | 2010 | 19                           | 0              | 0            | 0            | 0                        | 0                              | 19                         |
|                      | 2011 | 19                           | 0              | 0            | 0            | 0                        | 0                              | 19                         |
| Virginia             | 2009 | 28                           | 8              | 0            | 2            | 0                        | 0                              | 34                         |
|                      | 2010 | 34                           | 4              | 0            | 0            | 0                        | 1                              | 37                         |
|                      | 2011 | 37                           | 3              | 0            | 0            | 0                        | 0                              | 40                         |
| Total                | 2009 | 270                          | 28             | 1            | 3            | 0                        | 2                              | 292                        |
|                      | 2010 | 292                          | 24             | 0            | 0            | 17                       | 2                              | 297                        |
|                      | 2011 | 297                          | 17             | 0            | 2            | 0                        | 2                              | 310                        |

**Status of Company-Operated Outlets  
For Years 2009 to 2011<sup>2</sup>**

| State          | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|----------------|------|------------------------------|----------------|------------------------------------|----------------|----------------------------|----------------------------|
| Alabama        | 2009 | 0                            | 2              | 0                                  | 0              | 0                          | 2                          |
|                | 2010 | 2                            | 3              | 0                                  | 0              | 0                          | 5                          |
|                | 2011 | 5                            | 3              | 0                                  | 0              | 0                          | 8                          |
| Georgia        | 2009 | 6                            | 2              | 0                                  | 0              | 1                          | 7                          |
|                | 2010 | 7                            | 0              | 0                                  | 1              | 0                          | 6                          |
|                | 2011 | 6                            | 1              | 0                                  | 0              | 0                          | 7                          |
| Maryland       | 2009 | 5                            | 0              | 0                                  | 0              | 0                          | 5                          |
|                | 2010 | 5                            | 0              | 0                                  | 0              | 0                          | 5                          |
|                | 2011 | 5                            | 0              | 0                                  | 0              | 0                          | 5                          |
| North Carolina | 2009 | 103                          | 2              | 0                                  | 1              | 1                          | 103                        |
|                | 2010 | 103                          | 6              | 17                                 | 1              | 0                          | 125                        |
|                | 2011 | 125                          | 6              | 0                                  | 2              | 0                          | 129                        |
| South Carolina | 2009 | 40                           | 6              | 0                                  | 0              | 0                          | 46                         |
|                | 2010 | 46                           | 4              | 2                                  | 1              | 6                          | 45                         |
|                | 2011 | 45                           | 2              | 0                                  | 0              | 0                          | 47                         |
| Total          | 2009 | 154                          | 12             | 0                                  | 1              | 2                          | 163                        |
|                | 2010 | 163                          | 13             | 19                                 | 3              | 6                          | 186                        |
|                | 2011 | 186                          | 12             | 0                                  | 2              | 0                          | 196                        |

**Projected Openings as of December 25, 2011**

| State          | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchise Outlet In The Next Fiscal Year | Projected Company-Operated Outlet In The Next Fiscal Year |
|----------------|---|--|---|
| Alabama        | 1   | 2  | 3   |
| Georgia        | 1   | 5  | 2   |
| Florida        | 0   | 1  | 0   |
| Mississippi    | 0   | 1  | 0   |
| North Carolina | 1   | 7  | 6   |
| South Carolina | 1   | 4  | 3   |
| Tennessee      | 1   | 4  | 0   |
| Virginia       | 1   | 1  | 1   |
| Washington, DC | 0   | 0  | 0   |
| Total          | 6   | 25   | 15  |

1. International outlets are not included in Item 20.
2. Franchisees that are under common control with us are treated as company-operated outlets rather than franchise-owned outlets in these tables.

The names of all current operational franchisees and the address and telephone number of each of their restaurants as of August 10, 2012.

**FRANCHISEE**

**RESTAURANT ADDRESSES**

| <b>ALABAMA</b>  |  |
|---|--|
| <p>Jax's Alabama Bo<br/>15105 John J. Delaney Drive<br/>Charlotte, NC 28277<br/>(704) 243-1730</p>    | <p>1821 Cherokee Avenue, N.W.<br/>Cullman, AL 35055<br/>(256) 775-0377</p>   |
| <p>New Generation Foods, LLC<br/>13195 Saint Andrew Drive<br/>Athens, AL 35611<br/>(800) 313-5738</p> | <p>1316 Highway 72 East<br/>Athens, AL 35611<br/>(256) 216-9373</p> <p>109 South Cox Creek Parkway<br/>Florence, AL 35630<br/>(256) 765-7100</p> <p>4323 University Drive<br/>Huntsville, AL 35816<br/>(256) 895-3317</p> <p>5015 N. Memorial Parkway<br/>Huntsville, AL 35810<br/>(256) 852-5700</p> <p>11375 South Memorial Parkway<br/>Huntsville, AL 35803<br/>(256) 881-6469</p> <p>401 W. Avalon Avenue<br/>Muscle Shoals, AL 35661<br/>(256) 381-8777</p> <p>13810 Highway 43<br/>Russellville, AL 35653<br/>(256) 332-8787</p> |
| <p>Winco, LLC<br/>2330 Montgomery Highway<br/>Dothan, AL 36303<br/>(334) 673-0797</p>                 | <p>25 South Daleville Avenue<br/>Daleville, AL 36322<br/>(334) 598-1109</p> <p>2794 Ross Clark Circle<br/>Dothan, AL 36301<br/>(334) 699-6828</p> <p>901 East Lee Street<br/>Enterprise, AL 36330<br/>(334) 475-3206</p>   |

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|---|---|
| <b>DISTRICT OF COLUMBIA</b>   |   |
| F.D.Y., Inc.<br>3401 St. Vardell Lane, Suite B<br>Charlotte, NC 28217<br>(704) 523-6605       | Union Station Food Court<br>50 Massachusetts Avenue, N.E.<br>Washington, DC 20002<br>(202) 216-9481   |
| <b>FLORIDA</b>  |   |
| 7 Bo of Central Florida, LLC<br>1350 City View Center<br>Oviedo, FL 32765<br>(407) 558-2140   | 11291 E. Colonial Drive<br>Orlando, FL 32817<br>(407) 412-6950<br><br>285 West Mitchell Hammock Road<br>Oviedo, FL 32765<br>(407) 542-4990<br><br>234 West State Road 436<br>Altamonte Springs, FL 32714<br>(321) 972-6336<br><br>4590 West State Road 46<br>Sanford, FL 32771<br>(407) 878-2761<br><br>4100 13 <sup>th</sup> Street<br>St. Cloud, FL 34769<br>(407) 593-2901<br><br>3331 Daniels Road<br>Winter Garden, FL 34787<br>(407) 654-7800 |
| Florida Chicken & Biscuits, LLC<br>1300 Tunnel Road<br>Asheville, NC 28805<br>(904) 214-9621  | 492 Blanding Boulevard<br>Orange Park, FL 32073<br>(904) 213-1139<br><br>4463 Deerwood Lake Parkway<br>Jacksonville, FL 32216<br>(904) 564-9449<br><br>13559 Beach Boulevard<br>Jacksonville, FL 32224<br>(904) 992-8203  |
| The Pantry, Inc.<br>P.O. Box 1410<br>1801 Douglas Drive<br>Sanford, NC 27330<br>(919) 774-670 | 8820 W. 103 <sup>rd</sup> Street<br>Jacksonville, FL 32210<br>(904) 777-2567  |
| <b>GEORGIA</b>  |   |
| Acorn Food Group, LLC<br>3994 Amberley Lane<br>Marietta, GA 30143<br>(770) 977-1043           | 1665 Ball Ground Highway<br>Canton, GA 30114<br>(770) 479-0650  |

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|  | 1811 Highway 53 West<br>Jasper, GA 30143<br>(706)253-2442  |
| Bojland Restaurant Group, LLC<br>2288 William Few Parkway<br>Evans, GA 30809<br>(706) 210-8734       | 3412 Mike Padgett Highway<br>Augusta, GA 30906<br>(706) 798-6261<br><br>1826 Washington Road<br>Thomson, GA 30824<br>(706) 597-0990          |
| BOJ of WNC, LLC<br>142 Airport Road, Ste. C.<br>Arden, NC 28704<br>(828) 684-1884                    | 1628 Big A Road<br>Toccoa, GA 30577<br>(706) 282-0033  |
| Bolicious Foods, LLC<br>109 Oakcrest Lane<br>Warner Robins, GA 31088<br>(919) 740-1799               | 495 Booth Road<br>Warner Robins, GA 31088<br>(478) 225-2337  |
| Bo South Tennessee, Inc.<br>4143 Ringgold Road, Suite H<br>Chattanooga, TN 37412<br>(423) 629-0057   | 1253 Cleveland Highway<br>Dalton, GA 30721<br>(706) 266-7975<br><br>2051 Battlefield Parkway<br>Fort Oglethorpe, GA 30742<br>(706) 866-1001  |
| Bo Sunlight Enterprises, Inc.<br>1574 Baytree Road, Apt #11B<br>Valdosta, GA 31600<br>(706) 346-5157 | 1725 W. Hill Avenue<br>Valdosta, GA 31601<br>(229) 242-4202  |
| Bountiful Bo's, Inc.<br>350 Douthit Circle<br>Crandall, GA 30711<br>(706) 264-3066                   | 1119 North 3 <sup>rd</sup> Avenue<br>Chatsworth, GA 30705<br>(706) 264-2590  |
| BST Chicken, LLC<br>214 Shady Valley Drive<br>Carrollton, GA 30116<br>(770) 597-4177                 | 924 Carrollton Villa Rica Highway<br>Villa Rica, GA 30180<br>(770) 459-5624  |
| Calhoun Foods, LLC<br>613 Turner McCall Boulevard, N.E.<br>Rome, GA 30165<br>(706) 232-4484          | 255 Highway 53<br>Calhoun, GA 30701<br>(706) 625-3949  |
| CHKB, LLC<br>10242 Kingston Pike<br>Knoxville, TN 37922<br>(865) 531-0505                            | 5010 Cherokee Street<br>Acworth, GA 30101<br>(770) 974-8365<br><br>1371 Joe Frank Harris Parkway<br>Cartersville, GA 30120<br>(770) 382-8984 |

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|   | <p>708 Martha Berry Boulevard<br/>Rome, GA 30161<br/>(706) 295-2442</p> <p>1383 Redmond Circle<br/>Rome, GA 30165<br/>(706) 236-9545</p> <p>1507 Turner McCall Boulevard<br/>Rome, GA 30161<br/>(706) 235-2442</p> |
| <p>Contentment Foods, LLC<br/>P.O. Box 308<br/>Bostwick, GA 30623<br/>(706) 474-0025</p>                | <p>5156 Highway 278<br/>Covington, GA 30014<br/>(678) 625-7102</p> <p>4092 Atlanta Highway<br/>Loganville, GA 30052<br/>(678) 639-0017</p>   |
| <p>Dabney's, Inc.<br/>317 Oak Crest Drive<br/>Cedartown, GA 30125<br/>(770) 749-0797</p>                | <p>135 North Main Street<br/>Cedartown, GA 30125<br/>(770) 748-4201</p> <p>999 Nathan Dean Parkway<br/>Rockmart, GA 30153<br/>(678) 757-1156</p>   |
| <p>E. O. Enterprises, Inc.<br/>1174 Calhoun Falls Highway<br/>Elberton, GA 30635<br/>(706) 283-4653</p> | <p>123 Elbert Street<br/>Elberton, GA 30635<br/>(706) 283-6593</p> <p>615 Franklin Springs<br/>Royston, GA 30662<br/>(706) 245-9797</p>  |
| <p>Five Magnolias, LLC<br/>P.O. Box 307<br/>Bostwick, GA 30623<br/>(706) 474-0025</p>                   | <p>3993 Atlanta Highway<br/>Bogart, GA 30622<br/>(706) 353-0727</p> <p>1970 Highway 38<br/>Conyers, GA 30013<br/>(678) 413-4997</p>  |
| <p>Gilbo, LLC<br/>22 West Bryan Street, Suite 138<br/>Savannah, GA 31401<br/>(704) 618-5784</p>         | <p>29 West DeRenne Avenue<br/>Savannah, GA 31405<br/>(912) 353-7787</p>  |
| <p>H&amp;H II, Inc.<br/>9135 Roosevelt Highway<br/>Palmetto, GA 30268<br/>(770) 463-3883</p>            | <p>9135 Roosevelt Highway<br/>Palmetto, GA 30268<br/>(770) 463-3883</p>  |
| <p>Hiram Foods, LLC<br/>613 Turner McCall Boulevard, N.E.<br/>Rome, GA 30165<br/>(706) 232-4484</p>     | <p>2017 Lake Road<br/>Hiram, GA 30141<br/>(770) 222-5409</p>   |

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| JML Restaurant Group, Inc.<br>301 North Central Avenue, Suite B<br>Hapeville, GA 30354<br>(404) 456-8537 | 4542 Old Dixie Road, Suite 101<br>Forest Park, GA 30297<br>(404) 968-3202  |
| Northwest Georgia Foods<br>2915 Martha Berry<br>Rome, GA 30161<br>(706) 238-9111                         | 2915 Martha Berry<br>Rome, GA 30161<br>(706) 238-9111  |
| ThreeOne Corporations, LLC<br>110 Sonnys Way<br>Fort Mill, SC 29708<br>(704) 506-2046                    | 1457 Walton Way,<br>Augusta, GA 30904<br>(706) 7221380<br><br>3852 Washington Road<br>Martinez, GA 30907<br>(706) 860-8756<br><br>343 S. Belair Road<br>Augusta, GA 30907<br>(706) 504-4560  |
| Trickum Ops, LLC<br>2076 McKinley Road<br>Atlanta, GA 30318<br>(404) 355-3401                            | 5628 Fulton Industrial Boulevard<br>Atlanta, GA 30336<br>(404) 346-9959<br><br>681 Cobb Parkway North<br>Marietta, GA 30062<br>(770) 422-6222<br><br>885 Thornton Road<br>Lithia Springs, GA 30122<br>(770) 745-9090<br><br>12100 Highway 92<br>Woodstock, GA 30188<br>(770) 516-7507<br><br>5134 Old National Highway<br>College Park, GA 30349<br>(404) 766-1157 |
| <b>NORTH CAROLINA</b>  |  |
| A&D of Greensborough, Inc.<br>1701 U.S. Highway 220 North<br>Stokesdale, NC 27357<br>(336) 269-3456      | 631 S. Van Buren Road<br>Eden, NC 27288<br>(336) 623-6404<br><br>1633 Freeway Drive<br>Reidsville, NC 28320<br>(336) 634-0227<br><br>1701 U.S. Highway 220 North<br>Stokesdale, NC 27357<br>(336) 427-6334   |

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|  | <p>1955 NC Highway 86 North<br/>Yanceyville, NC 27379<br/>(336) 694-1230</p> <p>2006 Barnes Street<br/>Reidsville, NC 27320<br/>(336) 342-2888</p>   |
| <p>Bo-Cherry, Inc.<br/>11247 Creek Point Drive<br/>Matthews, NC 28105<br/>(704) 458-2971</p> | <p>2501 North Tryon Street<br/>Charlotte, NC 28206<br/>(704) 332-2022</p> <p>7047 South Boulevard<br/>Charlotte, NC 28217<br/>(704) 552-9233</p> <p>4121 Statesville Road<br/>Charlotte, NC 28269<br/>(704) 597-6147</p>   |
| <p>BOJ of WNC, LLC<br/>124 Airport Road, Ste. C.<br/>Arden, NC 28704<br/>(828) 684-1884</p>  | <p>1578 Hendersonville Road<br/>Asheville, NC 28803<br/>(828) 277-3820</p> <p>99 Merrimon Avenue<br/>Asheville, NC 28801<br/>(828) 252-2777</p> <p>974 Patton Avenue<br/>Asheville, NC 28806<br/>(828)253-7858</p> <p>1338 Tunnel Road<br/>Asheville, NC 28805<br/>(828) 298-6001</p> <p>65 Veterans Boulevard<br/>Bryson City, NC 28713<br/>(828) 488-0861</p> <p>1507 Smokey Park Highway<br/>Candler, NC 28715<br/>(825) 670-6829</p> <p>734 Champion Drive<br/>Canton, NC 28716<br/>(828) 648-7040</p> <p>127 Sparks Crossing<br/>Forest City, NC 28043<br/>(828) 827-0032</p> |

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|  | <p>917 Georgia Road<br/>Franklin, NC 28734<br/>(828) 524-9600</p> <p>5697 Asheville Highway<br/>Hendersonville, NC 28791<br/>(828) 654-0441</p> <p>1901 Four Seasons Road<br/>Hendersonville, NC 28739<br/>(828) 692-4514</p> <p>1525 North Main Street<br/>Marion, NC 28752<br/>(828) 659-9079</p> <p>64 Wal-Mart Plaza<br/>Sylva, NC 28779<br/>(828) 586-6529</p> <p>1119 Dellwood Road<br/>Waynesville, NC 28786<br/>(828) 454-5584</p> <p>164 Weaver Road<br/>Weaverville, NC 28787<br/>(828) 645-7662</p> |
| <p>Cajun Foods of America, Inc.<br/>P.O. Box 410<br/>Wilkesboro, NC 28697<br/>(336) 838-4000</p>                     | <p>2800 Hickory Boulevard<br/>Hudson, NC 28638<br/>(828) 728-3414</p> <p>3009 North NC Highway 16<br/>Millers Creek, NC 28651<br/>(336) 838-4203</p> <p>1468 Yadkinville Road<br/>Mocksville, NC 27028<br/>(336) 751-1192</p>  |
| <p>Cajun Jack's LLC<br/>P.O. Box 470889<br/>Charlotte, NC 28247<br/>(336) 835-2991</p>                               | <p>1652 NC Highway 67<br/>Jonesville, NC 28642<br/>(336) 835-2991</p>  |
| <p>Charlotte Regional Visitors Authority<br/>501 South College Street<br/>Charlotte, NC 28202<br/>(704) 339-6041</p> | <p>Charlotte Convention Center<br/>501 South College Street<br/>Charlotte, NC 28202<br/>(704) 651-8422</p>   |
| <p>Compass Group USA, Inc.<br/>2400 Yorkmont Road<br/>Charlotte, NC 28217<br/>(704) 328-4000</p>                     | <p>University of North Carolina at Greensboro<br/>1501 Spring Garden Street<br/>Greensboro, NC 27412<br/>(336) 256-0145</p>  |

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|---|---|
| DD-G Enterprises I, LLC<br>6400 Fairview Road<br>Charlotte, NC 28210<br>(704) 364-4957        | 6555 Morrison Boulevard<br>Charlotte, NC 28211<br>(707) 366-4851  |
| F.D.Y., Inc.<br>3401 St. Vardell Lane, Suite B<br>Charlotte, NC 28217<br>(704) 523-6605       | Charlotte Douglas International Airport,<br>Concourse B<br>5501 John Birmingham Parkway<br>Charlotte, NC 28208<br>(704) 359-1106  |
| Food Ventures, Inc.<br>11247 Creek Point Drive<br>Charlotte, NC 28105<br>(704) 458-2971       | Charlotte Transit Center<br>310 East Trade Street, Suite A-150<br>Charlotte, NC 28202<br>(704) 335-1804   |
| Ganesh Properties, Inc.<br>1410 East Church Street<br>Cherryville, NC 28021<br>(704) 435-1166 | 1020 East First Street<br>Cherryville, NC 28021<br>(704) 445-0999   |
| Huffbo, LLC<br>P.O. Box 18<br>North Wilkesboro, NC 28659<br>(336) 838-9014                    | 158 Northview Drive<br>Jefferson, NC 28640<br>(336) 846-3293<br><br>1704 2 <sup>nd</sup> Street<br>North Wilkesboro, NC 28659<br>(336) 838-9004<br><br>624 South State Street<br>Yadkinville, NC 27055<br>(336) 677-3755  |
| Jeniell, LLC<br>8611 Woodmere Crossing Lane<br>Charlotte, NC 28226                            | 356 Whiteville Road<br>Shalotte, NC 28470<br>(910) 755-5501   |
| Pathak, Inc.<br>7006 Spring Hollow Way<br>Charlotte, NC 28277<br>(704) 996-6403               | 127 North Tryon Street<br>Charlotte, NC 28202<br>(704) 374-0270   |
| Randolph Restaurant Group, Inc.<br>P.O. Box 335<br>Sophia, NC 27350<br>(336) 498-2116         | 1040 South Main Street<br>Lexington, NC 27292<br>(336) 224-5192<br><br>411 North Main Street<br>Norwood, NC 28128<br>(704) 474-0495<br><br>983 Highpoint Street<br>Randleman, NC 27317<br>(336) 495-8199<br><br>14629 Highway 64 West<br>Siler City, NC 27344<br>(919) 663-4387 |

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|  | <p>422 Albemarle Road<br/>Troy, NC 27371<br/>(910) 572-8160</p>  |
| <p>Star Enterprises, Inc.<br/>11247 Creek Pointe Drive<br/>Matthews, NC 28105<br/>(704) 394-3655</p> | <p>2929 Freedom Drive<br/>Charlotte, NC 28208<br/>(704) 394-3655</p> <p>1216 Elizabeth Avenue (CPCC)<br/>Charlotte, NC 28204<br/>(704) 444-8252</p> <p>3301 Wilkinson Boulevard<br/>Charlotte, NC 28202<br/>(704) 395-9447</p>   |
| <p>Tands, Inc.<br/>335 North Queen Street<br/>Kinston, NC 28501<br/>(252) 522-0191</p>               | <p>1528 U.S. Highway 13 South<br/>Ahoskie, NC 27910<br/>(252) 332-3488</p> <p>112 NC Highway 102 West<br/>Ayden, NC 28513<br/>(252) 746-1225</p> <p>916 W. Fort Macon Road<br/>Atlantic Beach, NC 28512<br/>(252) 240-3818</p> <p>426 N. Jackson Street<br/>Beulaville, NC 28518<br/>(910) 298-3175</p> <p>1404 Sunset Boulevard<br/>Clinton, NC 28328<br/>(910) 592-6100</p> <p>807 West Ehringhaus Road<br/>Elizabeth City, NC 27909<br/>(252) 333-1069</p> <p>3411 Cooperative Way<br/>Farmville, NC 27828<br/>(252) 753-0004</p> <p>233 NC Highway 111 South<br/>Goldsboro, NC 27534<br/>(919) 778-5751</p> <p>1025 Spence Avenue<br/>Goldsboro, NC 27530<br/>(252) 751-0538</p> |

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|  | <p>2447 U.S. Highway 117 South<br/> Goldsboro, NC 27530<br/> (252) 580-0840</p> <p>801 W. Grantham Street<br/> Goldsboro, NC 27530<br/> (919) 83-9808</p> <p>10765 NC 55 Highway East<br/> Grantsboro, NC 28529<br/> (252) 745-2027</p> <p>2001 Arlington Boulevard<br/> Greenville, NC 27834<br/> (252) 353-1388</p> <p>1632 Farmville Boulevard<br/> Greenville, NC 27834<br/> (252) 757-3456</p> <p>321 Greenville Blvd S.E.<br/> Greenville, NC 27858<br/> (252) 756-1784</p> <p>3210 East 10th Street<br/> Greenville, NC 27858<br/> (252) 758-6517</p> <p>3701 South Memorial Drive<br/> Greenville, NC 27834<br/> (252) 756-0426</p> <p>3775 Martin Luther King, Jr. Hwy<br/> Greenville, NC 27834<br/> (252) 413-0478</p> <p>1001 East Main Street<br/> Havelock, NC 28532<br/> (252) 447-3344</p> <p>620 N. Marine Boulevard<br/> Jacksonville, NC 28540<br/> (910) 346-3012</p> <p>1693 Halltown Road<br/> Jacksonville, NC 28546<br/> (910) 346-7514</p> <p>2149 Lejeune Boulevard<br/> Jacksonville, NC 28540<br/> (910) 353-7771</p> |
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|  | <p>6973 Western Boulevard Extension<br/>         Jacksonville, NC 28540<br/>         (910) 938-9610</p> <p>931 U.S. Highway 70 East<br/>         James City, NC 28560<br/>         (252) 633-6212</p> <p>400 West Vernon Avenue<br/>         Kinston, NC 28501<br/>         (252) 523-1783</p> <p>1028 West New Bern Road<br/>         Kinston, NC 28501<br/>         (252) 527-1664</p> <p>3007 North Heritage Street<br/>         Kinston, NC 28501<br/>         (252) 559-2014</p> <p>7858 U.S. Highway 70 West<br/>         La Grange, NC 28551<br/>         (252) 566-3425</p> <p>4115 Arendell Street<br/>         Morehead City, NC 28557<br/>         (252) 247-4685</p> <p>101 West Nashville Drive<br/>         Nashville, NC 27856<br/>         (252) 459-5600</p> <p>1238 South Glenburnie Road<br/>         New Bern, NC 28560<br/>         (252) 633-1507</p> <p>3770 Martin Luther King Jr. Boulevard<br/>         New Bern, NC 28562<br/>         (252) 514-6610</p> <p>7085 Highway 70 East<br/>         Newport, NC 28570<br/>         (252) 223-3592</p> <p>601 U.S. Highway 64 East<br/>         Plymouth, NC 27962<br/>         (252) 793-3618</p> <p>908 English Road<br/>         Rocky Mount, NC 27804<br/>         (252) 4437402</p> |
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|  | <p>1834 North Raleigh Street<br/>Rocky Mount, NC 27801<br/>(252) 212-5150</p> <p>590 North Wesleyan Boulevard<br/>Rocky Mount, NC 27801<br/>(252) 451-1990</p> <p>800 North Main Street<br/>Robersonville, NC 27871<br/>(252) 795-2946</p> <p>1035 Kingold Boulevard<br/>Snow Hill, NC 28580<br/>(252) 747-4355</p> <p>108 Market Centre Drive<br/>Tarboro, NC 27886<br/>(252) 823-3450</p> <p>380 NC Highway 43<br/>Vanceboro, NC 28586<br/>(252) 244-0269</p> <p>2714 West NC Highway 24<br/>Warsaw, NC 28398<br/>(252) 293-3414</p> <p>1305 Carolina Avenue<br/>Washington, NC 27889<br/>(252) 975-6067</p> <p>401 East Boulevard<br/>Williamston, NC 27892<br/>(252) 792-7444</p> <p>1840 Parkwood Boulevard, W.<br/>Wilson, NC 27893<br/>(252) 237-4928</p> <p>3734 Nash Street North<br/>Wilson, NC 27896<br/>(252) 234-8099</p> <p>5033 Raleigh Road Parkway West<br/>Wilson, NC 27893<br/>(252) 237-0026</p> <p>103 U.S. Highway 13 North<br/>Windsor, NC 27983<br/>(252) 794-2191</p> |
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Tri-Arc Food Systems, Inc.  
901 Jones Franklin Road  
Suite 100  
Raleigh, NC 27606  
(919) 859-1131

1209 Laura Village Drive  
Apex, NC 27502  
(919) 362-1416

1581 E. Williams Street  
Apex, NC 27539  
(919) 362-6796

12355 NC Highway 210  
Benson, NC 27504  
(919) 209-0322

1400 NC 24-87 Highway  
Cameron, NC 28326  
(910) 436-6400

820 East Chatham Street  
Cary, NC 27511  
(919) 467-7030

3023 Winston Hill Drive  
Cary, NC 27513  
(919) 460-9224

11900 U.S. Highway 70 West  
Clayton, NC 27520  
(919) 550-4175

1567 Highway 56  
Creedmoor, NC 27522  
(919) 528-1579

901 East Cumberland Street  
Dunn, NC 28334  
(910) 892-0675

1712 Miami Boulevard  
Durham, NC 27703  
(919) 596-4330

2801 Guess Road  
Durham, NC 27705  
(919) 477-2362

3558 Hillsborough Road  
Durham, NC 27705  
(919) 383-6797

4831 NC Highway 55  
Durham, NC 27713  
(919) 544-7887

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|  | <p>4521 North Roxboro Road<br/>Durham, NC 27704<br/>(919) 471-0581</p> <p>4600 Chapel Hill Boulevard<br/>Durham, NC 27707<br/>(919) 872-5820</p> <p>5425 South Miami Boulevard<br/>Durham, NC 27703<br/>(919) 941-5620</p> <p>176 Stratford Lake Drive<br/>Durham, NC 27713<br/>(919) 237-2378</p> <p>1400 Main Street<br/>Fuquay Varina, NC 27626<br/>(919) 557-0749</p> <p>3920 Jones Sausage Road<br/>Garner, NC 27529<br/>(919) 662-1621</p> <p>5497 NC Highway 42 West<br/>Garner, NC 27529<br/>(919) 773-9116</p> <p>1425 East Andrew Avenue<br/>Henderson, NC 27536<br/>(252) 438-7529</p> <p>1518 Dabney Drive<br/>Henderson, NC 27536<br/>(252) 438-8446</p> <p>330 South Churton Street<br/>Hillsborough, NC 27278<br/>(919) 245-3720</p> <p>7525 U.S. Highway 64 East<br/>Knightdale, NC 27545<br/>(919) 266-2768</p> <p>1536 North Main Street<br/>Lillington, NC 27546<br/>(919) 814-3700</p> <p>12 Golden Leaf Drive<br/>Louisburg, NC 27549<br/>(919) 496-6879</p> |
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|  | <p>1000 Claren Circle<br/>Morrisville, NC 27560<br/>(919) 460-7171</p> <p>1019 Lewis Street<br/>Oxford, NC 27565<br/>(919) 603-0173</p> <p>502 North Pearl Street<br/>Princeton, NC 27569<br/>(919) 936-0385</p> <p>1013 New Bern Avenue<br/>Raleigh, NC 27601<br/>(919) 821-3735</p> <p>2620 Atlantic Avenue<br/>Raleigh NC 27604<br/>(919) 546-9701</p> <p>3301 South Wilmington Street<br/>Raleigh, NC 27603<br/>(919) 772-4512</p> <p>3808 Western Boulevard<br/>Raleigh, NC 27606<br/>(919) 664-8613</p> <p>4405 Falls of the Neuse Road<br/>Raleigh, NC 27609<br/>(919) 876-7363</p> <p>4621 New Bern Avenue<br/>Raleigh, NC 27610<br/>(919) 231-9028</p> <p>5409 Capital Boulevard<br/>Raleigh, NC 27604<br/>(919) 872-5820</p> <p>8680 Glennwood Avenue<br/>Raleigh, NC 27612<br/>(919) 277-0600</p> <p>10610 Durant Road<br/>Raleigh, NC 27614<br/>(919) 870-8002</p> <p>900 South Main Street<br/>Rolesville, NC 27571<br/>(919) 453-6243</p> |
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|   | <p>505 Madison Boulevard<br/>Roxboro, NC 27573<br/>(919) 597-9957</p> <p>773 South Horner Boulevard<br/>Sanford, NC 27330<br/>(919) 776-7613</p> <p>U.S. Highway 70-A, I-95<br/>Selma, NC 27576<br/>(919) 965-6890</p> <p>12109 Cloverleaf Drive<br/>Wake Forest, NC 27587<br/>(919) 554-2243</p> <p>1513 N. Arendell Avenue<br/>Zebulon, NC 27597<br/>(919) 404-2272</p> |
| <p>Wilco Food Services Company, Inc.<br/>5446 University Parkway<br/>Winston-Salem, NC 27105<br/>(800) 642-0945</p> | <p>985 Peeler Road<br/>Salisbury, NC 28144<br/>(704) 647-0100</p> <p>5150 NC Highway 89 East<br/>Walnut Cove, NC 27052<br/>(336) 591-1060</p>   |
| <b>MISSISSIPPI</b>  |   |
| <p>Bo-J of MS, LLC<br/>583 Poorhouse Road East<br/>Starkville, MS 39759<br/>(662) 323-7918</p>                      | <p>500 Highway 12 East<br/>Starkville, MS 39759<br/>(662) 320-2080</p> <p>1612 Highway 45 North<br/>Columbus, MS 39705<br/>(662) 541-7010</p>   |
| <b>PENNSYLVANIA</b>   |   |
| <p>Emmer, Inc.<br/>2470 Midpine Drive<br/>York, PA 17404<br/>(717) 764-0880</p>                                     | <p>3215 North 5th Street<br/>Reading, PA 19605<br/>(610) 929-8033</p>   |
| <b>SOUTH CAROLINA</b>   |   |
| <p>Drive-In USA, LLC<br/>78 Ashley Point Road, Suite 300<br/>Charleston, SC 29407<br/>(843) 795-6910</p>            | <p>2941 W. Montaque Avenue<br/>N. Charleston, SC 29418<br/>(843) 554-7422</p>   |
| <p>Bo Benton, Inc.<br/>P.O. Box 797<br/>Conway, SC 29528<br/>(843) 222-6698</p>                                     | <p>1766 Highway 544<br/>Conway, SC 29526<br/>(843) 349-7000</p>   |

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|  | <p>91 Highway 57<br/>Little River, SC 29556<br/>(843) 399-2860</p> <p>12005 Highway 707<br/>Murrells Inlet, SC 29576</p> <p>3710 Renee Drive<br/>Myrtle Beach, SC 29579<br/>(843) 347-7100</p> <p>10594 North Kings Road<br/>Myrtle Beach, SC 29572<br/>(843) 449-9493</p> <p>1957 10th Avenue<br/>Myrtle Beach, SC 29575<br/>(843) 839-8880</p> <p>104 Loyola Drive<br/>Surfside, SC 29588<br/>(843) 650-8880</p> |
| <p>Bo Brothers, Inc.<br/>P.O. Box 205<br/>Turbeville, SC 29162<br/>(843) 659-2200</p>                    | <p>5262 Turbeville Highway<br/>Turbeville, SC 29162<br/>(843) 659-2200</p>   |
| <p>Bojland Restaurant Group, LLC<br/>2288 William Few Parkway<br/>Evans, GA 30809<br/>(706) 210-8734</p> | <p>1014 Edgefield Road<br/>North Augusta, SC 29841<br/>(803) 441-3957</p>  |
| <p>BOJ of WNC, LLC<br/>124 Airport Road, Ste. C.<br/>Arden, NC 28704<br/>(828) 684-1884</p>              | <p>4004 Boiling Springs Road<br/>Boiling Springs, SC 29316<br/>(864) 814-4150</p> <p>1011 By-Pass 123<br/>Seneca, SC 29678<br/>(864) 888-4032</p> <p>1759 J. A. Cochran Bypass<br/>Chester, SC 29706<br/>(803) 581-8120</p> <p>6505 Calhoun Memorial Highway<br/>Easley, SC 29640<br/>(864) 859-7545</p> <p>102 Dorman Center Drive<br/>Spartanburg, SC 29301<br/>(864) 595-8392</p>                               |

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|  | <p>1792 Highway 14 East<br/>Landrum, SC 29356<br/>(864) 457-2207</p> <p>534 Rice Avenue<br/>Union, SC 29379<br/>(864) 427-4046</p> <p>605 Ann Street,<br/>Pickens, SC 29671<br/>(864) 878-4311</p>  |
| <p>Calhoun Oil Co., Inc.<br/>P.O. Box 433, Highway 6<br/>St. Matthews, SC 29135<br/>(803) 874-3681</p> | <p>110 Chestnut Street<br/>Orangeburg, SC 29115<br/>(803) 516-9002</p> <p>9044 Old St. Matthews Road<br/>Santee, SC 29142<br/>(803) 854-0285</p>  |
| <p>CampBo Corporation<br/>301 East Boulevard<br/>Chesterfield, SC 29709<br/>(803) 623-6281</p>         | <p>1114 Cottingham Boulevard<br/>Bennettsville, SC 29512<br/>(843) 479-1500</p> <p>605 South Hampton Street<br/>Kershaw, SC 29067<br/>(803) 475-7000</p> <p>608 East McGregor Street<br/>Pageland, SC 29728<br/>(843) 672-7500</p> <p>1202 West Boulevard<br/>Chesterfield, SC 29709<br/>(843) 623-5999</p> |
| <p>Chix and Bix, LLC<br/>160 Congress Boulevard, Suite C<br/>Duncan, SC 29334<br/>(864) 433-0345</p>   | <p>1388 East Main Street<br/>Duncan, SC 29334<br/>(864) 433-8718</p> <p>2545 Pleasantburg Drive<br/>Greenville, SC 29609<br/>(864) 271-0335</p> <p>12227 Greenville Highway<br/>Lyman, SC 29365<br/>(864) 439-1364</p>  |
| <p>Coastal Operations, LLC<br/>614 Ott Road<br/>Columbia, SC 29201<br/>(803) 929-1109</p>              | <p>3021 Charleston Highway<br/>Cayce, SC 29171<br/>(803) 926-5535</p> <p>937 Bluff Road<br/>Columbia, SC 29201<br/>(803) 256-6002</p>   |

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| <p>Drive-In USA, LLC<br/> 78 Ashley Point Road, Suite 300<br/> Charleston, SC 29407<br/> (843) 795-6910</p> | <p>2514 Clements Ferry Road<br/> Wando, SC 29492<br/> (843) 849-7857</p>   |
| <p>E. O. Enterprises, Inc.<br/> 1174 Calhoun Falls Highway<br/> Elberton, GA 30635<br/> (706) 283-4653</p>  | <p>2102 North Main Street<br/> Anderson, SC 29621<br/> (864) 225-3067</p>  |
| <p>FDY Tower, LLC<br/> 3401 St. Vardell Lane, Suite B<br/> Charlotte, NC 28217<br/> (704) 523-6605</p>      | <p>102 Canoy Lane<br/> Clemson, SC 29631<br/> (864) 654-8135</p>   |
| <p>Frazier Service Company, LLC<br/> 1961 White Oak Road<br/> Camden, SC 29020<br/> (803) 713-9130</p>      | <p>60 East DeKalb Street<br/> Camden, SC 29020<br/> (803) 713-9130</p> <p>497 Highway 601 South<br/> Lugoff, SC 29078<br/> (803) 408-6718</p>  |
| <p>FrielCo, LLC<br/> 5510 Providence Glen Road<br/> Charlotte, NC 28270<br/> (704) 771-9059</p>             | <p>3229 Lancaster Highway<br/> Richburg, SC 29729<br/> (803) 789-5573</p> <p>946 East Liberty Street<br/> York, SC 29745<br/> (803) 684-0074</p>   |
| <p>Jax's Bo, LLC<br/> 15105 John J. Delaney Drive<br/> Charlotte, NC 28277<br/> (704) 243-1730</p>          | <p>109 Robert Smalls Parkway<br/> Beaufort, SC 29906<br/> (843) 379-3002</p>   |
| <p>Jeniell, LLC<br/> 8611 Woodmere Crossing Lane<br/> Charlotte, NC 28226<br/> (704) 345-8779</p>           | <p>2700 Highway 501 East<br/> Aynor, SC 29511<br/> (843) 358-3060</p> <p>1524 S. Main Street<br/> Darlington, SC 29532<br/> (843) 393-3500</p> <p>405 North 2<sup>nd</sup> Avenue<br/> Dillon, SC 29536<br/> (843) 841-1614</p> <p>846 South Irby Street<br/> Florence, SC 29502<br/> (843) 665-8416</p> <p>1224 Celebration Boulevard<br/> Florence, SC 29501<br/> (843) 676-1091</p> |

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|  | <p>3113 East Palmetto Street<br/>Florence, SC 29506<br/>(843) 669-9300</p> <p>1125 South 4<sup>th</sup> Street<br/>Hartsville, SC 29550<br/>(843) 339-9097</p> <p>700 US Highway 52<br/>Lake City, SC 29560<br/>(843) 374-1088</p> <p>4207 Main Street<br/>Loris, SC 29569<br/>(843) 716-2700</p>  |
| <p>K-Bo, Inc.<br/>67 Broad Street<br/>1<sup>st</sup> Floor<br/>Charleston, SC 28281<br/>(843) 614-4425</p> | <p>2508 Ashley Phosphate Road<br/>Charleston, SC 29418<br/>(843) 797-1081</p> <p>740 Folly Road<br/>Charleston, SC 29412<br/>(843) 795-8323</p> <p>1313 Sam Rittenburg Lane<br/>Charleston, SC 29407<br/>(843) 763-0777</p> <p>431 A-1/2 Saint James Avenue<br/>Goose Creek, SC 29445<br/>(843) 553-9237</p> <p>121 Main Road<br/>Johns Island, SC 29455<br/>(843) 766- 3033</p> <p>1644 North Highway 17<br/>Mount Pleasant, SC 29464<br/>(843) 216-1398</p> <p>1221 North Main Street<br/>Summerville, SC 29483<br/>(843) 821-9793</p> |
| <p>R-Mac Food, LLC<br/>5566 Marsh Road<br/>Fayetteville, NC 28306<br/>(910) 977-5208</p>                   | <p>881 Chesterfield Highway<br/>Cheraw, SC 29520<br/>(843) 537-1636</p>  |
| <p>T.B. Foods, Inc.<br/>2530 Main Street<br/>Elgin, SC 29045<br/>(803) 438-1098</p>                        | <p>2530 Main Street<br/>Elgin, SC 29045<br/>(803) 438-1098</p>   |

| <b>TENNESSEE</b>  |   |
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| Bear Group, Inc.<br>1526 Old Newport Highway<br>Sevierville, TN 37862<br>(865) 908-7888                           | 301 Market Drive<br>Lenoir City, TN 37771<br>(865) 986-9533   |
| Bo's Hospitality Group, LLC<br>1103 Russell Street<br>Jasper, TN 37347<br>(423) 368-3655                          | 1888 South Congress Parkway<br>Athens, TN 37303<br>(423) 477-5292   |
| Bo South Tennessee, Inc.<br>4143 Ringgold Road, Suite H, P.O. Box 9395<br>Chattanooga, TN 37412<br>(423) 629-0057 | 1803 East 23 <sup>rd</sup> Street<br>Chattanooga, TN 37404<br>(423) 622-7661<br><br>4701 Hixson Pike<br>Chattanooga, TN 37343<br>(423) 877-7718<br><br>1410 25 <sup>th</sup> Street<br>Cleveland, TN 37321<br>(423) 472-2602<br><br>4152 Ringgold Road<br>East Ridge, TN 37411<br>(423) 629-1762<br><br>9225 Lee Highway NW<br>Ooltewah, TN 37363<br>(423) 238-5933 |
| Catco Bo Tenn, LLC<br>7907 Pinnacle Wind Lane<br>Lenoir, NC 28645<br>(704) 827-0252                               | 2895 South Church Street<br>Murfreesboro, TN 37127<br>(615) 396-8652<br><br>2263 Memorial Boulevard<br>Murfreesboro, TN 37129<br>(615) 890-1309   |
| Huffbo, LLC<br>P.O. Box 18<br>North Wilkesboro, NC 28659<br>(336) 838-9014  | 505 Lovell Road<br>Knoxville, TN 37932<br>(865) 675-2201<br><br>7505 Oak Ridge Highway<br>Knoxville, TN 37931<br>(865) 766-5383<br><br>1920 W. Emory Road<br>Powell, TN 37849<br>(865) 859-9247<br><br>4035 Parkway<br>Pigeon Forge, TN 37863<br>(865) 286-9534   |

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| <p>Kick 'N Chicken, LLC<br/>3509 Trimble Road<br/>Nashville, TN 37215<br/>(615) 482-4930</p>   | <p>7000-A Charlotte Pike<br/>Nashville, TN 37209<br/>(615) 356-3860</p>  |
| <p>McBoJo, LLC<br/>40 Seminole Street<br/>Asheville, NC 28803<br/>(828) 274-5835</p>   | <p>104 Epley Road<br/>Newport, TN 37821<br/>(423) 623-2052</p>   |
| <p>Trigg Enterprises, LLC<br/>PMB-327<br/>3101 Browns Mill Road #6<br/>Johnson City, TN 37615<br/>(423) 913-9153</p>                                       | <p>1030 Volunteer Parkway<br/>Bristol, TN 37620<br/>(423) 968-7600</p> <p>1009 West Elk Avenue<br/>Elizabethton, TN 37643<br/>(423) 542-3500</p> <p>1709 West State of Franklin Road<br/>Johnson City, TN 37604<br/>(423) 929-2678</p> <p>2200 Weststone Drive<br/>Kingsport, TN 37660<br/>(423) 247-5200</p> <p>1196 East Jackson Boulevard<br/>Jonesborough, TN 37659<br/>(423) 753-0641</p> |
| <p><b>VIRGINIA</b></p>   |  |
| <p>A&amp;D of Greensborough, Inc.<br/>1701 U.S. Highway 220 North<br/>Stokesdale, NC 27357<br/>(336) 269-3456</p>  | <p>1515 Virginia Avenue<br/>Martinsville VA 24112<br/>(276) 632-5830</p>   |
| <p>Arrington Enterprises, Inc.<br/>1035 Franklin Street, Suite 100<br/>Rocky Mount, VA 24151-1249<br/>(540) 483-7754</p>                                   | <p>30 Market Place Drive<br/>Rocky Mount, VA 24151<br/>(540) 483-7697</p> <p>20430 Virgel H. Goode Highway<br/>Rocky Mount, VA 24151<br/>(540) 334-2679</p> <p>49 Lakewatch Center Drive<br/>Moneta, VA 24121<br/>(540) 719-2248</p>   |
| <p>Bo-Tide Holland, Inc.<br/>c/o Perrine Investments<br/>World Trade Center<br/>101 W. Main Street, Suite 345<br/>Norfolk, VA 23510<br/>(757) 961-6336</p> | <p>3541 Holland Road<br/>Virginia Beach, VA 23452<br/>(757) 486-2668</p>   |

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| <p>Bo-Tide Southern, Inc.<br/> c/o Perrine Investments<br/> World Trade Center<br/> 101 W. Main Street, Suite 345<br/> Norfolk, VA 23510<br/> (757) 961-6336</p>                   | <p>7519 Tidewater Drive<br/> Norfolk, VA 23505<br/> (757) 588-3773</p>  |
| <p>Bo of Tidewater, Inc.<br/> 2441 Kerr Drive<br/> Virginia Beach, VA 23454<br/> (757) 426-6540</p>  | <p>5753 Northampton Boulevard<br/> Virginia Beach, VA 23455<br/> (757)460-3883</p>  |
| <p>Bo-Tide Victory, Inc.<br/> c/o Perrine Investments<br/> World Trade Center<br/> 101 W. Main Street, Suite 345<br/> Norfolk, VA 23510<br/> (757) 961-6336</p>                    | <p>3927 Victory Boulevard<br/> Portsmouth, VA 23701<br/> (757) 488-2373</p>   |
| <p>Bo-Tide Bennett's Creek of Suffolk, Inc.<br/> c/o Perrine Investments<br/> World Trade Center<br/> 101 W. Main Street, Suite 345<br/> Norfolk, VA 23510<br/> (757) 961-6336</p> | <p>3605 Bridge Road<br/> Suffolk, VA 23435<br/> (757) 483-8899</p>  |
| <p>Bo-Tide Laskin, Inc.<br/> c/o Perrine Investments<br/> World Trade Center<br/> 101 W. Main Street, Suite 345<br/> Norfolk, VA 23510<br/> (757) 961-6336</p>                     | <p>1948 Laskin Road<br/> Virginia Beach, VA 23666<br/> (757) 491-5001</p>   |
| <p>CB&amp;T Aug, LLC<br/> 7004 Sugar Loaf Court<br/> Charlotte, NC 28210<br/> (252) 619-0280</p>   | <p>3351 Commander Shepard Boulevard<br/> Hampton, VA 23666<br/> (757) 325-8256</p>  |
| <p>Delmarva Bojos, LLC<br/> 22076 Verlinda Landing North<br/> P.O. Box 544<br/> Cape Charles, VA 23310<br/> (757) 695-0044</p>   | <p>13549 Carrollton Boulevard<br/> Carrollton, VA 23314<br/> (757) 238-8188</p> <p>26206 Lankford Highway<br/> Onley, VA 23418<br/> (757) 789-3300</p>  |
| <p>East Coast Quality Foods, LLC<br/> 719 West 15<sup>th</sup> Street, Suite 11<br/> Washington, NC 27889<br/> (252) 945-4901</p>  | <p>1015 West Mercury Boulevard<br/> Hampton, VA 23666<br/> (757) 224-7533</p> <p>12441 Warwick Boulevard<br/> Newport News, VA 23606<br/> (757) 806-6655</p> <p>8017 George Washington Memorial Highway<br/> Yorktown, VA 23692<br/> (757) 890-0503</p> |

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| GoBo, Inc.<br>7401 Wedgestone Court<br>Raleigh, NC 27615<br>(919) 881-4546                    | 7819 Timberlake Road<br>Lynchburg, VA 24502<br>(434) 485-7016   |
| Huffbo, LLC<br>P.O. Box 18<br>North Wilkesboro, NC 28659<br>(336) 838-9014                    | 965 Stuart Drive<br>Galax, VA 24333<br>(276) 238-0400   |
| Mountain Food Services, LLC<br>460 Carter Lodge Road<br>Blairs, VA 24527<br>(434) 836-9018    | 9265 U.S. Highway 29<br>Blairs, VA 24547<br>(434) 836-3500<br><br>1755 Calohan Road<br>Rustburg, VA 24588<br>(434) 821-3344   |
| PW Foods, LLC<br>1428 W. Danville Street<br>South Hill, VA 23970<br>(434) 447-3146            | 931 West Atlantic Street<br>Emporia, VA 23847<br>(804) 336-0446<br><br>1501 South Main Street<br>Farmville, VA 23901<br>(434) 392-3063  |
| Randolph Restaurant Group, Inc.<br>P.O. Box 335<br>Sophia, NC 27350<br>(336) 498-2116         | 210 East Commonwealth Drive<br>Wytheville, VA 24382<br>(276) 223-0050   |
| RoBo, LLC<br>5676 Warwood Drive<br>Roanoke, VA 24018<br>(540) 989-6838                        | 5 Kingston Drive<br>Daleville, VA 24083<br>(504) 966-1440<br><br>1590 West Main Street<br>Salem, VA 24153<br>(276) 745-8161<br><br>900 Hardy Road<br>Vinton, VA 24179<br>(504) 981-1133<br><br>6065 Peterscreek Road<br>Roanoke, VA 24019<br>(540) 204-4292<br><br>4510 Brambleton Avenue<br>Roanoke, VA, 24018<br>(540) 265-7524 |
| Tands, Inc.<br>335 North Queen Street<br>P. O. Box 277<br>Kinston, NC 28501<br>(252) 522-0191 | 3519 Oaklawn Boulevard<br>Hopewell, VA 23860<br>(804) 452-5090  |

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|  | <p>9330 Atlee Road<br/>Mechanicsville, VA 23116<br/>(804) 730-1166</p> <p>3475 S. Crater Road<br/>Petersburg, VA 23803<br/>(804) 732-4443</p> <p>11 S. Laburnum Avenue<br/>Richmond, VA 23223<br/>(804) 222-0883</p>   |
| <p>Tri-Arc Food Systems, Inc.<br/>901 Jones Franklin Road<br/>Suite 100<br/>Raleigh, NC 27606<br/>(919) 859-1131</p> | <p>106 Sandy Court<br/>Danville, VA 24541<br/>(804) 797-4071</p> <p>2190 Phil Pot Road, Highway 58<br/>South Boston, VA 24592<br/>(804) 575-7992</p> <p>1105 East Atlantic Street<br/>South Hill, VA 23970<br/>(804) 447-6910</p> <p>3605 Old Halifax Road<br/>South Boston, VA 24592<br/>(434) 517-0100</p> |
| <p>Trigg Enterprises, LLC<br/>PMB-327<br/>3101 Browns Mill Road #6<br/>Johnson City, TN 37615<br/>(423) 913-9153</p> | <p>1020 Old Airport Road<br/>Bristol, VA 24201<br/>(540) 466-2996</p>  |
| <p>Wilco Food Services Company, Inc.<br/>5446 University Parkway<br/>Winston-Salem, NC 27105<br/>(800) 642-0945</p>  | <p>5740 Virginia Avenue<br/>Bassett, VA 24055<br/>(276) 627-0758</p> <p>7455 Lee Highway<br/>Radford, VA 24141<br/>(540) 639-0753</p> <p>2111 South Main Street<br/>Blacksburg, VA 24060<br/>(540) 953-0702</p>  |
| <p>YoungBo, LLC<br/>633 Red Oak Drive<br/>Kingsport, TN 37663<br/>(423) 239-0134</p>                                 | <p>4400 Cleburne Blvd<br/>Dublin, VA 24084<br/>(540) 674-6794</p>  |

| <b>INTERNATIONAL</b>  |   |
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| <p>Sun Restaurants Corporation<br/>10490 S.W. 140 Road<br/>Miami, FL 33176<br/>(011) 504-455-5256</p> | <p>Coxen Hole<br/>Roatan Bay Island<br/>Honduras<br/>(011) 504-445-1496</p> <p>French Harbour<br/>Roatan Bay Island<br/>Honduras<br/>(011) 504-455-5868</p> |

Bojangles' Restaurants, Inc., our affiliate, owns and franchises from us or operates for others a total of 203 restaurants. Although these Restaurants operate under franchise agreements with us, they are together referred to as "company-operated" Restaurants and are fully listed as of August 10, 2012 as follows:

| <b>ALABAMA</b>  |  |
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| <p>Bojangles' Restaurants, Inc.<br/>9432 Southern Pine Boulevard<br/>Charlotte, NC 28273<br/>(704) 527-2675</p> | <p>1545 Montclair Road<br/>Birmingham, AL 35201<br/>(205) 956-8242</p> <p>15392 Highway 280<br/>Chelsea, AL 35043<br/>(205) 678-0449</p> <p>1061 J D and L Drive, SW<br/>Jacksonville, AL 36265<br/>(256) 782-1227</p> <p>4780 Eastern Valley Road<br/>McCalla, AL 35111<br/>(205) 477-7140</p> <p>3921 McFarland Boulevard<br/>Northport, AL 35476<br/>(205) 333-1450</p> <p>2581 Highway 31, South<br/>Pelham, AL 35124<br/>(205) 663-0633</p> <p>2028 Martin Street, South<br/>Pell City, AL 35125<br/>(205) 338-4172</p> <p>6601 Highway 69 South,<br/>Tuscaloosa, AL 35405<br/>(205) 343-0787</p> |

| <b>GEORGIA</b>  |  |
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| <p>BJ Georgia, LLC<br/>9432 Southern Pine Boulevard<br/>Charlotte, NC 28273<br/>(704) 527-2675</p>                | <p>1235 Jesse Jewel Parkway, SW<br/>Gainesville, GA 30501<br/>(770) 534-0888</p> <p>1470 Lawrenceville Highway<br/>Lawrenceville, GA 30044<br/>(770) 339-1810</p>  |
| <p>Bojangles' Restaurants, Inc.<br/>9432 Southern Pine Boulevard<br/>Charlotte, NC 28273<br/>(704) 527-2675</p>   | <p>4040 Buford Drive<br/>Buford, GA 30518<br/>(770) 945-4349</p> <p>25 Main Street<br/>Dawsonville, GA 30534<br/>(706) 265-0091</p> <p>208 E. Franklin Street<br/>Hartwell, GA 30643<br/>(706) 376-6169</p> <p>268 N. Broad Street<br/>Winder, GA 30680<br/>(678) 963-0876</p>   |
| <b>NORTH CAROLINA</b>   |  |
| <p>BJ Restaurant Development, LLC<br/>9432 Southern Pine Boulevard<br/>Charlotte, NC 28273<br/>(704) 527-2675</p> | <p>7701 Gateway Lane NW<br/>Concord, NC 28027<br/>(704) 9795347</p> <p>2903 Battleground Avenue<br/>Greensboro, NC 27408<br/>(336) 282-0966</p> <p>304 Pisgah Church Road<br/>Greensboro, NC 27455<br/>(336) 545-4019</p> <p>4409 Landover Road<br/>Greensboro, NC 27407<br/>(336) 855-5905</p> <p>2101 Westchester Drive<br/>High Point, NC 27262<br/>(336) 887-2653</p> <p>710 S. Main Street<br/>King, NC 27021<br/>(336) 983-2174</p> <p>418 West Church Street<br/>Richfield, NC 28137<br/>(704) 463-4401</p> |

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|   | <p>310 North Salisbury Avenue<br/>Spencer, NC 28159<br/>(704) 647-0859</p> <p>5195 Walkertown Commons Circle<br/>Walkertown, NC 27051<br/>(336) 595-2767</p> <p>1325 North Broome Street<br/>Waxhaw, NC 28173<br/>(704) 243-1554</p> <p>3652 Reynolda Road<br/>Winston Salem, NC 27106<br/>(336) 924-2400</p>   |
| <p>Bojangles' Restaurants, Inc.<br/>9432 Southern Pine Boulevard<br/>Charlotte, NC 28273<br/>(704) 527-2675</p> | <p>1807 North Sandhill Boulevard<br/>Aberdeen, NC 28315<br/>(910) 692-5050</p> <p>5296 U.S. Highway 158<br/>Advance, NC 27006<br/>(336) 998-9220</p> <p>818 Highway 24-27 Bypass<br/>Albemarle, NC 28001<br/>(704) 983-6868</p> <p>10207 S. Main Street<br/>Archdale, NC 27263<br/>(336) 431-1294</p> <p>553 West Dixie Drive<br/>Asheboro, NC 27205<br/>(336) 626-6500</p> <p>6450 West Wilkinson Boulevard<br/>Belmont, NC 28012<br/>(704) 825-3562</p> <p>515 East Main Street<br/>Biscoe, NC 27209<br/>(910) 428-1101</p> <p>1064 Blowing Rock Road<br/>Boone, NC 28607<br/>(828) 262-1849</p> <p>2403 Maple Avenue<br/>Burlington, NC 27215<br/>(336) 227-8750</p> |

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|  | <p>775 Huffman Mill Road<br/>Burlington, NC 27215<br/>(336) 584-5646</p> <p>4435 The Plaza<br/>Charlotte, NC 28215<br/>(704) 347-1768</p> <p>8521 North Tryon Street<br/>Charlotte, NC 28262<br/>(704) 510-1194</p> <p>8720 Pineville-Matthews Road<br/>Charlotte, NC 28226<br/>(704) 541-0396</p> <p>7735 South Tryon Street<br/>Charlotte, NC 28217<br/>(704)527-1070</p> <p>231 East Woodlawn Road<br/>Charlotte, NC 28217<br/>(704) 523-3678</p> <p>1402 West Trade Street<br/>Charlotte, NC 28216<br/>(704) 334-0458</p> <p>300 West Boulevard<br/>Charlotte, NC 28203<br/>(704) 332-8924</p> <p>4435 Randolph Road<br/>Charlotte, NC 28211<br/>(704) 366-1018</p> <p>3129 Monroe Road<br/>Charlotte, NC 28205<br/>(704) 332-6911</p> <p>5525 East Independence Boulevard<br/>Charlotte, NC 28212<br/>(704) 536-4187</p> <p>5321 Old Dowd Road<br/>Charlotte, NC 28208<br/>(704) 399-5174</p> <p>3510 Mount Holly-Huntersville Road<br/>Charlotte, NC 28216<br/>(704) 398-1101</p> |
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|  | <p>1101 West Sugar Creek Road<br/>Charlotte, NC 28213<br/>(704) 596-5559</p> <p>6915 Albemarle Road<br/>Charlotte, NC 28277<br/>(704) 568-9770</p> <p>9501 Stafford Road<br/>Charlotte, NC 28215<br/>(704) 494-3262</p> <p>5732 Prosperity Church Road<br/>Charlotte, NC 28269<br/>(704) 875-2416</p> <p>1407 East Third Street<br/>Charlotte, NC 28204<br/>(704) 372-2670</p> <p>10329 Mallard Creek Road<br/>Charlotte, NC 28262<br/>(704) 503-4648</p> <p>4322 Sunset Road<br/>Charlotte, NC 28216<br/>(704) 391-1350</p> <p>1432 Lewisville-Clemmons Road<br/>Clemmons, NC 27012<br/>(336) 778-0414</p> <p>374 George Liles Parkway, NW<br/>Concord, NC 28027<br/>(704) 262-9004</p> <p>504 Conover Boulevard<br/>Conover, NC 28613<br/>(828) 465-0362</p> <p>1115 Copperfield Boulevard, NE<br/>Concord, NC 28027<br/>(704) 262-7311</p> <p>3451 U.S. Highway 601 S.<br/>Concord, NC 28027<br/>(704) 782-8603</p> <p>750 Cabarrus Avenue, West<br/>Concord, NC 28025<br/>(704) 788-9131</p> |
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|  | <p>20214 W. Catawba Avenue<br/>Cornelius, NC 38031<br/>(704) 892-2705</p> <p>1017 Dallas Cherryville Highway<br/>Dallas, NC 28034<br/>(704) 922-3526</p> <p>18073 South NC Highway 109<br/>Denton, NC 27239<br/>(336) 859-5118</p> <p>134 South NC 16 Business<br/>Denver, NC 28037<br/>(704) 827-6887</p> <p>324 East Atkins Street<br/>Dobson, NC 27017<br/>(336) 356-2238</p> <p>1901 Owen Drive<br/>Fayetteville, NC 28306<br/>(910) 483-1913</p> <p>4554 Raeford Road<br/>Fayetteville, NC 28304<br/>(910) 424-6515</p> <p>3440 Ramsey Street<br/>Fayetteville, NC 28311<br/>(910) 822-0108</p> <p>7661 South Raeford Road<br/>Fayetteville, NC 28304<br/>(910) 864-6319</p> <p>400 East Garrison Boulevard<br/>Gastonia, NC 28054<br/>(704) 866-8883</p> <p>507 North New Hope Road<br/>Gastonia, NC 28054<br/>(704) 867-9583</p> <p>1657 Bessemer City Road<br/>Gastonia, NC 28052<br/>(704) 865-2644</p> <p>3638 South New Hope Road<br/>Gastonia, NC 28056<br/>(704) 824-7996</p> |
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|  | <p>804 South Main Street<br/>Graham, NC 27253<br/>(336) 226-7008</p> <p>4970 Hickory Boulevard<br/>Granite Falls, NC 28630<br/>(828) 396-4004</p> <p>2011 East Cone Boulevard<br/>Greensboro, NC 27405<br/>(336) 375-0307</p> <p>651 South Regional Road<br/>Greensboro, NC 27409<br/>(336) 812-3542</p> <p>1100 East Bessemer Avenue<br/>Greensboro, NC 27405<br/>(336) 274-6679</p> <p>2315 South Elm-Eugene Street<br/>Greensboro, NC 27406<br/>(336) 272-5607</p> <p>3737 High Point Road<br/>Greensboro, NC 27401<br/>(336) 299-4419</p> <p>3707 Elmsley Square<br/>Greensboro, NC 27395<br/>(336) 273-7616</p> <p>22913 US Highway 17<br/>Hampstead, NC 28443<br/>(910) 329-0707</p> <p>4850 Highway 49 South<br/>Harrisburg, NC 28075<br/>(704) 455-1987</p> <p>317 S. Center Street<br/>Hildebran, NC 28637<br/>(704) 263-4532</p> <p>1160 Lenoir Rhyne Boulevard, S.E.<br/>Hickory, NC 28602<br/>(828) 324-2226</p> <p>1816 12th Avenue N.E.<br/>Hickory, NC 28601<br/>(828) 324-4596</p> |
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|  | <p>2939 North Center Street<br/>Hickory, NC 28601<br/>(828) 322-2441</p> <p>7571 NC Highway 172 North<br/>Hickory, NC 28601<br/>(828) 495-2070</p> <p>2630 North Main Street<br/>High Point, NC 27265<br/>(336) 869-9016</p> <p>2707 South Main Street<br/>High Point, NC 27263<br/>(336) 883-7813</p> <p>3008 North Main Street<br/>Hope Mills, NC 28348<br/>(910) 423-8002</p> <p>325 Huntersville Gateway Boulevard<br/>Huntersville, NC 28070<br/>(704) 948-0079</p> <p>9145 Sam Furr Road<br/>Huntersville, NC 28078<br/>(704) 896-7500</p> <p>13812 Highway 74 East<br/>Indian Trail, NC 28079<br/>(704) 821-3344</p> <p>6550 Old Monroe Road<br/>Indian Trail, NC 28079<br/>(704) 282-2345</p> <p>1301 South Cannon Boulevard<br/>Kannapolis, NC 28083<br/>(704) 932-5415</p> <p>915 Highway 66 South<br/>Kernersville, NC 27284<br/>(336) 993-5800</p> <p>218 Cleveland Avenue<br/>Kings Mountain, NC 28086<br/>(704) 730-0206</p> <p>1226 South Main Street<br/>Laurinburg, NC 28352<br/>(910) 277-9090</p> |
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|  | <p>109 Village Road<br/>Leland, NC 28451<br/>(910) 371-9778</p> <p>302 Blowing Rock Road<br/>Lenoir, NC 28645<br/>(828) 754-0921</p> <p>1601 East Main Street<br/>Lincolnton, NC 28092<br/>(704) 732-9257</p> <p>1718 Main Street, West<br/>Locust, NC 28097<br/>(704) 781-0018</p> <p>2453 Roberts Avenue<br/>Lumberton, NC 28358<br/>(910) 618-0088</p> <p>6503 West Marshville Boulevard<br/>Marshville, NC 28103<br/>704) 624-0433</p> <p>11137 East Independence Boulevard<br/>Matthews, NC 28105<br/>(704) 847-2502</p> <p>1056 Mebane Oak Drive<br/>Mebane, NC 27302<br/>(919) 304-5449</p> <p>9075 Lawyers Road<br/>Mint Hill, NC 28227<br/>(704) 573-0432</p> <p>555 E. Roosevelt Boulevard<br/>Monroe, NC 28112<br/>(704) 289-2193</p> <p>2200 West Roosevelt Boulevard<br/>Monroe, NC 28110<br/>(704) 283-1143</p> <p>275 East Plaza Drive<br/> Mooresville, NC 28115<br/>(704) 664-5558</p> <p>625 River Highway<br/> Mooresville, NC 28117<br/>(704) 799-8008</p> |
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|  | <p>1200 Burkemont Avenue<br/>Morganton, NC 28655<br/>(828) 433-5152</p> <p>900 North Green Street<br/>Morganton, NC 28655<br/>(828) 439-8741</p> <p>688 South Andy Griffith Parkway<br/>Mount Airy, NC 27030<br/>(336) 786-9036</p> <p>116 Fayetteville Road<br/>Raeford, NC 28376<br/>(910) 878-0147</p> <p>1626 E. 10<sup>th</sup> Street<br/>Roanoke Rapids, NC 27870<br/>(252) 308-1875</p> <p>1704 East Broad Street<br/>Rockingham, NC 28379<br/>(910) 997-5288</p> <p>901 East Innes Street<br/>Salisbury, NC 28144<br/>(704) 637-2862</p> <p>1939 West Jake Alexander Boulevard<br/>Salisbury, NC 28147<br/>(704) 633-1268</p> <p>1801 East Dickson Boulevard<br/>Shelby, NC 28152<br/>(704) 480-6580</p> <p>803 West Dixon Boulevard<br/>Shelby, NC 28152<br/>(704) 481-8180</p> <p>541 Highway 27 South<br/>Stanley, NC 28164<br/>(704) 827-6887</p> <p>5160 Southport Supply Road<br/>Southport, NC 28461<br/>(919) 457-9607</p> <p>160 Turnersburg Highway<br/>Statesville, NC 28625<br/>(704) 878-0806</p> |
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|  | <p>1612 East Broad Street<br/>Statesville, NC 28625<br/>(704) 878-2213</p> <p>520 3<sup>rd</sup> Street, SW<br/>Taylorsville, NC 28681<br/>(828) 632-0310</p> <p>1030 Randolph Road<br/>Thomasville, NC 27360<br/>(336) 475-8579</p> <p>1046 Charlotte Highway<br/>Troutman, NC 28166<br/>(704) 528-2140</p> <p>1200 East Caswell Street<br/>Wadesboro, NC 28170<br/>(704) 694-9007</p> <p>6385 Old U.S. Highway 52<br/>Welcome, NC 27295<br/>(336) 731-7509</p> <p>1201 North JK Powell Boulevard<br/>Whiteville, NC 28473<br/>(910) 640-2224</p> <p>6403 Burlington Road<br/>Whitsett, NC 27377<br/>(336) 446-2014</p> <p>513 Curtis Bridge Road<br/>Wilkesboro, NC 28697<br/>(336) 383-8668</p> <p>4015 Market Street<br/>Wilmington, NC 28403<br/>(910) 762-0202</p> <p>7155 Market Street<br/>Wilmington, NC 28411<br/>(910) 686-5881</p> <p>520 South College Road<br/>Wilmington, NC 28403<br/>(910) 395-0262</p> <p>5513 Carolina Beach Road<br/>Wilmington, NC 28412<br/>(910) 452-3998</p> |
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|   | <p>585 Northwest Boulevard<br/>Winston Salem, NC 27105<br/>(336) 722-4282</p> <p>623 Waughtown Street<br/>Winston Salem, NC 27107<br/>(336) 788-2050</p> <p>1475 New Walkertown Road<br/>Winston Salem, NC 27101<br/>(336) 724-7772</p> <p>3411 Olivers Crossing Drive<br/>Winston Salem, NC 27127<br/>(336) 784-5559</p> <p>1535 Peters Creek Parkway<br/>Winston Salem, NC 27103<br/>(336) 724-9746</p> <p>1614 South Stratford Road<br/>Winston Salem, NC 27104<br/>(336) 765-1983</p> <p>3300 North Patterson Avenue<br/>Winston Salem, NC 27105<br/>(336) 724-2556</p> <p>5918 University Parkway<br/>Winston Salem, NC 27105<br/>(336) 377-9908</p> |
| <b>SOUTH CAROLINA</b>   |   |
| <p>BJ Restaurant Development, LLC<br/>9432 Southern Pine Boulevard<br/>Charlotte, NC 28273<br/>(704) 527-2675</p> | <p>2886 Highway 160, West<br/>Fort Mill, SC 29708<br/>(803) 547-9843</p> <p>1217 Woodruff Road<br/>Greenville, SC 29607<br/>(864) 281-0813</p> <p>493 Herlong Avenue<br/>Rock Hill, SC 29732<br/>(803) 817-1717</p> <p>135 South End Circle<br/>Travelers Rest, SC 29690<br/>(864) 834-1830</p>   |
| <p>Bojangles' Restaurants, Inc.<br/>9432 Southern Pine Boulevard<br/>Charlotte, NC 28273<br/>(704) 527-2675</p>   | <p>2041 E. Greenville Street<br/>Anderson, SC 29621<br/>(864) 226-3899</p>  |

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|  | <p>145 E. Columbia Avenue<br/>Batesburg, SC 29070<br/>(803) 532-9002</p> <p>230 Blythewood Road<br/>Blythewood, SC 29715<br/>(803) 691-0305</p> <p>566 Columbia Avenue<br/>Chapin, SC 29036<br/>(803) 932-2502</p> <p>310 Springdale Drive<br/>Clinton, SC 29325<br/>(864) 938-1082</p> <p>4927 Charlotte Highway<br/>Clover, SC 29710<br/>(803) 831-9346</p> <p>91 Clemson Road<br/>Columbia, SC 29229<br/>(803) 699-8761</p> <p>2800 Clemson Road<br/>Columbia, SC 29229<br/>(803) 865-3076</p> <p>7756 Garners Ferry Road<br/>Columbia, SC 29209<br/>(803) 776-7994</p> <p>151 Harbison Boulevard<br/>Columbia, SC 29212<br/>(803) 732-7883</p> <p>930 Elmwood Avenue<br/>Columbia, SC 29201<br/>(803) 779-5082</p> <p>2423 Broad River Road<br/>Columbia, SC 29210<br/>(803) 731-4977</p> <p>8710 Farrow Road<br/>Columbia, SC 29203<br/>(803) 419-6994</p> <p>5260 Forest Drive<br/>Columbia, SC 29206<br/>(803) 782-2360</p> |
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|  | <p>4301 Fort Jackson Boulevard<br/>Columbia, SC 29205<br/>(803) 787-9843</p> <p>7385 Two Notch Road<br/>Columbia, SC 29223<br/>(803) 788-9682</p> <p>1615 Church Street<br/>Conway, SC 29526<br/>(843) 248-5481</p> <p>3418 Highway 21<br/>Fort Mill, SC 29715<br/>(803) 548-2248</p> <p>1705 Floyd Baker Boulevard<br/>Gaffney, SC 29341<br/>(864) 488-0094</p> <p>1107 Faris Road<br/>Greenville, SC 29605<br/>(864) 220-0560</p> <p>2405 Laurens Road<br/>Greenville, SC 29607<br/>(864) 297-4193</p> <p>3645 Pelham Road<br/>Greenville, SC 29615<br/>(864) 987-0008</p> <p>573 By-Pass 72 NW<br/>Greenwood, SC 29649<br/>(864) 943-4388</p> <p>1127 Bypass Avenue<br/>Greenwood, SC 29649<br/>(864) 227-1941</p> <p>1204 West Wade Hampton Boulevard<br/>Greer, SC 29650<br/>(864) 877-2252</p> <p>9785 Charlotte Highway<br/>Indian Land, SC 29707<br/>(803) 547-5201</p> <p>11304 Asheville Highway<br/>Inman, SC 29349<br/>(864) 473-1130</p> |
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|  | <p>1205 North Main Street<br/>Lancaster, SC 29720<br/>(803) 286-8959</p> <p>304 Hillcrest Drive<br/>Laurens, SC 29360<br/>(864) 983-1096</p> <p>461 Columbia Avenue<br/>Lexington, SC 29072<br/>(803) 957-2464</p> <p>1045 South Lake Drive<br/>Lexington, SC 29073<br/>(803) 356-8699</p> <p>2004 Paxville Highway<br/>Manning, SC 29102<br/>(803) 433-0014</p> <p>444 North Highway 52<br/>Moncks Corner, SC 29461<br/>(843) 899-1176</p> <p>2980 Main Street<br/>Newberry, SC 29108<br/>(803) 321-0110</p> <p>7475 Augusta Road<br/>Piedmont, SC 29673<br/>(205) 663-0633</p> <p>2 Kalyns Way<br/>Piedmont, SC 29673<br/>(864) 295-8585</p> <p>6163 Highway 221<br/>Roebuck, SC 29376<br/>(864) 547-9563</p> <p>1278 East Main Street<br/>Rock Hill, SC 29730<br/>(803) 329-2743</p> <p>2382 Cherry Road<br/>Rock Hill, SC 29732<br/>(803) 366-8623</p> <p>1800 Asheville Highway<br/>Spartanburg, SC 29303<br/>(864) 582-3915</p> |
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|   | <p>2245 Chesnee Highway<br/>Spartanburg, SC 29303<br/>(864) 597-0196</p> <p>1701 Highway 15 South<br/>Sumter, SC 29150<br/>(803) 481-0157</p> <p>1793 East Main Street<br/>Spartanburg, SC 29307<br/>(864) 582-3178</p> <p>615 N.E. Main Street<br/>Simpsonville, SC 29681<br/>(864) 967-9457</p> <p>1038 Broad Street<br/>Sumter, SC 29150<br/>(803) 775-0963</p> <p>976 Bells Highway<br/>Walterboro, SC 29488<br/>(843) 782-3660</p> <p>1200 Augusta Road<br/>West Columbia, SC 29169<br/>(803) 791-3767</p> <p>2737 Sunset Boulevard<br/>West Columbia, SC 29169<br/>(803) 796-4419</p> |
| <b>MARYLAND</b>   |   |
| <p>Bojangles' Restaurants, Inc.<br/>9432 Southern Pine Boulevard<br/>Charlotte, NC 28273<br/>(704) 527-2675</p> | <p>1050 Largo Center Drive<br/>Landover, MD 20785<br/>(301) 324-2400</p> <p>8320 Annapolis Road<br/>New Carrollton, MD 20784<br/>(301) 306-5516</p> <p>6135 Oxon Hill Road<br/>Oxon Hill, MD 20745<br/>(301) 839-4583</p> <p>3727 Branch Avenue<br/>Temple Hill, MD 20748<br/>(301) 316-4550</p> <p>7571 Crain Highway<br/>Upper Marlboro, MD 20772<br/>(301) 952-9322</p>  |

The name, city and state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who has had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the disclosure document issuance date:

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| BOJ of WNC, LLC<br>P.O. Box 15748<br>Asheville, NC 28813<br>(828) 684-1668           | Voluntarily closed one (1) restaurant as of January 9, 2011<br><br>5943 Asheville Highway<br>Naples, NC 28543           |
| TDK Enterprises, LLC<br>500 Paul Street<br>Conway, SC 29527<br>(919) 320-3756        | Did not renew one (1) restaurant as of February 6, 2011<br><br>2301 S. Kings Highway<br>Myrtle Beach, SC 29577          |
| BoToo, Inc.<br>7006 Spring Hollow Way<br>Charlotte, NC 28277<br>(704) 971-0757       | Voluntarily closed one (1) restaurant as of July 1, 2011<br><br>718-A West Trade Street<br>Charlotte, NC 28202          |
| Bo-Cherry, Inc.<br>11247 Creek Point Drive<br>Matthews, NC 28105<br>(704) 458-2971   | Did not renew one (1) restaurant as of September 23, 2011<br><br>4131 Statesville Aveune<br>Charlotte, NC 28269         |
| FrielCo, LLC<br>5510 Providence Glen Road<br>Charlotte, NC 28270<br>(704) 771-9059   | Did not renew one (1) restaurant as of June 30, 2012<br><br>927 North Main Street<br>Clover, SC 29710<br>(803) 222-9936 |
| Jeniell, LLC<br>8611 Woodmere Crossing Lane<br>Charlotte, NC 28226<br>(704) 345-8779 | Voluntarily closed one (1) restaurant as of April 8, 2012<br><br>2003 W. Lucas Street<br>Florence, SC 29501             |

We have not had communication with the following franchisees during the ten weeks preceding the disclosure document issuance date: None.

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

During the last three fiscal years, we have not signed confidentiality clauses with any of our current or former franchisees.

You may wish to speak with current or former franchisees, but be aware that not all such franchisees will be able to communicate with you.

The franchisor has created and sponsored a Franchise Advisory Council which advises the franchisor on various matters. We appoint the majority of members of the Council from corporate staff and two franchisees appointed by us. The Bojangles' Franchise Association may appoint three of the Council's members. Except as appointed by us or the Bojangles' Franchise Association, franchisees do not have a right of membership or right of direct participation in the Council.

The Bojangles' Franchise Association is an independent franchise association. Its address and telephone number is 335 North Queen Street, Kinston, North Carolina 28501, (252) 522-0191 (the Association does not have an email address or WEB address). We are not aware of any other independent association of franchisees.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

The financial statements and other documents listed below are attached to this disclosure document in the following order:

1. Unaudited Financial Statement for the Franchisor dated June 24, 2012 for period December 26, 2011 through June 24, 2012
2. Audited Financial Statement for the Franchisor dated December 25, 2011 for the fiscal years 2011 and 2010
3. Audited Financial Statement for the Franchisor dated December 26, 2010 for the fiscal years 2010 and 2009

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Balance Sheets

June 24, 2012

| <b>Assets</b>   | <b>(Unaudited)</b>          |
|---|-----------------------------|
| Current assets:   |                             |
| Cash and cash equivalents   | \$ 280,102                  |
| Accounts receivable, net of allowance for doubtful accounts<br>of \$91,271                            | 988,280                     |
| Accounts receivable, related party franchisees, net of allowance<br>for doubtful accounts of \$26,720 | 507,688                     |
| Current portion of notes receivable, net of allowance for doubtful<br>accounts of \$31,825            | —                           |
| Total current assets  | <u>1,776,070</u>            |
| Intangible asset – Brand  | <u>22,500,000</u>           |
| Total assets  | <u><u>\$ 24,276,070</u></u> |
| <b>Liabilities and Members' Equity</b>  |                             |
| Current liabilities   | \$ <u>—</u>                 |
| Total current liabilities   | —                           |
| Deferred revenue  | <u>615,000</u>              |
| Total liabilities   | 615,000                     |
| Members' equity   | <u>23,661,070</u>           |
| Total liabilities and members' equity   | <u><u>\$ 24,276,070</u></u> |

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Statements of Income and Changes in Members' Equity

Period December 26, 2011 through June 24, 2012

|  | <u>(Unaudited)</u>   |
|--|----------------------|
| Royalty revenue from franchisees               | \$ 5,600,249         |
| Royalty revenue from member                    | 1,463,461            |
| Royalty revenue from related party franchisees | 3,787,002            |
| Franchise fees from franchisees                | 347,500              |
| Franchise fees from related party franchisees  | 120,000              |
| Total revenues                                 | <u>11,318,212</u>    |
| General and administrative expenses            | 3,031,136            |
| Interest income                                | (1,437)              |
| Total expenses                                 | <u>3,029,699</u>     |
| Net income                                     | 8,288,513            |
| Advances to members, net                       | (8,182,881)          |
| Members' equity, beginning of year             | <u>23,555,438</u>    |
| Members' equity, end of year                   | <u>\$ 23,661,070</u> |

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Statements of Cash Flows

Period December 26, 2011 through June 24, 2012

|   | <u>(Unaudited)</u> |
|---|--------------------|
| Cash flows from operating activities:   |                    |
| Net income  | \$ 8,288,513       |
| Adjustments to reconcile net income to net cash provided by operating activities: |                    |
| Provision for bad debts   | 867                |
| Changes in operating assets and liabilities:                                      |                    |
| Accounts receivable   | 208,997            |
| Notes receivable  | 3,446              |
| Deferred revenue  | (55,000)           |
| Net cash provided by operating activities   | <u>8,446,823</u>   |
| Cash flows from financing activities:   |                    |
| Advances to members, net  | <u>(8,182,881)</u> |
| Net cash used in financing activities   | <u>(8,182,881)</u> |
| Net (decrease) increase in cash   | 263,942            |
| Cash and cash equivalents, beginning of year                                      | <u>16,160</u>      |
| Cash and cash equivalents, end of year  | <u>\$ 280,102</u>  |



**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Financial Statements

December 25, 2011 and December 26, 2010

(With Independent Auditors' Report Thereon)

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

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**KPMG LLP**  
Duke Energy Center  
Suite 3200  
550 South Tryon Street  
Charlotte, NC 28202-4214

## **Independent Auditors' Report**

The Board of Directors  
Bojangles' International, LLC:

We have audited the accompanying balance sheets of Bojangles' International, LLC (the "Company") as of December 25, 2011 and December 26, 2010, and the related statements of income and changes in members' equity and of cash flows for the fiscal years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bojangles' International, LLC as of December 25, 2011 and December 26, 2010, and the results of its operations and its cash flows for the fiscal years then ended, in conformity with generally accepted accounting principles in the United States of America.

**KPMG LLP**

March 2, 2012

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Balance Sheets

December 25, 2011 and December 26, 2010

| <b>Assets</b>  | <u><b>2011</b></u>          | <u><b>2010</b></u>       |
|--|-----------------------------|--------------------------|
| Current assets:  |                             |                          |
| Cash and cash equivalents  | \$ 16,160                   | 217,125                  |
| Accounts receivable, net of allowance for doubtful accounts<br>of \$75,238 and \$36,684                            | 983,000                     | 722,049                  |
| Accounts receivable, related party franchisees, net of allowance<br>for doubtful accounts of \$38,225 and \$42,201 | 726,278                     | 801,822                  |
| Current portion of notes receivable, net of allowance for doubtful<br>accounts of \$35,271 and \$12,577            | —                           | 5,013                    |
| Total current assets   | <u>1,725,438</u>            | <u>1,746,009</u>         |
| Intangible asset – Brand   | <u>22,500,000</u>           | <u>22,500,000</u>        |
| Total assets   | <u><u>\$ 24,225,438</u></u> | <u><u>24,246,009</u></u> |
| <br><b>Liabilities and Members' Equity</b>   |                             |                          |
| Current liabilities  | \$ —                        | —                        |
| Total current liabilities  | —                           | —                        |
| Deferred revenue   | <u>670,000</u>              | <u>710,000</u>           |
| Total liabilities  | <u>670,000</u>              | <u>710,000</u>           |
| Members' equity  | <u>23,555,438</u>           | <u>23,536,009</u>        |
| Total liabilities and members' equity  | <u><u>\$ 24,225,438</u></u> | <u><u>24,246,009</u></u> |

See accompanying notes to financial statements.

**BOJANGLES' INTERNATIONAL, LLC**  
 (An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Statements of Income and Changes in Members' Equity

Years ended December 25, 2011 and December 26, 2010

|  | <b>2011</b>   | <b>2010</b>  |
|--|---------------|--------------|
| Royalty revenue from franchisees               | \$ 9,580,590  | 8,295,765    |
| Royalty revenue from member                    | 2,608,948     | 2,274,059    |
| Royalty revenue from related party franchisees | 7,785,908     | 8,108,743    |
| Franchise fees from franchisees                | 472,500       | 493,500      |
| Franchise fees from related party franchisees  | 150,000       | 307,500      |
| Total revenues                                 | 20,597,946    | 19,479,567   |
| General and administrative expenses            | 5,583,879     | 5,193,349    |
| Interest income                                | (667)         | (2,392)      |
| Total expenses                                 | 5,583,212     | 5,190,957    |
| Net income                                     | 15,014,734    | 14,288,610   |
| Advances to members, net                       | (14,995,305)  | (13,981,716) |
| Members' equity, beginning of year             | 23,536,009    | 23,229,115   |
| Members' equity, end of year                   | \$ 23,555,438 | 23,536,009   |

See accompanying notes to financial statements.

**BOJANGLES' INTERNATIONAL, LLC**  
 (An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Statements of Cash Flows

Years ended December 25, 2011 and December 26, 2010

|   | <b>2011</b>   | <b>2010</b>  |
|---|---------------|--------------|
| Cash flows from operating activities:   |               |              |
| Net income  | \$ 15,014,734 | 14,288,610   |
| Adjustments to reconcile net income to net cash provided by operating activities: |               |              |
| Provision for bad debts (recoveries)  | 63,485        | (83,196)     |
| Changes in operating assets and liabilities:                                      |               |              |
| Accounts receivable   | (261,469)     | 8,233        |
| Notes receivable  | 17,590        | 19,268       |
| Deferred revenue  | (40,000)      | (100,000)    |
| Net cash provided by operating activities   | 14,794,340    | 14,132,915   |
| Cash flows from financing activities:   |               |              |
| Advances to members, net  | (14,995,305)  | (13,981,716) |
| Net cash used in financing activities   | (14,995,305)  | (13,981,716) |
| Net (decrease) increase in cash   | (200,965)     | 151,199      |
| Cash and cash equivalents, beginning of year                                      | 217,125       | 65,926       |
| Cash and cash equivalents, end of year  | \$ 16,160     | 217,125      |

See accompanying notes to financial statements.

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Notes to Financial Statements

December 25, 2011 and December 26, 2010

**(1) Summary of Significant Operations and Accounting Policies**

**(a) Operations**

Bojangles' International, LLC (the "Company"), a Delaware limited liability company, was formed on March 31, 1998, for the purpose of holding the *Bojangles'* brand (the "Brand"), trademarks, trade dress and other identifiable intangible assets of the Bojangles' quick-service restaurant concept. The Company was owned 99% by Bojangles' Holdings, Inc. (BHI) and 1% by BHI's wholly owned subsidiary, Bojangles' Restaurants, Inc. (BRI). On July 20, 2009, BHI sold a 1% interest in the Company to BJ Restaurant Development, LLC (BJRD). Both BHI and BJRD are wholly owned subsidiaries of BHI Exchange, Inc. (BHI-X). On July 21, 2009, BHI was merged into BRI. Effective with the merger, the Company is owned 99% by BRI and 1% by BJRD. On August 18, 2011, with an effective date of the close of business on July 24, 2011, the shareholders of BHI-X sold all of their equity interests in BHI-X to BHI Intermediate Holding Corp. (BHI-I). Due to the sale to BHI-I, several franchisees that were included as related parties prior to the sale are no longer included as related parties beginning on July 25, 2011.

As of December 25, 2011, the Company had 508 franchise locations, 210 that were owned by independent third party franchisees, 104 that were owned by related party franchisees, 179 that were owned by BRI, and 15 that were owned by BJRD. As of December 26, 2010, the Company had 485 franchise locations, 181 that were owned by independent third party franchisees, 120 that were owned by related party franchisees, 169 that were owned by BRI, and 15 that were owned by BJRD. The restaurants are located primarily in the southeastern United States.

The following is the number of Bojangles' franchised restaurants at the beginning and end of the fiscal years ended December 25, 2011 and December 26, 2010:

|  | 2011   | 2010 |
|--|--------|------|
| Restaurants open at the beginning of the fiscal year | \$ 485 | 459  |
| Restaurants opened during the fiscal year            | 29     | 33   |
| Restaurants closed during the fiscal year            | (6)    | (7)  |
| Restaurants open at the end of the fiscal year       | \$ 508 | 485  |

**(b) Fiscal Year**

The Company's fiscal year ends on the last Sunday in December. The fiscal years ended December 25, 2011 and December 26, 2010 each consisted of 52 weeks.

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Notes to Financial Statements

December 25, 2011 and December 26, 2010

**(c) Use of Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

**(d) Cash and Cash Equivalents**

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company maintains cash deposits with a financial institution that at times may exceed federally insured limits. As of December 25, 2011 and December 26, 2010, cash deposits did not exceed federally insured limits.

**(e) Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable consist of franchise receivables from external and related parties as well as other receivables, and are recorded at invoiced amounts. Royalty receivables are recorded amounts earned based upon rates set forth in the related franchise agreements. The Company maintains allowances that management believes are adequate to absorb estimated losses to be incurred in realizing the recorded amounts of its accounts receivable. These allowances are determined by management based primarily on an analysis of collectibility of individual accounts. Receivables are considered past due based on contractual and invoice terms.

**(f) Notes Receivable**

Notes receivable consist of amounts due from franchisees. The original terms of the notes receivable that the Company has outstanding range in length from approximately 1 to 5 years. Payments are made by the franchisee on a weekly or monthly basis with the interest portion of the payment being recognized within the statements of income and changes in members' equity.

**(g) Fair Value of Financial Instruments**

Cash, accounts receivable, and notes receivable are reflected in the financial statements at carrying amounts, which approximate fair value based upon their short-term maturities.

**(h) Intangible Asset-Brand**

The Company's Brand was originally acquired in March 1998, and was subsequently contributed to the Company by BRI. The Company accounts for intangible assets in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 350, *Intangibles – Goodwill and Other*. Under the provisions of FASB ASC 350, purchased goodwill and other intangible assets with indefinite lives are not amortized, but instead are tested for impairment at least annually.

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Notes to Financial Statements

December 25, 2011 and December 26, 2010

The Company annually completes an impairment test for the Brand and records any resulting impairment losses. An impairment loss occurs if the carrying amount of the Brand exceeds the estimated fair value. The Company determined that no impairment of the Brand existed for the years ended December 25, 2011 and December 26, 2010.

**(i) Franchise Revenue Recognition**

The Company accounts for initial franchisee fees in accordance with FASB ASC 952, *Franchisors*. The Company grants individual restaurant franchises to operators in exchange for initial franchise license fees and continuing royalty payments. Franchise license fees are deferred when received and recognized as revenue when the related restaurant begins operations. Continuing royalty revenues are recognized as revenue on the accrual basis and are based on a percentage of monthly sales, generally ranging from 3% to 4% for franchisees operating within the United States of America, and 5% for franchisees with operations in other countries. BJ Georgia, LLC (BJG), a franchisee owned by BHI-X, was not charged any royalties in fiscal years 2011 and 2010.

Deferred revenue includes initial franchise license fees that have been received, but for which the Company has not completed its obligations under these franchise agreements. As of December 25, 2011 and December 26, 2010, deferred revenue does not include any amounts for franchisees for whom collectibility is not reasonably assured.

**(j) Fees Charged to Member**

The Company charged the franchise locations owned by BRI a royalty fee of 1% of gross monthly sales in fiscal years 2011 and 2010. The Company does not charge BRI any initial franchise license fees.

The Company does not charge royalties to franchise locations owned by BJRD. BJRD is charged an initial franchise license fee of \$25,000 for each new location. During the fiscal years ended December 25, 2011 and December 26, 2010, the Company earned no franchise fees from BJRD.

**(k) Income Taxes**

Effective December 29, 2008, the Company adopted the provisions of FASB ASC 740, *Income Taxes*, that pertains to uncertainty in income taxes. This guidance, among other things, prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, and disclosures.

Under the Internal Revenue Code, a limited liability company may be treated as a partnership for income tax purposes. Therefore, taxable income or loss is includable in the income tax returns of its members. Accordingly, no provision has been made for income taxes in the accompanying financial statements and there is no liability related to FASB ASC 740.

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Notes to Financial Statements

December 25, 2011 and December 26, 2010

**(1) Subsequent Events**

In preparing its financial statements, the Company has evaluated subsequent events through March 2, 2012, which is the date the financial statements were available to be issued.

**(2) Members' Equity**

The members of the Company are subject to an operating agreement and the first, second, third, fourth, and fifth amendments to the operating agreement, which specifies the rights and obligations of its members. Among other things, the agreement stipulates the allocation of profits, losses, and distributions to its members, as well as the terms and conditions under which ownership interests can be sold or transferred.

**(3) Commitments and Contingencies**

Effective on June 30, 2009 the Company was a guarantor for certain debt of BHI-X and Subsidiaries. The 2009 Credit Agreement provided for borrowings under a term loan of \$45,000,000, of which BRI was the borrower. In July 2010 the 2009 Credit Agreement was amended to provide for additional borrowings of \$15,000,000 under the term loan, of which BRI was the borrower. As of December 26, 2010, BRI owed \$53,166,667 under the term loan. The 2009 Credit Agreement also provided for a revolving line of credit of up to \$25,000,000 to be used by the Company, BHI-X, BRI, BJRD, and/or BJG. BRI was the sole borrower under the line of credit agreement and had an outstanding balance of \$7,500,000 as of December 26, 2010. This debt was repaid on August 18, 2011 in connection with the acquisition of BHI-X by BHI-I and the Company no longer has any obligations remaining under the 2009 Credit Agreement.

Effective on August 18, 2011 the Company was a guarantor for certain debt of BHI-I and Subsidiaries. The 2011 Credit Agreement provided for borrowings under a term loan of \$190,000,000, of which BRI was the borrower. As of December 25, 2011, BRI owed \$186,000,000 under the term loan. The 2011 Credit Agreement also provided for a revolving line of credit of up to \$25,000,000 to be used by BRI and/or BHI-X. BRI has been the sole borrower under the line of credit agreement and there were no amounts outstanding as of December 25, 2011. The revolving line of credit has a maturity date of August 18, 2016 and the term loan has a maturity date of August 18, 2017 after which time the guarantee will expire.

In the event of default or nonperformance under the various credit agreements, the Company could be required to satisfy the obligation under the guarantee. In addition, collateral for the guarantees included a security interest in all of the assets of the Company and a security interest in all future royalty revenue. As of December 25, 2011 and December 26, 2010, the total guaranteed debt is \$186,000,000 and \$60,666,667, respectively.

The Company is subject to various claims and litigation that arise in the normal course of business. As of December 25, 2011, management is of the opinion that, although the outcome of any litigation cannot be predicted with any certainty, the ultimate liability, if any, will not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Notes to Financial Statements

December 25, 2011 and December 26, 2010

**(4) Concentration of Credit Risk and Receivables**

Royalty revenues from three franchisees, two of which are related party franchisees, accounted for approximately 47% of the Company's total royalty revenues from non-member and related party franchisees in fiscal 2011 and 2010. Accounts receivable from three franchisees, two of which are related party franchisees, accounted for approximately 52% and 51% of the Company's gross accounts receivable as of December 25, 2011 and December 26, 2010, respectively.

**(5) Related Party Transactions**

The Company makes periodic advances to BRI. Cumulative advances to BRI as of December 25, 2011 and December 26, 2010 were approximately \$76.8 million and \$61.8 million, respectively. The advances to BRI are noninterest bearing and have no fixed term of repayment. Accordingly, the amounts are reflected in the financial statements as a reduction in members' equity.

The Company has a contract with BRI whereby BRI provides management services to the Company. The contract provides for the Company to pay BRI management fees consisting of direct reimbursable costs such as salaries, travel, meals and entertainment, legal expenses, advertising and franchise convention fees, plus \$50,000 per month (\$600,000 annually). Total management fees for the fiscal years ended December 25, 2011 and December 26, 2010 were approximately \$5,520,000 and \$5,277,000, respectively.

In November 2005, the Company entered into sublease agreements for real estate and equipment for the purpose of opening five Company operated stores in the state of Maryland. Concurrent with the signing of the sublease agreements, the Company entered into an assignment agreement with BRI whereby all rights, title and interest under the original sublease agreement were transferred to BRI. Accordingly, all payments under the subleases are made by BRI and no amounts are required to be reflected in the Company's financial statements for these agreements. The assignment did not relieve the Company from its primary obligation under the original sublease agreement. Total future minimum lease payments to be made by BRI under the lease agreements, as of December 25, 2011, are approximately \$751,000, \$765,000, \$780,000, \$780,000 and \$793,000 for each of the next five consecutive years and \$3,204,000 thereafter.

Rents and common area maintenance fees required under these lease agreements by BRI totaled approximately \$795,000 and \$774,000 during the fiscal years ended December 25, 2011 and December 26, 2010, respectively.

Certain franchisees are related parties and pay monthly royalty fees to the Company based on a percentage of monthly sales. Royalty revenues from related party franchisees were approximately \$7,786,000 and \$8,109,000 during fiscal 2011 and 2010, respectively. Franchise fees from related parties were approximately \$150,000 and \$308,000 during fiscal 2011 and 2010, respectively. Net receivables from related party franchisees were approximately \$726,000 and \$802,000 as of December 25, 2011 and December 26, 2010, respectively. As discussed previously, due to the sale of BHI-X to BHI-I on August 18, 2011, with an effective date of the close of business on July 24, 2011, several franchisees that were included as related parties prior to the sale are no longer included as related parties beginning on July 25, 2011.



**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Financial Statements

December 26, 2010 and December 27, 2009

(With Independent Auditors' Report Thereon)

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)  
December 26, 2010 and December 27, 2009

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**KPMG LLP**  
Duke Energy Center  
Suite 3200  
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Charlotte, NC 28202-4214

## **Independent Auditors' Report**

The Board of Directors  
Bojangles' International, LLC:

We have audited the accompanying balance sheet of Bojangles' International, LLC as of December 26, 2010, and the related statements of income and changes in members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying financial statements of Bojangles' International, LLC as of December 27, 2009, were audited by other auditors whose report thereon dated February 26, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2010 financial statements referred to above present fairly, in all material respects, the financial position of Bojangles' International, LLC as of December 26, 2010, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

**KPMG LLP**

March 10, 2011

**BOJANGLES' INTERNATIONAL, LLC**  
 (An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Balance Sheets

December 26, 2010 and December 27, 2009

| <b>Assets</b>  | <u><b>2010</b></u>          | <u><b>2009</b></u>       |
|--|-----------------------------|--------------------------|
| Current assets:  |                             |                          |
| Cash and cash equivalents  | \$ 217,125                  | 65,926                   |
| Accounts receivable, net of allowance for doubtful accounts<br>of \$36,684 and \$108,056                           | 722,049                     | 588,249                  |
| Accounts receivable, related party franchisees, net of allowance<br>for doubtful accounts of \$42,201 and \$70,897 | 801,822                     | 874,402                  |
| Current portion of notes receivable, net of allowance for doubtful<br>accounts of \$12,577 and \$14,113            | <u>5,013</u>                | <u>5,525</u>             |
| Total current assets   | 1,746,009                   | 1,534,102                |
| Intangible asset – Brand   | 22,500,000                  | 22,500,000               |
| Notes receivable, net of allowance for doubtful accounts of<br>\$12,208 in 2009                                    | <u>—</u>                    | <u>5,013</u>             |
| Total assets   | <u><u>\$ 24,246,009</u></u> | <u><u>24,039,115</u></u> |
| <br><b>Liabilities and Members' Equity</b>   |                             |                          |
| Current liabilities  | <u>—</u>                    | <u>—</u>                 |
| Total current liabilities  | —                           | —                        |
| Deferred revenue   | <u>710,000</u>              | <u>810,000</u>           |
| Total liabilities  | 710,000                     | 810,000                  |
| Members' equity  | <u>23,536,009</u>           | <u>23,229,115</u>        |
| Total liabilities and members' equity  | <u><u>\$ 24,246,009</u></u> | <u><u>24,039,115</u></u> |

See accompanying notes to financial statements.

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Statements of Income and Changes in Members' Equity

Years ended December 26, 2010 and December 27, 2009

|  | <u>2010</u>          | <u>2009</u>       |
|--|----------------------|-------------------|
| Royalty revenue from franchisees               | \$ 8,295,765         | 7,568,129         |
| Royalty revenue from member                    | 2,274,059            | 2,140,665         |
| Royalty revenue from related party franchisees | 8,108,743            | 8,002,688         |
| Franchise fees from franchisees                | 493,500              | 665,000           |
| Franchise fees from related party franchisees  | <u>307,500</u>       | <u>265,000</u>    |
| Total revenues                                 | <u>19,479,567</u>    | <u>18,641,482</u> |
| General and administrative expenses            | 5,193,349            | 5,228,560         |
| Interest expense (income), net                 | (2,392)              | 437,999           |
| Amortization expense                           | —                    | 5,794             |
| Loss on early extinguishment of debt           | <u>—</u>             | <u>2,018,311</u>  |
| Total expenses                                 | <u>5,190,957</u>     | <u>7,690,664</u>  |
| Net income                                     | 14,288,610           | 10,950,818        |
| Advances to members, net                       | (13,981,716)         | (1,323,634)       |
| Members' equity, beginning of year             | <u>23,229,115</u>    | <u>13,601,931</u> |
| Members' equity, end of year                   | <u>\$ 23,536,009</u> | <u>23,229,115</u> |

See accompanying notes to financial statements.

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Statements of Cash Flows

Years ended December 26, 2010 and December 27, 2009

|   | 2010          | 2009         |
|---|---------------|--------------|
| Cash flows from operating activities:   |               |              |
| Net income  | \$ 14,288,610 | 10,950,818   |
| Adjustments to reconcile net income to net cash provided by operating activities: |               |              |
| Provision for bad debts (recoveries)  | (83,196)      | 136,755      |
| Amortization  | —             | 5,794        |
| Loss on early extinguishment of debt  | —             | 2,018,311    |
| Changes in operating assets and liabilities:                                      |               |              |
| Accounts receivable   | 8,233         | (121,805)    |
| Notes receivable  | 19,268        | (517)        |
| Accrued interest  | —             | (89,812)     |
| Deferred revenue  | (100,000)     | (377,500)    |
| Net cash provided by operating activities   | 14,132,915    | 12,522,044   |
| Cash flows from financing activities:   |               |              |
| Payments on long-term debt  | —             | (10,096,100) |
| Yield maintenance and other repayment fees on debt                                | —             | (1,950,229)  |
| Advances to members, net  | (13,981,716)  | (1,323,634)  |
| Net cash used in financing activities   | (13,981,716)  | (13,369,963) |
| Net increase (decrease) in cash   | 151,199       | (847,919)    |
| Cash and cash equivalents, beginning of year                                      | 65,926        | 913,845      |
| Cash and cash equivalents, end of year  | \$ 217,125    | 65,926       |

See accompanying notes to financial statements.

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Notes to Financial Statements

December 26, 2010 and December 27, 2009

**(1) Summary of Significant Operations and Accounting Policies**

**(a) Operations**

Bojangles' International, LLC (the Company), a Delaware limited liability company, was formed on March 31, 1998, for the purpose of holding the *Bojangles'* brand (the "Brand"), trademarks, trade dress, and other identifiable intangible assets of the Bojangles' quick-service restaurant concept. The Company was owned 99% by Bojangles' Holdings, Inc. (BHI) and 1% by BHI's wholly owned subsidiary, Bojangles' Restaurants, Inc. (BRI). On July 20, 2009, BHI sold a 1% interest in the Company to BJ Restaurant Development, LLC (BJRD). Both BHI and BJRD are wholly owned subsidiaries of BHI Exchange, Inc. (BHIX). On July 21, 2009, BHI was merged into BRI. Effective with the merger, the Company is owned 99% by BRI and 1% by BJRD. BJRD is shown as a member for all activity in fiscal years 2009 and 2010.

As of December 26, 2010, the Company had 485 franchise locations, 181 that were owned by independent third party franchisees, 120 that were owned by related party franchisees, 169 that were owned by BRI, and 15 that were owned by BJRD. As of December 27, 2009, the Company had 459 franchise locations, 173 that were owned by independent third party franchisees, 126 which were owned by related party franchisees, 144 that were owned by BRI, and 16 that were owned by BJRD. The restaurants are located primarily in the southeastern United States.

The following is the number of Bojangles' franchised restaurants at the beginning and end of the fiscal years ended December 26, 2010 and December 27, 2009:

|  | <u>2010</u>   | <u>2009</u> |
|--|---------------|-------------|
| Restaurants open at the beginning of the fiscal year | \$ 459        | 430         |
| Restaurants opened during the fiscal year            | 33            | 38          |
| Restaurants closed during the fiscal year            | <u>(7)</u>    | <u>(9)</u>  |
| Restaurants open at the end of the fiscal year       | <u>\$ 485</u> | <u>459</u>  |

**(b) Fiscal Year**

The Company's fiscal year ends on the last Sunday in December. The fiscal years ended December 26, 2010 and December 27, 2009 each consisted of 52 weeks.

**(c) Use of Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Notes to Financial Statements

December 26, 2010 and December 27, 2009

**(d) Cash and Cash Equivalents**

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company maintains cash deposits with a financial institution that at times may exceed federally insured limits. As of December 26, 2010 and December 27, 2009, cash deposits did not exceed federally insured limits.

**(e) Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable consist of franchise receivables from external and related parties as well as other receivables, and are recorded at invoiced amounts. Royalty receivables are recorded amounts earned based upon rates set forth in the related franchise agreements. The Company maintains allowances that management believes are adequate to absorb estimated losses to be incurred in realizing the recorded amounts of its accounts receivable. These allowances are determined by management based primarily on an analysis of collectibility of individual accounts. Receivables are considered past due based on contractual and invoice terms.

**(f) Notes Receivable**

Notes receivable consist of amounts due from franchisees. The original terms of the notes receivable that the Company has outstanding range in length from approximately 2 to 5 years. Payments are made by the franchisee on a weekly or monthly basis with the interest portion of the payment being recognized within the statements of income and changes in members' equity.

**(g) Fair Value of Financial Instruments**

Cash, accounts receivable, and notes receivable are reflected in the financial statements at carrying amounts, which approximate fair value based upon their short-term maturities.

**(h) Intangible Asset-Brand**

The Company's Brand was originally acquired in March 1998, and was subsequently contributed to the Company by BRI. The Company accounts for intangible assets in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 350, *Intangibles – Goodwill and Other*. Under the provisions of FASB ASC 350, purchased goodwill and other intangible assets with indefinite lives are not amortized, but instead are tested for impairment at least annually.

The Company annually completes an impairment test for the Brand and records any resulting impairment losses. An impairment loss occurs if the carrying amount of the Brand exceeds the estimated fair value. The Company determined that no impairment of the Brand existed for the years ended December 26, 2010 and December 27, 2009.

**(i) Franchise Revenue Recognition**

The Company accounts for initial franchisee fees in accordance with FASB ASC 952, *Franchisors*. The Company grants individual restaurant franchises to operators in exchange for initial franchise license fees and continuing royalty payments. Franchise license fees are deferred when received and

**BOJANGLES' INTERNATIONAL, LLC**  
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Notes to Financial Statements

December 26, 2010 and December 27, 2009

recognized as revenue when the related restaurant begins operations. Continuing royalty revenues are recognized as revenue on the accrual basis and are based on a percentage of monthly sales, generally ranging from 3% to 4% for franchisees operating within the United States of America, and 5% for franchisees with operations in other countries. BJ Georgia, LLC (BJG), a franchisee owned by BHIX, was not charged any royalties in fiscal years 2010 and 2009.

Deferred revenue includes initial franchise license fees that have been received, but for which the Company has not completed its obligations under these franchise agreements. As of December 26, 2010, deferred revenue does not include any amounts for franchisees for whom collectibility is not reasonably assured.

**(j) Fees Charged to Member**

The Company charged the franchise locations owned by BRI a royalty fee of 1% of gross monthly sales in fiscal year 2010 and ranging from 1% to 4% of gross monthly sales in fiscal year 2009. The Company does not charge BRI any initial franchise license fees.

The Company does not charge royalties to franchise locations owned by BJRD. BJRD is charged an initial franchise license fee of \$25,000 for each new location. During the fiscal years ended December 26, 2010 and December 27, 2009, the Company earned \$0 and \$100,000, respectively, in franchise fees from BJRD.

**(k) Deferred Financing Costs**

Deferred financing costs are amortized over the term of the related financing agreements, which was 15 years. During the fiscal year ended December 27, 2009, the Company repaid all outstanding debt. As a result, there were no remaining deferred financing costs as of December 26, 2010 and December 27, 2009.

**(l) Income Taxes**

Effective December 29, 2008, the Company adopted the provisions of FASB ASC 740, *Income Taxes*, that pertains to uncertainty in income taxes. This guidance, among other things, prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, and disclosures.

Under the Internal Revenue Code, a limited liability company may be treated as a partnership for income tax purposes. Therefore, taxable income or loss is includable in the income tax returns of its members. Accordingly, no provision has been made for income taxes in the accompanying financial statements and there is no liability related to FASB ASC 740.

**(m) Subsequent Events**

In preparing its financial statements, the Company has evaluated subsequent events through March 10, 2011, which is the date the financial statements were available to be issued.

**BOJANGLES' INTERNATIONAL, LLC**  
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December 26, 2010 and December 27, 2009

**(2) Long-Term Debt**

On March 31, 1998, the Company entered into certain Royalty Participation Agreements with two lenders, wherein approximately \$24,518,000 was advanced to the Company in exchange for a portion of the rights to future royalty payments from certain identified franchised restaurants. Collateral pledged under the agreements included a security interest in substantially all of the assets of the Company and a security interest in all future royalty revenue to be received while the loan balances remained outstanding.

In 2002, a related party of the Company purchased all of the outstanding Royalty Participation Agreements held by one of the lenders. The Company and the related party then modified the original terms of the Royalty Participation Agreements in the approximate amount of \$10,188,000. Under the terms of the modified Royalty Participation Agreements, the principal due to the related party lender was reduced from \$10,188,000 to approximately \$8,150,000. The amounts due to the related party lender under the modified Royalty Participation Agreements were payable in monthly payments of approximately \$121,000 through March 2013 at an interest rate of 13.09%. These Royalty Participation Agreements were paid in full on May 28, 2009 along with a yield maintenance payment of approximately \$1,028,000.

The amounts due to the nonrelated party lender under the Royalty Participation Agreements were payable in monthly installments with varying maturities through April 2013 at an interest rate of 10.68%. These Royalty Participation Agreements were paid in full on April 30, 2009 along with a yield maintenance payment and fees of approximately \$922,000.

**(3) Members' Equity**

The members of the Company are subject to an operating agreement and the first, second, third, and fourth amendments to the operating agreement, which specifies the rights and obligations of its members. Among other things, the agreement stipulates the allocation of profits, losses, and distributions to its members, as well as the terms and conditions under which ownership interests can be sold or transferred.

**(4) Commitments and Contingencies**

Effective June 30, 2009, the Company is a guarantor for certain debt of BHIX and Subsidiaries. The 2009 Credit Agreement provided for borrowings under a term loan of \$45,000,000, of which BRI was the borrower. In July 2010, the 2009 Credit Agreement was amended to provide for additional borrowings of \$15,000,000 under the term loan, of which BRI was the borrower. As of December 26, 2010 and December 27, 2009, BRI owed \$53,166,667 and \$43,750,000 under the term loan, respectively.

The 2009 Credit Agreement also provided for a revolving line of credit of up to \$25,000,000 to be used by the Company, BHIX, BRI, BJR, and/or BJG. BRI has been the sole borrower under the revolving line of credit agreement and has an outstanding balance of \$7,500,000 and \$16,000,000 as of December 26, 2010 and December 27, 2009, respectively.

In the event of default or nonperformance on the 2009 Credit Agreement, the Company could be required to satisfy the obligation under the guarantee. In addition, collateral for the guarantee includes a security interest in all of the assets of the Company and a security interest in all future royalty revenue. As of December 26, 2010 and December 27, 2009, the total guaranteed debt is \$60,666,667 and \$59,750,000,

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Notes to Financial Statements

December 26, 2010 and December 27, 2009

respectively. The term loan and revolving line of credit agreements have maturity dates of June 28, 2013, after which time the guarantee will expire.

The Company is subject to various claims and litigation that arise in the normal course of business. As of December 26, 2010, management is of the opinion that, although the outcome of any litigation cannot be predicted with any certainty, the ultimate liability, if any, will not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

**(5) Concentration of Credit Risk and Receivables**

Royalty revenues from three franchisees, two of which are related party franchisees, accounted for approximately 47% of the Company's total royalty revenues from nonmember and related party franchisees in fiscal 2010. Royalty revenues from four franchisees, three of which are related party franchisees, accounted for approximately 52% of the Company's total royalty revenues from nonmember and related party franchisees in fiscal 2009. Accounts receivable from three franchisees, two of which are related party franchisees, accounted for approximately 51% of the Company's gross accounts receivable as of December 26, 2010. Accounts receivable from four franchisees, three of which are related party franchisees, accounted for approximately 57% of the Company's gross accounts receivable as of December 27, 2009.

**(6) Related Party Transactions**

The Company makes periodic advances to BRI. Cumulative advances to BRI as of December 26, 2010 and December 27, 2009 were approximately \$61.8 million and \$47.8 million, respectively. The advances to BRI are noninterest bearing and have no fixed term of repayment. Accordingly, the net amounts are reflected in the financial statements as a reduction in members' equity.

The Company has a contract with BRI whereby BRI provides management services to the Company. The contract provides for the Company to pay BRI management fees consisting of direct reimbursable costs such as salaries, travel, meals and entertainment, legal expenses, advertising, and franchise convention fees, plus \$50,000 per month (\$600,000 annually). Total management fees for the fiscal years ended December 26, 2010 and December 27, 2009 were approximately \$5,277,000 and \$5,091,000, respectively.

As discussed in note 2, the Company paid in full Royalty Participation Agreements owed to a related party on May 28, 2009 along with a yield maintenance payment of approximately \$1,028,000. In addition, the Company paid interest related to these Royalty Participation Agreements of approximately \$301,000 for the fiscal year ended December 27, 2009.

**BOJANGLES' INTERNATIONAL, LLC**  
(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Notes to Financial Statements

December 26, 2010 and December 27, 2009

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(An indirect wholly owned subsidiary of BHI Exchange, Inc.)

Notes to Financial Statements

December 26, 2010 and December 27, 2009

In November 2005, the Company entered into sublease agreements for real estate and equipment for the purpose of opening five Company operated stores in the state of Maryland. Concurrent with the signing of the sublease agreements, the Company entered into an assignment agreement with BRI whereby all rights, title, and interest under the original sublease agreement were transferred to BRI. Accordingly, all payments under the subleases are made by BRI and no amounts are required to be reflected in the Company's financial statements for these agreements. The assignment did not relieve the Company from its primary obligation under the original sublease agreement. Total future minimum lease payments to be made by BRI under the lease agreements as of December 26, 2010 are approximately \$747,000, \$751,000, \$765,000, \$780,000, and \$780,000 for each of the next five consecutive years, and \$3,997,000 thereafter.

Rents and common area maintenance fees required under these lease agreements by BRI totaled approximately \$774,000 and \$774,000 during the fiscal years ended December 26, 2010 and December 27, 2009, respectively.

Certain franchisees are related parties and pay monthly royalty fees to the Company based on a percentage of monthly sales. Royalty revenues from related party franchisees were approximately \$8,109,000 and \$8,003,000 during fiscal years ended December 26, 2010 and December 27, 2009, respectively. Franchise fees from related parties were approximately \$308,000 and \$265,000 during fiscal 2010 and 2009, respectively. Net receivables from related party franchisees were approximately \$802,000 and \$874,000 as of December 26, 2010 and December 27, 2009, respectively.

**(7) Cash Flow Information**

Supplemental cash flow information for the fiscal years ended December 26, 2010 and December 27, 2009 is as follows:

|                            | <u>2010</u> | <u>2009</u>    |
|----------------------------|-------------|----------------|
| Cash payments for interest | \$ —        | <u>530,123</u> |

**BOJANGLES' INTERNATIONAL, LLC**  
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Notes to Financial Statements

December 26, 2010 and December 27, 2009

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Supplemental cash flow information for the fiscal years ended December 26, 2010 and December 27, 2009 is as follows:

|                            | <u>2010</u> | <u>2009</u>    |
|----------------------------|-------------|----------------|
| Cash payments for interest | \$ —        | <u>530,123</u> |

## **ITEM 22**

### **CONTRACTS**

The contracts following this item are listed in the order in which they appear.

- Exhibit A. Development Agreement
- Exhibit B. Franchise Agreement
- Exhibit C. Individual Franchise Agreement
- Exhibit D. Express Franchise Agreement
- Exhibit E. Renewal of Individual Franchise Agreement
- Exhibit F. Advertising Expense Sharing Agreement
- Exhibit G. Confidentiality Agreement
- Exhibit H. Affidavit of Ownership

Exhibit A

BOJANGLES' INTERNATIONAL, LLC

**DEVELOPMENT AGREEMENT**

THIS AGREEMENT made as of the \_\_\_\_ day of \_\_\_\_\_,

2012 by and between:

BOJANGLES' INTERNATIONAL, LLC

("Franchisor")

and

\_\_\_\_\_

("Developer")

DA 08/10/12

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**BOJANGLES' INTERNATIONAL, LLC  
DEVELOPMENT AGREEMENT**

This Development Agreement ("Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2012, between BOJANGLES' INTERNATIONAL, LLC, a Delaware limited liability company ("Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ corporation (or a \_\_\_\_\_ limited liability company) ("Developer").

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed and owns a unique and distinctive system ("Bojangles' System" or "System") relating to the establishment and operation of fast service restaurants;

WHEREAS, the distinguishing characteristics of the Bojangles' System include, without limitation, distinctive exterior and interior design, color schemes and layout, including specially designed decor and furnishings; a special selection of menu items largely prepared "from scratch"; procedures and techniques for food and beverage preparation; prompt and courteous service in a clean, wholesome atmosphere; methods of inventory, operating, cash and financial controls and systems for such controls; a training school utilizing special teaching techniques, course instruction and manuals; and unique advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

WHEREAS, Franchisor identifies the Bojangles' System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the marks "BOJANGLES'®" and "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS ®", and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by Franchisor in writing) for use in connection with the Bojangles' System ("Proprietary Marks") and certain unique trade dress, including but not limited to specific color schemes, patterns, designs, decor, furnishings and layout, now or hereafter used by Franchisor in connection with the Bojangles' System (hereinafter referred to as "Trade Dress");

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

WHEREAS, Developer wishes to obtain certain development rights to operate Bojangles' restaurants ("Restaurant(s)") under the Bojangles' System in the assigned area described in Exhibit B of this Development Agreement.

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

## I. GRANT

A. Franchisor hereby grants to Developer, pursuant to the terms and conditions of this Agreement, development rights to obtain licenses to establish and operate the number of Restaurants set forth in Exhibit A hereto, and to use the Bojangles' System solely in connection therewith, at specific locations to be designated in separate franchise agreements ("Franchise Agreement(s)") executed as provided in Paragraph IV.E. hereof, and pursuant to the schedule set forth in Exhibit A of this Agreement ("Development Schedule"). Each Restaurant developed hereunder shall be located in the area described in Exhibit B of this Agreement ("Assigned Area").

B. Except as otherwise provided in this Agreement, and provided that Developer is in full compliance with all terms and conditions of all Franchise and Development Agreements between Developer and Franchisor, Franchisor shall not establish, nor license anyone other than Developer to establish, any Restaurant under the System in the Assigned Area during the term of this Agreement.

C. This Agreement is not a Franchise Agreement, and does not grant to Developer any right to use the Proprietary Marks, the Trade Dress or the System.

D. Developer shall have no right under this Agreement and has no right under any other agreements to license others under the Proprietary Marks, the Trade Dress or Bojangles' System.

E. Franchisor reserves the right to develop for itself or to grant franchise rights to others to develop Bojangles' Restaurants within the Assigned Area on the premises of colleges, universities, hospitals, airports, and within one (1) mile along each side of interstate highways within the Assigned Area.

## II. DEVELOPMENT AND FRANCHISE FEES

A. Development Fee In consideration of the development rights granted herein, Developer has paid to Franchisor a development fee of \_\_\_\_\_ (\$\_\_\_\_\_), receipt of which is acknowledged by Franchisor, which fee has been fully earned by Franchisor and is nonrefundable, in consideration of the administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted Developer herein.

B. Franchise Fee The franchise fee payable upon execution of each Franchise Agreement pursuant to the Development Schedule shall be twenty five thousand dollars (\$25,000). Developer shall receive a credit of five thousand dollars (\$5,000) for each Restaurant for which the applicable Franchise Agreement is executed within the time period specified under Paragraph IV.E. hereof, which credit Developer may deduct from the franchise fee paid to Franchisor. **[For Bojangles' Express Restaurants, substitute fifteen thousand dollars (\$15,000) as franchise fee and five thousand dollars (\$5,000) as credit amount for such Restaurant.]**

### III. DEVELOPER ORGANIZATION AND CAPITAL STRUCTURE

A. Developer shall be a corporation or a limited liability company composed solely of shareholders/members who are individuals and not corporations, limited liability companies, or any other legal entities, and shall comply with the following requirements:

(1) Developer shall be organized and validly existing in good standing under the laws of the state of its incorporation or organization;

(2) Developer shall be qualified to do business in all states in which its business activities or the nature of the properties owned by it requires such qualification;

(3) Developer shall be newly organized and its Articles of Incorporation or Charter, or if Developer is a limited liability company, Developer's Articles of Organization and Operating Agreement, shall at all times provide that Developer was organized and has authority only to develop, own and operate BOJANGLES'® Restaurants; and that Developer shall not engage or invest in any business other than development, ownership and operation of BOJANGLES'® Restaurants; **[For Bojangles' Express Restaurants, delete Paragraph III.A.(3) and substitute the following: "Developer shall be authorized to develop, own and operate BOJANGLES'® Restaurants and shall be authorized to enter into this Agreement."]**

(4) If Developer is a corporation, copies of Developer's Articles of Incorporation or Charter, Bylaws, and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

If Developer is a limited liability company, copies of Developer's Articles of Organization, Operating Agreement and other governing documents, and any amendments thereto, including the consent of all limited liability company members authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement.

(5) Developer shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate of Developer, or other evidence of ownership if Developer is a limited liability company, shall have the following legend conspicuously endorsed upon its face:

The shares represented by this certificate, or other evidence of ownership if Developer is a limited liability company, are subject to the terms of an agreement dated [date] between [name of issuing corporation or limited liability company] and BOJANGLES' INTERNATIONAL, LLC, which, *inter alia*, restricts transfer, restricts activities in which [name of issuing corporation] may engage, and imposes restrictions on shareholders or members.

**[For Bojangles' Express Restaurants, delete Paragraph III.A.(5)]**

(6) Developer shall maintain a current list of all owners of record, including all members if Developer is a limited liability company, and all beneficial owners of any class of securities of Developer and shall furnish the list to Franchisor at such time as Franchisor may request.

B. At the date of execution of each Franchise Agreement executed pursuant hereto, Franchisee shall have, with respect to the Restaurant referred to in such Franchise Agreement, a ratio of debt to equity no greater than 1.5 to 1. Calculation of a debt to equity ratio for purposes hereof shall exclude equity interests in, and debts incurred as a result of, the acquisition of land and building, but shall include equity interests in, and debts incurred as a result of, the acquisition of equipment and inventory, training, franchise fees, start-up costs, initial point of purchase materials, landscaping, signage, and prepaid expenses. Franchisee shall, prior to the execution of each such Franchise Agreement, furnish Franchisor with evidence, satisfactory to Franchisor in its sole discretion, of its compliance with the requirement set forth in this paragraph. **[For Bojangles' Express Restaurants, delete Paragraph III.B.]**

C. Franchisee agrees to pay in full, and not lease or finance the equipment and fixtures in its first Bojangles' Restaurant.

#### IV. SITE SELECTION AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

A. Developer must obtain the written approval of Franchisor for the site of each Restaurant developed under this Agreement. Upon request by Developer, Franchisor shall provide reasonable site selection assistance and counseling to Developer. Developer shall propose sites for approval by Franchisor on forms or in the manner designated from time to time by Franchisor. A site shall only be submitted to Franchisor after Developer has carefully evaluated the site, determined that it meets the criteria for Restaurant sites which Franchisor has communicated to Developer, and determined that it may be acquired or leased by Developer. Franchisor shall review the application for site approval; and, within thirty (30) days of Franchisor's receipt of the application, Franchisor shall approve the proposed site or reject the site with comments as to why it was rejected.

B. Developer must obtain the written approval of Franchisor with respect to the terms of any lease or mortgage with respect to each site to be developed as a Restaurant under this Agreement. Within thirty (30) days after Franchisor's approval of a site, Developer shall notify Franchisor of the closing date if the site is to be obtained by purchase; and provide Franchisor with a copy of the proposed mortgage or deed of trust if a mortgage loan is contemplated; or, if the site is to be obtained by lease, provide Franchisor with a copy of the proposed lease. Within twenty (20) days thereafter, Franchisor shall send notice of approval or notice of rejection with comments. Developer shall, as promptly as possible after receipt of approval, complete acquisition of the site; and in any event shall complete acquisition of the approved site at least sixty (60) days prior to the date on which the Restaurant to be situated on the site must be opened pursuant to the Development Schedule.

C. Any lease or mortgage for a Restaurant site must permit assignment of the lease, mortgage, or deed of trust to Franchisor or its designees in the event of default by Developer of the lease, mortgage, deed of trust, this Agreement, or any other agreement with Franchisor; and must provide, in form and substance satisfactory to Franchisor, for quiet enjoyment, subordination and mutual attornment. Leases and mortgages must be bona fide, and provide financial terms consistent with those prevalent in the area. Leases shall provide for a term not less than the term of the respective Franchise Agreement. Developer shall use its best efforts to obtain therein an option to renew on stated financial terms which if exercised will, with the initial term, be for a period of not less than an additional twenty (20) years. **[For Bojangles' Express Restaurants, delete the last sentence of this Paragraph IV.C.]**

D. Upon receipt of a copy of an executed lease or a copy of an executed unconditional contract to purchase the site (or a deed if the site is owned by Developer), Franchisor will provide Developer with preliminary plans and specifications for the construction of a Bojangles' standard, free-standing restaurant building for use by Developer and its architect in preparation of final plans and specifications for the Restaurant to be constructed on the site. Developer shall bear the cost of any modifications to the preliminary plans and specifications provided to Developer by Franchisor. Final plans and specifications must be approved by Franchisor before the start of construction. Developer shall obtain, at its cost, the necessary permits required to construct the Restaurant and shall meet all other applicable requirements established by local statute, local ordinance or otherwise. Promptly after approval by Franchisor of Developer's final plans and specifications, Developer shall complete construction of the Restaurant and open for business within the time period prescribed in the Franchise Agreement or as required by the Development Schedule, whichever is shorter. **[For Bojangles' Express Restaurants, delete the first and second sentences of Paragraph IV.D. and substitute in their place the following: "Developer shall obtain and shall bear all costs associated with the development of plans and specifications for the construction of the Restaurant including those for any interior and exterior modifications or additions to the building or other structure where the Restaurant shall be located." Also, delete the fourth sentence and substitute the following in place thereof: "In addition, all signage on the convenience store or other structure's premises relating to the Bojangles' Restaurant must be approved by the Franchisor. Developer shall obtain, at its cost, the necessary permits required to construct the Restaurant and required in connection with any signage related to the Restaurant and shall meet all other applicable requirements established by local statute, local ordinance or otherwise."]**

E. No later than the earlier of forty-five (45) days after commencement of construction of the Restaurant or ten (10) days prior to the Restaurant's opening, Developer shall execute a Franchise Agreement and pay the appropriate franchise fee for that site. The Franchise Agreement for the first Restaurant developed hereunder shall be in the form of the Franchise Agreement attached hereto as Exhibit C. The Franchise Agreement for each additional Restaurant developed hereunder shall be the form of Franchise Agreement being offered to new franchisees by Franchisor at the time each development right is exercised; provided, however, that the royalty fee and advertising fee shall be no greater than that specified in the Franchise Agreement set forth as Exhibit C, and the term shall be no shorter than the term provided for in such agreement.

F. Recognizing that time is of the essence, Developer agrees promptly to satisfy the Development Schedule. Failure by Developer to adhere to the Development Schedule shall constitute a default under this Agreement as provided in Paragraph VIII.C. hereof.

V. TERM

A. Unless sooner terminated in accordance with the terms of this Agreement, this Agreement and all rights granted hereunder shall expire December 31 of the final year specified in the Development Schedule.

B. This Agreement does not grant Developer the right to open and operate Restaurants in addition to the number of Restaurants specified in the Development Schedule.

VI. DUTIES OF DEVELOPER

A. Developer shall comply with all terms and conditions set forth in this Agreement.

B. Developer shall designate an individual to serve as the "Principal Operating Officer" of Developer, or if Developer is a limited liability company, it shall designate an individual to serve as "Principal Operating Partner" of Developer, and the Restaurants developed pursuant to this Agreement, subject to the following conditions:

(1) The Principal Operating Officer or Partner shall own an equity interest of at least ten percent (10%) in Developer during the entire period he serves as Principal Operating Officer or Partner;

(2) The Principal Operating Officer or Partner shall devote full time and best efforts to the supervision and conduct of the Restaurants developed hereunder;

(3) The Principal Operating Officer or Partner shall execute this Agreement, and shall be individually bound by all obligations of Developer hereunder;

(4) No person shall become a Principal Operating Officer or Partner unless approved by Franchisor; and

(5) If the Principal Operating Officer or Partner is unable, or elects not to meet his obligations under this Agreement, or if, in Franchisor's sole discretion, the Principal Operating Officer or Partner no longer qualifies to act as such, Developer shall promptly designate another Principal Operating Officer or Partner subject to the same conditions and qualifications listed above.

C. Developer shall provide to Franchisor such financial information as Franchisor may reasonably request concerning Developer and any shareholders or members, subsidiaries or affiliates of Developer owning, directly or indirectly, any interest in Developer or in any Restaurant.

D. Developer shall provide Franchisor with an unaudited quarterly statement of profit or loss and a balance sheet of Developer within thirty (30) days following the end of each quarter of Developer's fiscal year. Developer shall also provide to Franchisor a year-end statement of profit or loss and balance sheet prepared in accordance with generally accepted accounting principles certified by the Chief Financial Officer of Developer and, upon written request of Franchisor, such year-end statements shall be certified by an independent certified public accounting firm acceptable to Franchisor. All year-end statements shall be provided to Franchisor within ninety (90) days following the end of Developer's fiscal year.

E. Developer shall comply with all requirements of federal, state and local laws, rules and regulations.

## VII. CONFIDENTIAL INFORMATION

A. Developer shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation or limited liability company any confidential information, knowledge, or know-how concerning the methods of operation of the Restaurants developed hereunder which may be communicated to Developer or of which Developer may be apprised by virtue of Developer's operation under the terms of this Agreement or other agreements entered into with Franchisor. Developer shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Restaurants developed hereunder, and Developer shall take such precautions as Franchisor deems necessary to ensure that Developer's employees retain such information in confidence. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Developer can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Developer, had become a part of the public domain, through publication or communication by others; or which, after disclosure to Developer by Franchisor, becomes a part of the public domain, through publication or communication by others.

B. Developer hereby acknowledges that under the Franchise Agreement(s) executed pursuant hereto, Franchisor will provide Developer with access to and training in processes and procedures of a proprietary nature and will provide Developer with access to and the right to use recipes and formulas, the Manual, logos, designs, trademarks, trade names and other proprietary information in connection with Developer's development and operation of the Bojangles' Restaurant. Developer acknowledges and agrees that Developer shall not at any time, whether during the term of this Agreement or Franchise Agreement(s) executed pursuant hereto or after expiration or earlier termination of any or all of them, disclose any information obtained through such training or from any materials provided by Franchisor to Developer and pertaining to the Bojangles' System to any third party other than employees of Developer directly involved in the operations of the Restaurant. Further, Developer agrees that during the term of this Agreement, and Franchise Agreement(s) executed pursuant hereto and after expiration or earlier termination of any or all of them, it shall not use any of such information or proprietary marks, including but not limited to processes, procedures, recipes and formulas, for any purpose other than the

operation of the Bojangles' Restaurant and will take all steps necessary to prevent any other use of them. Without limiting the foregoing, Developer specifically agrees that it shall not during the term of this agreement or Franchise Agreement(s) executed pursuant hereto or after expiration or earlier termination of any or all of them, offer for sale at any location, other than a Restaurant being then operated pursuant to a specific Franchise Agreement then in effect, any food or drink products prepared using in whole or part the procedures, processes, techniques, recipes or formulas provided by Franchisor to Developer.

C. Developer acknowledges that any failure to comply with the requirements of this Paragraph VII. will cause irreparable injury to Franchisor, and Developer agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph VII.

## VIII. DEFAULT

A. The rights granted to Developer in this Agreement have been granted in reliance on Developer's representations and assurances, among others, that the conditions set forth in Paragraphs I. and IV. of this Development Agreement will be met by Developer in a timely manner.

B. Developer shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Developer or such a petition is filed against Developer and not opposed by Developer; or if Developer is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer.

C. Upon occurrence of any of the following events, Developer shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon receipt of notice by Developer, or instead of terminating Developer, Franchisor may, at its discretion, elect any of the remedies set forth in Paragraph VIII.E. hereof:

(1) If Developer fails to comply with the Development Schedule, except where Developer can establish the existence of force majeure for such failure under the terms of Paragraph XI. hereof;

(2) If Developer or any shareholder or member of Developer is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, adversely to affect the System, the Proprietary Marks or the Trade Dress, the goodwill associated therewith, or Franchisor's interest therein;

(3) If Developer or any shareholder or member of Developer purports to transfer any interest in this Agreement, any rights hereunder, including but not limited to any rights to develop any restaurants under this Agreement or obligations under this Agreement or any interest in Developer to any third party without Franchisor's prior written consent, contrary to the terms of Paragraph IX. of this Agreement;

(4) If Developer knowingly maintains false books or records, or knowingly submits any false reports to Franchisor;

(5) If any Franchise Agreement entered into by Franchisor and Developer is terminated based upon Developer's default thereunder;

(6) If Developer or any Franchisee under a Franchise Agreement entered into pursuant to this Agreement ceases to operate or otherwise abandons, or attempts to cease to operate or abandon, any Restaurant or enters into an agreement to sell, or sells, or purports or attempts to sell, the real property upon which the Restaurant is situated, or substantially all right, title and interest in and to the Restaurant or real property lease, or substantially all of the assets of Developer, of Franchisee, or of any Restaurant, without Franchisor's prior written consent; provided, however, that upon the occurrence of any of the foregoing events, Franchisor may, in lieu of immediate termination of this Agreement, request from Developer and Franchisee, a statement of intentions and assurances that no event in breach of this Agreement is so contemplated, which statement and assurances shall be delivered in writing within twenty-four (24) hours of Franchisor's request. In addition, Franchisor may request, and Franchisee shall provide within five business days thereafter, a performance bond from Developer and Franchisee, the amount of such bond and the issuing entity to be solely at Franchisor's reasonable discretion.

(7) If Developer, after curing a default pursuant to Paragraph VIII.D. hereof, commits the same, or a substantially similar, default again within one hundred eighty (180) days after the prior default occurred, whether or not cured after notice; or

(8) If Developer repeatedly is in default under Paragraph VIII.D. hereof for failure to comply with any of the requirements imposed by this Agreement, whether or not cured after notice.

**[For Bojangles' Express Restaurants, add the following: "(9) If Developer or any individual, partnership, corporation, limited liability company or other legal entity which directly or indirectly owns an interest in Developer shall, without the prior written consent of Developer, make any transfer that alone or together with other previous, simultaneous or proposed transfers, would have the effect of transferring a controlling interest in Developer to an entity or parent, subsidiary or affiliate thereof which is a competitor of Franchisor."]**

D. Except as otherwise provided in Paragraphs VIII.B. and VIII.C. of this Agreement, Developer shall have thirty (30) days after its receipt from Franchisor of a written Notice of Default within which to remedy any default hereunder and to provide evidence thereof

to Franchisor. If any such default is not cured within that time, or such longer period as applicable law may require, Franchisor may terminate this Agreement, effective immediately upon Developer's receipt of notice from Franchisor after the expiration of the thirty (30) day period or such longer period as applicable law may require. In lieu of termination, Franchisor may, at its discretion, elect any of the remedies set forth in Paragraph VIII.E. hereof. Developer shall be in default hereunder:

(1) If Developer fails to comply with any of the requirements imposed by this Agreement or fails to carry out the terms of this Agreement in good faith;

(2) If a final judgment against Developer remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed);

(3) If Developer is dissolved, execution is levied against Developer's business or property, or suit to foreclose any lien or mortgage against any Restaurant or equipment situated therein is instituted against Developer and not dismissed or bonded off within sixty (60) days;

(4) If the real or personal property of any Restaurant of Developer is sold after levy thereupon by any sheriff, marshal, or constable; or

(5) If an approved transfer of a controlling interest in Developer is not effected within the prescribed period following the death or mental incapacity of a shareholder or member of Developer, as required by Paragraph IX. D. hereof.

E. Within sixty (60) days after any default of Developer under Paragraphs VIII.B. or VIII.C. hereof, or within ninety (90) days after a default of Developer which is not cured pursuant to Paragraph VIII.D. hereof, in addition to the right to terminate described in those paragraphs, Franchisor, in its discretion, may elect to do any one or more of the following (provided, however, that upon a default as set forth in Paragraph VIII. C. (1), and provided that no other defaults have occurred and are continuing, Franchisor may exercise only those remedies set forth in subparagraphs (1), (2) and (4) below):

(1) Reduce the number of Restaurants which Developer may establish pursuant to Paragraph I. of this Agreement;

(2) Terminate the territorial exclusivity granted Developer in Paragraph I.B. hereof, or reduce the area of territorial exclusivity granted Developer hereunder;

(3) Terminate all Franchise Agreements entered into between Franchisor and Developer, thereby obligating Developer to cease operating Restaurants under the Bojangles' System, to deidentify the Restaurants from the Bojangles' System, and to comply with all obligations upon termination or expiration set forth in the Franchise Agreements;

(4) Terminate this Development Agreement, as a result of which Developer shall have no further rights to develop and construct Restaurants, but permit Developer to

continue to own and operate any and all Restaurants already operating hereunder so long as Developer is in full compliance with any and all terms and conditions of all franchise agreements entered into pursuant to this Development Agreement; and

(5) Purchase the assets of all, but not less than all, Restaurants that Developer has opened under this Development Agreement, but this remedy shall only be available to Franchisor upon the following circumstances:

(a) If Developer or any shareholder or member of Developer transfers or purports or attempts to transfer any interest in this Agreement, any rights or obligations under this Agreement or any interest in Developer to any third party without Franchisor's prior written consent, contrary to the terms of Paragraph IX of this Agreement;

(b) If Developer or any Franchisee under a Franchise Agreement entered into pursuant to this Agreement ceases to operate or otherwise abandons, or attempts to cease to operate or abandon, any Restaurant or enters into an agreement to sell or otherwise transfer, or sells or otherwise transfers, or purports or attempts to sell or otherwise transfer, the real property upon which the Restaurant is situated, or substantially all right, title and interest in and to the Restaurant or real property lease, or substantially all of the assets of Developer, of Franchisee or of any Restaurant, without Franchisor's prior written consent, and Developer and Franchisee have failed to give adequate assurances and provide the performance bond as provided in Paragraph VIII. C. (6).

If Developer leases the Restaurant building and land on which the Restaurant is situated, Franchisor shall have the right to purchase the leasehold and other assets owned by Developer relating to the Restaurant for an amount equal to the higher of (i) the net tangible book value (which shall be the cost of the Restaurant building, land and equipment reduced by accumulated depreciation, utilizing the straight-line method of depreciation using a useful life of 5 years for all equipment, 7 years for seating and decor, 10 years for signs, paving and HVAC and 20 years for the building and other improvements) of the assets owned by Developer relating to the Restaurant, including the leasehold improvements, equipment, inventory and supplies, and excluding unamortized franchise and development fees, good will and all other intangible assets; or (ii) an amount calculated as follows:

| A   | B                            | C  |
|---|------------------------------|--|
| If gross sales for each Restaurant for the 12 months immediately preceding termination are: | Multiply the gross sales by: | and subtract the following from the product of A and B:  |
| Up to \$750,000   | \$.40                        | All debts and liabilities of Developer to Franchisor, or to third parties (excluding lease obligation to third parties) which are being assumed by Franchisor. |
| \$750,001-900,000   | \$.50                        |  |
| \$900,001 or more   | \$.55                        |  |

The amount as computed above shall be payable twenty percent (20%) on closing with the principal balance payable in three (3) equal payments due annually on the anniversary of the purchase with interest on the unpaid principal balance payable on the due date of each principal payment at the rate of ten percent (10%) per annum. Undisclosed or matured contingent liabilities which are paid by Franchisor after payment of the twenty percent (20%) down shall be deducted from the next installment(s) due, together with interest thereon from the date paid at the rate of two percent (2%) per annum over the prime rate of Bank of America on the date such payment is made.

If Developer owns the land on which the Restaurant to be purchased by Franchisor is situated, Franchisor shall have the right, at its discretion, either to purchase or lease the land and Restaurant building. If Franchisor elects to purchase, Developer shall sell the land, building, equipment, inventory, and supplies to Franchisor at the higher of (i) their depreciated net tangible book value, which shall be the cost of the Restaurant building, land and equipment reduced by accumulated depreciation, utilizing the straight-line method of depreciation using a useful life of 5 years for all equipment, 7 years for seating and decor, 10 years for signs, paving and HVAC and 20 years for the building and other improvements, or (ii) an amount to be determined in accordance with the table in Paragraph VIII.E.(5)(b) above. If Franchisor elects to lease, Developer shall lease the land and building to Franchisor on Franchisor's then-standard lease form for Bojangles' Restaurant sites operated by Franchisor, and Franchisor shall purchase the equipment, inventory and supplies at their depreciated net tangible book value, as defined above. Net annual rental payments (payable monthly after taxes and expenses) shall be equal to the higher of fourteen percent (14%) of the depreciated net tangible book value, as defined above, of the land and Restaurant building, or six and one-half percent (6-1/2%) of gross sales to the extent that gross sales do not exceed the amount of gross sales for the twelve (12) months preceding the commencement of occupancy by Franchisor, and five percent (5%) of gross sales that exceed that amount.

**[For Bojangles' Express Restaurants, delete Paragraph VIII.E.(5) in its entirety.]**

F. Upon termination of this Agreement, Developer shall have no right to establish or operate any Restaurant for which a Franchise Agreement has not been executed by Franchisor and delivered to Developer at the time of termination; and Franchisor shall be entitled to establish, and to license others to establish, Restaurants in the Assigned Area except as may be otherwise provided under any other agreement which is then in effect between Franchisor and Developer.

G. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

H. Each Restaurant shall be leased by Franchisee, and the lease of each Restaurant shall provide the following provisions:

Lessor shall provide to Bojangles' International, LLC ("Franchisor") copies of any notices sent to Lessee, including any notice of default. In the event of a default by Lessee and notice to Lessee and Franchisor of such default by Lessee, Franchisor may, but shall not be required to,

cure Lessee's default on the same terms and conditions permitted Lessee under the Lease. In the event Franchisor notifies Lessee that Lessee is in default under provisions of its Franchise Agreement and that the Franchise Agreement has been terminated, Lessor will permit the assignment of the Lease to Franchisor without requiring further consent of Lessor; provided that if Franchisor then assumes Lessee's obligations under the Lease Franchisor shall promptly notify Lessor. Nothing herein shall be construed to require Franchisor to assume the obligations of Lessee under the Lease. Franchisor may enforce these provisions as a third party beneficiary under the Lease. Lessor shall not amend or delete these provisions from the Lease without Franchisor's written consent.

## IX. TRANSFER

A. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity.

B. Transfer by Developer is limited as follows:

(1) Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer and its shareholders or members, and that Franchisor has granted this Agreement in reliance on Developer's business skill and financial capacity, and the business skill, financial capacity and personal character of Developer's shareholders or members. Accordingly, neither Developer nor any immediate or remote successor to any part of Developer's interest in this Agreement, nor any individual, partnership, corporation, limited liability company or other legal entity which directly or indirectly owns any interest in this Agreement or in Developer shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in this Agreement, any rights or obligations hereunder or in Developer without the prior written consent of Franchisor, which consent shall not be unreasonably withheld. Any such proposed transfer shall be subject, where applicable, to Franchisor's option to purchase set forth in Paragraph IX.C. hereof. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor required by this Paragraph IX. shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Paragraph VIII.C. of this Agreement.

(2) If a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring a controlling interest in Developer, interest in this Agreement, any rights or obligations hereunder or any Restaurant developed under this Agreement, Franchisor may, in its sole discretion, if it does not elect to exercise its option to purchase set forth in Paragraph IX.C. hereof, require any or all of the following as conditions of its approval:

(a) All of Developer's accrued and outstanding monetary obligations to third parties and all accrued and outstanding obligations to Franchisor or any parent, subsidiary or affiliate of Franchisor shall have been satisfied;

(b) Developer shall not be in default of any provision of this Agreement, any amendment hereto or successor hereof, or any other agreement between Developer and Franchisor, its parents, subsidiaries, or affiliates;

(c) The transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders or members, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; and shall agree to remain liable to Franchisor for all affirmative obligations, covenants, and agreements contained herein for two (2) years following the effective date of transfer (or, if transferor retains a purchase money interest in the transferred business, for a period greater than two (2) years, until the interest is extinguished) or for such shorter period as Franchisor may, in its sole discretion, determine;

(d) The transferee shall enter into a written assignment, under seal and in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Developer's obligations under this Agreement; and, if the obligations of Developer were guaranteed by the transferor, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

(e) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the business which is the subject of this Agreement (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to develop Restaurants hereunder;

(f) At Franchisor's option, the transferee shall execute (and/or, upon Franchisor's request, shall cause all interested parties to execute), for a term ending on the expiration date of this Agreement, either Franchisor's then-current standard form of development agreement or an agreement in the form of this Agreement, as Franchisor determines, together with a guarantee of such agreement executed by all shareholders or members of the transferee, provided that the development schedule and assigned area of such agreement shall be the same as in this Agreement, and such other ancillary agreements as Franchisor may require;

(g) At the transferee's expense, transferee's Principal Operating Officer or Partner and transferee's managers shall complete any training and certification programs then in effect for developers upon such terms and conditions as Franchisor may reasonably require; and

(h) Developer shall pay to Franchisor a transfer fee of two thousand five hundred dollars (\$2,500) per Restaurant, which constitutes Franchisor's reasonable costs and expenses (including legal and accounting expenses) in connection with Franchisor's review of the application to transfer.

(i) The transferee shall acquire, in addition to the development rights provided for in this Agreement, all of the Restaurants opened pursuant to this Development Agreement and all of Developer's rights granted under all of its Franchise Agreements with Franchisor.

(3) Developer shall grant no security interest in this Agreement or in any Restaurant developed hereunder (other than a pledge of assets to secure a bona fide loan made or credit extended in connection with acquisition of the assets pledged) unless the secured party agrees that in the event of any default by Developer under any documents related to the security interest, Franchisor shall have the right and option to purchase the rights of the secured party upon payment of all sums then due to such secured party.

(4) Developer acknowledges and agrees that each condition which must be met by the transferee is necessary to assure such transferee's full performance of the obligations hereunder.

**[For Bojangles' Express Restaurants insert the following: "(5) Nothing contained in this Development Agreement shall prevent or prohibit Developer from selling, assigning, transferring, conveying, giving away, pledging, mortgaging, granting security interests in or otherwise encumbering Developer's real property interests, including but not limited to fee or leasehold interests in any land or buildings, or Developer's interests in other hard assets, including any equipment and furnishings, but excluding any items which bear any of Franchisor's logos, trademarks, trade names or other proprietary marks.**

**C. In the event that a quick-service food competitor of Franchisor acquires a controlling interest in Developer without Franchisor's prior written consent, Franchisor shall have the right at its option to terminate this Agreement and all rights granted hereunder without affording Developer any opportunity to cure the default upon ninety (90) days written notice to Developer."**]

C.**[D.]** Franchisor shall have the option to purchase any interest in the Restaurant or this Agreement as follows:

(1) Developer and shareholders or members of Developer who desire to accept a bona fide offer from a third party to purchase an interest in Developer or in this Agreement shall provide Franchisor with all of the terms of the proposed transfer in writing at least thirty (30) days prior to the proposed date of transfer. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party, net of any finders or brokers fees which any third party would be obligated to pay. In the event that Franchisor elects to purchase the seller's interest, closing on such purchase must occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor does not exercise its option to purchase, Developer and shareholders or members of Developer may proceed to consummate a transfer to a third party if they have complied with the conditions of this Paragraph IX. If Franchisor did not exercise its option to purchase, any material change in the terms of the third

party's offer prior to closing shall constitute a new offer subject to the same option to purchase by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Paragraph IX.C. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Paragraph IX. with respect to a proposed transfer.

(2) In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor is not in a position to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash.

D.[E.] Upon the death or mental incapacity of any person with a direct or indirect interest in this Agreement or in Developer, the executor, administrator, or personal representative of such person shall transfer the interest to a third party, including shareholder(s) or member(s) of Developer, approved by Franchisor within twelve (12) months after such death or mental incapacity or, if legal proceedings make transfer within twelve (12) months not feasible, within such longer period as may be reasonable under the circumstances. Such transfer, including, without limitation, transfer by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. If an approved transfer has not been made within the aforementioned period, Franchisor shall have the option to purchase all (but not less than all) of the Restaurants developed by Developer hereunder at fair market value, and thereupon terminate this Agreement. In the event that Franchisor elects to purchase the Restaurants and terminate this Agreement in accordance with the foregoing, closing of the transaction shall take place as promptly as possible after Franchisor exercises its option to purchase, and the parties reach agreement concerning the fair market value of the Restaurants. Payment will be made in four (4) installments, the first of which shall be made at the time of closing and the remaining three (3) installments shall each be made at one (1) year intervals from the date of the first payment. Interest shall be payable on the unpaid portion of the purchase price on the due date of each installment of principal at the prime rate of Bank of America on the date of Franchisor's election to purchase the Restaurants. If the parties are unable to agree on the fair market value of the Restaurants, then the dispute will be settled by binding arbitration in Charlotte, North Carolina, in accordance with the rules and procedures of the American Arbitration Association.

E.[F.] Franchisor's consent to a transfer of any interest in Developer, interest in this Agreement or rights or obligations hereunder or any Restaurant developed under this Agreement shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

F.[G.] Developer acknowledges that any failure to comply with the requirements of this Paragraph IX. will cause Franchisor irreparable injury, for which no adequate remedy at law may be available, and Developer agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph IX.

## X. COVENANTS

A. Developer acknowledges that, pursuant to this Agreement, Developer will receive valuable specialized training and confidential information, including, without limitation, information relating to the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. In addition, Developer acknowledges its obligation to develop Restaurants hereunder. Accordingly, Developer covenants that:

(1) During the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer and its shareholders or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

(a) Divert or attempt to divert any business or customer of the Restaurants to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks, Trade Dress and the System; or

(b) Employ or seek to employ any person who is at that time employed by Franchisor or by any other developer or franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

(2) Except as otherwise approved in writing by Franchisor, Developer and its shareholders or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, advise, help, invest in, make loans to, be employed by, be the landlord of, engage in, or have any interest in:

(a) Any restaurant business which competes with any Bojangles' restaurant or which sells fried chicken, biscuits and/or biscuit sandwiches, or other items which become featured menu items at the Restaurants, during the term of this Agreement and for a continuing uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for one (1) year thereafter; and

(b) Any fast food restaurant business which is located within twenty (20) miles from the site of any Restaurant developed hereunder, or within a designated market area within which any of the Assigned Area is situated, during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause of termination, and continuing for three (3) years thereafter.

B. Paragraph X.A. shall not apply to ownership by Developer of less than two percent (2%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

**[For Bojangles' Express Restaurants, delete Paragraph X.A.(2) and X.B. hereof and substitute the following:**

**B. At all times during the term of this Agreement and after the expiration or earlier termination hereof, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, or limited liability company own, maintain, advise, help, invest in, make loans to, be employed by, be the landlord of, engage in, or have any interest in any restaurant business which utilizes any of the specialized products, processes, procedures, recipes or specialized techniques that are disclosed or made available to it or to which it may have access to as a Bojangles' franchisee or operator of a Bojangles' franchise.**

**C. During the term of this Agreement or any other Franchise Agreement between Developer or any of its affiliates and Franchisor, Developer shall not, either directly or indirectly, engage in or have any interest in any other food service business that offers for sale products similar to Bojangles' signature products, including but not limited to cajun spiced chicken, dirty rice, cinnamon pecan twists or cinnamon biscuits or other made-from-scratch biscuits, or specially seasoned french fried potatoes or other products using spices similar to Bojangles'. Nothing contained in this Paragraph X.C. shall prohibit Developer from becoming a franchisee of an established franchisor which offers products in its established product line similar to Bojangles' signature products.**

**D. Notwithstanding anything to the contrary herein, for a period of three (3) years from and after the expiration or earlier termination of any Franchise Agreement executed pursuant hereto neither Developer nor any of its affiliates shall engage in any food service operations at or from the franchised location, including but not limited to restaurant and catering services, that offer for sale products competing with Franchisor's primary products of chicken and/or biscuits. Nothing contained herein shall prohibit Developer from offering at its locations other than the franchised location generic products currently offered by Franchisee as a part of the normal operations of its convenience store or other business.]**

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

D.[F.] Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraph X.A. or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof; and Developer agrees that it shall comply forthwith with any covenant as so modified.

E.[G.] Developer expressly agrees that the existence of any claims it may have now or in the future against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Paragraph X.

F.[H.] Developer acknowledges that any failure to comply with the requirements of this Paragraph X. would result in irreparable injury to Franchisor, for which no adequate remedy at law may be available, and Developer agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph X.

G.[I.] At the request of Franchisor, Developer shall obtain and deliver to Franchisor executed covenants similar in substance to those set forth in this Paragraph X. (including covenants applicable upon the termination of a person's relationship with Developer) from the following persons: all officers, directors, or members, and holders of the securities of Developer, and of any corporation or limited liability company directly or indirectly controlling, or controlled by, Developer. Every covenant required by this Paragraph X.G. shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. Failure by Developer to obtain execution of a covenant required by this Paragraph X.G. or to deliver the covenant to Franchisor shall constitute a default under Paragraph VIII.D. hereof.

## XI. FORCE MAJEURE

If the performance of any obligation under this Agreement is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof, affecting the parties hereto or the rights granted hereunder, such force majeure to include but not be limited to acts of God, fire, flood, governmental restrictions, lockouts or labor disputes, then the affected party shall be given such additional time as is reasonable to perform in view of the nature and extent of the force majeure; provided, however, that events constituting a force majeure hereunder which delay the opening of a Restaurant to be developed hereunder shall not change the dates set forth in the Development Schedule by which additional Restaurants shall be opened and operating.

## XII. NOTICES

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been properly given (a) on the day delivered, if delivered personally or (b) three (3) business days after being mailed, if mailed first class, postage prepaid, registered or certified mail, return receipt requested, or (c) one (1) business day after being mailed, if sent via a reputable overnight courier service, as follows:

If to Franchisor:

Via first class, postage prepaid, registered or certified mail:

BOJANGLES' INTERNATIONAL, LLC  
P.O. Box 240239

Charlotte, NC 28224  
Attn: General Counsel

and

Via personal delivery or overnight courier services:

BOJANGLES' INTERNATIONAL, LLC  
9432 Southern Pine Boulevard  
Charlotte, NC 28273  
Attn: General Counsel

If to Developer:

#

Copy to:

#

Any party may give notice of a change of address by written notice given as provided in this Paragraph.

### XIII. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them; that Developer is an independent contractor; and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

B. Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. Developer agrees to take such actions as shall be necessary to that end.

C. Developer understands and agrees that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Developer or any claim or judgment arising therefrom. Developer shall indemnify and hold Franchisor and Franchisor's officers, directors, shareholders, members, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with, Developer's activities hereunder, as well as the costs, including attorneys' fees, of defending against them.

### XIV. APPROVALS AND WAIVERS

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

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

C. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Developer under any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Developer, or as to a subsequent breach or default by Developer. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, provisions, covenants, or conditions of this Agreement.

#### XV. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each portion, paragraph, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any portion, paragraph, section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portion, paragraph, section, part, term, and/or provision of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portion, paragraph, section, part, term, and/or provision shall be deemed not to be a part of this Agreement.

B. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer, Franchisor, Franchisor's officers, directors, and employees, and such of Developer's and Franchisor's respective successors and assigns as may be contemplated by Paragraph IX. hereof, any rights or remedies under or by reason of this Agreement.

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

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

E. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable, and all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Developer shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Developer.

F. This Agreement may be executed in three (3) copies, and each executed copy shall be deemed an original.

#### XVI. ENTIRE AGREEMENT - APPLICABLE LAW

A. This Agreement, the documents referred to herein, and the Exhibit(s) hereto, constitute the entire, full, and complete agreement between Franchisor and Developer concerning the subject matter hereof, and supersede all prior agreements. No representations have induced Developer to execute this Agreement except for those contained in this Agreement, the Exhibits and the Franchise Disclosure Document. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing; provided, however, that a writing signed by Developer need not be signed by any of its shareholders or members except to the extent, if any, that such writing would increase the amount of such shareholder's or member's financial obligations. Further, no modification, amendment, waiver, discharge or termination of any obligation of Developer, and no other matter or termination of any nature or kind whatsoever, including without limitation any release of Developer from any such obligation, shall release any shareholder or member of any guaranty obligation given or made by him under this Agreement or otherwise, whether or not such shareholder or member has notice thereof, all rights to notice or to consent being expressly waived hereby.

B. This Agreement takes effect upon its acceptance and execution by Franchisor in the State of North Carolina, and shall be interpreted and construed under the laws of that State, which laws shall prevail in the event of any conflict of law; provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of North Carolina, then such provisions shall be interpreted and construed under the laws of the state in which the principal office of Developer is located.

C. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of North Carolina and do hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

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

E. In the event of any action at law or in equity to secure or protect rights under or to enforce the terms of this Agreement, except as otherwise provided for in this Agreement, the prevailing party shall be entitled to recover reasonable counsel fees together with court costs and expenses incurred in connection with the litigation.

## XVII. ACKNOWLEDGMENTS

A. Developer acknowledges that the success of the business venture contemplated by this Agreement involves substantial business risks and will be largely dependent upon the ability of Developer as an independent business entity. Franchisor expressly disclaims the making of, and Developer acknowledges not having received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

B. Developer acknowledges that Developer has received, read, and understood this Agreement, the Exhibits attached hereto, and agreements relating hereto, if any; that other development agreements entered into by Franchisor may be different in form and content from this Agreement; and that Franchisor has accorded Developer ample time and opportunity, and has encouraged Developer, to consult with advisors of Developer's own choosing about the potential benefits and risks of entering into this Agreement.

C. Developer acknowledges that it received a complete copy of this Agreement, the Exhibits hereto, and agreements relating hereto, if any, at least seven (7) calendar days prior to the date on which this Agreement was executed. Developer further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, which rule is entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Venture," at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

**[Signatures on the following page]**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered three (3) copies of this Agreement on the day and year first above written.

FRANCHISOR:

BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

ATTEST:

\_\_\_\_\_  
Assistant Secretary

(Seal)

By: \_\_\_\_\_  
Executive Vice President

DEVELOPER:

\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

(Corporate Seal)

By: \_\_\_\_\_  
President

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Principal Operating Officer of Developer

SHAREHOLDERS OF DEVELOPER:

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

\*\*\*OR\*\*\*

DEVELOPER:

\_\_\_\_\_

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Member/Manager

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Witness

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Principal Operating Partner of Developer

MEMBERS OF DEVELOPER:

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Witness

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Witness

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BOJANGLES' INTERNATIONAL, LLC  
Development Agreement

Exhibit A

Development Schedule

This Agreement authorizes and obliges Developer to establish and operate \_\_\_\_\_  
(\_\_\_) Restaurants pursuant to a Franchise Agreement for each Restaurant. The following is  
Developer's development schedule:

| <u>By (Date)</u> | <u>Number of Restaurants<br/>Which Developer<br/>Shall Open Per Year</u> | <u>Cumulative Total Number<br/>of Restaurants Which<br/>Developer Shall Have Open<br/>and in Operation</u> |
|------------------|--|--|
|------------------|--|--|

BOJANGLES' INTERNATIONAL, LLC  
Development Agreement

Exhibit B

Assigned Area

Franchisor reserves the right to develop for itself or to grant franchise rights to others to develop restaurants within the Assigned Area on the premises of colleges, universities, hospitals and airports and within one (1) mile along each side of interstate highways within the Assigned Area. The following describes the Assigned Area within which Developer may locate Restaurants under this Agreement:

#

BOJANGLES' INTERNATIONAL, LLC  
Development Agreement

Exhibit C

Franchise Agreement

The form of Franchise Agreement for the first Restaurant developed by Developer under this Agreement is attached.

**GUARANTEE**

As an inducement to BOJANGLES' INTERNATIONAL, LLC ("Franchisor") to execute the Development Agreement ("Agreement"), to which this Guarantee is attached, the undersigned, jointly and severally, hereby agree to be individually bound by all the terms and conditions of the Agreement including any amendments thereto whenever made and unconditionally guarantee to Franchisor and its successors and assigns the payment of all liabilities incurred by Developer at any time.

Sixty (60) days after any default of Developer under Paragraphs VIII.B. or VIII.C. of the Agreement, or ninety (90) days after a default by Developer which is not cured pursuant to Paragraph VIII.D. of the Agreement, the undersigned will immediately make payment of any liabilities previously incurred by Developer. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust, or compromise any claims against Developer. The undersigned waive notice of amendment of the Agreement and notice of demand for payment or performance by Developer.

Upon the death of any individual guarantor, the estate of such guarantor will be bound by this Guarantee but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors will continue in full force and effect.

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

**GUARANTORS:**

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

Exhibit B

BOJANGLES' INTERNATIONAL, LLC

**FRANCHISE AGREEMENT**

THIS AGREEMENT made as of the \_\_\_\_ day of \_\_\_\_\_,

2012 by and between:

BOJANGLES' INTERNATIONAL, LLC

("Franchisor")

and

---

("Franchisee")

Store # \_\_\_\_\_

[store address]

\_\_\_\_\_ County

DMA:

Restaurant Opening Date: \_\_\_\_\_

FA 03/30/12

G:\Legal\Franchise\FDD\FTC\2012\Agreements 2012\FA & Add.doc

**BOJANGLES INTERNATIONAL, LLC  
FRANCHISE AGREEMENT**

This Franchise Agreement ("Agreement") is made and entered into as of \_\_\_\_\_, 2012, between BOJANGLES' INTERNATIONAL, LLC, a Delaware limited liability company ("Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ corporation (or a \_\_\_\_\_ limited liability company) ("Franchisee").

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed and owns a unique and distinctive system (hereinafter "System" or "Bojangles' System") relating to the establishment and operation of fast service restaurants;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, color schemes and layout, including specially designed decor and furnishings; a special selection of menu items largely prepared "from scratch"; procedures and techniques for food and beverage preparation; prompt and courteous service in a clean, wholesome atmosphere; methods of inventory, operating, cash and financial controls and systems for such controls; a training school utilizing special teaching techniques, course instruction and manuals; and unique advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

WHEREAS, Franchisor identifies the Bojangles' System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the marks "BOJANGLES"® and "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS"®, and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by Franchisor in writing) for use in connection with the Bojangles' System (hereinafter referred to as "Proprietary Marks") and certain unique trade dress, including but not limited to specific color schemes, patterns, designs, decor, furnishings and layout, now or hereafter used by Franchisor in connection with the Bojangles' System (hereinafter referred to as "Trade Dress");

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

WHEREAS, Franchisee desires to enter into the business of operating a Bojangles' restaurant under the Bojangles' System and wishes to obtain a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith; and

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

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

I. GRANT

A. Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, the right and franchise, and Franchisee undertakes the obligation, to operate a Bojangles' restaurant (hereinafter referred to as "Restaurant" or "Franchised Business") and to use solely in connection therewith the Proprietary Marks, the Trade Dress and the Bojangles' System, as they may be changed, improved, and further developed from time to time, only at the location set forth in Attachment A hereto.

B. Franchisee acknowledges that this franchise is non-exclusive, except as may be otherwise agreed to between the parties hereto, and is granted subject to the terms of Paragraph VII.C.(6) and VII.F.(6) hereof.

II. TERM AND RENEWAL

A. Except as otherwise provided herein, the initial term of this Agreement shall expire twenty (20) years from the date of this Agreement; provided, however, that if Franchisee's approved location is leased, this Agreement shall expire at the earlier of twenty (20) years from the date of this Agreement or upon expiration or termination of the initial term of the lease.

B. Franchisee may, at its option, renew this Agreement for two (2) additional consecutive terms of ten (10) years each, provided that prior to the end of the then-current term:

(1) Franchisee has given Franchisor written notice of its election to renew not less than six (6) months nor more than nine (9) months prior to the end of the applicable term;

(2) Franchisee has made or has provided for, in a manner satisfactory to Franchisor, such renovation and modernization of the Restaurant premises as Franchisor may reasonably require, including, without limitation, renovation of signs, furnishings, fixtures, and decor, to reflect the then-current standards and image of the Bojangles' System.

(3) Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its subsidiaries and affiliates;

(4) Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates;

(5) Franchisee shall have presented satisfactory evidence that Franchisee has the right to remain in possession of the approved location for the applicable renewal term;

(6) Franchisee shall have executed Franchisor's then-current form of franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty fee and advertising contribution; provided, however, that Franchisee shall pay, in lieu of a franchise fee, a renewal fee equal to fifty percent (50%) of the then-current franchise fee;

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

(8) Franchisee shall comply with Franchisor's then-current qualification and training requirements.

### III. DUTIES OF FRANCHISOR

A. Franchisor shall provide an initial training program to instruct Franchisee and other Franchisees as to the procedures and techniques to be utilized at the Restaurant in order to ensure that Franchisee becomes completely familiar with the Bojangles' System, and shall make available such other training programs as it deems appropriate. All training provided by Franchisor shall be subject to the terms set forth in Paragraph VI.E. of this Agreement.

B. Franchisor shall advise and consult with Franchisee in connection with the operation of the Restaurant and new developments, techniques and improvements in areas of restaurant management, food preparation, sales promotion and service. Franchisor may provide the foregoing assistance by sending its employees or representatives to the Restaurant, by providing publications, other written materials, DVD's or by conducting meetings or seminars. Some or all of these publications or programs may be provided by electronic access by Franchisor and not by printed or physical documents.

C. Franchisor shall make available, from time to time, advice and assistance in local advertising and, at Franchisee's expense, promotional materials for local advertising by Franchisee. Franchisor shall have the right to review and approve or disapprove all advertising and promotional materials which Franchisee proposes to use, pursuant to Paragraph XI.F. hereof.

D. Franchisor shall develop advertising materials under the terms of Paragraph XI. hereof.

E. Franchisor shall provide to Franchisee, on loan, either one printed copy of the Manual as more fully described in Paragraph VIII. hereof ("Manual"), or provide Franchisee with electronic access to the Manual.

F. In the interest of maintaining high standards of quality, cleanliness, appearance, and service, Franchisor shall conduct, as it deems advisable, inspections of the Restaurant, and evaluations of the products sold and services rendered at the Restaurant.

#### IV. FEES

A. Franchisee shall pay to Franchisor a franchise fee at the time this Agreement is executed in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), which sum shall be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others.

B. Franchisee shall pay to Franchisor a continuing monthly royalty fee in an amount equal to four percent (4%) of the Gross Sales of the Restaurant, as defined in Paragraph IV.E. hereof.

C. Franchisee shall pay to Franchisor a monthly advertising contribution, for use by the Bojangles' Marketing Development Fund established by Franchisor, as provided in Paragraph XI.E. hereof, in an amount equal to one percent (1%) of the Gross Sales of the Restaurant.

D. All monthly payments required by this Paragraph IV. shall be paid to Franchisor by the fifteenth (15th) day of each month on Gross Sales made during the preceding month, and shall be submitted to Franchisor together with any reports or statements required under Paragraph X.B. hereof. Franchisor reserves the right to require that all monthly payments required by this paragraph IV. be directly drafted by Franchisor from Franchisee's account. Any payment or report not actually received by Franchisor on or before such date shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until paid at the equivalent of one and one-half percent (1 ½%) per month compounded monthly, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

E. As used in this Agreement, "Gross Sales" shall include all revenue from the sale of all services and products related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit; provided, however, that "Gross Sales" shall not include any sales taxes or other taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority.

#### V. FRANCHISEE ORGANIZATION AND CAPITAL STRUCTURE

A. Franchisee shall be a corporation or a limited liability company composed solely of shareholders/members who are individuals and not corporations, limited liability companies or any other legal entities, and shall comply with the following requirements:

(1) Franchisee shall be organized and validly existing in good standing under the laws of the state of its incorporation or organization;

(2) Franchisee shall be qualified to do business in all states in which its business activities or the nature of the properties owned by it requires such qualification;

(3) Franchisee's Articles of Incorporation or Charter, or if Franchisee is a limited liability company, Franchisee's Articles of Organization and Operating Agreement shall at all times provide that Franchisee was organized and has authority only to develop, own and operate BOJANGLES® Restaurants; and that Franchisee shall not engage or invest in any business other than development, ownership and operation of BOJANGLES® Restaurants;

(4) If Franchisee is a corporation, copies of Franchisee's Articles of Incorporation or Charter, Bylaws, and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

If Franchisee is a Limited Liability Company, copies of Franchisee's Articles of Organization, Operating Agreement, and other governing documents, and any amendments thereto, including the Consent of all Limited Liability Company members authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

(5) Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate of Franchisee, or other evidence of ownership if Franchisee is a limited liability company, shall have the following legend conspicuously endorsed upon its face:

The shares represented by this certificate, or other evidence of ownership if Franchisee is a limited liability company, are subject to the terms of an agreement dated [date] between [name of issuing corporation or limited liability company] and BOJANGLES' INTERNATIONAL, LLC, which, inter alia, restricts transfer, restricts activities in which [name of issuing corporation or limited liability company] may engage, and imposes restrictions on shareholders or members.

(6) Franchisee shall maintain a current list of all owners of record, including all members if Franchisee is a limited liability company, and all beneficial owners of any class of securities of Franchisee and shall furnish the list to Franchisor at such time as Franchisor may request.

B. At the date of execution of this Agreement, Franchisee shall have, with respect to the Restaurant, a ratio of debt to equity no greater than 1.5 to 1. Calculation of a debt to equity ratio for purposes hereof shall exclude equity interests in, and debts incurred as a result of, the acquisition of land and building, but shall include equity interests in, and debts incurred as a result of, the acquisition of equipment and inventory, training, franchise fees, start-up costs, initial point of purchase materials, landscaping, signage and prepaid expenses. Franchisee shall, prior to the execution of this Agreement, furnish Franchisor with evidence, satisfactory to Franchisor in its sole discretion, of its compliance with the requirement set forth in this paragraph.

C. Franchisee agrees to pay in full, and not lease or finance the equipment and fixtures in its first Bojangles' Restaurant.

## VI. DUTIES OF FRANCHISEE

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

B. Upon execution of this Agreement, Franchisee hereby waives and releases any claims, whether known or unknown, which Franchisee, its shareholders or any parent, subsidiary or affiliate of Franchisee, or if Franchisee is a limited liability company, which any member of Franchisee may have against Franchisor, its shareholders, officers or directors or any parent, subsidiary or affiliate of Franchisor; provided, however, that Franchisee may preserve any claims specifically set forth on a statement (the "Claims Statement") submitted to Franchisor prior to Franchisee's execution of this Agreement. The Claims Statement shall contain the nature and amount of any claim set forth thereon. Any claims set forth on the Claims Statement shall, however, be deemed waived, and forever released, if not sued upon by the earliest of: (1) one (1) year from the date of this Agreement; (2) the expiration of the applicable statute of limitations; or (3) the date Franchisor and Franchisee next execute a Franchise Agreement.

C. Franchisee shall construct, furnish, and open the Restaurant according to the provisions and schedule which Franchisor and Franchisee have agreed to in writing. Time is of the essence. Prior to opening for business, Franchisee shall comply with all pre-opening requirements set forth in this Agreement, in any other agreement entered into by Franchisor and Franchisee, and in the Manual or as otherwise required by Franchisor in writing.

D. Franchisee shall designate an individual to serve as the "Principal Operating Officer" of Franchisee, or if Franchisee is a limited liability company, it shall designate an individual to serve as "Principal Operating Partner" subject to the following condition:

(1) The Principal Operating Officer or Partner shall own an equity interest of at least ten percent (10%) in Franchisee during the entire period he serves as Principal Operating Officer or Partner;

(2) The Principal Operating Officer or Partner shall devote full time and best efforts to the supervision and conduct of the Franchised Business and any other Restaurants which may be operated by Franchisee;

(3) The Principal Operating Officer or Partner shall execute this Agreement, and shall be individually bound by all obligations of Franchisee hereunder;

(4) No person shall become a Principal Operating Officer or Partner unless approved by Franchisor; and

(5) If the Principal Operating Officer or Partner is unable, or elects not, to continue to meet his obligations hereunder, or if, in Franchisor's sole discretion, the Principal Operating Officer or Partner no longer qualifies to act as such, Franchisee shall promptly designate another Principal Operating Officer or Partner subject to the same conditions and qualifications listed above.

E. Franchisee agrees that it is important to the operation of the System and the Restaurant that Franchisee and Franchisee's employees receive such training as Franchisor may require, and to that end agrees as follows:

(1) Prior to the opening of the Restaurant, the Principal Operating Officer or Partner, if he has not previously attended the initial training program, and such number of Franchisee's managers as Franchisor shall designate shall attend and complete, to Franchisor's satisfaction, the initial training program offered by Franchisor. At Franchisee's expense, the Principal Operating Officer or Partner and Franchisee's managers and other employees shall also attend such courses, seminars, and other training programs as Franchisor may require from time to time. Franchisor shall provide instructors and training materials for all required training programs; and Franchisee or its employees shall be responsible for any and all other expenses incurred by them in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages. Any person subsequently employed by Franchisee in the position of manager and each subsequent Principal Operating Officer or Partner shall attend and complete, to Franchisor's satisfaction, such initial training program as Franchisor may require.

(2) The Principal Operating Officer or Partner, Franchisee's managers and other employees may also attend such optional training programs and seminars as Franchisor may offer from time to time. Franchisee shall pay to Franchisor, for each person attending such a program, the training fee, if any, then charged by Franchisor. If any such training fee is imposed by Franchisor, the training fee shall be in addition to any other expenses incurred by the persons attending training as provided in Paragraph VI.E.(1) hereof.

F. Franchisee shall use the Restaurant premises solely for the operation of the Franchised Business; shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may from time to time specify in the Manual or as Franchisor may otherwise approve in writing; and shall refrain from using or permitting the use of the premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor.

G. Franchisee shall maintain a competent, conscientious, trained staff, including at least one fully trained manager on duty at the Restaurant at all times, in sufficient numbers so as to operate the Restaurant efficiently and effectively. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations, wear uniforms of such color, design and other specifications as Franchisor may designate from time to time, present a neat and clean appearance, and render competent and courteous service to Restaurant customers.

H. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant.

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

(1) To operate the Restaurant in a clean, wholesome manner in compliance with Franchisor's prescribed standards of quality, cleanliness, appearance and service;

(2) To maintain in sufficient supply, and to use at all times, only such ingredients, products, materials, supplies, and paper goods as conform with Franchisor's standards and specifications, and to refrain from deviating therefrom by the use or offer of nonconforming items, without Franchisor's prior written consent;

(3) To sell or offer for sale only such menu items, products, and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all types of menu items, products, and services specified by Franchisor; to refrain from any deviation from Franchisor's standards and specifications without Franchisor's prior written consent; and to discontinue selling and offering for sale any menu items, products, or services which Franchisor may, in its discretion, disapprove in writing at any time;

(4) To employ only those methods of food handling and preparation as Franchisor may specify in the Manual, or otherwise designate from time to time;

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

(6) To purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment, decor, and signs as Franchisor may reasonably direct from time to time in the Manual or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor, signs, games, vending machines, or other items not previously approved as meeting Franchisor's standards and specifications.

J. Franchisee shall comply with all requirements of federal, state and local laws, rules and regulations.

K. Franchisee shall purchase all food items, ingredients, equipment, furnishings, supplies, materials, and other items used or offered for sale at the Restaurant solely from suppliers (including manufacturers, distributors and other sources) who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved in writing by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any products from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so, and Franchisor, in its sole discretion, shall determine whether such supplier shall be approved. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria.

L. Franchisee shall require all advertising and promotional materials, signs, decorations, paper goods (including disposable food containers, napkins, and menus), all forms and stationery used in the Franchised Business, and other items which may be designated by Franchisor to bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor.

M. Franchisee shall maintain the Restaurant in a high degree of sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but, if of a substantial nature, not without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, equipment, and decor in the manner and at the times which Franchisor may reasonably direct; provided, however, that Franchisee shall not be required to undertake a major remodeling of the kitchen and interior and exterior decor of the Restaurant more than once in any five (5) year period.

N. Franchisee shall, where applicable, keep the parking area for the Restaurant well-lighted, and maintain the parking area for the exclusive use of Restaurant customers.

O. Franchisee shall grant Franchisor and its agents the right to enter upon the Restaurant premises at any time for the purpose of conducting inspections; shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable by Franchisee immediately upon demand. The foregoing shall be in addition to such other remedies as Franchisor may have.

P. Without limiting any other provision or requirement of the Agreement, Franchisee agrees to sell only those beverage product brands specified by Franchisor, including all soft drinks and cola products. Franchisor specifically retains the right to make additions or changes to the beverage product brands offered by Franchisee.

Q. Franchisee agrees to utilize the e-mail address provided by Franchisor and to utilize the Bojangles' electronic portal, and review its content regularly for purposes of receiving updates, notice of Manual or policy changes and other communications from Franchisor.

R. Franchisee shall comply with all other requirements set forth in this Agreement.

## VII. PROPRIETARY MARKS AND TRADE DRESS

A. Franchisor represents with respect to the Proprietary Marks that:

(1) Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks;

(2) Franchisor has taken and will take all steps reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks; and

(3) Franchisor will permit Franchisee and other franchisees to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

B. With respect to Franchisee's licensed use of the Proprietary Marks pursuant to this Agreement, Franchisee agrees that:

(1) Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

(2) Franchisee shall use the Proprietary Marks only for the operation of the Franchised Business and only at the location authorized hereunder, or in advertising for the Franchised Business;

(3) Unless otherwise authorized or required by Franchisor in writing, Franchisee shall operate and advertise the Franchised Business only under the name "BOJANGLES®" Restaurant or "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS®" Restaurant, as specified by Franchisor, without prefix or suffix;

(4) During the term of this Agreement, Franchisee shall identify itself as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, and shall display a notice to

that effect in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing;

(5) Franchisee's right to use the Proprietary Marks is limited to the term of this Agreement and shall automatically cease upon the expiration or earlier termination of this Agreement and is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof, including, but not limited to, sublicensing a use of the Proprietary Marks, shall constitute an infringement of Franchisor's rights and a default under this Agreement;

(6) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

(7) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name;

(8) Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

(9) In the event that litigation involving the Proprietary Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation.

C. Franchisee expressly understands and acknowledges that:

(1) Franchisor is the owner of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them;

(2) The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

(3) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Proprietary Marks;

(4) Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks, except pursuant to the license granted by this Agreement;

(5) Any and all goodwill arising from Franchisee's use of the Proprietary Marks in its franchised operation under the System shall inure solely and exclusively to Franchisor's benefit,

and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned to Franchisee as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks; and

(6) The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

(a) To use the Proprietary Marks itself in connection with selling products and services;

(b) To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and

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

(7) Franchisor reserves the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating thereunder.

D. Franchisee expressly understands and acknowledges that Franchisor has developed certain unique Trade Dress as part of the Bojangles' System, including but not limited to color schemes, patterns, designs, decor, furnishings and layout.

E. With respect to Franchisee's licensed use of the Trade Dress pursuant to this Agreement, Franchisee agrees that:

(1) Franchisees shall use only the Trade Dress designated by Franchisor, and shall use it only in the manner authorized and permitted by Franchisor.

(2) Franchisee shall use the Trade Dress only for the operation of the Franchised Business and only at the location authorized hereunder or in advertising for the Franchised Business.

(3) Franchisee's right to use the Trade Dress is limited to the term of this Agreement and shall automatically cease upon the expiration or earlier termination of this Agreement and is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof, including but not limited to sublicensing a use of the Trade Dress, shall constitute an infringement of Franchisor's rights and a default under this Agreement.

(4) In the event that litigation involving the Trade Dress is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation.

F. Franchisee expressly understands and acknowledges that:

(1) Franchisor is the owner of all right, title and interest in and to the Trade Dress and the goodwill associated with and symbolized by it;

(2) The Trade Dress is valid and serves to identify the System and those who are authorized to operate under the System;

(3) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Trade Dress;

(4) Franchisee's use of the Trade Dress pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Trade Dress, except pursuant to the license granted by this Agreement;

(5) Any and all goodwill arising from Franchisee's use of the Trade Dress in its franchised operation under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned to Franchisee as attributable to any goodwill associated with Franchisee's use of the System or the Trade Dress; and

(6) The right and license of the Trade Dress granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

(a) To use the Trade Dress itself in connection with selling products and services;

(b) To grant other licenses for the Trade Dress, in addition to those licenses already granted to existing franchisees; and

(c) To develop and establish other systems using the same or similar Trade Dress, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

G. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph VII. will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph VII.

## VIII. CONFIDENTIAL OPERATIONS MANUAL

A. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct its business in accordance with the Manual, one copy of which Franchisee acknowledges having received by electronic access or written copy on loan from Franchisor for the term of this Agreement. The Manual shall include memoranda, procedures, policies and other communications created by Franchisor that are posted on the Bojangles' electronic portal or otherwise communicated to

Franchisee in writing by email or hardcopy, whether or not noted as “Manual”. If a posting is made to the Bojangles’ electronic portal, Franchisee shall be deemed to have notice of any changes or supplements to the Manual.

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

C. The Manual shall at all times remain the sole property of Franchisor.

D. Franchisor may from time to time revise the contents of the Manual, and the Franchisee expressly agrees to comply with each new or changed standard.

E. Franchisee shall continuously review changes to the Manual as posted on the Bojangles’ electronic portal, and to otherwise keep current with the Manual., In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling.

#### IX. CONFIDENTIAL INFORMATION

A. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation or limited liability company any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Business, and Franchisee shall take such precautions as Franchisor deems necessary to ensure that Franchisee's employees retain such information in confidence. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, had become a part of the public domain, through publication or communication by others; or which, after disclosure to Franchisee by Franchisor, becomes a part of the public domain, through publication or communication by others.

B. Franchisee hereby acknowledges that pursuant to this Agreement, Franchisor will provide Franchisee with access to and training in processes and procedures of a proprietary nature and will provide Franchisee with access to and the right to use recipes and formulas, the Manual, logos, designs, trademarks, trade names and other proprietary information in connection with Franchisee's development and operation of the Bojangles' Restaurant. Franchisee acknowledges and agrees that Franchisee shall not at any time, whether during the term of this Agreement or after its

expiration or earlier termination, disclose any information obtained through such training or from any materials provided by Franchisor to Franchisee and pertaining to the Bojangles' System to any third party other than employees of Franchisee directly involved in the operations of the Restaurant. Further, Franchisee agrees that during the term of this Agreement and after its expiration or earlier termination, it shall not use any of such information or proprietary marks, including but not limited to any processes, procedures, recipes and formulas, for any purpose other than the operation of the Bojangles' Restaurant and will take all steps necessary to prevent any other use of them. Without limiting the foregoing, Franchisee specifically agrees that it shall not during the term of this agreement or after its expiration or earlier termination, offer for sale at any location, other than during the term of this Agreement the Restaurant being operated at that time pursuant to this Agreement, any food or drink products prepared using in whole or part the procedures, processes, techniques, recipes or formulas provided by Franchisor to Franchisee.

C. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph IX. will cause irreparable injury to Franchisor, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph IX.

#### X. ACCOUNTING AND RECORDS

A. Franchisee shall maintain during the term of this Agreement, and shall preserve for at least five (5) years from the dates of their preparation, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

B. Franchisee shall submit to Franchisor, no later than the fifteenth (15th) day of each month during the term of this Agreement, after the opening of the Franchised Business, a statistical report and statement of receipts, in the form prescribed by Franchisor, accurately reflecting all Gross Sales during the preceding month and such other data or information as Franchisor may require.

C. Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, an unaudited balance sheet of the Franchised Business and a statement of profit or loss for the preceding quarter within thirty (30) days after the end of each quarter of Franchisee's fiscal year. Each such statement shall be signed by Franchisee's treasurer or chief financial officer attesting that it is true and correct.

D. Franchisee shall, at Franchisee's expense, provide to Franchisor a statement of profit or loss and a year-end balance sheet prepared and certified by Franchisee's chief financial officer and, upon written request by Franchisor, by an independent certified public accountant satisfactory to Franchisor, within ninety (90) days after the end of each fiscal year of the Franchised Business during the term hereof, showing the results of operations of the Franchised Business during said fiscal year. The Franchisee's chief financial officer shall attest that the financial statements present fairly the financial position of Franchisee and the results of operations of the Franchised Business during the period covered. Franchisor shall have the right, in its reasonable discretion, to require that Franchisee submit audited statements for any fiscal year or any period or periods of a fiscal year of

Franchisee during the term of this Agreement, and to require Franchisee to cause its independent certified public accountant to consult with Franchisor, at Franchisee's expense, concerning the financial statements provided by Franchisee.

E. Franchisee and its shareholders shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing.

F. Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that any payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at one and one-half percent (1½%) per month compounded monthly, or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any report of five percent (5%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

## XI. ADVERTISING

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

A. Franchisee shall spend not less than three percent (3%) of the Gross Sales of the Franchised Business on local and regional media advertising, in addition to any advertising contribution required under Paragraphs IV.C. and XI.E. hereof. Franchisee shall demonstrate on a quarterly basis, to the reasonable satisfaction of Franchisor, that Franchisee has made such expenditures. Such advertising shall include radio, television, magazine, newspaper, billboard campaigns, print, direct mail and other forms of advertising media and public relations activities but shall not include the costs of advertising production, production of other marketing materials, cost of food promotion, point of purchase materials, telephone book advertising, stationery, or restaurant indoor or outdoor site location signs.

B. Recognizing the value of cooperative national and regional advertising and marketing, and the importance of standardizing such programs to further enhance the national goodwill and public image of the Bojangles' System, Franchisor reserves the right and may in its sole discretion require Franchisee to participate along with other franchisees in regional cooperative advertising organizations or programs, established from time to time currently or in the future by Franchisor or by other franchisees for the purpose of advertising and promoting the Bojangles' System. In the event of the formation of such cooperative advertising groups, and Franchisee's participation therein, Franchisor shall permit Franchisee to credit a portion of the amount required to be expended for local

and regional advertising in Paragraph XI.A. above to any regional program established by any such cooperative arrangement.

C. If Franchisee has failed to make or report the expenditure of the three percent (3%) of Gross Sales as required in Paragraph XI.A. above in any quarter or if Franchisee shall fail to participate in a cooperative advertising program after request by Franchisor as required in Paragraph XI.B. above, Franchisee shall thereafter, after written notice by Franchisor, pay to Franchisor three percent (3%) of the Gross Sales of the Restaurant. Franchisor may then in its sole discretion contribute such amounts to any franchisee cooperative organization that operates in part or all of Franchisee's market area or Franchisor may expend such funds to create advertising that in Franchisor's sole determination will promote the Bojangles' Proprietary Marks and/or System in the Franchisee's market area.

D. Franchisor may offer from time to time to provide, upon Franchisee's request and at Franchisee's expense, approved local advertising and promotional plans and materials.

E. Franchisee agrees to make contributions to the BOJANGLES'® Marketing Development Fund (hereinafter "Fund") as required under Paragraph IV.C. hereof. The Fund shall be maintained and administered by Franchisor or its designee, as follows:

(1) Franchisor shall direct the creation of all advertising programs, with sole discretion over the creative concepts, materials, and media used in such programs. Franchisee agrees and acknowledges that the Fund is intended to maximize general public recognition and acceptance of the trade names, trademarks, and service marks which are designated as part of the System for the benefit of the System through research and the creation of marketing materials; and that Franchisor and its designee undertake no obligation, in administering the Fund, to make expenditures which are equivalent or proportionate to a franchisee's contribution, or to insure that any particular franchisee benefits directly or pro rata from Fund expenditures. Franchisee is aware that there may be some franchisees operating under different forms of agreement and who may not be required to make payments into the Fund equivalent to Franchisee's payments.

(2) Franchisor shall, for each of its company-owned Bojangles' Restaurants, make contributions to the Fund equivalent to the contributions required of comparable franchised restaurants within the Bojangles' System so that Franchisor's average contribution for each company-owned Restaurant will be equal to the average contribution per franchisee-owned Restaurant. This average per Restaurant contribution for franchisee-owned Restaurants will be calculated by dividing the total contributions of franchisees to the Fund by the total number of franchisee-owned Restaurants. Franchisor's total contribution to the Fund will equal this average per Restaurant contribution multiplied by Franchisor's total number of company-owned Restaurants; and

(3) All contributions to the Fund shall be used exclusively for advertising and promotion of the Bojangles' System (including, without limitation, the cost of preparing and conducting television, radio, print, and billboard advertising campaigns and other public relations activities; conducting research; employing advertising agencies and other specialists to assist therein; and preparing and providing promotional brochures and other point of purchase marketing materials

to franchisees in the Bojangles' System). All sums paid by Franchisee and other franchisees to the Fund shall not be used to defray any of Franchisor's general operating expenses except for such reasonable administrative expenses and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund and advertising programs, including, without limitation, conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Fund.

F. All advertising by Franchisee in any medium shall be conducted in a dignified manner and shall conform to such standards and requirements as Franchisor may specify from time to time in writing. Franchisee shall submit to Franchisor (through the mail, return receipt requested), for its prior written approval, samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. Franchisee shall not use any advertising or promotional plans and materials that have not received Franchisor's prior written approval.

## XII. INSURANCE

A. Franchisee shall maintain insurance in force as follows:

(1) Employer's liability and worker's compensation as prescribed by law in the state in which the Restaurant is located;

(2) Comprehensive general liability insurance, including products liability and broad form contractual liability insurance from a reputable insurance company having assets in excess of one half billion dollars (\$500,000,000) or other insurer approved by Franchisor, in an amount of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and five hundred thousand dollars (\$500,000) per occurrence for property damage or in such other amounts as Franchisor may reasonably request;

(3) All policies of insurance shall name Franchisor as an additional insured; and shall provide that the policy cannot be cancelled without thirty (30) days prior written notice to Franchisor; and shall specify that copies of all notices shall be sent to Franchisor. Franchisee shall furnish Franchisor with copies of all policies or certificates evidencing insurance in force as required herein. Evidence of payment of premiums shall be delivered to Franchisor at least thirty (30) days prior to the expiration dates of each existing insurance policy; and

(4) Such additional insurance covering such additional risks or providing such higher limits as Franchisor may reasonably request.

B. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's time and expenses in so acting, shall be

payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

### XIII. TRANSFER

A. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity.

B. Transfer by Franchisee of the right to operate the restaurant, or any interest in this Agreement, the franchise rights and license rights are limited as follows:

(1) Franchisee's authority to transfer any interest under this Agreement is also subject to the terms of any other agreement between Franchisor and Franchisee, including a development agreement, which may impose additional conditions and limitations on Franchisee's right to transfer its interest under this Agreement.

(2) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and its shareholders or members, and that Franchisor has granted this Agreement in reliance on Franchisee's business skill and financial capacity, and the business skill, financial capacity and personal character of Franchisee's shareholders or members. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, limited liability company or other legal entity which directly or indirectly owns any interest in the Restaurant, in this Agreement, or in Franchisee shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in the Restaurant, interest in this Agreement, or franchise rights or license rights granted hereunder or any obligations hereunder or in Franchisee without the prior written consent of Franchisor, which consent shall not be unreasonably withheld. Any such proposed transfer shall be subject, where applicable, to Franchisor's option to purchase set forth in Paragraph XIII.C. herein. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor required by this Paragraph XIII.B.(2) shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Paragraph XIV.B. of this Agreement.

(3) If a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring a controlling interest in the Restaurant, interest in this Agreement, or in the franchise rights or license rights granted hereunder, or in Franchisee, Franchisor may, in its sole discretion, if it does not elect to exercise its option to purchase set forth in Paragraph XIII.C. herein, require any or all of the following as conditions of its approval:

(a) All of Franchisee's accrued and outstanding monetary obligations to third parties and all accrued and outstanding obligations to Franchisor, or any parent, subsidiary or affiliate of Franchisor shall have been satisfied;

(b) Franchisee shall not be in default of any provision of this Agreement, any amendment hereto or successor hereof, or any other agreement between Franchisee and Franchisor, its parents, subsidiaries, or affiliates;

(c) The transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; and shall agree to remain liable to Franchisor for all affirmative obligations, covenants, and agreements contained herein for two (2) years following the effective date of transfer (or, if transferor retains a purchase money interest in the transferred business, for a period greater than two (2) years, until the interest is extinguished) or for such shorter period as Franchisor may, in its sole discretion, determine;

(d) The transferee shall enter into a written assignment, under seal and in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and, if the obligations of Franchisee were guaranteed by the transferor, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

(e) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business herein (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Franchised Business;

(f) At Franchisor's option, the transferee shall execute (and/or, upon Franchisor's request, shall cause all interested parties to execute), for a term ending on the expiration date of this Agreement, the then-current standard form of franchise agreement being offered to new System franchisees and other ancillary agreements, including a guarantee of such agreement executed by all shareholders of the transferee, as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate and advertising contribution; provided, however, that the transferee shall not be required to pay an initial franchise fee;

(g) At Franchisor's sole discretion, the transferee, at its expense, shall upgrade the Restaurant to conform to the then-current standards and specifications of System restaurants, and shall complete the upgrading and other requirements within the time specified by Franchisor;

(h) Franchisee shall remain liable for all of its obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(i) At the transferee's expense, transferee's Principal Operating Officer and transferee's managers, shall complete any training and certification programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require; and

(j) Franchisee shall pay to Franchisor a transfer fee of two thousand five hundred dollars (\$2,500) per Restaurant, which constitutes Franchisor's reasonable costs and expenses (including legal and accounting expenses) in connection with Franchisor's review of the application to transfer.

(4) Franchisee shall grant no security interest in this Agreement or in the Franchised Business (other than a pledge of assets to secure a bona fide loan made or credit extended in connection with acquisition of the assets pledged) unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option to purchase the rights of the secured party upon payment of all sums then due to such secured party.

(5) Franchisee acknowledges and agrees that each condition which must be met by transferee is necessary to assure such transferee's full performance of the obligations hereunder.

C. Franchisor shall have the option to purchase any interest in the Restaurant or this Agreement as follows:

(1) Any party holding any direct or indirect interest in the Restaurant, in this Agreement or in Franchisee who desires to accept any bona fide offer from a third party to purchase such interest, if a transfer of that interest alone or together with other previous, simultaneous or proposed transfers would have the effect of transferring a controlling interest in the Restaurant, in this Agreement, or in Franchisee, shall provide Franchisor with all of the terms of the proposed transfer in writing at least thirty (30) days prior to the proposed date of transfer. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party, net of any finders or brokers fees which any third party would be obligated to pay. In the event that Franchisor elects to purchase the seller's interest, closing on such purchase must occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor does not exercise its option to purchase, Franchisee or shareholders of Franchisee may proceed to consummate a transfer to a third party if they have complied with the conditions of this Paragraph XIII. If Franchisor did not exercise its option to purchase, any material change in the terms of the third party's offer prior to closing shall constitute a new offer subject to the same option to purchase by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Paragraph XIII.C. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Paragraph XIII. with respect to a proposed transfer.

(2) In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor is not in a position to furnish the same consideration, terms, and/or

conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash.

D. Upon the death or mental incapacity of any person with a direct or indirect interest in this Agreement or in Franchisee, the executor, administrator, or personal representative of such person shall transfer the interest to a third party, including shareholder(s) or member(s) of Franchisee, approved by Franchisor within twelve (12) months after such death or mental incapacity, or, if legal proceedings make transfer within twelve (12) months not feasible, within such longer period as may be reasonable under the circumstances. Such transfer, including, without limitation, transfer by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. If an approved transfer has not been made within the aforementioned period, Franchisor shall have the option to purchase the Franchised Business at fair market value, and thereupon terminate this Agreement. In the event that Franchisor elects to purchase the Franchised Business and terminate this Agreement in accordance with the foregoing, closing of the transaction shall take place as promptly as possible after Franchisor exercises its option to purchase, and the parties reach agreement concerning the fair market value of the Franchised Business. Payment will be made in four (4) installments, the first of which shall be made at the time of closing and the remaining three (3) installments shall each be made at one (1) year intervals from the date of the first payment. Interest shall be payable on the unpaid portion of the purchase price on the due date of each installment of principal at the prime rate of Bank of America on the date of Franchisor's election to purchase the Franchised Business. If the parties are unable to agree on the fair market value of the Franchised Business, then the dispute will be settled by binding arbitration in Charlotte, North Carolina, in accordance with the rules and procedures of the American Arbitration Association.

E. Franchisor's consent to a transfer of any interest in Franchisee, rights to operate the Restaurant, interest in this Agreement or any license or franchise or in the rights granted hereunder shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

F. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XIII. will cause Franchisor irreparable injury, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XIII.

#### XIV. DEFAULT AND TERMINATION

A. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against Franchisee and not opposed by Franchisee; or if Franchisee is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of

Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee.

B. Upon occurrence of any of the following events, Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee:

(1) If Franchisee fails to construct and open the Franchised Business in accordance with the development schedule of the development agreement pursuant to which the Restaurant is to be developed;

(2) If Franchisee or any shareholder or member of Franchisee is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, adversely to affect the System, the Proprietary Marks, the Trade Dress the goodwill associated therewith, or Franchisor's interest therein;

(3) If Franchisee or any shareholder or member of Franchisee purports to transfer any interest in this Agreement, any rights hereunder, including but not limited to any rights to operate the Restaurant, franchise and license rights or obligations under this Agreement or any interest in Franchisee to any third party without Franchisor's prior written consent, contrary to the terms of Paragraph XIII. of this Agreement;

(4) If, contrary to the terms of Paragraph VIII. or IX. hereof, Franchisee discloses or divulges the contents of the Manual or other confidential information provided to Franchisee by Franchisor;

(5) If Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor;

(6) If Franchisee, or any shareholder or member of Franchisee, violates Paragraph VII. hereof by making any unauthorized use of any name, trademark, service mark, or other Proprietary Mark or Trade Dress of Franchisor;

(7) If Franchisee shall cause, suffer, or permit (voluntarily or involuntarily) its right to or possession of the premises on which the Restaurant is located to be terminated prematurely for any cause whatsoever; or if Franchisee shall be in material default under the lease for the premises on which the Restaurant is located, or shall be in material default under any mortgage with respect to the property on which the Restaurant is located, provided, however, that Franchisee shall not be in breach of this provision if a condemnation proceeding affecting the premises upon which the Restaurant is situated occurs which makes it impossible or infeasible for Franchisee to continue to operate the Restaurant at its present location, and within thirty (30) days after the final condemnation determination Franchisee provides Franchisor with notice of its intention to open, and within one (1) year of the final condemnation determination opens, a substitute Restaurant on a new site approved by Franchisor;

(8) If Franchisee ceases to operate or otherwise abandons, or attempts to cease to operate or abandon, the Restaurant or enters into an agreement to sell, or sells, or purports or attempts to sell, the real property upon which the Restaurant is situated, or substantially all right, title and interest in and to the Restaurant or real property lease, or substantially all of the assets of Franchisee or of the Restaurant, without Franchisor's prior written consent; provided, however, that upon the occurrence of any of the foregoing events, Franchisor may, in lieu of immediate termination of this Agreement, request from Franchisee, a statement of intentions and assurances that no event in breach of this Agreement is so contemplated, which statement and assurances shall be delivered in writing within twenty-four (24) hours of Franchisor's request. In addition Franchisor may request, and Franchisee shall provide within five (5) business days thereafter, a performance bond from Franchisee, the amount of such bond and the issuing entity to be solely at Franchisor's reasonable discretion.

(9) If any other Franchise Agreement or Development Agreement of Bojangles' of America, Inc., Bojangles' Restaurants, Inc. or Bojangles' International, LLC entered into by Franchisee is terminated based upon Franchisee's default thereunder;

(10) If Franchisee, after curing a default pursuant to Paragraph XIV.C. hereof, commits the same, or a substantially similar, default again within one hundred eighty (180) days after the prior default occurred, whether or not cured after notice; or

(11) If Franchisee repeatedly is in default under Paragraph XIV.C. hereof for failure to comply with any of the requirements imposed by this Agreement, whether or not cured after notice.

C. Except as otherwise provided in Paragraphs XIV.A. and XIV.B. of this Agreement, Franchisee shall have thirty (30) days after its receipt from Franchisor of a written notice of default within which to remedy any default hereunder and to provide evidence thereof to Franchisor. If any such default is not cured within that time, or such longer period as applicable law may require, Franchisor may terminate this Agreement, effective immediately upon Franchisee's receipt of notice from Franchisor after the expiration of the thirty (30) day period or such longer period as applicable law may require. Franchisee shall be in default hereunder for any failure to comply with any of the requirements imposed by this Agreement, including any matter enumerated in this Paragraph XIV.C., as it may from time to time reasonably be supplemented by the Manual, or to carry out the terms of this Agreement in good faith. Such defaults shall include, for example, but without limitation, the occurrence of any of the following events:

(1) If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its parents, subsidiaries or affiliates when due, or to submit the financial or other information required by Franchisor under this Agreement;

(2) If Franchisee fails to pay or fails repeatedly to make prompt payment of undisputed amounts due to its suppliers, landlord, equipment lessors, or other third parties;

(3) If Franchisee fails to maintain the Restaurant in a good, clean and wholesome manner, or fails to maintain or observe any of the other standards or procedures prescribed by Franchisor in this Agreement, the Manual, or otherwise in writing;

(4) If Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

(5) If Franchisee denies Franchisor or its designee the right to inspect the Restaurant at reasonable times;

(6) If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks or uses the Franchisor's Trade Dress other than in connection with the Restaurant or uses any of Franchisor's products, procedures or methods in any other operation not authorized by Franchisor;

(7) If Franchisee fails to comply with the in-term covenants in Paragraph XVI.A. hereof or employs, or seeks to employ, any person who at the time is employed by Franchisor or any of its affiliates or by any Bojangles' franchisee, or otherwise induces, directly or indirectly, any such person to leave such employment;

(8) If a final judgment against Franchisee remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed);

(9) If Franchisee is dissolved, execution is levied against Franchisee's business or property, suit to foreclose any lien or mortgage against the Franchised Business or equipment situated therein is instituted against Franchisee and not dismissed or bonded off within sixty (60) days, or the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal or constable; or

(10) If an approved transfer of a controlling interest in Franchisee is not effected within the prescribed period following the death or mental incapacity of a shareholder or member of Franchisee, as required by Paragraph XIII.D. hereof.

D. In the event that this Agreement is terminated on account of Franchisee's default, Franchisor shall have the option, within sixty (60) days after the date of termination (or longer if the provisions of Paragraph XIV.D.(3) are applicable), to purchase or lease the Franchised Business subject to the following terms and subject to the terms of the Development Agreement entered into between Franchisee and Franchisor:

(1) If Franchisee leases the Restaurant building and land on which the Restaurant is situated, Franchisor shall have the right to purchase the leasehold and other assets owned by Franchisee relating to the Restaurant for an amount equal to the higher of (i) the net tangible book value (which shall be the cost of the Restaurant building, land and equipment reduced by accumulated depreciation, utilizing the straight-line method of depreciation using a useful life of 5 years for all equipment, 7 years for seating and decor, 10 years for signs, paving and HVAC and 20

years for the building and other improvements) of the assets owned by Franchisee relating to the Restaurant, including the leasehold improvements, equipment, inventory and supplies, and excluding unamortized franchise and development fees, good will and all other intangible assets; or (ii) an amount calculated as follows:

| <u>A</u>  | <u>B</u>                     | <u>C</u>   |
|---|------------------------------|--|
| If Gross Sales for the 12 months immediately preceding termination are: | Multiply the Gross Sales by: | and subtract the following from the product of A and B:  |
| up to \$750,000   | \$.40                        | All debts and liabilities of Franchisee to Franchisor, or to third parties (excluding lease obligations to third parties) which are being assumed by Franchisor. |
| \$750,001--\$900,000  | \$.50                        |  |
| \$900,001 or more   | \$.55                        |  |

The amount as computed above shall be payable twenty percent (20%) on closing with the principal balance payable in three (3) equal payments due annually on the anniversary of the purchase with interest on the unpaid principal balance payable on the due date of each principal payment at the rate of ten percent (10%) per annum. Undisclosed or matured contingent liabilities which are paid by Franchisor after payment of the twenty percent (20%) down shall be deducted from the next installment(s) due, together with interest thereon from the date paid at the rate of two percent (2%) per annum over the prime rate of Bank of America on the date such payment is made.

(2) If Franchisee owns the land on which the Restaurant to be purchased by Franchisor is situated, Franchisor shall have the right, at its discretion, either to purchase or lease the land and Restaurant building. If Franchisor elects to purchase, Franchisee shall sell the land, building, equipment, inventory, and supplies to Franchisor at the higher of (i) their depreciated net tangible book value, which shall be the cost of the Restaurant building, land and equipment reduced by accumulated depreciation, utilizing the straight-line method of depreciation using a useful life of 5 years for all equipment, 7 years for seating and decor, 10 years for signs, paving and HVAC and 20 years for the building and other improvements, or (ii) an amount to be determined in accordance with the table in Paragraph XIV.D.(1) above. If Franchisor elects to lease, Franchisee shall lease the land and building to Franchisor on Franchisor's then-standard lease form for Bojangles' Restaurant sites operated by Franchisor, and Franchisor shall purchase the equipment, inventory and supplies at their depreciated net tangible book value, as defined above. Net annual rental payments (payable monthly after taxes and expenses) shall be equal to the higher of fourteen percent (14%) of the depreciated net tangible book value, as defined above, of the land and Restaurant building, or six and one-half percent (6½%) of Gross Sales to the extent that Gross Sales do not exceed the amount of Gross Sales for the twelve (12) months preceding the commencement of occupancy by Franchisor, and five percent (5%) of Gross Sales that exceed that amount.

(3) Franchisor shall exercise its right to purchase the Franchised Business by the later of sixty (60) days after the date of termination, the date it takes possession of the Restaurant

pursuant to Paragraph XIV.E. hereof, or ten (10) days after the date upon which any litigation contesting the validity of the termination is finally adjudicated. If Franchisor has taken possession of the Restaurant, it shall exercise its right to purchase the Restaurant or vacate the premises by the end of the foregoing period.

E. In order to maintain continuous operation of the Restaurant and to promote the best interests of the System, in the event this Agreement is terminated, Franchisor shall have the right immediately upon termination to enter and take possession of and operate the Restaurant.

F. In the event that this Agreement is terminated and Franchisee contests the validity of the termination, the party that operates the Restaurant during the period commencing with the date that notice of termination was given and ending with the date upon which a final notice and nonappealable judgment resolving the issue is entered, shall operate the Restaurant for the benefit of the prevailing party in such contest, and shall account for, and pay over, any profits earned during said period to the other party, if such other party is the party that prevails.

G. Upon termination of this Agreement owing to default by Franchisee, Franchisee shall not remove any furniture, fixtures, signs, equipment or other property or leasehold improvements from the Restaurant premises until expiration of the period within which Franchisor may exercise its right to purchase the Restaurant. If Franchisor does not elect to purchase the Restaurant it may nevertheless elect, within ninety (90) days of the date of termination, to purchase Franchisee's furniture, fixtures, signs, equipment, leasehold improvements and other property or any portion thereof for a sum equal to the fair market value of such property. If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and the appraiser's determination shall be binding. Any property so purchased by Franchisor shall be delivered to Franchisor's representative at the Restaurant premises on a date specified in the purchase notice by Franchisor not more than five (5) days after delivery of the purchase notice or at such other time as may be reasonable in the circumstances. If Franchisor elects to exercise any right to purchase herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefor.

H. Upon expiration of this Agreement or termination resulting from any condemnation proceedings affecting the premises upon which the Restaurant is situated, within sixty (60) days prior to the date specified for expiration or takeover by any public authority, Franchisee shall not remove any furniture, fixtures, signs, equipment and other property or leasehold improvements. Franchisor may, upon written notice at least thirty (30) days prior to such date, notify Franchisee of its intention to purchase all or any portion of the furniture, fixtures, signs, equipment and other chattels for a sum equal to the fair market value of such property. Determination of fair market value and the terms of delivery shall be as specified in Paragraph XIV.G. hereof.

## XV. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

A. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

B. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; the Proprietary Marks "BOJANGLES®" and "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS®"; and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices and any Trade Dress associated with the System. In particular, Franchisee shall follow Franchisor's instructions to deidentify the Restaurant from the System, including removal or modification of structural features of the Restaurant including, but not limited to, the distinctive roof, interior and exterior color combinations and designs, and shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles which display the Proprietary Marks.

C. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "BOJANGLES®" or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

D. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary Marks, and further agrees not to utilize any Trade Dress or designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

E. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the premises operated hereunder at the time of default.

F. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Paragraph XV.

G. Franchisee shall immediately deliver to Franchisor all manuals, including the Manual, records, files, instructions, correspondence, all materials related to operating the Franchised Business, including, without limitation, brochures, agreements, invoices, and any and all other materials relating to the operation of the Franchised Business in Franchisee's possession, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy

or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

H. Franchisee shall comply with any surviving covenants contained in Paragraph XVI. of this Agreement.

## XVI. COVENANTS

A. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information relating to the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, Franchisee covenants that:

(1) During the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee and its shareholders or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

(a) Divert or attempt to divert any business or customer of the Restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks and the System; or

(b) Employ or seek to employ any person who is at that time employed by Franchisor or by any other developer or franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

(2) Except as otherwise approved in writing by Franchisor, Franchisee and its shareholders or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or limited liability company, own, maintain, advise, help, invest in, make loans to, be employed by, be the landlord of, engage in, or have any interest in:

(a) Any restaurant business which competes with any Bojangles' restaurant or which sells fried chicken, biscuits and/or biscuit sandwiches, or other items which become featured menu items at the Restaurant, during the term of this Agreement and for a continuing uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for one (1) year thereafter; and

(b) Any fast food restaurant business which is located within twenty (20) miles from the Restaurant, or within the designated market area within which the Restaurant is situated, during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause of termination, and continuing for three (3) years thereafter.

B. Paragraph XVI.A. shall not apply to ownership by Franchisee of less than two percent (2%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

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

D. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraph XVI.A. or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified.

E. Franchisee expressly agrees that the existence of any claims it may have now or in the future against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Paragraph XVI.

F. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XVI. would result in irreparable injury to Franchisor, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XVI.

G. At the request of Franchisor, Franchisee shall obtain and deliver to Franchisor executed covenants similar in substance to those set forth in this Paragraph XVI. (including covenants applicable upon the termination of a person's relationship with Franchisee) from the following persons: all officers, directors, or members, and holders of the securities of Franchisee, and of any corporation or limited liability company directly or indirectly controlling or controlled by Franchisee. Every covenant required by this Paragraph XVI.G. shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. Failure by Franchisee to obtain execution of a covenant required by this Paragraph XVI.G. or to deliver the covenant to Franchisor shall constitute a default under this Agreement.

## XVII. FORCE MAJEURE

If the performance of any obligation under this Agreement is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof, affecting the parties hereto or the rights granted hereunder, such force majeure to include but not be limited to acts of God, fire, flood,

governmental restrictions, lockouts or labor disputes, then the affected party shall be given such additional time as is reasonable to perform in view of the nature and extent of the force majeure.

#### XVIII. TAXES, PERMITS, AND INDEBTEDNESS

A. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Franchised Business. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

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

C. Franchisee shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

D. Franchisee shall notify Franchisor in writing within ten (10) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

#### XIX. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisee is an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

B. During the term of this Agreement and any extensions thereof, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place in the Restaurant, the content of which Franchisor reserves the right to specify.

C. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of

Franchisee in its conduct of the Franchised Business or any claim or judgment arising therefrom. Franchisee shall indemnify and hold Franchisor and Franchisor's officers, directors, shareholders, and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with, Franchisee's operation of the Franchised Business, as well as the costs, including attorneys' fees, of defending against them.

## XX. APPROVALS AND WAIVERS

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

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

C. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee under any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to a subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

## XXI. NOTICES

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been properly given (a) on the day delivered, if delivered personally or (b) three (3) business days after being mailed, if mailed first class, postage prepaid, registered or certified mail, return receipt requested, or (c) one (1) business day after being mailed, if sent via a reputable overnight courier service, as follows:

If to Franchisor:

Via first class, postage prepaid, registered or certified mail:

BOJANGLES' INTERNATIONAL, LLC  
P.O. Box 240239  
Charlotte, NC 28224  
Attn: General Counsel

And

Via personal delivery or overnight courier services:

BOJANGLES' INTERNATIONAL, LLC  
9432 Southern Pine Boulevard  
Charlotte, NC 28273  
Attn: General Counsel

If to Franchisee:

#

Any party may give notice of a change of address by written notice given as provided in this paragraph.

## XXII. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the Attachment(s) hereto constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. No representations have induced Franchisee to execute this Agreement except for those contained in this Agreement, the Exhibits and the Franchise Disclosure Document. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing; provided, however, that a writing signed by Franchisee need not be signed by any of its shareholders or members except to the extent, if any, that such writing would increase the amount of such shareholder's or member's financial obligations. Further, no modification, amendment, waiver, discharge or termination of any obligation of Franchisee, and no other matter or termination of any nature or kind whatsoever, including without limitation any release of Franchisee from any such obligation, shall release any shareholder or member of any guaranty obligation given or made by him under this Agreement or otherwise, whether or not such shareholder or member has notice thereof, all rights to notice or to consent being expressly waived hereby.

## XXIII. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each portion, paragraph, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any portion, paragraph, section, part, term, and/or provisions herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portion, paragraph, section, part, term, and/or provision of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portion, paragraph, section, part, term, and/or provision shall be deemed not to be a part of this Agreement.

B. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee,

Franchisor, Franchisor's officers, directors, and employees, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated by Paragraph XIII. hereof, any rights or remedies under or by reason of this Agreement.

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

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

E. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable, and all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee.

F. This Agreement shall be executed in three copies and each executed copy shall be deemed an original.

#### XXIV. APPLICABLE LAW

A. This Agreement takes effect upon its acceptance and execution by Franchisor in the State of North Carolina, and shall be interpreted and construed under the laws of that State, which laws shall prevail in the event of any conflict of law; provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of North Carolina, then such provisions shall be interpreted and construed under the laws of the state in which the principal office of Franchisee is located.

B. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of North Carolina and do hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

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

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

E. In the event of any action at law or in equity to secure or protect rights under or to enforce the terms of this Agreement, except as otherwise provided for in this Agreement, the prevailing party shall be entitled to recover reasonable counsel fees together with court costs and expenses incurred in connection with the litigation.

## XXV. ACKNOWLEDGMENTS

A. Franchisee acknowledges that the success of the business venture contemplated by this Agreement involves substantial business risks and will be largely dependent upon the ability of Franchisee as an independent business entity. Franchisor expressly disclaims the making of, and Franchisee acknowledges not having received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

B. Franchisee acknowledges that Franchisee has received, read, and understood this Agreement, the Exhibits attached hereto, and agreements relating hereto, if any; that other franchise agreements entered into by Franchisor may be different in form and content from this Agreement; and that Franchisor has accorded Franchisee ample time and opportunity, and has encouraged Franchisee, to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

C. Franchisee acknowledges that it received a complete copy of this Agreement, the Exhibits hereto, and agreements relating hereto, if any, at least seven (7) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, which rule is entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Venturers," at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

**[Signatures on the following page]**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered three copies of this Agreement on the day and year first above written.

ATTEST:

\_\_\_\_\_  
Assistant Secretary

(Seal)

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Executive Vice President

ATTEST:

\_\_\_\_\_  
\_\_\_\_ Secretary

(Corporate Seal)

\_\_\_\_\_  
Witness

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_ President

\_\_\_\_\_  
Principal Operating Officer of Franchisee

SHAREHOLDERS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

**\*\*\*OR\*\*\***

FRANCHISEE:  
\_\_\_\_\_

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Member/Manager

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Principal Operating Partner of Franchisee

MEMBERS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

ATTACHMENT A  
APPROVED LOCATION  
UNDER  
BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE AGREEMENT

The location approved by Franchisor for the Restaurant franchised under the attached Franchise Agreement shall be:

#

**GUARANTEE**

As an inducement to BOJANGLES' INTERNATIONAL, LLC ("Franchisor") to execute the Franchise Agreement ("Agreement"), to which this Guarantee is attached, the undersigned, jointly and severally, hereby agree to be individually bound by all the terms and conditions of the Agreement including any amendments thereto whenever made and unconditionally guarantee to Franchisor and its successors and assigns the payment of all liabilities incurred by Franchisee at any time.

Sixty (60) days after any default of Franchisee under Paragraphs XIV.A. or XIV.B. of the Agreement, or ninety (90) days after a default by Franchisee which is not cured under Paragraph XIV.C. of the Agreement, the undersigned will immediately make payment of any liabilities previously incurred by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment and performance by Franchisee.

Upon death of an individual guarantor, the estate of such guarantor will be bound by this Guarantee but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors will continue in full force and effect.

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

GUARANTORS:

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

**ADDENDUM TO FRANCHISE AGREEMENT**  
**BETWEEN**  
**BOJANGLES' INTERNATIONAL, LLC ("FRANCHISOR")**  
**AND**  
\_\_\_\_\_ (**"FRANCHISEE"**)

FOR RESTAURANT LOCATED AT

\_\_\_\_\_

This Addendum (“Addendum”) is made as of \_\_\_\_\_, 2012 to the Franchise Agreement of same date between Franchisor and Franchisee attached hereto (“Franchise Agreement”). To the extent this Addendum is construed to conflict with the terms of the Franchise Agreement, the terms of the Addendum shall be deemed to control. The terms of this Addendum shall be considered terms of the Franchise Agreement, as if incorporated therein, the breach of which shall be considered a default under Paragraph XIV.B. of the Franchise Agreement. All capitalized terms within this Addendum shall have the same meaning given those terms within the Franchise Agreement.

1. The Pepsi-Cola Company is the Bojangles’ System Exclusive Beverage Supplier of Choice throughout the domestic Bojangles’ System for new franchisees. Accordingly, Franchisee shall offer exclusively Pepsi-Cola Company brand post-mix soft drink products and colas. This exclusive designation and choice of products may be changed at Franchisor’s option upon written notice by Franchisor.

\_\_\_\_\_  
\_\_\_\_\_

BOJANGLES’ INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_ President/Member/Manager

By: \_\_\_\_\_  
Executive Vice President

Exhibit C

BOJANGLES' INTERNATIONAL, LLC

**FRANCHISE AGREEMENT**

(Individual)

THIS AGREEMENT made as of the \_\_\_\_ day of \_\_\_\_\_,

2012 by and between:

BOJANGLES' INTERNATIONAL, LLC

("Franchisor")

and

\_\_\_\_\_  
("Franchisee")

Store # \_\_\_\_\_

[Store address]

County

DMA:

Restaurant Opening Date: \_\_\_\_\_

IFA 08/10/12

G:\Legal\Franchise\FDD\FTC\2012\Agreements 2012\IFA & Add.doc

**BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE AGREEMENT  
(Individual)**

This Franchise Agreement ("Agreement") is made and entered into as of \_\_\_\_\_, 2012, between BOJANGLES' INTERNATIONAL, LLC, a Delaware limited liability company ("Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ corporation (or a \_\_\_\_\_ limited liability company) ("Franchisee").

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed and owns a unique and distinctive system (hereinafter "System" or "Bojangles' System") relating to the establishment and operation of fast service restaurants;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, color schemes and layout, including specially designed decor and furnishings; a special selection of menu items largely prepared "from scratch"; procedures and techniques for food and beverage preparation; prompt and courteous service in a clean, wholesome atmosphere; methods of inventory, operating, cash and financial controls and systems for such controls; a training school utilizing special teaching techniques, course instruction and manuals; and unique advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

WHEREAS, Franchisor identifies the Bojangles' System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the marks "BOJANGLES'®" and "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS®", and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by Franchisor in writing) for use in connection with the Bojangles' System (hereinafter referred to as "Proprietary Marks") and certain unique trade dress, including but not limited to specific color schemes, patterns, designs, decor, furnishings and layout, now or hereafter used by Franchisor in connection with the Bojangles' System (hereinafter referred to as "Trade Dress");

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

WHEREAS, Franchisee desires to enter into the business of operating a Bojangles' restaurant under the Bojangles' System and wishes to obtain a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith; and

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

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

I. GRANT

A. Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, the right and franchise, and Franchisee undertakes the obligation, to operate a Bojangles' restaurant (hereinafter referred to as "Restaurant" or "Franchised Business") and to use solely in connection therewith the Proprietary Marks, the Trade Dress and the Bojangles' System, as they may be changed, improved, and further developed from time to time, only at the location to be set forth in Attachment A hereto, which location shall conform to the site selection provisions of Paragraph V of this Agreement.

B. Franchisee acknowledges that this franchise is non-exclusive, except as may be otherwise agreed to between the parties hereto, and is granted subject to the terms of Paragraph VIII.C.(6) and VIII.F.(6) hereof.

II. TERM AND RENEWAL

A. Except as otherwise provided herein, the initial term of this Agreement shall expire twenty (20) years from the date of this Agreement; provided, however, that if Franchisee's approved location is leased, this Agreement shall expire at the earlier of twenty (20) years from the date of this Agreement or upon expiration or termination of the initial term of the lease.

B. Franchisee may, at its option, renew this Agreement for two (2) additional consecutive terms of ten (10) years each, provided that prior to the end of the then-current term:

(1) Franchisee has given Franchisor written notice of its election to renew not less than six (6) months nor more than nine (9) months prior to the end of the applicable term;

(2) Franchisee has made or has provided for, in a manner satisfactory to Franchisor, such renovation and modernization of the Restaurant premises as Franchisor may reasonably require, including, without limitation, renovation of signs, furnishings, fixtures, and decor, to reflect the then-current standards and image of the Bojangles' System.

(3) Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its subsidiaries and affiliates;

(4) Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates;

(5) Franchisee shall have presented satisfactory evidence that Franchisee has the right to remain in possession of the approved location for the applicable renewal term;

(6) Franchisee shall have executed Franchisor's then-current form of franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty fee and advertising contribution; provided, however, that Franchisee shall pay, in lieu of a franchise fee, a renewal fee equal to fifty percent (50%) of the then-current franchise fee;

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

(8) Franchisee shall comply with Franchisor's then-current qualification and training requirements.

### III. DUTIES OF FRANCHISOR

A. Franchisor shall provide an initial training program to instruct Franchisee and other Franchisees as to the procedures and techniques to be utilized at the Restaurant in order to ensure that Franchisee becomes completely familiar with the Bojangles' System, and shall make available such other training programs as it deems appropriate. All training provided by Franchisor shall be subject to the terms set forth in Paragraph VII.D. of this Agreement.

B. Franchisor shall advise and consult with Franchisee in connection with the operation of the Restaurant and new developments, techniques and improvements in areas of restaurant management, food preparation, sales promotion and service. Franchisor may provide the foregoing assistance by sending its employees or representatives to the Restaurant, by providing publications, other written materials, DVD's or by conducting meetings or seminars. Some or all of these publications or programs may be provided by electronic access by Franchisor and not by printed or physical documents.

C. Franchisor shall make available, from time to time, advice and assistance in local advertising and, at Franchisee's expense, promotional materials for local advertising by Franchisee. Franchisor shall have the right to review and approve or disapprove all advertising and promotional materials which Franchisee proposes to use, pursuant to Paragraph XII.F. hereof.

D. Franchisor shall develop advertising materials under the terms of Paragraph XII. hereof.

E. Franchisor shall provide to Franchisee, on loan, either one printed copy of the Manual as more fully described in Paragraph IX. hereof ("Manual"), or provide Franchisee with electronic access to the Manual.

F. In the interest of maintaining high standards of quality, cleanliness, appearance, and service, Franchisor shall conduct, as it deems advisable, inspections of the Restaurant, and evaluations of the products sold and services rendered at the Restaurant.

#### IV. FEES

A. Franchisee shall pay to Franchisor a franchise fee at the time this Agreement is executed in the amount of \_\_\_\_\_ **Dollars (\$\_\_\_\_\_)**, which sum shall be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others.

B. Franchisee shall pay to Franchisor a continuing monthly royalty fee in an amount equal to four percent (4%) of the Gross Sales of the Restaurant, as defined in Paragraph IV.E. hereof.

C. Franchisee shall pay to Franchisor a monthly advertising contribution, for use by the Bojangles' Marketing Development Fund established by Franchisor, as provided in Paragraph XII.E. hereof, in an amount equal to one percent (1%) of the Gross Sales of the Restaurant.

D. All monthly payments required by this Paragraph IV. shall be paid to Franchisor by the fifteenth (15th) day of each month on Gross Sales made during the preceding month, and shall be submitted to Franchisor together with any reports or statements required under Paragraph XI.B. hereof. We reserve the right to require that all monthly payments required by this Paragraph IV be directly drafted by Franchisor from Franchisee's account. Any payment or report not actually received by Franchisor on or before such date shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until paid at the equivalent of one and one-half percent (1 1/2%) per month compounded monthly, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

E. As used in this Agreement, "Gross Sales" shall include all revenue from the sale of all services and products related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit; provided, however, that "Gross Sales" shall not include any sales taxes or other taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority.

#### V. SITE SELECTION

A. Franchisee must obtain the written approval of Franchisor for the site of the Restaurant developed under this Agreement. Upon request by Franchisee, Franchisor shall provide reasonable site selection assistance and counseling to Franchisee. Franchisee shall propose sites for approval by Franchisor on forms or in the manner designated from time to time by Franchisor. A site shall only be submitted to Franchisor after Franchisee has carefully evaluated the site, determined that it meets the criteria for Restaurant sites which Franchisor has communicated to Franchisee. Franchisor shall review the application for site approval; and within thirty (30) days of Franchisor's receipt of the application, Franchisor shall approve the proposed site or reject the site with comments as to why it was rejected.

B. Franchisee must obtain the written approval of Franchisor with respect to the terms of any lease or mortgage with respect to the site to be developed as a Restaurant under this Agreement. Within thirty (30) days after Franchisor's approval of a site, Franchisee shall notify Franchisor of the closing date if the site is to be obtained by purchase; and provide Franchisor with a copy of the proposed mortgage or deed of trust if a mortgage loan is contemplated; or, if the site is to be obtained by lease, provide Franchisor with a copy of the proposed lease. Within twenty (20) days thereafter, Franchisor shall send notice of approval or notice of rejection with comments. Franchisee shall, as promptly as possible after receipt of approval, complete acquisition of the site.

C. Any lease or mortgage for a Restaurant site must permit assignment of the lease, mortgage, or deed of trust to Franchisor or its designees in the event of default by Franchisee of the lease, mortgage, deed of trust, or this Agreement; and must provide, in form and substance satisfactory to Franchisor, for quiet enjoyment, subordination and mutual attornment. Leases and mortgages must be bona fide, and provide financial terms consistent with those prevalent in the area. Franchisee shall use its best efforts to obtain therein an option to renew on stated financial terms which if exercised will, with the initial term, be for a period of not less than an additional twenty (20) years.

D. Upon receipt of a copy of an executed lease or a copy of an executed unconditional contract to purchase the site (or a deed if the site is owned by Franchisee), Franchisor will provide Franchisee with preliminary plans and specifications for the construction of a Bojangles' standard, free-standing restaurant building for use by Franchisee and its architect in preparation of final plans and specifications for the Restaurant to be constructed on the site. Franchisee shall bear the cost of any modifications to the preliminary plans and specifications provided to Franchisee by Franchisor. Final plans and specifications must be approved by Franchisor before the start of construction. Franchisee shall obtain, at its cost, the necessary permits required to construct the Restaurant and shall meet all other applicable requirements established by local statute, local ordinance or otherwise. Promptly after approval by Franchisor of Franchisee's final plans and specifications, Franchisee shall complete construction of the Restaurant and open for business within the time period prescribed in Paragraph VII.B. of this Agreement.

## VI. FRANCHISEE ORGANIZATION AND CAPITAL STRUCTURE

A. Franchisee shall be a corporation or a limited liability company composed solely of shareholders/members who are individuals and not corporations, limited liability companies or any other legal entities, and shall comply with the following requirements:

(1) Franchisee shall be organized and validly existing in good standing under the laws of the state of its incorporation or organization;

(2) Franchisee shall be qualified to do business in all states in which its business activities or the nature of the properties owned by it requires such qualification;

(3) Franchisee's Articles of Incorporation or Charter, or if Franchisee is a limited liability company, Franchisee's Articles of Organization and Operating Agreement shall at all times provide that Franchisee was organized and has authority only to develop, own and operate BOJANGLES'® Restaurants; and that Franchisee shall not engage or invest in any business other than development, ownership and operation of BOJANGLES'® Restaurants;

(4) If Franchisee is a corporation, copies of Franchisee's Articles of Incorporation or Charter, Bylaws, and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

If Franchisee is a Limited Liability Company, copies of Franchisee's Articles of Organization, Operating Agreement, and other governing documents, and any amendments thereto, including the Consent of all Limited Liability Company members authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

(5) Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate of Franchisee, or other evidence of ownership if Franchisee is a limited liability company, shall have the following legend conspicuously endorsed upon its face:

The shares represented by this certificate, or other evidence of ownership if Franchisee is a limited liability company, are subject to the terms of an agreement dated [date] between [name of issuing corporation or limited liability company] and BOJANGLES' INTERNATIONAL, LLC, which, inter alia, restricts transfer, restricts activities in which [name of issuing corporation or limited liability company] may engage, and imposes restrictions on shareholders or members.

(6) Franchisee shall maintain a current list of all owners of record, including all members if Franchisee is a limited liability company, and all beneficial owners of any class of securities of Franchisee and shall furnish the list to Franchisor at such time as Franchisor may request.

B. At the date of execution of this Agreement, Franchisee shall have, with respect to the Restaurant, a ratio of debt to equity no greater than 1.5 to 1. Calculation of a debt to equity ratio for purposes hereof shall exclude equity interests in, and debts incurred as a result of, the acquisition of land and building, but shall include equity interests in, and debts incurred as a result of, the acquisition of equipment and inventory, training, franchise fees, start-up costs, initial point of purchase materials, landscaping, signage and prepaid expenses. Franchisee shall, prior to the execution of this Agreement, furnish Franchisor with evidence, satisfactory to Franchisor in its sole discretion, of its compliance with the requirement set forth in this paragraph.

C. Franchisee agrees to pay in full, and not lease or finance the equipment and fixtures in its first Bojangles' Restaurant.

## VII. DUTIES OF FRANCHISEE

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

B. Franchisee shall construct, furnish, and open the Restaurant within 180 days of the execution of this Agreement. Time is of the essence. Prior to opening for business, Franchisee shall comply with all pre-opening requirements set forth in this Agreement and in the Manual or as otherwise required by Franchisor in writing.

C. Franchisee shall designate an individual to serve as the "Principal Operating Officer" of Franchisee, or if Franchisee is a limited liability company, it shall designate an individual to serve as "Principal Operating Partner" subject to the following condition:

(1) The Principal Operating Officer or Partner shall own an equity interest of at least ten percent (10%) in Franchisee during the entire period he serves as Principal Operating Officer or Partner;

(2) The Principal Operating Officer or Partner shall devote full time and best efforts to the supervision and conduct of the Franchised Business and any other Restaurants which may be operated by Franchisee;

(3) The Principal Operating Officer or Partner shall execute this Agreement, and shall be individually bound by all obligations of Franchisee hereunder;

(4) No person shall become a Principal Operating Officer or Partner unless approved by Franchisor; and

(5) If the Principal Operating Officer or Partner is unable, or elects not, to continue to meet his obligations hereunder, or if, in Franchisor's sole discretion, the Principal Operating Officer or Partner no longer qualifies to act as such, Franchisee shall promptly designate another Principal Operating Officer or Partner subject to the same conditions and qualifications listed above.

D. Franchisee agrees that it is important to the operation of the System and the Restaurant that Franchisee and Franchisee's employees receive such training as Franchisor may require, and to that end agrees as follows:

(1) Prior to the opening of the Restaurant, the Principal Operating Officer or Partner, and such number of Franchisee's managers as Franchisor shall designate, shall attend and complete, to Franchisor's satisfaction, the initial training program offered by Franchisor. At Franchisee's expense, the Principal Operating Officer or Partner and Franchisee's managers and other employees shall also attend such courses, seminars, and other training programs as

Franchisor may require from time to time. Franchisor shall provide instructors and training materials for all required training programs; and Franchisee or its employees shall be responsible for any and all other expenses incurred by them in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages. Any person subsequently employed by Franchisee in the position of manager and each subsequent Principal Operating Officer or Partner shall attend and complete, to Franchisor's satisfaction, such initial training program as Franchisor may require.

(2) The Principal Operating Officer or Partner, Franchisee's managers and other employees may also attend such optional training programs and seminars as Franchisor may offer from time to time. Franchisee shall pay to Franchisor, for each person attending such a program, the training fee, if any, then charged by Franchisor. If any such training fee is imposed by Franchisor, the training fee shall be in addition to any other expenses incurred by the persons attending training as provided in Paragraph VII.D.(1) hereof.

E. Franchisee shall use the Restaurant premises solely for the operation of the Franchised Business; shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may from time to time specify in the Manual or as Franchisor may otherwise approve in writing; and shall refrain from using or permitting the use of the premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor.

F. Franchisee shall maintain a competent, conscientious, trained staff, including at least one fully trained manager on duty at the Restaurant at all times, in sufficient numbers so as to operate the Restaurant efficiently and effectively. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations, wear uniforms of such color, design and other specifications as Franchisor may designate from time to time, present a neat and clean appearance, and render competent and courteous service to Restaurant customers.

G. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant.

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

(1) To operate the Restaurant in a clean, wholesome manner in compliance with Franchisor's prescribed standards of quality, cleanliness, appearance and service;

(2) To maintain in sufficient supply, and to use at all times, only such ingredients, products, materials, supplies, and paper goods as conform with Franchisor's standards and specifications, and to refrain from deviating therefrom by the use or offer of nonconforming items, without Franchisor's prior written consent;

(3) To sell or offer for sale only such menu items, products, and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all types of menu items, products, and services specified by Franchisor; to refrain from any deviation from Franchisor's standards and specifications without Franchisor's prior written consent; and to discontinue selling and offering for sale any menu items, products, or services which Franchisor may, in its discretion, disapprove in writing at any time;

(4) To employ only those methods of food handling and preparation as Franchisor may specify in the Manual, or otherwise designate from time to time;

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

(6) To purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment, decor, and signs as Franchisor may reasonably direct from time to time in the Manual or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor, signs, games, vending machines, or other items not previously approved as meeting Franchisor's standards and specifications.

I. Franchisee shall comply with all requirements of federal, state, and local laws, rules, and regulations.

J. Franchisee shall purchase all food items, ingredients, equipment, furnishings, supplies, materials, and other items used or offered for sale at the Restaurant solely from suppliers (including manufacturers, distributors and other sources) who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved in writing by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any products from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so, and Franchisor, in its sole discretion, shall determine whether such supplier shall be approved. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria.

K. Franchisee shall require all advertising and promotional materials, signs, decorations, paper goods (including disposable food containers, napkins, and menus), all forms and stationery used in the Franchised Business, and other items which may be designated by Franchisor to bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor.

L. Franchisee shall maintain the Restaurant in a high degree of sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but, if of a substantial nature, not without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, equipment, and decor in the manner and at the times which Franchisor may reasonably direct; provided, however, that Franchisee shall not be required to undertake a major remodeling of the kitchen and interior and exterior decor of the Restaurant more than once in any five (5) year period.

M. Franchisee shall, where applicable, keep the parking area for the Restaurant well-lighted, and maintain the parking area for the exclusive use of Restaurant customers.

N. Franchisee shall grant Franchisor and its agents the right to enter upon the Restaurant premises at any time for the purpose of conducting inspections; shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable by Franchisee immediately upon demand. The foregoing shall be in addition to such other remedies as Franchisor may have.

O. Without limiting any other provision or requirement of the Agreement, Franchisee agrees to sell only those beverage product brands specified by Franchisor, including all soft drinks and cola products. Franchisor specifically retains the right to make additions or changes to the beverage product brands offered by Franchisee.

P. Franchisee agrees to utilize the e-mail address provided by Franchisor and to utilize the Bojangles' electronic portal, and review its content regularly for purposes of receiving updates, notice of Manual or policy changes and other communications from Franchisor.

Q. Franchisee shall comply with all other requirements set forth in this Agreement.

## VIII. PROPRIETARY MARKS AND TRADE DRESS

A. Franchisor represents with respect to the Proprietary Marks that:

(1) Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks;

(2) Franchisor has taken and will take all steps reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks; and

(3) Franchisor will permit Franchisee and other franchisees to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

B. With respect to Franchisee's licensed use of the Proprietary Marks pursuant to this Agreement, Franchisee agrees that:

(1) Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

(2) Franchisee shall use the Proprietary Marks only for the operation of the Franchised Business and only at the location authorized hereunder, or in advertising for the Franchised Business;

(3) Unless otherwise authorized or required by Franchisor in writing, Franchisee shall operate and advertise the Franchised Business only under the name "BOJANGLES'®" Restaurant or "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS®" Restaurant, as specified by Franchisor, without prefix or suffix;

(4) During the term of this Agreement, Franchisee shall identify itself as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, and shall display a notice to that effect in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing;

(5) Franchisee's right to use the Proprietary Marks is limited to the term of this Agreement and shall automatically cease upon the expiration or earlier termination of this Agreement and is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof, including, but not limited to, sublicensing a use of the Proprietary Marks, shall constitute an infringement of Franchisor's rights and a default under this Agreement;

(6) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

(7) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name;

(8) Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

(9) In the event that litigation involving the Proprietary Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation.

C. Franchisee expressly understands and acknowledges that:

(1) Franchisor is the owner of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them;

(2) The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

(3) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Proprietary Marks;

(4) Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks, except pursuant to the license granted by this Agreement;

(5) Any and all goodwill arising from Franchisee's use of the Proprietary Marks in its franchised operation under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned to Franchisee as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks; and

(6) The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

(a) To use the Proprietary Marks itself in connection with selling products and services;

(b) To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and

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

(7) Franchisor reserves the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating thereunder.

D. Franchisee expressly understands and acknowledges that Franchisor has developed certain unique Trade Dress as part of the Bojangles' System, including but not limited to color schemes, patterns, designs, decor, furnishings and layout.

E. With respect to Franchisee's licensed use of the Trade Dress pursuant to this Agreement, Franchisee agrees that:

(1) Franchisees shall use only the Trade Dress designated by Franchisor, and shall use it only in the manner authorized and permitted by Franchisor.

(2) Franchisee shall use the Trade Dress only for the operation of the Franchised Business and only at the location authorized hereunder or in advertising for the Franchised Business.

(3) Franchisee's right to use the Trade Dress is limited to the term of this Agreement and shall automatically cease upon the expiration or earlier termination of this Agreement and is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof, including but not limited to sublicensing a use of the Trade Dress, shall constitute an infringement of Franchisor's rights and a default under this Agreement.

(4) In the event that litigation involving the Trade Dress is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation.

F. Franchisee expressly understands and acknowledges that:

(1) Franchisor is the owner of all right, title and interest in and to the Trade Dress and the goodwill associated with and symbolized by it;

(2) The Trade Dress is valid and serves to identify the System and those who are authorized to operate under the System;

(3) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Trade Dress;

(4) Franchisee's use of the Trade Dress pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Trade Dress, except pursuant to the license granted by this Agreement;

(5) Any and all goodwill arising from Franchisee's use of the Trade Dress in its franchised operation under the System shall inure solely and exclusively to Franchisor's

benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned to Franchisee as attributable to any goodwill associated with Franchisee's use of the System or the Trade Dress; and

(6) The right and license of the Trade Dress granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

(a) To use the Trade Dress itself in connection with selling products and services;

(b) To grant other licenses for the Trade Dress, in addition to those licenses already granted to existing franchisees; and

(c) To develop and establish other systems using the same or similar Trade Dress, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

G. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph VIII. will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph VIII.

#### IX. CONFIDENTIAL OPERATIONS MANUAL

A. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct its business in accordance with the Manual, one copy of which Franchisee acknowledges having received by electronic access or written copy on loan from Franchisor for the term of this Agreement. The Manual shall include memoranda, procedures, policies and other communications created by Franchisor that are posted on the Bojangles' electronic portal or otherwise communicated to Franchisee in writing by email or hardcopy, whether or not noted as "Manual". If a posting is made to the Bojangles' electronic portal, Franchisee shall be deemed to have notice of any changes or supplements to the Manual.

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

C. The Manual shall at all times remain the sole property of Franchisor.

D. Franchisor may from time to time revise the contents of the Manual, and the Franchisee expressly agrees to comply with each new or changed standard.

E. Franchisee shall continuously review changes to the Manual as posted on the Bojangles' electronic portal, and to otherwise keep current with the Manual. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling.

X. CONFIDENTIAL INFORMATION

A. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation or limited liability company any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Business, and Franchisee shall take such precautions as Franchisor deems necessary to ensure that Franchisee's employees retain such information in confidence. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, had become a part of the public domain, through publication or communication by others; or which, after disclosure to Franchisee by Franchisor, becomes a part of the public domain, through publication or communication by others.

B. Franchisee hereby acknowledges that pursuant to this Agreement, Franchisor will provide Franchisee with access to and training in processes and procedures of a proprietary nature and will provide Franchisee with access to and the right to use recipes and formulas, the Manual, logos, designs, trademarks, trade names and other proprietary information in connection with Franchisee's development and operation of the Bojangles' Restaurant. Franchisee acknowledges and agrees that Franchisee shall not at any time, whether during the term of this Agreement or after its expiration or earlier termination, disclose any information obtained through such training or from any materials provided by Franchisor to Franchisee and pertaining to the Bojangles' System to any third party other than employees of Franchisee directly involved in the operations of the Restaurant. Further, Franchisee agrees that during the term of this Agreement and after its expiration or earlier termination, it shall not use any of such information or proprietary marks, including but not limited to any processes, procedures, recipes and formulas, for any purpose other than the operation of the Bojangles' Restaurant and will take all steps necessary to prevent any other use of them. Without limiting the foregoing, Franchisee specifically agrees that it shall not during the term of this agreement or after its expiration or earlier termination, offer for sale at any location, other than during the term of this Agreement the Restaurant being operated at that time pursuant to this Agreement, any food or drink products prepared using in whole or part the procedures, processes, techniques, recipes or formulas provided by Franchisor to Franchisee.

C. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph X. will cause irreparable injury to Franchisor, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph X.

## XI. ACCOUNTING AND RECORDS

A. Franchisee shall maintain during the term of this Agreement, and shall preserve for at least five (5) years from the dates of their preparation, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

B. Franchisee shall submit to Franchisor, no later than the fifteenth (15th) day of each month during the term of this Agreement, after the opening of the Franchised Business, a statistical report and statement of receipts, in the form prescribed by Franchisor, accurately reflecting all Gross Sales during the preceding month and such other data or information as Franchisor may require.

C. Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, an unaudited balance sheet of the Franchised Business and a statement of profit or loss for the preceding quarter within thirty (30) days after the end of each quarter of Franchisee's fiscal year. Each such statement shall be signed by Franchisee's treasurer or chief financial officer attesting that it is true and correct.

D. Franchisee shall, at Franchisee's expense, provide to Franchisor a statement of profit or loss and a year-end balance sheet prepared and certified by Franchisee's chief financial officer and, upon written request by Franchisor, by an independent certified public accountant satisfactory to Franchisor, within ninety (90) days after the end of each fiscal year of the Franchised Business during the term hereof, showing the results of operations of the Franchised Business during said fiscal year. The Franchisee's chief financial officer shall attest that the financial statements present fairly the financial position of Franchisee and the results of operations of the Franchised Business during the period covered. Franchisor shall have the right, in its reasonable discretion, to require that Franchisee submit audited statements for any fiscal year or any period or periods of a fiscal year of Franchisee during the term of this Agreement, and to require Franchisee to cause its independent certified public accountant to consult with Franchisor, at Franchisee's expense, concerning the financial statements provided by Franchisee.

E. Franchisee and its shareholders shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing.

F. Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books

of Franchisee. If an inspection should reveal that any payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at one and one-half percent (1-1/2%) per month compounded monthly, or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any report of five percent (5%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

## XII. ADVERTISING

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

A. Franchisee shall spend not less than three percent (3%) of the Gross Sales of the Franchised Business on local and regional media advertising, in addition to any advertising contribution required under Paragraphs IV.C. and XII.E. hereof. Franchisee shall demonstrate on a quarterly basis, to the reasonable satisfaction of Franchisor, that Franchisee has made such expenditures. Such advertising shall include radio, television, magazine, newspaper, billboard campaigns, print, direct mail and other forms of advertising media and public relations activities but shall not include the costs of advertising production, production of other marketing materials, cost of food promotion, point of purchase materials, telephone book advertising, stationery, or restaurant indoor or outdoor site location signs.

B. Recognizing the value of cooperative national and regional advertising and marketing, and the importance of standardizing such programs to further enhance the national goodwill and public image of the Bojangles' System, Franchisor reserves the right and may in its sole discretion require Franchisee to participate along with other franchisees in regional cooperative advertising organizations or programs, established from time to time currently or in the future by Franchisor or by other franchisees for the purpose of advertising and promoting the Bojangles' System. In the event of the formation of such cooperative advertising groups, and Franchisee's participation therein, Franchisor shall permit Franchisee to credit a portion of the amount required to be expended for local and regional advertising in Paragraph XII.A. above to any regional program established by any such cooperative arrangement.

C. If Franchisee has failed to make or report the expenditure of the three percent (3%) of Gross Sales as required in Paragraph XII.A. above in any quarter or if Franchisee shall fail to participate in a cooperative advertising program after request by Franchisor as required in Paragraph XII.B. above, Franchisee shall thereafter, after written notice by Franchisor, pay to Franchisor three percent (3%) of the Gross Sales of the Restaurant. Franchisor may then in its sole discretion contribute such amounts to any franchisee cooperative organization that operates in part or all of Franchisee's market area or Franchisor may expend such funds to create advertising that in Franchisor's sole determination will promote the Bojangles' Proprietary Marks and/or System in Franchisee's market area.

D. Franchisor may offer from time to time to provide, upon Franchisee's request and at Franchisee's expense, approved local advertising and promotional plans and materials.

E. Franchisee agrees to make contributions to the BOJANGLES'® Marketing Development Fund (hereinafter "Fund") as required under Paragraph IV.C. hereof. The Fund shall be maintained and administered by Franchisor or its designee, as follows:

(1) Franchisor shall direct the creation of all advertising programs, with sole discretion over the creative concepts, materials, and media used in such programs. Franchisee agrees and acknowledges that the Fund is intended to maximize general public recognition and acceptance of the trade names, trademarks, and service marks which are designated as part of the System for the benefit of the System through research and the creation of marketing materials; and that Franchisor and its designee undertake no obligation, in administering the Fund, to make expenditures which are equivalent or proportionate to a franchisee's contribution, or to insure that any particular franchisee benefits directly or pro rata from Fund expenditures. Franchisee is aware that there may be some franchisees operating under different forms of agreement and who may not be required to make payments into the Fund equivalent to Franchisee's payments.

(2) Franchisor shall, for each of its company-owned Bojangles' Restaurants, make contributions to the Fund equivalent to the contributions required of comparable franchised Restaurants within the Bojangles' System so that Franchisor's average contribution for each company-owned Restaurant will be equal to the average contribution per franchise-owned Restaurant. This average per Restaurant contribution for franchise-owned Restaurants will be calculated by dividing the total contributions of franchisees to the Fund by the total number of franchise-owned Restaurants. Franchisor's total contribution to the Fund will equal this average per Restaurant contribution multiplied by Franchisor's total number of company-owned Restaurants; and

(3) All contributions to the Fund shall be used exclusively for advertising and promotion of the Bojangles' System (including, without limitation, the cost of preparing and conducting television, radio, print, and billboard advertising campaigns and other public relations activities; conducting research; employing advertising agencies and other specialists to assist therein; and preparing and providing promotional brochures and other point of purchase marketing materials to franchisees in the Bojangles' System). All sums paid by Franchisee and other franchisees to the Fund shall not be used to defray any of Franchisor's general operating expenses except for such reasonable administrative expenses and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund and advertising programs, including, without limitation, conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Fund.

F. All advertising by Franchisee in any medium shall be conducted in a dignified manner and shall conform to such standards and requirements as Franchisor may specify from time to time in writing. Franchisee shall submit to Franchisor (through the mail, return receipt requested), for its prior written approval, samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved

by Franchisor. Franchisee shall not use any advertising or promotional plans and materials that have not received Franchisor's prior written approval.

### XIII. INSURANCE

A. Franchisee shall maintain insurance in force as follows:

(1) Employer's liability and worker's compensation as prescribed by law in the state in which the Restaurant is located;

(2) Comprehensive general liability insurance, including products liability and broad form contractual liability insurance from a reputable insurance company having assets in excess of one half billion dollars (\$500,000,000) or other insurer approved by Franchisor, in an amount of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and five hundred thousand dollars (\$500,000) per occurrence for property damage or in such other amounts as Franchisor may reasonably request;

(3) All policies of insurance shall name Franchisor as an additional insured; and shall provide that the policy cannot be cancelled without thirty (30) days prior written notice to Franchisor; and shall specify that copies of all notices shall be sent to Franchisor. Franchisee shall furnish Franchisor with copies of all policies or certificates evidencing insurance in force as required herein. Evidence of payment of premiums shall be delivered to Franchisor at least thirty (30) days prior to the expiration dates of each existing insurance policy; and

(4) Such additional insurance covering such additional risks or providing such higher limits as Franchisor may reasonably request.

B. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's time and expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

### XIV. TRANSFER

A. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity.

B. Transfer by Franchisee of the right to operate the restaurant, or any interest in this Agreement, the franchise rights and license rights and Franchisee are limited as follows:

(1) Franchisee's authority to transfer any interest under this Agreement is also subject to the terms of any other agreement between Franchisor and Franchisee, including a

development agreement, which may impose additional conditions and limitations on Franchisee's right to transfer its interest under this Agreement.

(2) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and its shareholders or members, and that Franchisor has granted this Agreement in reliance on Franchisee's business skill and financial capacity, and the business skill, financial capacity and personal character of Franchisee's shareholders or members. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, limited liability company, or other legal entity which directly or indirectly owns any interest in the Restaurant, in this Agreement, or in Franchisee shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in the Restaurant, interest in this Agreement, or franchise rights or license rights granted hereunder or any obligations hereunder, or in Franchisee without the prior written consent of Franchisor, which consent shall not be unreasonably withheld. Any such proposed transfer shall be subject, where applicable, to Franchisor's option to purchase set forth in Paragraph XIV.C. herein. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor required by this Paragraph XIV.B.(2) shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Paragraph XV.B. of this Agreement.

(3) If a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring a controlling interest in the Restaurant, interest in this Agreement, or in the franchise rights or license rights granted hereunder, or in Franchisee, Franchisor may, in its sole discretion, if it does not elect to exercise its option to purchase set forth in Paragraph XIV.C. herein, require any or all of the following as conditions of its approval:

(a) All of Franchisee's accrued and outstanding monetary obligations to third parties and all accrued and outstanding obligations to Franchisor, or any parent, subsidiary or affiliate of Franchisor shall have been satisfied;

(b) Franchisee shall not be in default of any provision of this Agreement, any amendment hereto or successor hereof, or any other agreement between Franchisee and Franchisor, its parents, subsidiaries, or affiliates;

(c) The transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; and shall agree to remain liable to Franchisor for all affirmative obligations, covenants, and agreements contained herein for two (2) years following the effective date of transfer (or, if transferor retains a purchase money interest in the transferred business, for a period greater than two (2) years, until the interest is extinguished) or for such shorter period as Franchisor may, in its sole discretion, determine;

(d) The transferee shall enter into a written assignment, under seal and in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and, if the obligations of Franchisee were guaranteed by the transferor, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

(e) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business herein (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Franchised Business;

(f) At Franchisor's option, the transferee shall execute (and/or, upon Franchisor's request, shall cause all interested parties to execute), for a term ending on the expiration date of this Agreement, the then-current standard form of franchise agreement being offered to new System franchisees and other ancillary agreements, including a guarantee of such agreement executed by all shareholders of the transferee, as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate and advertising contribution; provided, however, that the transferee shall not be required to pay an initial franchise fee;

(g) At Franchisor's sole discretion, the transferee, at its expense, shall upgrade the Restaurant to conform to the then-current standards and specifications of System restaurants, and shall complete the upgrading and other requirements within the time specified by Franchisor;

(h) Franchisee shall remain liable for all of its obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(i) At the transferee's expense, transferee's Principal Operating Officer and transferee's managers, shall complete any training and certification programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require; and

(j) Franchisee shall pay to Franchisor a transfer fee of two thousand five hundred dollars (\$2,500) per Restaurant, which constitutes Franchisor's reasonable costs and expenses (including legal and accounting expenses) in connection with Franchisor's review of the application to transfer.

(4) Franchisee shall grant no security interest in this Agreement or in the Franchised Business (other than a pledge of assets to secure a bona fide loan made or credit extended in connection with acquisition of the assets pledged) unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security

interest, Franchisor shall have the right and option to purchase the rights of the secured party upon payment of all sums then due to such secured party.

(5) Franchisee acknowledges and agrees that each condition which must be met by transferee is necessary to assure such transferee's full performance of the obligations hereunder.

C. Franchisor shall have the option to purchase any interest in the Restaurant or this Agreement as follows:

(1) Any party holding any direct or indirect interest in the Restaurant, in this Agreement or in Franchisee who desires to accept any bona fide offer from a third party to purchase such interest, if a transfer of that interest alone or together with other previous, simultaneous or proposed transfers would have the effect of transferring a controlling interest in the Restaurant, in this Agreement, or in Franchisee, shall provide Franchisor with all of the terms of the proposed transfer in writing at least thirty (30) days prior to the proposed date of transfer. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party, net of any finders or brokers fees which any third party would be obligated to pay. In the event that Franchisor elects to purchase the seller's interest, closing on such purchase must occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor does not exercise its option to purchase, Franchisee or shareholders of Franchisee may proceed to consummate a transfer to a third party if they have complied with the conditions of this Paragraph XIV. If Franchisor did not exercise its option to purchase, any material change in the terms of the third party's offer prior to closing shall constitute a new offer subject to the same option to purchase by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Paragraph XIV.C. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Paragraph XIV. with respect to a proposed transfer.

(2) In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor is not in a position to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash.

D. Upon the death or mental incapacity of any person with a direct or indirect interest in this Agreement or in Franchisee, the executor, administrator, or personal representative of such person shall transfer the interest to a third party, including shareholder(s) or member(s) of Franchisee, approved by Franchisor within twelve (12) months after such death or mental incapacity, or, if legal proceedings make transfer within twelve (12) months not feasible, within such longer period as may be reasonable under the circumstances. Such transfer, including, without limitation, transfer by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. If an approved transfer has not been made within the aforementioned period, Franchisor shall have the option to purchase the Franchised Business at fair market value, and thereupon terminate this Agreement. In the event that Franchisor elects to

purchase the Franchised Business and terminate this Agreement in accordance with the foregoing, closing of the transaction shall take place as promptly as possible after Franchisor exercises its option to purchase, and the parties reach agreement concerning the fair market value of the Franchised Business. Payment will be made in four (4) installments, the first of which shall be made at the time of closing and the remaining three (3) installments shall each be made at one (1) year intervals from the date of the first payment. Interest shall be payable on the unpaid portion of the purchase price on the due date of each installment of principal at the prime rate of Bank of America on the date of Franchisor's election to purchase the Franchised Business. If the parties are unable to agree on the fair market value of the Franchised Business, then the dispute will be settled by binding arbitration in Charlotte, North Carolina, in accordance with the rules and procedures of the American Arbitration Association.

E. Franchisor's consent to a transfer of any interest in Franchisee, rights to operate the Restaurant, interest in this Agreement or any license or franchise rights granted hereunder shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

F. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XIV. will cause Franchisor irreparable injury, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XIV.

## XV. DEFAULT AND TERMINATION

A. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against Franchisee and not opposed by Franchisee; or if Franchisee is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee.

B. Upon occurrence of any of the following events, Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee:

(1) If Franchisee fails to construct and open the Franchised Business within 180 days of the date of execution of this Agreement;

(2) If Franchisee or any shareholder or member of Franchisee is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, adversely to affect the System, the Proprietary Marks, the Trade Dress, the goodwill associated therewith, or Franchisor's interest therein;

(3) If Franchisee or any shareholder or member of Franchisee purports to transfer any interest in this Agreement, any rights hereunder, including but not limited to any rights to operate the Restaurant, franchise and license rights or obligations under this Agreement or any interest in Franchisee to any third party without Franchisor's prior written consent, contrary to the terms of Paragraph XIV. of this Agreement;

(4) If, contrary to the terms of Paragraph IX. or X. hereof, Franchisee discloses or divulges the contents of the Manual or other confidential information provided to Franchisee by Franchisor;

(5) If Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor;

(6) If Franchisee, or any shareholder or member of Franchisee, violates Paragraph VIII. hereof by making any unauthorized use of any name, trademark, service mark, or other Proprietary Mark or Trade Dress of Franchisor;

(7) If Franchisee shall cause, suffer, or permit (voluntarily or involuntarily) its right to or possession of the premises on which the Restaurant is located to be terminated prematurely for any cause whatsoever; or if Franchisee shall be in material default under the lease for the premises on which the Restaurant is located, or shall be in material default under any mortgage with respect to the property on which the Restaurant is located, provided, however, that Franchisee shall not be in breach of this provision if a condemnation proceeding affecting the premises upon which the Restaurant is situated occurs which makes it impossible or infeasible for Franchisee to continue to operate the Restaurant at its present location, and within thirty (30) days after the final condemnation determination Franchisee provides Franchisor with notice of its intention to open, and within one (1) year of the final condemnation determination opens, a substitute Restaurant on a new site approved by Franchisor;

(8) If Franchisee ceases to operate or otherwise abandons, or attempts to cease to operate or abandon, the Restaurant or enters into an agreement to sell, or sells, or purports or attempts to sell, the real property upon which the Restaurant is situated, or substantially all right, title and interest in and to the Restaurant or real property lease, or substantially all of the assets of Franchisee or of the Restaurant, without Franchisor's prior written consent; provided, however, that upon the occurrence of any of the foregoing events, Franchisor may, in lieu of immediate termination of this Agreement, request from Franchisee, a statement of intentions and assurances that no event in breach of this Agreement is so contemplated, which statement and assurances shall be delivered in writing within twenty-four (24) hours of Franchisor's request. In addition Franchisor may request, and Franchisee shall provide within five (5) business days thereafter, a performance bond from Franchisee, the amount of such bond and the issuing entity to be solely at Franchisor's reasonable discretion.

(9) If any other Franchise Agreement or Development Agreement of Bojangles' of America, Inc., Bojangles' Restaurants, Inc. or Bojangles' International, LLC entered into by Franchisee is terminated based upon Franchisee's default thereunder;

(10) If Franchisee, after curing a default pursuant to Paragraph XV.C. hereof, commits the same, or a substantially similar, default again within one hundred eighty (180) days after the prior default occurred, whether or not cured after notice; or

(11) If Franchisee repeatedly is in default under Paragraph XV.C. hereof for failure to comply with any of the requirements imposed by this Agreement, whether or not cured after notice.

C. Except as otherwise provided in Paragraphs XV.A. and XV.B. of this Agreement, Franchisee shall have thirty (30) days after its receipt from Franchisor of a written notice of default within which to remedy any default hereunder and to provide evidence thereof to Franchisor. If any such default is not cured within that time, or such longer period as applicable law may require, Franchisor may terminate this Agreement, effective immediately upon Franchisee's receipt of notice from Franchisor after the expiration of the thirty (30) day period or such longer period as applicable law may require. Franchisee shall be in default hereunder for any failure to comply with any of the requirements imposed by this Agreement, including any matter enumerated in this Paragraph XV.C., as it may from time to time reasonably be supplemented by the Manual, or to carry out the terms of this Agreement in good faith. Such defaults shall include, for example, but without limitation, the occurrence of any of the following events:

(1) If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its parents, subsidiaries or affiliates when due, or to submit the financial or other information required by Franchisor under this Agreement;

(2) If Franchisee fails to pay or fails repeatedly to make prompt payment of undisputed amounts due to its suppliers, landlord, equipment lessors, or other third parties;

(3) If Franchisee fails to maintain the Restaurant in a good, clean and wholesome manner, or fails to maintain or observe any of the other standards or procedures prescribed by Franchisor in this Agreement, the Manual, or otherwise in writing;

(4) If Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

(5) If Franchisee denies Franchisor or its designee the right to inspect the Restaurant at reasonable times;

(6) If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks or uses the Franchisor's Trade Dress other than in connection with the Restaurant or uses

any of Franchisor's products, procedures or methods in any other operation not authorized by Franchisor;

(7) If Franchisee fails to comply with the in-term covenants in Paragraph XVII.A. hereof or employs, or seeks to employ, any person who at the time is employed by Franchisor or any of its affiliates or by any Bojangles' franchisee, or otherwise induces, directly or indirectly, any such person to leave such employment;

(8) If a final judgment against Franchisee remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed);

(9) If Franchisee is dissolved, execution is levied against Franchisee's business or property, suit to foreclose any lien or mortgage against the Franchised Business or equipment situated therein is instituted against Franchisee and not dismissed or bonded off within sixty (60) days, or the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal or constable; or

(10) If an approved transfer of a controlling interest in Franchisee is not effected within the prescribed period following the death or mental incapacity of a shareholder or member of Franchisee, as required by Paragraph XIV.D. hereof.

D. In the event that this Agreement is terminated on account of Franchisee's default, Franchisor shall have the option, within sixty (60) days after the date of termination (or longer if the provisions of Paragraph XV.D.(3) are applicable), to purchase or lease the Franchised Business subject to the following terms and subject to the terms of the Development Agreement entered into between Franchisee and Franchisor:

(1) If Franchisee leases the Restaurant building and land on which the Restaurant is situated, Franchisor shall have the right to purchase the leasehold and other assets owned by Franchisee relating to the Restaurant for an amount equal to the higher of (i) the net tangible book value (which shall be the cost of the Restaurant building, land and equipment reduced by accumulated depreciation, utilizing the straight-line method of depreciation using a useful life of 5 years for all equipment, 7 years for seating and decor, 10 years for signs, paving and HVAC and 20 years for the building and other improvements) of the assets owned by Franchisee relating to the Restaurant, including the leasehold improvements, equipment, inventory and supplies, and excluding unamortized franchise and development fees, good will and all other intangible assets; or (ii) an amount calculated as follows:

| <u>A</u>   | <u>B</u>                     | <u>C</u>  |
|--|------------------------------|---|
| If Gross Sales for the Restaurant for the 12 months immediately preceding termination are: | Multiply the Gross Sales by: | and subtract the following from the product of A and B: |

|                      |       |  |
|----------------------|-------|--|
| up to \$750,000      | \$.40 | All debts and liabilities of Franchisee to Franchisor, or to third parties (excluding lease obligations to third parties) which are being assumed by Franchisor. |
| \$750,001--\$900,000 | \$.50 |  |
| \$900,001 or more    | \$.55 |  |

The amount as computed above shall be payable twenty percent (20%) on closing with the principal balance payable in three (3) equal payments due annually on the anniversary of the purchase with interest on the unpaid principal balance payable on the due date of each principal payment at the rate of ten percent (10%) per annum. Undisclosed or matured contingent liabilities which are paid by Franchisor after payment of the twenty percent (20%) down shall be deducted from the next installment(s) due, together with interest thereon from the date paid at the rate of two percent (2%) per annum over the prime rate of Bank of America on the date such payment is made.

(2) If Franchisee owns the land on which the Restaurant to be purchased by Franchisor is situated, Franchisor shall have the right, at its discretion, either to purchase or lease the land and Restaurant building. If Franchisor elects to purchase, Franchisee shall sell the land, building, equipment, inventory, and supplies to Franchisor at the higher of (i) their depreciated net tangible book value, which shall be the cost of the Restaurant building, land and equipment reduced by accumulated depreciation, utilizing the straight-line method of depreciation using a useful life of 5 years for all equipment, 7 years for seating and decor, 10 years for signs, paving and HVAC and 20 years for the building and other improvements, or (ii) an amount to be determined in accordance with the table in Paragraph XV.D.(1) above. If Franchisor elects to lease, Franchisee shall lease the land and building to Franchisor on Franchisor's then-standard lease form for Bojangles' Restaurant sites operated by Franchisor, and Franchisor shall purchase the equipment, inventory and supplies at their depreciated net tangible book value, as defined above. Net annual rental payments (payable monthly after taxes and expenses) shall be equal to the higher of fourteen percent (14%) of the depreciated net tangible book value, as defined above, of the land and Restaurant building, or six and one-half percent (6½%) of Gross Sales to the extent that Gross Sales do not exceed the amount of Gross Sales for the twelve (12) months preceding the commencement of occupancy by Franchisor, and five percent (5%) of Gross Sales that exceed that amount.

(3) Franchisor shall exercise its right to purchase the Franchised Business by the later of sixty (60) days after the date of termination, the date it takes possession of the Restaurant pursuant to Paragraph XV.E. hereof, or ten (10) days after the date upon which any litigation contesting the validity of the termination is finally adjudicated. If Franchisor has taken possession of the Restaurant, it shall exercise its right to purchase the Restaurant or vacate the premises by the end of the foregoing period.

E. In order to maintain continuous operation of the Restaurant and to promote the best interests of the System, in the event this Agreement is terminated, Franchisor shall have the right immediately upon termination to enter and take possession of and operate the Restaurant.

F. In the event that this Agreement is terminated and Franchisee contests the validity of the termination, the party that operates the Restaurant during the period commencing with the date that notice of termination was given and ending with the date upon which a final notice and nonappealable judgment resolving the issue is entered, shall operate the Restaurant for the benefit of the prevailing party in such contest, and shall account for, and pay over, any profits earned during said period to the other party, if such other party is the party that prevails.

G. Upon termination of this Agreement owing to default by Franchisee, Franchisee shall not remove any furniture, fixtures, signs, equipment or other property or leasehold improvements from the Restaurant premises until expiration of the period within which Franchisor may exercise its right to purchase the Restaurant. If Franchisor does not elect to purchase the Restaurant it may nevertheless elect, within ninety (90) days of the date of termination, to purchase Franchisee's furniture, fixtures, signs, equipment, leasehold improvements and other property or any portion thereof for a sum equal to the fair market value of such property. If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and the appraiser's determination shall be binding. Any property so purchased by Franchisor shall be delivered to Franchisor's representative at the Restaurant premises on a date specified in the purchase notice by Franchisor not more than five (5) days after delivery of the purchase notice or at such other time as may be reasonable in the circumstances. If Franchisor elects to exercise any right to purchase herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefor.

H. Upon expiration of this Agreement or termination resulting from any condemnation proceedings affecting the premises upon which the Restaurant is situated, within sixty (60) days prior to the date specified for expiration or takeover by any public authority, Franchisee shall not remove any furniture, fixtures, signs, equipment and other property or leasehold improvements. Franchisor may, upon written notice at least thirty (30) days prior to such date, notify Franchisee of its intention to purchase all or any portion of the furniture, fixtures, signs, equipment and other chattels for a sum equal to the fair market value of such property. Determination of fair market value and the terms of delivery shall be as specified in Paragraph XV.G. hereof.

## XVI. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

A. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

B. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; the Proprietary Marks "BOJANGLES"® and "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS"®; and all other Proprietary Marks and distinctive forms, slogans, signs, symbols,

and devices and any Trade Dress associated with the System. In particular, Franchisee shall follow Franchisor's instructions to deidentify the Restaurant from the System, including removal or modification of structural features of the Restaurant including, but not limited to, the distinctive roof, interior and exterior color combinations and designs, and shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles which display the Proprietary Marks.

C. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "BOJANGLES®" or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

D. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary Marks, and further agrees not to utilize any Trade Dress or designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

E. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the premises operated hereunder at the time of default.

F. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Paragraph XVI.

G. Franchisee shall immediately deliver to Franchisor all manuals, including the Manual, records, files, instructions, correspondence, all materials related to operating the Franchised Business, including, without limitation, brochures, agreements, invoices, and any and all other materials relating to the operation of the Franchised Business in Franchisee's possession, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

H. Franchisee shall comply with any surviving covenants contained in Paragraph XVII. of this Agreement.

## XVII. COVENANTS

A. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information relating to the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, Franchisee covenants that:

(1) During the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee and its shareholders or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

(a) Divert or attempt to divert any business or customer of the Restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks and the System; or

(b) Employ or seek to employ any person who is at that time employed by Franchisor or by any other developer or franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

(2) Except as otherwise approved in writing by Franchisor, Franchisee and its shareholders or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or limited liability company, own, maintain, advise, help, invest in, make loans to, be employed by, be the landlord of, engage in, or have any interest in:

(a) Any restaurant business which competes with any Bojangles' restaurant or which sells fried chicken, biscuits and/or biscuit sandwiches, or other items which become featured menu items at the Restaurant, during the term of this Agreement and for a continuing uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for one (1) year thereafter; and

(b) Any fast food restaurant business which is located within twenty (20) miles from the Restaurant, or within the designated market area within which the Restaurant is situated, during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause of termination, and continuing for three (3) years thereafter.

B. Paragraph XVII.A. shall not apply to ownership by Franchisee of less than two percent (2%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

C. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a

covenant in this Paragraph XVII. is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Paragraph XVII.

D. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraph XVII.A. or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified.

E. Franchisee expressly agrees that the existence of any claims it may have now or in the future against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Paragraph XVII.

F. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XVII. would result in irreparable injury to Franchisor, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XVII.

G. At the request of Franchisor, Franchisee shall obtain and deliver to Franchisor executed covenants similar in substance to those set forth in this Paragraph XVII. (including covenants applicable upon the termination of a person's relationship with Franchisee) from the following persons: all officers, directors, or members, and holders of the securities of Franchisee, and of any corporation or limited liability company directly or indirectly controlling or controlled by Franchisee. Every covenant required by this Paragraph XVII.G. shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. Failure by Franchisee to obtain execution of a covenant required by this Paragraph XVII.G. or to deliver the covenant to Franchisor shall constitute a default under this Agreement.

#### XVIII. FORCE MAJEURE

If the performance of any obligation under this Agreement is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof, affecting the parties hereto or the rights granted hereunder, such force majeure to include but not be limited to acts of God, fire, flood, governmental restrictions, lockouts or labor disputes, then the affected party shall be given such additional time as is reasonable to perform in view of the nature and extent of the force majeure.

#### XIX. TAXES, PERMITS, AND INDEBTEDNESS

A. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of

every kind incurred by Franchisee in the conduct of the Franchised Business. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

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

C. Franchisee shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

D. Franchisee shall notify Franchisor in writing within ten (10) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

## XX. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisee is an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

B. During the term of this Agreement and any extensions thereof, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place in the Restaurant, the content of which Franchisor reserves the right to specify.

C. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Franchised Business or any claim or judgment arising therefrom. Franchisee shall indemnify and hold Franchisor and Franchisor's officers, directors, shareholders, and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with, Franchisee's operation of the Franchised Business, as well as the costs, including attorneys' fees, of defending against them.

XXI. APPROVALS AND WAIVERS

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

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

C. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee under any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to a subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

XXII. NOTICES

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been properly given (a) on the day delivered, if delivered personally or (b) three (3) business days after being mailed, if mailed first class, postage prepaid, registered or certified mail, return receipt requested, or (c) one (1) business day after being mailed, if sent via a reputable overnight courier service, as follows:

If to Franchisor:

Via first class, postage prepaid, registered or certified mail:

BOJANGLES' INTERNATIONAL, LLC  
P.O. Box 240239  
Charlotte, NC 28224  
Attn: General Counsel

And

Via personal delivery or overnight courier services:

BOJANGLES' INTERNATIONAL, LLC  
9432 Southern Pine Boulevard  
Charlotte, NC 28273  
Attn: General Counsel

If to Franchisee:

#

Any party may give notice of a change of address by written notice given as provided in this paragraph.

### XXIII. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the Attachment(s) hereto constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. No representations have induced Franchisee to execute this Agreement except for those contained in this Agreement, the Exhibits and the Franchise Disclosure Document. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing; provided, however, that a writing signed by Franchisee need not be signed by any of its shareholders or members except to the extent, if any, that such writing would increase the amount of such shareholder's or member's financial obligations. Further, no modification, amendment, waiver, discharge or termination of any obligation of Franchisee, and no other matter or termination of any nature or kind whatsoever, including without limitation any release of Franchisee from any such obligation, shall release any shareholder or member of any guaranty obligation given or made by him under this Agreement or otherwise, whether or not such shareholder or member has notice thereof, all rights to notice or to consent being expressly waived hereby.

### XXIV. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each portion, paragraph, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any portion, paragraph, section, part, term, and/or provisions herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portion, paragraph, section, part, term, and/or provision of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portion, paragraph, section, part, term, and/or provision shall be deemed not to be a part of this Agreement.

B. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, and employees, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated by Paragraph XIV. hereof, any rights or remedies under or by reason of this Agreement.

C. Franchisee and each of its shareholders or members expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed

within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

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

E. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable, and all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee.

F. This Agreement shall be executed in three copies and each executed copy shall be deemed an original.

## XXV. APPLICABLE LAW

A. This Agreement takes effect upon its acceptance and execution by Franchisor in the State of North Carolina, and shall be interpreted and construed under the laws of that State, which laws shall prevail in the event of any conflict of law; provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of North Carolina, then such provisions shall be interpreted and construed under the laws of the state in which the principal office of Franchisee is located.

B. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of North Carolina and do hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

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

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

E. In the event of any action at law or in equity to secure or protect rights under or to enforce the terms of this Agreement, except as otherwise provided for in this Agreement, the prevailing party shall be entitled to recover reasonable counsel fees together with court costs and expenses incurred in connection with the litigation.

## XXVI. ACKNOWLEDGMENTS

A. Franchisee acknowledges that the success of the business venture contemplated by this Agreement involves substantial business risks and will be largely dependent upon the ability of Franchisee as an independent business entity. Franchisor expressly disclaims the making of, and Franchisee acknowledges not having received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

B. Franchisee acknowledges that Franchisee has received, read, and understood this Agreement, the Exhibits attached hereto, and agreements relating hereto, if any; that other franchise agreements entered into by Franchisor may be different in form and content from this Agreement; and that Franchisor has accorded Franchisee ample time and opportunity, and has encouraged Franchisee, to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

C. Franchisee acknowledges that it received a complete copy of this Agreement, the Exhibits hereto, and agreements relating hereto, if any, at least seven (7) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, which rule is entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Venturers," at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

**[Signatures on the following page]**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered three copies of this Agreement on the day and year first above written.

ATTEST:

\_\_\_\_\_  
Assistant Secretary

(Seal)

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Executive Vice President

ATTEST:

\_\_\_\_\_  
Secretary

(Corporate Seal)

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
President

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Principal Operating Officer of Franchisee

\_\_\_\_\_  
Witness

SHAREHOLDERS OF FRANCHISEE:  
\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

\*\*\*OR\*\*\*

FRANCHISEE:

\_\_\_\_\_

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Member/Manager

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Principal Operating Partner of Franchisee

MEMBERS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

ATTACHMENT A

APPROVED LOCATION

UNDER

BOJANGLES' INTERNATIONAL, LLC

FRANCHISE AGREEMENT

The location approved by Franchisor for the Restaurant franchised under the attached Franchise Agreement shall be:

#

**GUARANTEE**

As an inducement to BOJANGLES' INTERNATIONAL, LLC ("Franchisor") to execute the Franchise Agreement ("Agreement"), to which this Guarantee is attached, the undersigned, jointly and severally, hereby agree to be individually bound by all the terms and conditions of the Agreement including any amendments thereto whenever made and unconditionally guarantee to Franchisor and its successors and assigns the payment of all liabilities incurred by Franchisee at any time.

Sixty (60) days after any default of Franchisee under Paragraphs XV.A. or XV.B. of the Agreement, or ninety (90) days after a default by Franchisee which is not cured under Paragraph XV.C. of the Agreement, the undersigned will immediately make payment of any liabilities previously incurred by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment and performance by Franchisee.

Upon death of an individual guarantor, the estate of such guarantor will be bound by this Guarantee but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors will continue in full force and effect.

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

**GUARANTORS:**

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

**ADDENDUM TO INDIVIDUAL FRANCHISE AGREEMENT**  
**BETWEEN**  
**BOJANGLES' INTERNATIONAL, LLC ("FRANCHISOR")**  
**AND**  
\_\_\_\_\_ **("FRANCHISEE")**

FOR RESTAURANT LOCATED AT

\_\_\_\_\_

This Addendum (“Addendum”) is made as of \_\_\_\_\_, 2012 to the Individual Franchise Agreement of same date between Franchisor and Franchisee attached hereto (“Individual Franchise Agreement”). To the extent this Addendum is construed to conflict with the terms of the Individual Franchise Agreement, the terms of the Addendum shall be deemed to control. The terms of this Addendum shall be considered terms of the Individual Franchise Agreement, as if incorporated therein, the breach of which shall be considered a default under Paragraph XV.B. of the Individual Franchise Agreement. All capitalized terms within this Addendum shall have the same meaning given those terms within the Individual Franchise Agreement.

1. The Pepsi-Cola Company is the Bojangles’ System Exclusive Beverage Supplier of Choice throughout the domestic Bojangles’ System for new franchisees. Accordingly, Franchisee shall offer exclusively Pepsi-Cola Company brand post-mix soft drink products and colas. This exclusive designation and choice of products may be changed at Franchisor’s option upon written notice by Franchisor.

\_\_\_\_\_  
\_\_\_\_\_

BOJANGLES’ INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_ President/Member/Manager

By: \_\_\_\_\_  
Executive Vice President

Exhibit D

BOJANGLES' INTERNATIONAL, LLC

**FRANCHISE AGREEMENT**

THIS AGREEMENT made as of the \_\_\_\_ day of \_\_\_\_\_,

2012 by and between:

BOJANGLES' INTERNATIONAL, LLC

("Franchisor")

and

\_\_\_\_\_  
("Franchisee")

***BOJANGLES' EXPRESS***

Store # \_\_\_\_\_

[Store address]

\_\_\_\_\_ County

DMA:

Restaurant Opening Date: \_\_\_\_\_

EFA 03/30/12

**BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE AGREEMENT**

This Franchise Agreement ("Agreement") is made and entered into as of \_\_\_\_\_, 2012, between BOJANGLES' INTERNATIONAL, LLC, a Delaware limited liability company ("Franchisor"), and \_\_\_\_\_ a \_\_\_\_\_ corporation (or a \_\_\_\_\_ limited liability company) ("Franchisee").

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed and owns a unique and distinctive system (hereinafter "System" or "Bojangles' System") relating to the establishment and operation of fast service restaurants;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, color schemes and layout, including specially designed decor and furnishings; a special selection of menu items largely prepared "from scratch"; procedures and techniques for food and beverage preparation; prompt and courteous service in a clean, wholesome atmosphere; methods of inventory, operating, cash and financial controls and systems for such controls; a training school utilizing special teaching techniques, course instruction and manuals; and unique advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

WHEREAS, Franchisor identifies the Bojangles' System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the marks "BOJANGLES'®", "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS®", "BO-TO-GO®", "Bojangles' Too™" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by Franchisor in writing) for use in connection with the Bojangles' System (hereinafter referred to as "Proprietary Marks") and certain unique trade dress, including but not limited to specific color schemes, patterns, designs, decor, furnishings and layout, now or hereafter used by Franchisor in connection with the Bojangles' System (hereinafter referred to as "Trade Dress");

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

WHEREAS, Franchisee desires to enter into the business of operating a Bojangles' restaurant under the Bojangles' System and wishes to obtain a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith; and

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

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

I. GRANT

A. Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, the right and franchise, and Franchisee undertakes the obligation, to operate a Bojangles' restaurant located within a portion of an existing **Description of structure such as convenience store, food court, stadium or other structure to be inserted** (hereinafter referred to as "Restaurant" or "Franchised Business") and to use solely in connection therewith the Proprietary Marks, the Trade Dress and the Bojangles' System, as they may be changed, improved, and further developed from time to time, only at the location set forth in Attachment A hereto, which location shall conform to the site selection provisions of the related Development Agreement, or in the event this Agreement is not associated with a Development Agreement, which location shall conform to the site selection provisions of Paragraph V of this Agreement.

B. Franchisee acknowledges that this franchise is non-exclusive, except as may be otherwise agreed to between the parties hereto, and is granted subject to the terms of Paragraph IX.C.(6) and IX.F.(6) hereof.

II. TERM

Except as otherwise provided herein, the term of this Agreement shall expire ten (10) years from the date of this Agreement; provided, however, that if Franchisee's approved location is leased, this Agreement shall expire at the earlier of ten (10) years from the date of this Agreement or upon expiration or termination of the term of the lease.

III. DUTIES OF FRANCHISOR

A. Franchisor shall provide an initial training program to instruct Franchisee and other franchisees as to the procedures and techniques to be utilized at the Restaurant in order to ensure that Franchisee becomes completely familiar with the Bojangles' System, and shall make available such other training programs as Franchisor deems appropriate. All training provided by Franchisor shall be subject to the terms set forth in Paragraph VIII.E. of this Agreement.

B. Franchisor shall advise and consult with Franchisee in connection with the operation of the Restaurant and new developments, techniques and improvements in areas of restaurant management, food preparation, sales promotion and service. Franchisor may provide the foregoing assistance by sending its employees or representatives to the Restaurant, by providing publications, other written materials, DVD's or by conducting meetings or seminars. Some or all of these publications or programs may be provided by electronic access by Franchisor and not by printed or physical documents.

C. Franchisor shall make available, from time to time, advice and assistance in local advertising and, at Franchisee's expense, promotional materials for local advertising by

Franchisee. Franchisor shall have the right to review and approve or disapprove all advertising and promotional materials which Franchisee proposes to use in connection with its operation of the Restaurant, pursuant to Paragraph XIII.F. hereof.

D. Franchisor shall develop advertising materials under the terms of Paragraph XIII. hereof.

E. Franchisor shall provide to Franchisee, on loan, either one printed copy of the Manual as more fully described in Paragraph X. hereof ("Manual"), or provide Franchisee with electronic access to the Manual.

F. In the interest of maintaining high standards of quality, cleanliness, appearance, and service, Franchisor shall conduct, as it deems advisable, inspections of the Restaurant, and evaluations of the products sold and services rendered at the Restaurant.

#### IV. FEES

A. Franchisee shall pay to Franchisor a franchise fee at the time this Agreement is executed in the amount of Fifteen Thousand and No/100 Dollars (\$15,000.00), which sum shall be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others.

B. Franchisee shall pay to Franchisor a continuing monthly royalty fee in an amount equal to four percent (4%) of the Gross Sales of the Restaurant, as defined in Paragraph IV.E. hereof.

C. Franchisee shall pay to Franchisor a monthly advertising contribution, for use by the Bojangles' Marketing Development Fund established by Franchisor, as provided in Paragraph XIII.E. hereof, in an amount equal to one percent (1%) of the Gross Sales of the Restaurant.

D. All monthly payments required by this Paragraph IV. shall be paid to Franchisor by the fifteenth (15th) day of each month on Gross Sales made during the preceding month, and shall be submitted to Franchisor together with any reports or statements required under Paragraph XII.B. hereof. Franchisor reserves the right to require all monthly payments by this Paragraph IV. be directly drafted by Franchisor from Franchisee's account. Any payment or report not actually received by Franchisor on or before such date shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until paid at the equivalent of one and one-half percent (1½%) per month compounded monthly, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

E. As used in this Agreement, "Gross Sales" shall include all revenue from the sale of all services and products related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit; provided, however, that "Gross Sales" shall not

include any sales taxes or other taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority.

## V. SITE SELECTION

In the event this Agreement is not associated with a Development Agreement, the following provisions shall apply:

A. Franchisee must obtain the written approval of Franchisor for the site of the Restaurant developed under this Agreement. Upon request by Franchisee, Franchisor shall provide reasonable site selection assistance and counseling to Franchisee. Franchisee shall propose sites for approval by Franchisor on forms or in the manner designated from time to time by Franchisor. A site shall only be submitted to Franchisor after Franchisee has carefully evaluated the site and determined that it meets the criteria for Restaurant sites which Franchisor has communicated to Franchisee. Franchisor shall review the application for site approval; and within thirty (30) days of Franchisor's receipt of the application, Franchisor shall approve the proposed site or reject the site with comments as to why it was rejected.

B. Franchisee must obtain the written approval of Franchisor with respect to the terms of any lease or mortgage with respect to the site to be developed as a Restaurant under this Agreement. Within thirty (30) days after Franchisor's approval of a site, Franchisee shall notify Franchisor of the closing date if the site is to be obtained by purchase; and provide Franchisor with a copy of the proposed mortgage or deed of trust if a mortgage loan is contemplated; or, if the site is to be obtained by lease, provide Franchisor with a copy of the proposed lease. Within twenty (20) days thereafter, Franchisor shall send notice of approval or notice of rejection with comments. Franchisee shall, as promptly as possible after receipt of approval, complete acquisition of the site.

C. Any lease or mortgage for a Restaurant site must permit assignment of the lease, mortgage, or deed of trust to Franchisor or its designees in the event of default by Franchisee of the lease, mortgage, deed of trust, or this Agreement; and must provide, in form and substance satisfactory to Franchisor, for quiet enjoyment, subordination and mutual attornment. Leases and mortgages must be bona fide, and provide financial terms consistent with those prevalent in the area and must provide for a term of not less than ten (10) years.

## VI. CONSTRUCTION OF RESTAURANT

A. Franchisee shall obtain and shall bear all costs associated with the development of plans and specifications for the construction of the Restaurant including those for any interior and exterior modifications or additions to the building or other structure where the Restaurant shall be located.

B. Final plans and specifications must be approved by Franchisor before the start of construction. In addition, all signage on the convenience store or other structure's premises relating to the Bojangles' Restaurant must be approved by the Franchisor. Franchisee shall obtain, at its cost, the necessary permits required to construct the Restaurant and required in

connection with any signage related to the Restaurant and shall meet all other applicable requirements established by local statute, local ordinance or otherwise. Promptly after approval by Franchisor of Franchisee's final plans and specifications, Franchisee shall complete construction of the Restaurant and open for business within the time period prescribed in Paragraph VIII.C. of this Agreement.

## VII. FRANCHISEE ORGANIZATION AND CAPITAL STRUCTURE

Franchisee shall be a corporation or a limited liability company composed solely of shareholders/members who are individuals and not corporations, limited liability companies or any other legal entities, and shall comply with the following requirements:

A. Franchisee shall be organized and validly existing in good standing under the laws of the state of its incorporation or organization;

B. Franchisee shall be qualified to do business in all states in which its business activities or the nature of the properties owned by it requires such qualification;

C. Franchisee shall be authorized to develop, own and operate BOJANGLES'® Restaurants and shall be authorized to enter into this Agreement;

D. If Franchisee is a corporation, copies of Franchisee's Articles of Incorporation or Charter, Bylaws, and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

If Franchisee is a Limited Liability Company, copies of Franchisee's Articles of Organization, Operating Agreement, and other governing documents, and any amendments thereto, including the Consent of all Limited Liability Company members authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

E. Franchisee shall maintain a current list of all owners of record, including all members if Franchisee is a limited liability company, and all beneficial owners of any class of securities of Franchisee and shall furnish the list to Franchisor at such time as Franchisor may request.

F. Franchisee agrees to pay in full, and not lease or finance the equipment and fixtures in its first Bojangles' Restaurant.

## VIII. DUTIES OF FRANCHISEE

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

B. Upon execution of this Agreement, Franchisee hereby waives and releases any claims, whether known or unknown, which Franchisee, its shareholders or members or any parent, subsidiary or affiliate of Franchisee, or if Franchisee is a limited liability company, which any member of Franchisee may have against Franchisor, its shareholders or members, officers or directors or any parent, subsidiary or affiliate of Franchisor; provided, however, that Franchisee may preserve any claims specifically set forth on a statement (the "Claims Statement") submitted to Franchisor prior to Franchisee's execution of this Agreement. The Claims Statement shall contain the nature and amount of any claim set forth thereon. Any claims set forth on the Claims Statement shall, however, be deemed waived, and forever released, if not sued upon by the earliest of: (1) one (1) year from the date of this Agreement; (2) the expiration of the applicable statute of limitations; or (3) the date Franchisor and Franchisee next execute a Franchise Agreement.

C. Franchisee shall construct, upfit, furnish, and open the Restaurant within 180 days of the execution of this Agreement or according to the provisions and schedule if any, which Franchisor and Franchisee have agreed to in writing. Time is of the essence. Prior to opening for business, Franchisee shall comply with all pre-opening requirements set forth in this Agreement and in the Manual or as otherwise required by Franchisor in writing.

D. Franchisee shall designate an individual to serve as the "Principal Operating Officer" of Franchisee, or if Franchisee is a limited liability company, it shall designate an individual to serve as "Principal Operating Partner" subject to the following conditions:

(1) The Principal Operating Officer or Partner shall own an equity interest of at least ten percent (10%) in Franchisee during the entire period he serves as Principal Operating Officer or Partner;

(2) The Principal Operating Officer or Partner shall devote full time and best efforts to the supervision and conduct of the Franchised Business and any other Bojangles' Restaurants which may be operated by Franchisee;

(3) The Principal Operating Officer or Partner shall execute this Agreement, and shall be individually bound by all obligations of Franchisee hereunder;

(4) No person shall become a Principal Operating Officer or Partner unless approved by Franchisor; and

(5) If the Principal Operating Officer or Partner is unable, or elects not, to continue to meet his obligations hereunder, or if, in Franchisor's sole discretion, the Principal Operating Officer or Partner no longer qualifies to act as such, Franchisee shall promptly designate another Principal Operating Officer or Partner subject to the same conditions and qualifications listed above.

E. Franchisee agrees that it is important to the operation of the System and the Restaurant that Franchisee and Franchisee's employees receive such training as Franchisor may require, and to that end agrees as follows:

(1) Prior to the opening of the Restaurant, the Principal Operating Officer or Partner, and such number of Franchisee's managers as Franchisor shall designate, shall attend and complete, to Franchisor's satisfaction, the initial training program offered by Franchisor. At Franchisee's expense, the Principal Operating Officer or Partner and Franchisee's managers and other employees who work in the Restaurant shall also attend such courses, seminars, and other training programs as Franchisor may require from time to time. Franchisor shall provide instructors and training materials for all required training programs; and Franchisee or its employees shall be responsible for any and all other expenses incurred by them in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages. Any person subsequently employed by Franchisee in the position of manager of the Restaurant and each subsequent Principal Operating Officer or Partner shall attend and complete, to Franchisor's satisfaction, such initial training program as Franchisor may require.

(2) The Principal Operating Officer or Partner and Franchisee's managers and other employees who work in the Restaurant may also attend such optional training programs and seminars as Franchisor may offer from time to time. Franchisee shall pay to Franchisor, for each person attending such a program, the training fee, if any, then charged by Franchisor. If any such training fee is imposed by Franchisor, the training fee shall be in addition to any other expenses incurred by the persons attending training as provided in Paragraph VIII.E.(1) hereof.

F. Franchisee shall use the Restaurant premises, which are a portion of another structure, solely for the operation of the Franchised Business; shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may from time to time specify in the Manual or as Franchisor may otherwise approve in writing; and shall refrain from using or permitting the use of the Restaurant premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor.

G. Franchisee shall maintain a competent, conscientious, trained staff, including at least one fully trained manager on duty at the Restaurant at all times, in sufficient numbers so as to operate the Restaurant efficiently and effectively. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations, wear uniforms of such color, design and other specifications as Franchisor may designate from time to time, present a neat and clean appearance, and render competent and courteous service to Restaurant customers.

H. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant.

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

(1) To operate the Restaurant in a clean, wholesome manner in compliance with Franchisor's prescribed standards of quality, cleanliness, appearance and service;

(2) To maintain in the Restaurant in sufficient supply, and to use in the Restaurant at all times, only such ingredients, products, materials, supplies, and paper goods as conform with Franchisor's standards and specifications, and to refrain from deviating therefrom by the use or offer of nonconforming items, without Franchisor's prior written consent;

(3) To sell or offer for sale in the Restaurant only such menu items, products, and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale in the Restaurant all types of menu items, products, and services specified by Franchisor including Bojangles' tea, coffee and fountain drinks; to refrain from any deviation from Franchisor's standards and specifications without Franchisor's prior written consent; and to discontinue selling and offering for sale in the Restaurant any menu items, products, or services which Franchisor may, in its discretion, disapprove in writing at any time. Further, Franchisee shall not sell from the convenience store or other structure in which the Restaurant is located outside of the Restaurant Area items offered for sale from the Restaurant or other freshly prepared food and Franchisee shall not sell or offer for sale from the convenience store or other structure in which the Restaurant is located, any adult books or magazines, pornographic materials or other items featuring nudity or sexual activity or any sexually-oriented devices.

(4) To employ in the Restaurant only those methods of food handling and preparation as Franchisor may specify in the Manual, or otherwise designate from time to time;

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

(6) To purchase and install in the Restaurant, at Franchisee's expense, all fixtures, furnishings, equipment, decor, and signs as Franchisor may reasonably direct from time to time in the Manual or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor, signs, games, vending machines, or other items not previously approved as meeting Franchisor's standards and specifications; and to refrain from installing or permitting to be installed on or about the convenience store or other structure's premises any signs, awnings or other structures advertising the Bojangles' restaurant or displaying any of the Franchisor's logos or trade names without Franchisor's prior written consent.

J. Franchisee shall comply with all requirements of federal, state, and local laws, rules, and regulations.

K. Franchisee shall purchase all food items, ingredients, equipment, furnishings, supplies, materials, and other items used or offered for sale at the Restaurant solely from suppliers (including manufacturers, distributors and other sources) who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved in writing by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any products to be used or offered for sale in the Restaurant from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so, and Franchisor, in its sole discretion, shall determine whether such supplier shall be approved. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria.

L. Franchisee shall require all advertising and promotional materials, signs, decorations, paper goods (including disposable food containers, napkins, and menus), all forms and stationery used in the Franchised Business, and other items which may be designated by Franchisor to bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor.

M. Franchisee shall maintain the Restaurant in a high degree of sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but, if of a substantial nature, not without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, equipment, and decor in the manner and at the times which Franchisor may reasonably direct; provided, however, that Franchisee shall not be required to undertake a major remodeling of the kitchen, interior decor of the Restaurant and exterior decor located on the convenience store or other structure's premises and related to the Restaurant, including but not limited to signs and awnings, more than once in any five (5) year period.

N. Franchisee shall keep the parking area for the convenience store or other structure in which the Restaurant is located well-lighted, and maintain the parking spaces for the exclusive use of the customers of the Restaurant and convenience store or other structure in which the Restaurant is located.

O. Franchisee shall grant Franchisor and its agents the right to enter upon the Restaurant premises at any time for the purpose of conducting inspections; shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to

correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable by Franchisee immediately upon demand. The foregoing shall be in addition to such other remedies as Franchisor may have.

P. Without limiting any other provision or requirement of the Agreement, Franchisee agrees to sell only those beverage product brands specified by Franchisor, including all soft drinks and cola products. Franchisor specifically retains the right to make additions or changes to the beverage product brands offered by Franchisee.

Q. Franchisee agrees to utilize the e-mail address provided by Franchisor and to utilize the Bojangles' electronic portal, and review its content regularly for purposes of receiving updates, notice of Manual or policy changes and other communications from Franchisor.

R. Franchisee shall comply with all other requirements set forth in this Agreement.

#### IX. PROPRIETARY MARKS AND TRADE DRESS

A. Franchisor represents with respect to the Proprietary Marks that:

(1) Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks;

(2) Franchisor has taken and will take all steps reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks; and

(3) Franchisor will permit Franchisee and other franchisees to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

B. With respect to Franchisee's licensed use of the Proprietary Marks pursuant to this Agreement, Franchisee agrees that:

(1) Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

(2) Franchisee shall use the Proprietary Marks only for the operation of the Franchised Business and only at the location authorized hereunder, or in advertising for the Franchised Business;

(3) Unless otherwise authorized or required by Franchisor in writing, Franchisee shall operate and advertise the Franchised Business only under the name

"BOJANGLES'®" Restaurant or "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS®" Restaurant, as specified by Franchisor, without prefix or suffix;

(4) During the term of this Agreement, Franchisee shall identify itself as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, and shall display a notice to that effect in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing;

(5) Franchisee's right to use the Proprietary Marks is limited to the term of this Agreement and shall automatically cease upon the expiration or earlier termination of this Agreement and is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof, including, but not limited to, sublicensing a use of the Proprietary Marks, shall constitute an infringement of Franchisor's rights and a default under this Agreement;

(6) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

(7) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name;

(8) Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

(9) In the event that litigation involving the Proprietary Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation.

C. Franchisee expressly understands and acknowledges that:

(1) Franchisor is the owner of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them;

(2) The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

(3) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Proprietary Marks;

(4) Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks, except pursuant to the license granted by this Agreement;

(5) Any and all goodwill arising from Franchisee's use of the Proprietary Marks in its franchised operation under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned to Franchisee as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks; and

(6) The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

(a) To use the Proprietary Marks itself in connection with selling products and services;

(b) To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and

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

(7) Franchisor reserves the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating thereunder.

D. Franchisee expressly understands and acknowledges that Franchisor has developed certain unique Trade Dress as part of the Bojangles' System, including but not limited to color schemes, patterns, designs, decor, furnishings and layout.

E. With respect to Franchisee's licensed use of the Trade Dress pursuant to this Agreement, Franchisee agrees that:

(1) Franchisees shall use only the Trade Dress designated by Franchisor, and shall use it only in the manner authorized and permitted by Franchisor.

(2) Franchisee shall use the Trade Dress only for the operation of the Franchised Business and only at the location authorized hereunder or in advertising for the Franchised Business.

(3) Franchisee's right to use the Trade Dress is limited to the term of this Agreement and shall automatically cease upon the expiration or earlier termination of this Agreement and is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof, including but not limited to sublicensing a use of the Trade Dress, shall constitute an infringement of Franchisor's rights and a default under this Agreement.

(4) In the event that litigation involving the Trade Dress is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation.

F. Franchisee expressly understands and acknowledges that:

(1) Franchisor is the owner of all right, title and interest in and to the Trade Dress and the goodwill associated with and symbolized by it;

(2) The Trade Dress is valid and serves to identify the System and those who are authorized to operate under the System;

(3) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Trade Dress;

(4) Franchisee's use of the Trade Dress pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Trade Dress, except pursuant to the license granted by this Agreement;

(5) Any and all goodwill arising from Franchisee's use of the Trade Dress in its franchised operation under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned to Franchisee as attributable to any goodwill associated with Franchisee's use of the System or the Trade Dress; and

(6) The right and license of the Trade Dress granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

(a) To use the Trade Dress itself in connection with selling products and services;

(b) To grant other licenses for the Trade Dress, in addition to those licenses already granted to existing franchisees; and

(c) To develop and establish other systems using the same or similar Trade Dress, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

G. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph IX. will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph IX.

## X. CONFIDENTIAL OPERATIONS MANUAL

A. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct its business in accordance with the Confidential Operations Manual (the "Manual"), one copy of which Franchisee acknowledges having received by electronic access or written copy on loan from Franchisor for the term of this Agreement. The Manual shall include memoranda, procedures, policies and other communications created by Franchisor that are posted on the Bojangles' electronic portal or otherwise communicated to Franchisee in writing by email or hardcopy, whether or not noted as "Manual". If a posting is made to the Bojangles' electronic portal, Franchisee shall be deemed to have notice of any changes or supplements to the Manual.

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

C. The Manual shall at all times remain the sole property of Franchisor.

D. Franchisor may from time to time revise the contents of the Manual, and the Franchisee expressly agrees to comply with each new or changed standard.

E. Franchisee and its shareholders and members shall continuously review changes to the Manual as posted in the Bojangles' electronic portal, and to otherwise keep current with the Manual. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling.

## XI. CONFIDENTIAL INFORMATION

A. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation or limited liability company any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Business, and Franchisee shall take such precautions as Franchisor deems necessary to ensure that Franchisee's employees retain such information in confidence. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, had become a part of the public domain, through publication or communication by others; or which, after disclosure to

Franchisee by Franchisor, becomes a part of the public domain, through publication or communication by others.

B. Franchisee hereby acknowledges that pursuant to this Agreement, Franchisor will provide Franchisee with access to and training in processes and procedures of a proprietary nature and will provide Franchisee with access to and the right to use recipes and formulas, the Manual, logos, designs, trademarks, trade names and other proprietary information in connection with Franchisee's development and operation of the Bojangles' Restaurant. Franchisee acknowledges and agrees that Franchisee shall not at any time, whether during the term of this Agreement or after its expiration or earlier termination, disclose any information obtained through such training or from any materials provided by Franchisor to Franchisee and pertaining to the Bojangles' System to any third party other than employees of Franchisee directly involved in the operations of the Restaurant. Further, Franchisee agrees that during the term of this Agreement and after its expiration or earlier termination, it shall not use any of such information or proprietary marks, including but not limited to any processes, procedures, recipes and formulas, for any purpose other than the operation of the Bojangles' Restaurant and will take all steps necessary to prevent any other use of them. Without limiting the foregoing, Franchisee specifically agrees that it shall not during the term of this agreement or after its expiration or earlier termination, offer for sale at any location, other than the Restaurant being operated at that time pursuant to this Agreement, any food or drink products prepared using in whole or part the procedures, processes, techniques, recipes or formulas provided by Franchisor to Franchisee.

C. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XI. will cause irreparable injury to Franchisor, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XI.

## XII. ACCOUNTING AND RECORDS

A. Franchisee shall maintain during the term of this Agreement, and shall preserve for at least five (5) years from the dates of their preparation, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

B. Franchisee shall submit to Franchisor, no later than the fifteenth (15th) day of each month during the term of this Agreement, after the opening of the Franchised Business, a statistical report and statement of receipts, in the form prescribed by Franchisor, accurately reflecting all Gross Sales during the preceding month and such other data or information as Franchisor may require.

C. Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, an unaudited balance sheet of the Franchised Business and a statement of profit or loss for the preceding quarter within thirty (30) days after the end of each quarter of Franchisee's fiscal year. Each such statement shall be signed by Franchisee's treasurer or chief financial officer attesting that it is true and correct.

D. Franchisee shall, at Franchisee's expense, provide to Franchisor a statement of profit or loss and a year-end balance sheet prepared and certified by Franchisee's chief financial officer and, upon written request by Franchisor, by an independent certified public accountant satisfactory to Franchisor, within ninety (90) days after the end of each fiscal year of the Franchised Business during the term hereof, showing the results of operations of the Franchised Business during said fiscal year. The Franchisee's chief financial officer shall attest that the financial statements present fairly the financial position of Franchisee and the results of operations of the Franchised Business during the period covered. Franchisor shall have the right, in its reasonable discretion, to require that Franchisee submit audited statements for any fiscal year or any period or periods of a fiscal year of Franchisee during the term of this Agreement, and to require Franchisee to cause its independent certified public accountant to consult with Franchisor, at Franchisee's expense, concerning the financial statements provided by Franchisee.

E. Franchisee shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing.

F. Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that any payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at one and one-half percent (1-1/2%) per month compounded monthly, or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any report of five percent (5%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

### XIII. ADVERTISING

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

A. Franchisee shall spend not less than three percent (3%) of the Gross Sales of the Franchised Business on local and regional media advertising, in addition to any advertising contribution required under Paragraphs IV.C. and XIII.E. hereof. Franchisee shall demonstrate on a quarterly basis, to the reasonable satisfaction of Franchisor, that Franchisee has made such expenditures. Such advertising shall include radio, television, magazine, newspaper, billboard campaigns, print, direct mail and other forms of advertising media and public relations activities but shall not include the costs of advertising production, production of other marketing materials,

cost of food promotion, point of purchase materials, telephone book advertising, stationery, or restaurant indoor or outdoor site location signs.

B. Recognizing the value of cooperative national and regional advertising and marketing, and the importance of standardizing such programs to further enhance the national goodwill and public image of the Bojangles' System, Franchisor reserves the right and may in its sole discretion require Franchisee to participate along with other franchisees in regional cooperative advertising organizations or programs, established from time to time currently or in the future by Franchisor or by other franchisees for the purpose of advertising and promoting the Bojangles' System. In the event of the formation of such cooperative advertising groups, and Franchisee's participation therein, Franchisor shall permit Franchisee to credit a portion of the amount required to be expended for local and regional advertising in Paragraph XIII.A. above to any regional program established by any such cooperative arrangement.

C. If Franchisee has failed to make or report the expenditure of the three percent (3%) of Gross Sales as required in Paragraph XIII.A. above in any quarter or if Franchisee shall fail to participate in a cooperative advertising program after request by Franchisor as required in Paragraph XIII.B. above, Franchisee shall thereafter, after written notice by Franchisor, pay to Franchisor three percent (3%) of the Gross Sales of the Restaurant. Franchisor may then in its sole discretion contribute such amounts to any franchisee cooperative organization that operates in part or all of Franchisee's market area or Franchisor may expend such funds to create advertising that in Franchisor's sole determination will promote the Bojangles' Proprietary Marks and/or System in Franchisee's market area.

D. Franchisor may offer from time to time to provide, upon Franchisee's request and at Franchisee's expense, approved local advertising and promotional plans and materials.

E. Franchisee agrees to make contributions to the BOJANGLES'® Marketing Development Fund (hereinafter "Fund") as required under Paragraph IV.C. hereof. The Fund shall be maintained and administered by Franchisor or its designee, as follows:

(1) Franchisor shall direct the creation of all advertising programs, with sole discretion over the creative concepts, materials, and media used in such programs. Franchisee agrees and acknowledges that the Fund is intended to maximize general public recognition and acceptance of the trade names, trademarks, and service marks which are designated as part of the System for the benefit of the System through research and the creation of marketing materials; and that Franchisor and its designee undertake no obligation, in administering the Fund, to make expenditures which are equivalent or proportionate to a franchisee's contribution, or to insure that any particular franchisee benefits directly or pro rata from Fund expenditures. Franchisee is aware that there may be some franchisees operating under different forms of agreement and who may not be required to make payments into the Fund equivalent to Franchisee's payments.

(2) Franchisor shall, for each of its company-owned Bojangles' Restaurants, make contributions to the Fund equivalent to the contributions required of comparable franchised Restaurants within the Bojangles' System so that Franchisor's average contribution for each company-owned Restaurant will be equal to the average contribution per franchisee-owned

Restaurant. This average per Restaurant contribution for franchise-owned Restaurants will be calculated by dividing the total contributions of franchisees to the Fund by the total number of franchise-owned Restaurants. Franchisor's total contribution to the Fund will equal this average per Restaurant contribution multiplied by Franchisor's total number of company-owned Restaurants; and

(3) All contributions to the Fund shall be used exclusively for advertising and promotion of the Bojangles' System (including, without limitation, the cost of preparing and conducting television, radio, print, and billboard advertising campaigns and other public relations activities; conducting research; employing advertising agencies and other specialists to assist therein; and preparing and providing promotional brochures and other point of purchase marketing materials to franchisees in the Bojangles' System). All sums paid by Franchisee and other franchisees to the Fund shall not be used to defray any of Franchisor's general operating expenses except for such reasonable administrative expenses and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund and advertising programs, including, without limitation, conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Fund.

F. All advertising by Franchisee in any medium shall be conducted in a dignified manner and shall conform to such standards and requirements as Franchisor may specify from time to time in writing. Franchisee shall submit to Franchisor (through the mail, return receipt requested), for its prior written approval, samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. Franchisee shall not use any advertising or promotional plans and materials that have not received Franchisor's prior written approval.

#### XIV. INSURANCE

A. Franchisee shall maintain insurance in force as follows:

(1) Employer's liability and worker's compensation as prescribed by law in the state in which the Restaurant is located;

(2) Comprehensive general liability insurance, including products liability and broad form contractual liability insurance from a reputable insurance company having assets in excess of one half billion dollars (\$500,000,000) or other insurer approved by Franchisor, in an amount of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and five hundred thousand dollars (\$500,000) per occurrence for property damage or in such other amounts as Franchisor may reasonably request;

(3) All policies of insurance shall name Franchisor as an additional insured; and shall provide that the policy cannot be cancelled without thirty (30) days prior written notice to Franchisor; and shall specify that copies of all notices shall be sent to Franchisor. Franchisee shall furnish Franchisor with copies of all policies or certificates evidencing insurance in force as required herein. Evidence of payment of premiums shall be delivered to Franchisor at least thirty (30) days prior to the expiration dates of each existing insurance policy; and

(4) Such additional insurance covering such additional risks or providing such higher limits as Franchisor may reasonably request.

B. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's time and expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

## XV. TRANSFER

A. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity.

B. Transfer by Franchisee of the right to operate the restaurant, or any interest in this Agreement, the franchise rights and license rights and Franchisee are limited as follows:

(1) Franchisee's authority to transfer any interest under this Agreement is also subject to the terms of any other agreement between Franchisor and Franchisee, including a development agreement associated with this Agreement, which may impose additional conditions and limitations on Franchisee's right to transfer its interest under this Agreement.

(2) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and its shareholders or members, and that Franchisor has granted this Agreement in reliance on Franchisee's business skill and financial capacity, and the business skill, financial capacity and personal character of Franchisee's shareholders or members. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, limited liability company or other legal entity which directly or indirectly owns any interest in the Restaurant, in this Agreement, or in Franchisee shall sell, assign, transfer, convey, give away, pledge, mortgage, grant a security interest in or otherwise encumber any direct or indirect right to operate the Restaurant, interest in this Agreement or franchise rights or license rights granted hereunder or any obligations hereunder or in Franchisee, without the prior written consent of Franchisor. Any such proposed transfer shall be subject, where applicable, to Franchisor's option to purchase set forth in Paragraph XV.D. herein. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor required by this Paragraph XV.B.(2) shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Paragraph XVI.B. of this Agreement.

(3) If a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring a controlling interest in the right to operate the Restaurant, interest in this Agreement, or in the franchise rights or license rights

granted hereunder, or in Franchisee, Franchisor may, in its sole discretion, if it does not elect to exercise its option to purchase set forth in Paragraph XV.D. herein, require any or all of the following as conditions of its approval:

(a) All of Franchisee's accrued and outstanding monetary obligations to third parties and all accrued and outstanding obligations to Franchisor, or any parent, subsidiary or affiliate of Franchisor shall have been satisfied;

(b) Franchisee shall not be in default of any provision of this Agreement, any amendment hereto or successor hereof, or any other agreement between Franchisee and Franchisor, its parents, subsidiaries, or affiliates;

(c) The transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders or members, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; and shall agree to remain liable to Franchisor for all affirmative obligations, covenants, and agreements contained herein for two (2) years following the effective date of transfer (or, if transferor retains a purchase money interest in the transferred business, for a period greater than two (2) years, until the interest is extinguished) or for such shorter period as Franchisor may, in its sole discretion, determine;

(d) The transferee shall enter into a written assignment, under seal and in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and, if the obligations of Franchisee were guaranteed by the transferor, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

(e) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business herein (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Franchised Business;

(f) At Franchisor's option, the transferee shall execute (and/or, upon Franchisor's request, shall cause all interested parties to execute), for a term ending on the expiration date of this Agreement, the then-current standard form of franchise agreement being offered to new System franchisees and other ancillary agreements, including a guarantee of such agreement executed by all shareholders or members of the transferee, as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate and advertising contribution; provided, however, that the transferee shall not be required to pay an initial franchise fee;

(g) At Franchisor's sole discretion, the transferee, at its expense, shall upgrade the Restaurant to conform to the then-current standards and specifications of System Restaurants, and shall complete the upgrading and other requirements within the time specified by Franchisor;

(h) Franchisee shall remain liable for all of its obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(i) At the transferee's expense, transferee's Principal Operating Officer or Partner and transferee's managers, shall complete any training and certification programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require; and

(j) Franchisee shall pay to Franchisor a transfer fee of two thousand five hundred dollars (\$2,500) per Restaurant, which constitutes Franchisor's reasonable costs and expenses (including legal and accounting expenses) in connection with Franchisor's review of the application to transfer.

(4) Franchisee shall grant no security interest in this Agreement or in the Franchised Business (other than a pledge of assets to secure a bona fide loan made or credit extended in connection with acquisition of the assets pledged) unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option to purchase the rights of the secured party upon payment of all sums then due to such secured party.

(5) Franchisee acknowledges and agrees that each condition which must be met by transferee is necessary to assure such transferee's full performance of the obligations hereunder.

(6) Nothing contained in this Agreement shall prevent or prohibit Franchisee from selling, assigning, transferring, conveying, giving away, pledging, mortgaging, granting security interests in or otherwise encumbering Franchisee's real property interests, including but not limited to fee or leasehold interests in any land or buildings, or Franchisee's interests in other hard assets, including any equipment and furnishings, but excluding any items which bear any of Franchisor's logos, trademarks, trade names or other proprietary marks.

C. In the event that a quick-service food competitor of Franchisor acquires a controlling interest in Franchisee without Franchisor's prior written consent, Franchisor shall have the right at its option to terminate this Agreement and all rights granted hereunder without affording Franchisee any opportunity to cure the default upon ninety (90) days written notice to Franchisee.

D. Franchisor shall have the option to purchase any interest in the Restaurant or this Agreement as follows:

(1) Any party holding any direct or indirect interest in the rights to operate the Restaurant, interest in this Agreement or in franchise rights or license rights granted hereunder who desires to accept any bona fide offer from a third party to purchase such interest, if a transfer of that interest alone or together with other previous, simultaneous or proposed transfers would have the effect of transferring a controlling interest in the rights to operate the Restaurant, interest in this Agreement, or franchise rights or license rights granted hereunder, shall provide Franchisor with all of the terms of the proposed transfer in writing at least thirty (30) days prior to the proposed date of transfer. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party, net of any finders or brokers fees which any third party would be obligated to pay. In the event that Franchisor elects to purchase the seller's interest, closing on such purchase must occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor does not exercise its option to purchase, Franchisee or shareholders or members of Franchisee may proceed to consummate a transfer to a third party if they have complied with the conditions of this Paragraph XV. If Franchisor did not exercise its option to purchase, any material change in the terms of the third party's offer prior to closing shall constitute a new offer subject to the same option to purchase by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Paragraph XV.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Paragraph XV. with respect to a proposed transfer.

(2) In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor is not in a position to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash.

E. Upon the death or mental incapacity of any person with a direct or indirect interest in this Agreement or in Franchisee, the executor, administrator, or personal representative of such person shall transfer the interest to a third party, including shareholder(s) or member(s) of Franchisee, approved by Franchisor within twelve (12) months after such death or mental incapacity, or, if legal proceedings make transfer within twelve (12) months not feasible, within such longer period as may be reasonable under the circumstances. Such transfer, including, without limitation, transfer by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. If an approved transfer has not been made within the aforementioned period, Franchisor shall have the option to purchase the Franchised Business at fair market value, and thereupon terminate this Agreement. In the event that Franchisor elects to purchase the Franchised Business and terminate this Agreement in accordance with the foregoing, closing of the transaction shall take place as promptly as possible after Franchisor exercises its option to purchase, and the parties reach agreement concerning the fair market value of the Franchised Business. Payment will be made in four (4) installments, the first of which shall be made at the time of closing and the remaining three (3) installments shall each be made at one (1) year intervals from the date of the first payment. Interest shall be payable on the unpaid portion of the purchase price on the due date of each installment of principal at the prime rate of Bank of America on the date of Franchisor's election to purchase the Franchised Business.

If the parties are unable to agree on the fair market value of the Franchised Business, then the dispute will be settled by binding arbitration in Charlotte, North Carolina, in accordance with the rules and procedures of the American Arbitration Association.

F. Franchisor's consent to a transfer of any interest in Franchisee, rights to operate the Restaurant, interest in this Agreement or any license or franchise rights granted hereunder shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

G. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XV. will cause Franchisor irreparable injury, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XV.

## XVI. DEFAULT AND TERMINATION

A. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against Franchisee and not opposed by Franchisee; or if Franchisee is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee.

B. Upon occurrence of any of the following events, Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee:

(1) If Franchisee fails to construct and open the Franchised Business within 180 days of the date of execution of this Agreement or in the event this Agreement is associated with a development agreement, in accordance with the development schedule of the development agreement pursuant to which the Restaurant is to be developed;

(2) If Franchisee or any shareholder or member of Franchisee is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, adversely to affect the System, the Proprietary Marks, the Trade Dress, the goodwill associated therewith, or Franchisor's interest therein;

(3) If Franchisee or any shareholder or member of Franchisee purports to transfer any interest in this Agreement, any rights hereunder, including but not limited to any

rights to operate the Restaurant, franchise and license rights or obligations under this Agreement or to any interest in Franchisee to any third party without Franchisor's prior written consent, contrary to the terms of Paragraph XV. of this Agreement;

(4) If Franchisee or any individual, partnership, corporation, limited liability company or other legal entity which directly or indirectly owns an interest in Franchisee shall, without the prior written consent of Franchisor, make any transfer that alone or together with other previous, simultaneous or proposed transfers, would have the effect of transferring a controlling interest in Franchisee to an entity or parent, subsidiary or affiliate thereof which is a competitor of Franchisor.

(5) If, contrary to the terms of Paragraph X. or XI. hereof, Franchisee discloses or divulges the contents of the Manual or other confidential information provided to Franchisee by Franchisor;

(6) If Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor;

(7) If Franchisee, or any shareholder or member of Franchisee, violates Paragraph IX. hereof by making any unauthorized use of any name, trademark, service mark, or other Proprietary Mark or Trade Dress of Franchisor;

(8) If Franchisee shall cause, suffer, or permit (voluntarily or involuntarily) its right to or possession of the premises on which the Restaurant is located to be terminated prematurely for any cause whatsoever; or if Franchisee shall be in material default under the lease for the premises on which the Restaurant is located, or shall be in material default under any mortgage with respect to the property on which the Restaurant is located, provided, however, that Franchisee shall not be in breach of this provision if a condemnation proceeding affecting the premises upon which the Restaurant is situated occurs which makes it impossible or infeasible for Franchisee to continue to operate the Restaurant at its present location, and within thirty (30) days after the final condemnation determination Franchisee provides Franchisor with notice of its intention to open, and within one (1) year of the final condemnation determination opens, a substitute Restaurant on a new site approved by Franchisor;

(9) If Franchisee ceases to operate or otherwise abandons, or attempts to cease to operate or abandon, the Restaurant or enters into an agreement to sell, or sells, or purports or attempts to sell, the real property upon which the Restaurant is situated, or substantially all right, title and interest in and to the Restaurant or real property lease, or substantially all of the assets of Franchisee or of the Restaurant, without Franchisor's prior written consent; provided, however, that upon the occurrence of any of the foregoing events, Franchisor may, in lieu of immediate termination of this Agreement, request from Franchisee, a statement of intentions and assurances that no event in breach of this Agreement is so contemplated, which statement and assurances shall be delivered in writing within twenty-four (24) hours of Franchisor's request. In addition Franchisor may request, and Franchisee shall provide within five (5) business days thereafter, a performance bond from Franchisee, the amount of such bond and the issuing entity to be solely at Franchisor's reasonable discretion.

(10) If any other Franchise Agreement or Development Agreement of Bojangles' of America, Inc., Bojangles' Restaurants, Inc. or Bojangles' International, LLC entered into by Franchisee is terminated based upon Franchisee's default thereunder;

(11) If Franchisee, after curing a default pursuant to Paragraph XVI.C. hereof, commits the same, or a substantially similar, default again within one hundred eighty (180) days after the prior default occurred, whether or not cured after notice; or

(12) If Franchisee repeatedly is in default under Paragraph XVI.C. hereof for failure to comply with any of the requirements imposed by this Agreement, whether or not cured after notice.

C. Except as otherwise provided in Paragraphs XVI.A. and XVI.B. of this Agreement, Franchisee shall have thirty (30) days after its receipt from Franchisor of a written notice of default within which to remedy any default hereunder and to provide evidence thereof to Franchisor. If any such default is not cured within that time, or such longer period as applicable law may require, Franchisor may terminate this Agreement, effective immediately upon Franchisee's receipt of notice from Franchisor after the expiration of the thirty (30) day period or such longer period as applicable law may require. Franchisee shall be in default hereunder for any failure to comply with any of the requirements imposed by this Agreement, including any matter enumerated in this Paragraph XVI.C., as it may from time to time reasonably be supplemented by the Manual, or to carry out the terms of this Agreement in good faith. Such defaults shall include, for example, but without limitation, the occurrence of any of the following events:

(1) If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its parents, subsidiaries or affiliates when due, or to submit the financial or other information required by Franchisor under this Agreement;

(2) If Franchisee fails to pay or fails repeatedly to make prompt payment of undisputed amounts due to its suppliers, landlord, equipment lessors, or other third parties;

(3) If Franchisee fails to maintain the Restaurant in a good, clean and wholesome manner, or fails to maintain or observe any of the other standards or procedures prescribed by Franchisor in this Agreement, the Manual, or otherwise in writing;

(4) If Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

(5) If Franchisee denies Franchisor or its designee the right to inspect the Restaurant at reasonable times;

(6) If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks or uses the Franchisor's Trade Dress other than in connection with the Restaurant or uses

any of Franchisor's products, procedures or methods in any other operation not authorized by Franchisor;

(7) If Franchisee fails to comply with the interim covenants in Paragraph XVIII.A. hereof or employs, or seeks to employ, any person who at the time is employed by Franchisor or any of its affiliates or by any Bojangles' franchisee, or otherwise induces, directly or indirectly, any such person to leave such employment;

(8) If a final judgment against Franchisee remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed);

(9) If Franchisee is dissolved, execution is levied against Franchisee's business or property, suit to foreclose any lien or mortgage against the Franchised Business or equipment situated therein is instituted against Franchisee and not dismissed or bonded off within sixty (60) days, or the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal or constable; or

(10) If an approved transfer of a controlling interest in Franchisee is not effected within the prescribed period following the death or mental incapacity of a shareholder or member of Franchisee, as required by Paragraph XV.E. hereof.

D. In the event that this Agreement is terminated and Franchisee contests the validity of the termination, the party that operates the Restaurant during the period commencing with the date that notice of termination was given and ending with the date upon which a final notice and nonappealable judgment resolving the issue is entered, shall operate the Restaurant for the benefit of the prevailing party in such contest, and shall account for, and pay over, any profits earned during said period to the other party, if such other party is the party that prevails.

## XVII. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

A. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

B. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; the Proprietary Marks "BOJANGLES'®" and "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS®"; and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices and any Trade Dress associated with the System. In particular, Franchisee shall follow Franchisor's instructions to deidentify the Restaurant from the System, including removal or modification of structural features of the Restaurant including, but not limited to, the distinctive roof, interior and exterior color combinations and designs, and shall cease to use,

without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles which display the Proprietary Marks.

C. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "BOJANGLES®" or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

D. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary Marks, and further agrees not to utilize any Trade Dress or designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

E. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the premises operated hereunder at the time of default.

F. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Paragraph XVII.

G. Franchisee shall immediately deliver to Franchisor all manuals, including the Manual, records, files, instructions, correspondence, all materials related to operating the Franchised Business, including, without limitation, brochures, agreements, invoices, and any and all other materials relating to the operation of the Franchised Business in Franchisee's possession, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

H. Franchisee shall comply with any surviving covenants contained in Paragraph XVIII. of this Agreement.

### XVIII. COVENANTS

A. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation,

information relating to the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, Franchisee covenants that:

(1) During the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee and its shareholders or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

(a) Divert or attempt to divert any business or customer of the Restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks, Trade Dress and the System; or

(b) Employ or seek to employ any person who is at that time employed by Franchisor or by any other developer or franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

(2) At all times during the term of this Agreement and after the expiration or earlier termination hereof, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, advise, help, invest in, make loans to, be employed by, be the landlord of, engage in, or have any interest in any restaurant business which utilizes any of the specialized products, processes, procedures, recipes or specialized techniques that are disclosed or made available to it or to which it may have access to as a Bojangles' franchisee or operator of a Bojangles' franchise.

(3) During the term of this Agreement or any other Franchise Agreement between Franchisee or any of its affiliates and Franchisor, Franchisee shall not, either directly or indirectly, engage in or have any interest in any other food service business that offers for sale products similar to Bojangles' signature products, including but not limited to cajun spiced chicken, southern style fried chicken, dirty rice, cinnamon biscuits or other made-from-scratch biscuits, or specially seasoned french fried potatoes or other products using spices similar to Bojangles'.

(4) Notwithstanding anything to the contrary herein, for a period of three (3) years from and after the expiration or earlier termination of this Agreement, neither Franchisee nor any of its affiliates shall engage in any food service operations at or from the franchised location, including but not limited to restaurant and catering services, that offer for sale products competing with Franchisor's primary products of chicken and/or biscuits.

B. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Paragraph XVIII. is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of

such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Paragraph XVIII.

C. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraph XVIII.A. or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified.

D. Franchisee expressly agrees that the existence of any claims it may have now or in the future against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Paragraph XVIII.

E. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XVIII. would result in irreparable injury to Franchisor, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XVIII.

F. At the request of Franchisor, Franchisee shall obtain and deliver to Franchisor executed covenants similar in substance to those set forth in this Paragraph XVIII. (including covenants applicable upon the termination of a person's relationship with Franchisee) from the following persons: all officers or members with access to any of Franchisor's processes, procedures, recipes, specialized techniques or any other proprietary information of Franchisor, directors, or members and holders of the securities of Franchisee, and from any corporation, limited liability company or entity directly or indirectly controlling or controlled by Franchisee. Every covenant required by this Paragraph XVIII.F. shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. Failure by Franchisee to obtain execution of a covenant required by this Paragraph XVIII.F. or to deliver the covenant to Franchisor shall constitute a default under this Agreement.

#### XIX. FORCE MAJEURE

If the performance of any obligation under this Agreement is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof, affecting the parties hereto or the rights granted hereunder, such force majeure to include but not be limited to acts of God, fire, flood, governmental restrictions, lockouts or labor disputes, then the affected party shall be given such additional time as is reasonable to perform in view of the nature and extent of the force majeure.

#### XX. TAXES, PERMITS, AND INDEBTEDNESS

A. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Franchised Business. Franchisee shall

pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

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

C. Franchisee shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

D. Franchisee shall notify Franchisor in writing within ten (10) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

## XXI. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisee is an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

B. During the term of this Agreement and any extensions thereof, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place in the Restaurant, the content of which Franchisor reserves the right to specify.

C. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Franchised Business or any claim or judgment arising therefrom. Franchisee shall indemnify and hold Franchisor and Franchisor's officers, directors, shareholders or members, and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with, Franchisee's operation of the Franchised Business, as well as the costs, including attorneys' fees, of defending against them.

## XXII. APPROVALS AND WAIVERS

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

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

C. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee under any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to a subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

## XXIII. NOTICES

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been properly given (a) on the day delivered, if delivered personally or (b) three (3) business days after being mailed, if mailed first class, postage prepaid, registered or certified mail, return receipt requested, or (c) one (1) business day after being mailed, if sent via a reputable overnight courier service, as follows:

If to Franchisor:

Via first class, postage prepaid, registered or certified mail:

BOJANGLES' INTERNATIONAL, LLC  
P.O. Box 240239  
Charlotte, NC 28224  
Attn: General Counsel

And

Via personal delivery or overnight courier services:

BOJANGLES' INTERNATIONAL, LLC  
9432 Southern Pine Boulevard  
Charlotte, NC 28273  
Attn: General Counsel

If to Franchisee:

#

Any party may give notice of a change of address by written notice given as provided in this paragraph.

#### XXIV. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the Attachment(s) hereto constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. No other representations have induced Franchisee to execute this Agreement except for those contained in this Agreement, the Exhibits and the Franchise Disclosure Document. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing; provided, however, that a writing signed by Franchisee need not be signed by any of its shareholders or members except to the extent, if any, that such writing would increase the amount of such shareholder's or member's financial obligations. Further, no modification, amendment, waiver, discharge or termination of any obligation of Franchisee, and no other matter or termination of any nature or kind whatsoever, including without limitation any release of Franchisee from any such obligation, shall release any shareholder or member of any guaranty obligation given or made by him under this Agreement or otherwise, whether or not such shareholder or member has notice thereof, all rights to notice or to consent being expressly waived hereby.

#### XXV. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each portion, paragraph, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any portion, paragraph, section, part, term, and/or provisions herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portion, paragraph, section, part, term, and/or provision of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portion, paragraph, section, part, term, and/or provision shall be deemed not to be a part of this Agreement.

B. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, and employees, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated by Paragraph XV. hereof, any rights or remedies under or by reason of this Agreement.

C. Franchisee and each of its shareholders or members expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a

part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

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

E. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable, and all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee.

F. This Agreement shall be executed in three copies and each executed copy shall be deemed an original.

#### XXVI. APPLICABLE LAW

A. This Agreement takes effect upon its acceptance and execution by Franchisor in the State of North Carolina, and shall be interpreted and construed under the laws of that State, which laws shall prevail in the event of any conflict of law; provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of North Carolina, then such provisions shall be interpreted and construed under the laws of the state in which the principal office of Franchisee is located.

B. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of North Carolina and do hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

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

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

E. In the event of any action at law or in equity to secure or protect rights under or to enforce the terms of this Agreement, except as otherwise provided for in this Agreement, the prevailing party shall be entitled to recover reasonable counsel fees together with court costs and expenses incurred in connection with the litigation.

XXVII. ACKNOWLEDGMENTS

A. Franchisee acknowledges that the success of the business venture contemplated by this Agreement involves substantial business risks and will be largely dependent upon the ability of Franchisee as an independent business entity. Franchisor expressly disclaims the making of, and Franchisee acknowledges not having received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

B. Franchisee acknowledges that Franchisee has received, read, and understood this Agreement, the Exhibits attached hereto, and agreements relating hereto, if any; that other franchise agreements entered into by Franchisor may be different in form and content from this Agreement; and that Franchisor has accorded Franchisee ample time and opportunity, and has encouraged Franchisee, to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

C. Franchisee acknowledges that it received a complete copy of this Agreement, the Exhibits hereto, and agreements relating hereto, if any, at least seven (7) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, which rule is entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Venturers," at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

**{Signatures on the following page}**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered three copies of this Agreement on the day and year first above written.

ATTEST:  
\_\_\_\_\_  
Assistant Secretary

(Seal)

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Executive Vice President

ATTEST:  
\_\_\_\_\_  
Secretary

(Corporate Seal)

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
President

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Principal Operating Officer of Franchisee

SHAREHOLDERS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

**\*\*\*OR\*\*\***

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
Member/Manager

\_\_\_\_\_  
Witness

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Witness

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Principal Operating Partner of Franchisee

MEMBERS OF FRANCHISEE:

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Witness

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Witness

ATTACHMENT A

APPROVED LOCATION

UNDER

BOJANGLES' INTERNATIONAL, LLC

FRANCHISE AGREEMENT

The location approved by Franchisor for the Restaurant franchised under the attached Franchise Agreement shall be:

#

**GUARANTEE**

As an inducement to BOJANGLES' INTERNATIONAL, LLC ("Franchisor") to execute the Franchise Agreement ("Agreement"), to which this Guarantee is attached, the undersigned, jointly and severally, hereby agree to be individually bound by all the terms and conditions of the Agreement including any amendments thereto whenever made and unconditionally guarantee to Franchisor and its successors and assigns the payment of all liabilities incurred by Franchisee at any time.

Sixty (60) days after any default of Franchisee under Paragraphs XVI.A. or XVI.B. of the Agreement, or ninety (90) days after a default by Franchisee which is not cured under Paragraph XVI.C. of the Agreement, the undersigned will immediately make payment of any liabilities previously incurred by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment and performance by Franchisee.

Upon death of an individual guarantor, the estate of such guarantor will be bound by this Guarantee but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors will continue in full force and effect.

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

**GUARANTORS:**

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

**ADDENDUM TO EXPRESS FRANCHISE AGREEMENT**  
**BETWEEN**  
**BOJANGLES' INTERNATIONAL, LLC ("FRANCHISOR")**  
**AND**  
\_\_\_\_\_ (**"FRANCHISEE"**)

FOR RESTAURANT LOCATED AT

\_\_\_\_\_

This Addendum ("Addendum") is made as of \_\_\_\_\_, 2012 to the Express Franchise Agreement of same date between Franchisor and Franchisee attached hereto ("Express Franchise Agreement"). To the extent this Addendum is construed to conflict with the terms of the Express Franchise Agreement, the terms of the Addendum shall be deemed to control. The terms of this Addendum shall be considered terms of the Express Franchise Agreement, as if incorporated therein, the breach of which shall be considered a default under Paragraph XVI.B. of the Express Franchise Agreement. All capitalized terms within this Addendum shall have the same meaning given those terms within the Express Franchise Agreement.

1. The Pepsi-Cola Company is the Bojangles' System Exclusive Beverage Supplier of Choice throughout the domestic Bojangles' System for new franchisees. Accordingly, Franchisee shall offer exclusively Pepsi-Cola Company brand post-mix soft drink products and colas. This exclusive designation and choice of products may be changed at Franchisor's option upon written notice by Franchisor.

\_\_\_\_\_  
\_\_\_\_\_

BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_ President/Member/Manager

By: \_\_\_\_\_  
Executive Vice President

Exhibit E

**RENEWAL OF  
BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE AGREEMENT**

(Individual)

THIS AGREEMENT made as of the \_\_\_\_ day of \_\_\_\_\_,

2012 by and between:

BOJANGLES' INTERNATIONAL, LLC

("Franchisor")

and

\_\_\_\_\_  
("Franchisee")

Store # \_\_\_\_\_

[Store address]

County

DMA:

Restaurant Opening Date: \_\_\_\_\_

IFA 08/10/12

G:\Legal\Franchise\FDD\FTC\2012\Agreements 2012\Renewal IFA & Add.doc

**RENEWAL OF  
BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE AGREEMENT  
(Individual)**

This Renewal of Franchise Agreement ("Agreement") is made and entered into as of \_\_\_\_\_, 2012, between BOJANGLES' INTERNATIONAL, LLC, a Delaware limited liability company ("Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ corporation (or a \_\_\_\_\_ limited liability company) ("Franchisee").

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed and owns a unique and distinctive system (hereinafter "System" or "Bojangles' System") relating to the establishment and operation of fast service restaurants;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, color schemes and layout, including specially designed decor and furnishings; a special selection of menu items largely prepared "from scratch"; procedures and techniques for food and beverage preparation; prompt and courteous service in a clean, wholesome atmosphere; methods of inventory, operating, cash and financial controls and systems for such controls; a training school utilizing special teaching techniques, course instruction and manuals; and unique advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

WHEREAS, Franchisor identifies the Bojangles' System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the marks "BOJANGLES'®" and "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS®", and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by Franchisor in writing) for use in connection with the Bojangles' System (hereinafter referred to as "Proprietary Marks") and certain unique trade dress, including but not limited to specific color schemes, patterns, designs, decor, furnishings and layout, now or hereafter used by Franchisor in connection with the Bojangles' System (hereinafter referred to as "Trade Dress");

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

WHEREAS, Franchisee desires to renew its franchise to operate a Bojangles' restaurant under the Bojangles' System and wishes to obtain a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith; and

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

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

I. GRANT

A. Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, a renewal of the right to operate a Bojangles' restaurant, and Franchisee undertakes the obligation, to operate a Bojangles' restaurant (hereinafter referred to as "Restaurant" or "Franchised Business") and to use solely in connection therewith the Proprietary Marks, the Trade Dress and the Bojangles' System, as they may be changed, improved, and further developed from time to time, only at the location to be set forth in Attachment A hereto.

B. Franchisee acknowledges that this franchise is non-exclusive, except as may be otherwise agreed to between the parties hereto, and is granted subject to the terms of Paragraph VIII.C.(6) and VIII.F.(6) hereof.

C. This Agreement supersedes and replaces the terms of any franchise agreement or license agreement between Franchisee and Franchisor, or any of its predecessors for the franchise or license of a Bojangles' Restaurant at the location set forth in Attachment A hereto.

II. TERM AND RENEWAL

A. Except as otherwise provided herein, the initial term of this Agreement shall expire ten (10) years from the date of this Agreement; provided, however, that if Franchisee's approved location is leased, this Agreement shall expire at the earlier of ten (10) years from the date of this Agreement or upon expiration or termination of the initial term of the lease.

**[B. Franchisee may, at its option, renew this Agreement for \_\_\_\_ (\_\_\_) additional consecutive term of \_\_\_\_ (\_\_\_) years, provided that prior to the end of the then-current term:**

**(1) Franchisee has given Franchisor written notice of its election to renew not less than six (6) months nor more than nine (9) months prior to the end of the applicable term;**

**(2) Franchisee has made or has provided for, in a manner satisfactory to Franchisor, such renovation and modernization of the Restaurant premises as Franchisor may reasonably require, including, without limitation, renovation of signs, furnishings, fixtures, and decor, to reflect the then-current standards and image of the Bojangles' System.**

**(3) Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its subsidiaries and affiliates;**

**(4) Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates;**

**(5) Franchisee shall have presented satisfactory evidence that Franchisee has the right to remain in possession of the approved location for the applicable renewal term;**

**(6) Franchisee shall have executed Franchisor's then-current form of franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty fee and advertising contribution; provided, however, that Franchisee shall pay, in lieu of a franchise fee, a renewal fee equal to fifty percent (50%) of the then-current franchise fee;**

**(7) Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its parents, subsidiaries and affiliates, and their respective officers, directors, agents, and employees; and**

**(8) Franchisee shall comply with Franchisor's then-current qualification and training requirements.]**

### III. DUTIES OF FRANCHISOR

A. Franchisor shall make available such training programs as it deems appropriate. All training provided by Franchisor shall be subject to the terms set forth in Paragraph VII.D. of this Agreement.

B. Franchisor shall advise and consult with Franchisee in connection with the operation of the Restaurant and new developments, techniques and improvements in areas of restaurant management, food preparation, sales promotion and service. Franchisor may provide the foregoing assistance by sending its employees or representatives to the Restaurant, by providing publications, other written materials, DVD's or by conducting meetings or seminars. Some or all of these publications or programs may be provided by electronic access by Franchisor and not by printed or physical documents.

C. Franchisor shall make available, from time to time, advice and assistance in local advertising and, at Franchisee's expense, promotional materials for local advertising by Franchisee. Franchisor shall have the right to review and approve or disapprove all advertising and promotional materials which Franchisee proposes to use, pursuant to Paragraph XII.F. hereof.

D. Franchisor shall develop advertising materials under the terms of Paragraph XII. hereof.

E. Unless previously provided, Franchisor shall provide to Franchisee, on loan, either one printed copy of the Manual as more fully described in Paragraph IX. Hereof ("Manual"), or provide Franchisee with electronic access to the Manual.

F. In the interest of maintaining high standards of quality, cleanliness, appearance, and service, Franchisor shall conduct, as it deems advisable, inspections of the Restaurant, and evaluations of the products sold and services rendered at the Restaurant.

#### IV. FEES

A. Franchisee shall pay to Franchisor a franchise renewal fee at the time this Agreement is executed in the amount of \_\_\_\_\_ **Dollars (\$\_\_\_\_\_)**, which sum shall be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor in renewing Franchisee's franchise and for Franchisor's lost or deferred opportunity to franchise others.

B. Franchisee shall pay to Franchisor a continuing monthly royalty fee in an amount equal to four percent (4%) of the Gross Sales of the Restaurant, as defined in Paragraph IV.E. hereof.

C. Franchisee shall pay to Franchisor a monthly advertising contribution, for use by the Bojangles' Marketing Development Fund established by Franchisor, as provided in Paragraph XII.E. hereof, in an amount equal to one percent (1%) of the Gross Sales of the Restaurant.

D. All monthly payments required by this Paragraph IV. shall be paid to Franchisor by the fifteenth (15th) day of each month on Gross Sales made during the preceding month, and shall be submitted to Franchisor together with any reports or statements required under Paragraph XI.B. hereof. We reserve the right to require that all monthly payments required by this Paragraph IV be directly drafted by Franchisor from Franchisee's account. Any payment or report not actually received by Franchisor on or before such date shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until paid at the equivalent of one and one-half percent (1 1/2%) per month compounded monthly, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

E. As used in this Agreement, "Gross Sales" shall include all revenue from the sale of all services and products related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit; provided, however, that "Gross Sales" shall not include any sales taxes or other taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority.

#### V. SITE SELECTION [This Section V. intentionally left blank.]

#### VI. FRANCHISEE ORGANIZATION AND CAPITAL STRUCTURE

A. Franchisee shall be a corporation or a limited liability company composed solely of shareholders/members who are individuals and not corporations, limited liability companies or any other legal entities, and shall comply with the following requirements:

(1) Franchisee shall be organized and validly existing in good standing under the laws of the state of its incorporation or organization;

(2) Franchisee shall be qualified to do business in all states in which its business activities or the nature of the properties owned by it requires such qualification;

(3) Franchisee's Articles of Incorporation or Charter, or if Franchisee is a limited liability company, Franchisee's Articles of Organization and Operating Agreement shall at all times provide that Franchisee was organized and has authority only to develop, own and operate BOJANGLES'® Restaurants; and that Franchisee shall not engage or invest in any business other than development, ownership and operation of BOJANGLES'® Restaurants;

(4) If Franchisee is a corporation, copies of Franchisee's Articles of Incorporation or Charter, Bylaws, and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

If Franchisee is a Limited Liability Company, copies of Franchisee's Articles of Organization, Operating Agreement, and other governing documents, and any amendments thereto, including the Consent of all Limited Liability Company members authorizing entry into this Agreement, shall be furnished to Franchisor on or before execution of this Agreement;

(5) Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate of Franchisee, or other evidence of ownership if Franchisee is a limited liability company, shall have the following legend conspicuously endorsed upon its face:

The shares represented by this certificate, or other evidence of ownership if Franchisee is a limited liability company, are subject to the terms of an agreement dated [date] between [name of issuing corporation or limited liability company] and BOJANGLES' INTERNATIONAL, LLC, which, inter alia, restricts transfer, restricts activities in which [name of issuing corporation or limited liability company] may engage, and imposes restrictions on shareholders or members.

(6) Franchisee shall maintain a current list of all owners of record, including all members if Franchisee is a limited liability company, and all beneficial owners of any class of securities of Franchisee and shall furnish the list to Franchisor at such time as Franchisor may request.

B. At the date of execution of this Agreement, Franchisee shall have, with respect to the Restaurant, a ratio of debt to equity no greater than 1.5 to 1. Calculation of a debt to equity ratio for purposes hereof shall exclude equity interests in, and debts incurred as a result of, the acquisition of land and building, but shall include equity interests in, and debts incurred as a result of, the acquisition of equipment and inventory, training, franchise fees, start-up costs, initial point of purchase materials, landscaping, signage and prepaid expenses. Franchisee shall, prior to the execution of this Agreement, furnish Franchisor with evidence, satisfactory to

Franchisor in its sole discretion, of its compliance with the requirement set forth in this paragraph.

C. Franchisee agrees to pay in full, and not lease or finance the equipment and fixtures in its first Bojangles' Restaurant.

## VII. DUTIES OF FRANCHISEE

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

**B. [This subsection B. intentionally left blank.]**

C. Franchisee shall designate an individual to serve as the "Principal Operating Officer" of Franchisee, or if Franchisee is a limited liability company, it shall designate an individual to serve as "Principal Operating Partner" subject to the following condition:

(1) The Principal Operating Officer or Partner shall own an equity interest of at least ten percent (10%) in Franchisee during the entire period he serves as Principal Operating Officer or Partner;

(2) The Principal Operating Officer or Partner shall devote full time and best efforts to the supervision and conduct of the Franchised Business and any other Restaurants which may be operated by Franchisee;

(3) The Principal Operating Officer or Partner shall execute this Agreement, and shall be individually bound by all obligations of Franchisee hereunder;

(4) No person shall become a Principal Operating Officer or Partner unless approved by Franchisor; and

(5) If the Principal Operating Officer or Partner is unable, or elects not, to continue to meet his obligations hereunder, or if, in Franchisor's sole discretion, the Principal Operating Officer or Partner no longer qualifies to act as such, Franchisee shall promptly designate another Principal Operating Officer or Partner subject to the same conditions and qualifications listed above.

D. Franchisee agrees that it is important to the operation of the System and the Restaurant that Franchisee and Franchisee's employees receive such training as Franchisor may require, and to that end agrees as follows:

(1) At Franchisee's expense, the Principal Operating Officer or Partner and Franchisee's managers and other employees shall also attend such courses, seminars, and other

training programs as Franchisor may require from time to time. Franchisor shall provide instructors and training materials for all required training programs; and Franchisee or its employees shall be responsible for any and all other expenses incurred by them in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages. Any person subsequently employed by Franchisee in the position of manager and each subsequent Principal Operating Officer or Partner shall attend and complete, to Franchisor's satisfaction, such initial training program as Franchisor may require.

(2) The Principal Operating Officer or Partner, Franchisee's managers and other employees may also attend such optional training programs and seminars as Franchisor may offer from time to time. Franchisee shall pay to Franchisor, for each person attending such a program, the training fee, if any, then charged by Franchisor. If any such training fee is imposed by Franchisor, the training fee shall be in addition to any other expenses incurred by the persons attending training as provided in Paragraph VII.D.(1) hereof.

E. Franchisee shall use the Restaurant premises solely for the operation of the Franchised Business; shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may from time to time specify in the Manual or as Franchisor may otherwise approve in writing; and shall refrain from using or permitting the use of the premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor.

F. Franchisee shall maintain a competent, conscientious, trained staff, including at least one fully trained manager on duty at the Restaurant at all times, in sufficient numbers so as to operate the Restaurant efficiently and effectively. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations, wear uniforms of such color, design and other specifications as Franchisor may designate from time to time, present a neat and clean appearance, and render competent and courteous service to Restaurant customers.

G. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant.

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

(1) To operate the Restaurant in a clean, wholesome manner in compliance with Franchisor's prescribed standards of quality, cleanliness, appearance and service;

(2) To maintain in sufficient supply, and to use at all times, only such ingredients, products, materials, supplies, and paper goods as conform with Franchisor's standards and specifications, and to refrain from deviating therefrom by the use or offer of nonconforming items, without Franchisor's prior written consent;

(3) To sell or offer for sale only such menu items, products, and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all types of menu items, products, and services specified by Franchisor; to refrain from any deviation from Franchisor's standards and specifications without Franchisor's prior written consent; and to discontinue selling and offering for sale any menu items, products, or services which Franchisor may, in its discretion, disapprove in writing at any time;

(4) To employ only those methods of food handling and preparation as Franchisor may specify in the Manual, or otherwise designate from time to time;

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

(6) To purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment, decor, and signs as Franchisor may reasonably direct from time to time in the Manual or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor, signs, games, vending machines, or other items not previously approved as meeting Franchisor's standards and specifications.

I. Franchisee shall comply with all requirements of federal, state, and local laws, rules, and regulations.

J. Franchisee shall purchase all food items, ingredients, equipment, furnishings, supplies, materials, and other items used or offered for sale at the Restaurant solely from suppliers (including manufacturers, distributors and other sources) who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved in writing by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any products from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so, and Franchisor, in its sole discretion, shall determine whether such supplier shall be approved. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria.

K. Franchisee shall require all advertising and promotional materials, signs, decorations, paper goods (including disposable food containers, napkins, and menus), all forms and stationery used in the Franchised Business, and other items which may be designated by Franchisor to bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor.

L. Franchisee shall maintain the Restaurant in a high degree of sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but, if of a substantial nature, not without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, equipment, and decor in the manner and at the times which Franchisor may reasonably direct; provided, however, that Franchisee shall not be required to undertake a major remodeling of the kitchen and interior and exterior decor of the Restaurant more than once in any five (5) year period.

M. Franchisee shall, where applicable, keep the parking area for the Restaurant well-lighted, and maintain the parking area for the exclusive use of Restaurant customers.

N. Franchisee shall grant Franchisor and its agents the right to enter upon the Restaurant premises at any time for the purpose of conducting inspections; shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable by Franchisee immediately upon demand. The foregoing shall be in addition to such other remedies as Franchisor may have.

O. Without limiting any other provision or requirement of the Agreement, Franchisee agrees to sell only those beverage product brands specified by Franchisor, including all soft drinks and cola products. Franchisor specifically retains the right to make additions or changes to the beverage product brands offered by Franchisee.

P. Franchisee agrees to utilize the e-mail address provided by Franchisor and to utilize the Bojangles' electronic portal, and review its content regularly for purposes of receiving updates, notice of Manual or policy changes and other communications from Franchisor.

Q. Franchisee shall comply with all other requirements set forth in this Agreement.

## VIII. PROPRIETARY MARKS AND TRADE DRESS

A. Franchisor represents with respect to the Proprietary Marks that:

(1) Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks;

(2) Franchisor has taken and will take all steps reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks; and

(3) Franchisor will permit Franchisee and other franchisees to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

B. With respect to Franchisee's licensed use of the Proprietary Marks pursuant to this Agreement, Franchisee agrees that:

(1) Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

(2) Franchisee shall use the Proprietary Marks only for the operation of the Franchised Business and only at the location authorized hereunder, or in advertising for the Franchised Business;

(3) Unless otherwise authorized or required by Franchisor in writing, Franchisee shall operate and advertise the Franchised Business only under the name "BOJANGLES'®" Restaurant or "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS®" Restaurant, as specified by Franchisor, without prefix or suffix;

(4) During the term of this Agreement, Franchisee shall identify itself as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, and shall display a notice to that effect in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing;

(5) Franchisee's right to use the Proprietary Marks is limited to the term of this Agreement and shall automatically cease upon the expiration or earlier termination of this Agreement and is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof, including, but not limited to, sublicensing a use of the Proprietary Marks, shall constitute an infringement of Franchisor's rights and a default under this Agreement;

(6) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

(7) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name;

(8) Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

(9) In the event that litigation involving the Proprietary Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation.

C. Franchisee expressly understands and acknowledges that:

(1) Franchisor is the owner of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them;

(2) The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

(3) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Proprietary Marks;

(4) Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks, except pursuant to the license granted by this Agreement;

(5) Any and all goodwill arising from Franchisee's use of the Proprietary Marks in its franchised operation under the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned to Franchisee as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks; and

(6) The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

(a) To use the Proprietary Marks itself in connection with selling products and services;

(b) To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and

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

(7) Franchisor reserves the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating thereunder.

D. Franchisee expressly understands and acknowledges that Franchisor has developed certain unique Trade Dress as part of the Bojangles' System, including but not limited to color schemes, patterns, designs, decor, furnishings and layout.

E. With respect to Franchisee's licensed use of the Trade Dress pursuant to this Agreement, Franchisee agrees that:

(1) Franchisees shall use only the Trade Dress designated by Franchisor, and shall use it only in the manner authorized and permitted by Franchisor.

(2) Franchisee shall use the Trade Dress only for the operation of the Franchised Business and only at the location authorized hereunder or in advertising for the Franchised Business.

(3) Franchisee's right to use the Trade Dress is limited to the term of this Agreement and shall automatically cease upon the expiration or earlier termination of this Agreement and is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof, including but not limited to sublicensing a use of the Trade Dress, shall constitute an infringement of Franchisor's rights and a default under this Agreement.

(4) In the event that litigation involving the Trade Dress is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation.

F. Franchisee expressly understands and acknowledges that:

(1) Franchisor is the owner of all right, title and interest in and to the Trade Dress and the goodwill associated with and symbolized by it;

(2) The Trade Dress is valid and serves to identify the System and those who are authorized to operate under the System;

(3) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Trade Dress;

(4) Franchisee's use of the Trade Dress pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Trade Dress, except pursuant to the license granted by this Agreement;

(5) Any and all goodwill arising from Franchisee's use of the Trade Dress in its franchised operation under the System shall inure solely and exclusively to Franchisor's

benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned to Franchisee as attributable to any goodwill associated with Franchisee's use of the System or the Trade Dress; and

(6) The right and license of the Trade Dress granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

(a) To use the Trade Dress itself in connection with selling products and services;

(b) To grant other licenses for the Trade Dress, in addition to those licenses already granted to existing franchisees; and

(c) To develop and establish other systems using the same or similar Trade Dress, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

G. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph VIII. will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph VIII.

#### IX. CONFIDENTIAL OPERATIONS MANUAL

A. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct its business in accordance with the Manual, one copy of which Franchisee acknowledges having received by electronic access or written copy on loan from Franchisor for the term of this Agreement. The Manual shall include memoranda, procedures, policies and other communications created by Franchisor that are posted on the Bojangles' electronic portal or otherwise communicated to Franchisee in writing by email or hardcopy, whether or not noted as "Manual". If a posting is made to the Bojangles' electronic portal, Franchisee shall be deemed to have notice of any changes or supplements to the Manual.

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

C. The Manual shall at all times remain the sole property of Franchisor.

D. Franchisor may from time to time revise the contents of the Manual, and the Franchisee expressly agrees to comply with each new or changed standard.

E. Franchisee shall continuously review changes to the Manual as posted on the Bojangles' electronic portal, and to otherwise keep current with the Manual. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling.

X. CONFIDENTIAL INFORMATION

A. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation or limited liability company any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Business, and Franchisee shall take such precautions as Franchisor deems necessary to ensure that Franchisee's employees retain such information in confidence. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, had become a part of the public domain, through publication or communication by others; or which, after disclosure to Franchisee by Franchisor, becomes a part of the public domain, through publication or communication by others.

B. Franchisee hereby acknowledges that pursuant to this Agreement, Franchisor will provide Franchisee with access to and training in processes and procedures of a proprietary nature and will provide Franchisee with access to and the right to use recipes and formulas, the Manual, logos, designs, trademarks, trade names and other proprietary information in connection with Franchisee's development and operation of the Bojangles' Restaurant. Franchisee acknowledges and agrees that Franchisee shall not at any time, whether during the term of this Agreement or after its expiration or earlier termination, disclose any information obtained through such training or from any materials provided by Franchisor to Franchisee and pertaining to the Bojangles' System to any third party other than employees of Franchisee directly involved in the operations of the Restaurant. Further, Franchisee agrees that during the term of this Agreement and after its expiration or earlier termination, it shall not use any of such information or proprietary marks, including but not limited to any processes, procedures, recipes and formulas, for any purpose other than the operation of the Bojangles' Restaurant and will take all steps necessary to prevent any other use of them. Without limiting the foregoing, Franchisee specifically agrees that it shall not during the term of this agreement or after its expiration or earlier termination, offer for sale at any location, other than during the term of this Agreement the Restaurant being operated at that time pursuant to this Agreement, any food or drink products prepared using in whole or part the procedures, processes, techniques, recipes or formulas provided by Franchisor to Franchisee.

C. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph X. will cause irreparable injury to Franchisor, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph X.

## XI. ACCOUNTING AND RECORDS

A. Franchisee shall maintain during the term of this Agreement, and shall preserve for at least five (5) years from the dates of their preparation, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

B. Franchisee shall submit to Franchisor, no later than the fifteenth (15th) day of each month during the term of this Agreement, after the opening of the Franchised Business, a statistical report and statement of receipts, in the form prescribed by Franchisor, accurately reflecting all Gross Sales during the preceding month and such other data or information as Franchisor may require.

C. Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, an unaudited balance sheet of the Franchised Business and a statement of profit or loss for the preceding quarter within thirty (30) days after the end of each quarter of Franchisee's fiscal year. Each such statement shall be signed by Franchisee's treasurer or chief financial officer attesting that it is true and correct.

D. Franchisee shall, at Franchisee's expense, provide to Franchisor a statement of profit or loss and a year-end balance sheet prepared and certified by Franchisee's chief financial officer and, upon written request by Franchisor, by an independent certified public accountant satisfactory to Franchisor, within ninety (90) days after the end of each fiscal year of the Franchised Business during the term hereof, showing the results of operations of the Franchised Business during said fiscal year. The Franchisee's chief financial officer shall attest that the financial statements present fairly the financial position of Franchisee and the results of operations of the Franchised Business during the period covered. Franchisor shall have the right, in its reasonable discretion, to require that Franchisee submit audited statements for any fiscal year or any period or periods of a fiscal year of Franchisee during the term of this Agreement, and to require Franchisee to cause its independent certified public accountant to consult with Franchisor, at Franchisee's expense, concerning the financial statements provided by Franchisee.

E. Franchisee and its shareholders shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing.

F. Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books

of Franchisee. If an inspection should reveal that any payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at one and one-half percent (1-1/2%) per month compounded monthly, or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any report of five percent (5%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

## XII. ADVERTISING

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

A. Franchisee shall spend not less than three percent (3%) of the Gross Sales of the Franchised Business on local and regional media advertising, in addition to any advertising contribution required under Paragraphs IV.C. and XII.E. hereof. Franchisee shall demonstrate on a quarterly basis, to the reasonable satisfaction of Franchisor, that Franchisee has made such expenditures. Such advertising shall include radio, television, magazine, newspaper, billboard campaigns, print, direct mail and other forms of advertising media and public relations activities but shall not include the costs of advertising production, production of other marketing materials, cost of food promotion, point of purchase materials, telephone book advertising, stationery, or restaurant indoor or outdoor site location signs.

B. Recognizing the value of cooperative national and regional advertising and marketing, and the importance of standardizing such programs to further enhance the national goodwill and public image of the Bojangles' System, Franchisor reserves the right and may in its sole discretion require Franchisee to participate along with other franchisees in regional cooperative advertising organizations or programs, established from time to time currently or in the future by Franchisor or by other franchisees for the purpose of advertising and promoting the Bojangles' System. In the event of the formation of such cooperative advertising groups, and Franchisee's participation therein, Franchisor shall permit Franchisee to credit a portion of the amount required to be expended for local and regional advertising in Paragraph XII.A. above to any regional program established by any such cooperative arrangement.

C. If Franchisee has failed to make or report the expenditure of the three percent (3%) of Gross Sales as required in Paragraph XII.A. above in any quarter or if Franchisee shall fail to participate in a cooperative advertising program after request by Franchisor as required in Paragraph XII.B. above, Franchisee shall thereafter, after written notice by Franchisor, pay to Franchisor three percent (3%) of the Gross Sales of the Restaurant. Franchisor may then in its sole discretion contribute such amounts to any franchisee cooperative organization that operates in part or all of Franchisee's market area or Franchisor may expend such funds to create advertising that in Franchisor's sole determination will promote the Bojangles' Proprietary Marks and/or System in Franchisee's market area.

D. Franchisor may offer from time to time to provide, upon Franchisee's request and at Franchisee's expense, approved local advertising and promotional plans and materials.

E. Franchisee agrees to make contributions to the BOJANGLES'® Marketing Development Fund (hereinafter "Fund") as required under Paragraph IV.C. hereof. The Fund shall be maintained and administered by Franchisor or its designee, as follows:

(1) Franchisor shall direct the creation of all advertising programs, with sole discretion over the creative concepts, materials, and media used in such programs. Franchisee agrees and acknowledges that the Fund is intended to maximize general public recognition and acceptance of the trade names, trademarks, and service marks which are designated as part of the System for the benefit of the System through research and the creation of marketing materials; and that Franchisor and its designee undertake no obligation, in administering the Fund, to make expenditures which are equivalent or proportionate to a franchisee's contribution, or to insure that any particular franchisee benefits directly or pro rata from Fund expenditures. Franchisee is aware that there may be some franchisees operating under different forms of agreement and who may not be required to make payments into the Fund equivalent to Franchisee's payments.

(2) Franchisor shall, for each of its company-owned Bojangles' Restaurants, make contributions to the Fund equivalent to the contributions required of comparable franchised Restaurants within the Bojangles' System so that Franchisor's average contribution for each company-owned Restaurant will be equal to the average contribution per franchise-owned Restaurant. This average per Restaurant contribution for franchise-owned Restaurants will be calculated by dividing the total contributions of franchisees to the Fund by the total number of franchise-owned Restaurants. Franchisor's total contribution to the Fund will equal this average per Restaurant contribution multiplied by Franchisor's total number of company-owned Restaurants; and

(3) All contributions to the Fund shall be used exclusively for advertising and promotion of the Bojangles' System (including, without limitation, the cost of preparing and conducting television, radio, print, and billboard advertising campaigns and other public relations activities; conducting research; employing advertising agencies and other specialists to assist therein; and preparing and providing promotional brochures and other point of purchase marketing materials to franchisees in the Bojangles' System). All sums paid by Franchisee and other franchisees to the Fund shall not be used to defray any of Franchisor's general operating expenses except for such reasonable administrative expenses and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund and advertising programs, including, without limitation, conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Fund.

F. All advertising by Franchisee in any medium shall be conducted in a dignified manner and shall conform to such standards and requirements as Franchisor may specify from time to time in writing. Franchisee shall submit to Franchisor (through the mail, return receipt requested), for its prior written approval, samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved

by Franchisor. Franchisee shall not use any advertising or promotional plans and materials that have not received Franchisor's prior written approval.

### XIII. INSURANCE

A. Franchisee shall maintain insurance in force as follows:

(1) Employer's liability and worker's compensation as prescribed by law in the state in which the Restaurant is located;

(2) Comprehensive general liability insurance, including products liability and broad form contractual liability insurance from a reputable insurance company having assets in excess of one half billion dollars (\$500,000,000) or other insurer approved by Franchisor, in an amount of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and five hundred thousand dollars (\$500,000) per occurrence for property damage or in such other amounts as Franchisor may reasonably request;

(3) All policies of insurance shall name Franchisor as an additional insured; and shall provide that the policy cannot be cancelled without thirty (30) days prior written notice to Franchisor; and shall specify that copies of all notices shall be sent to Franchisor. Franchisee shall furnish Franchisor with copies of all policies or certificates evidencing insurance in force as required herein. Evidence of payment of premiums shall be delivered to Franchisor at least thirty (30) days prior to the expiration dates of each existing insurance policy; and

(4) Such additional insurance covering such additional risks or providing such higher limits as Franchisor may reasonably request.

B. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's time and expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

### XIV. TRANSFER

A. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity.

B. Transfer by Franchisee of the right to operate the restaurant, or any interest in this Agreement, the franchise rights and license rights and Franchisee are limited as follows:

(1) Franchisee's authority to transfer any interest under this Agreement is also subject to the terms of any other agreement between Franchisor and Franchisee, including a

development agreement, which may impose additional conditions and limitations on Franchisee's right to transfer its interest under this Agreement.

(2) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and its shareholders or members, and that Franchisor has granted this Agreement in reliance on Franchisee's business skill and financial capacity, and the business skill, financial capacity and personal character of Franchisee's shareholders or members. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, limited liability company, or other legal entity which directly or indirectly owns any interest in the Restaurant, in this Agreement, or in Franchisee shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in the Restaurant, interest in this Agreement, or franchise rights or license rights granted hereunder or any obligations hereunder, or in Franchisee without the prior written consent of Franchisor, which consent shall not be unreasonably withheld. Any such proposed transfer shall be subject, where applicable, to Franchisor's option to purchase set forth in Paragraph XIV.C. herein. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor required by this Paragraph XIV.B.(2) shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Paragraph XV.B. of this Agreement.

(3) If a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring a controlling interest in the Restaurant, interest in this Agreement, or in the franchise rights or license rights granted hereunder, or in Franchisee, Franchisor may, in its sole discretion, if it does not elect to exercise its option to purchase set forth in Paragraph XIV.C. herein, require any or all of the following as conditions of its approval:

(a) All of Franchisee's accrued and outstanding monetary obligations to third parties and all accrued and outstanding obligations to Franchisor, or any parent, subsidiary or affiliate of Franchisor shall have been satisfied;

(b) Franchisee shall not be in default of any provision of this Agreement, any amendment hereto or successor hereof, or any other agreement between Franchisee and Franchisor, its parents, subsidiaries, or affiliates;

(c) The transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; and shall agree to remain liable to Franchisor for all affirmative obligations, covenants, and agreements contained herein for two (2) years following the effective date of transfer (or, if transferor retains a purchase money interest in the transferred business, for a period greater than two (2) years, until the interest is extinguished) or for such shorter period as Franchisor may, in its sole discretion, determine;

(d) The transferee shall enter into a written assignment, under seal and in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and, if the obligations of Franchisee were guaranteed by the transferor, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

(e) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business herein (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Franchised Business;

(f) At Franchisor's option, the transferee shall execute (and/or, upon Franchisor's request, shall cause all interested parties to execute), for a term ending on the expiration date of this Agreement, the then-current standard form of franchise agreement being offered to new System franchisees and other ancillary agreements, including a guarantee of such agreement executed by all shareholders of the transferee, as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate and advertising contribution; provided, however, that the transferee shall not be required to pay an initial franchise fee;

(g) At Franchisor's sole discretion, the transferee, at its expense, shall upgrade the Restaurant to conform to the then-current standards and specifications of System restaurants, and shall complete the upgrading and other requirements within the time specified by Franchisor;

(h) Franchisee shall remain liable for all of its obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(i) At the transferee's expense, transferee's Principal Operating Officer and transferee's managers, shall complete any training and certification programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require; and

(j) Franchisee shall pay to Franchisor a transfer fee of two thousand five hundred dollars (\$2,500) per Restaurant, which constitutes Franchisor's reasonable costs and expenses (including legal and accounting expenses) in connection with Franchisor's review of the application to transfer.

(4) Franchisee shall grant no security interest in this Agreement or in the Franchised Business (other than a pledge of assets to secure a bona fide loan made or credit extended in connection with acquisition of the assets pledged) unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security

interest, Franchisor shall have the right and option to purchase the rights of the secured party upon payment of all sums then due to such secured party.

(5) Franchisee acknowledges and agrees that each condition which must be met by transferee is necessary to assure such transferee's full performance of the obligations hereunder.

C. Franchisor shall have the option to purchase any interest in the Restaurant or this Agreement as follows:

(1) Any party holding any direct or indirect interest in the Restaurant, in this Agreement or in Franchisee who desires to accept any bona fide offer from a third party to purchase such interest, if a transfer of that interest alone or together with other previous, simultaneous or proposed transfers would have the effect of transferring a controlling interest in the Restaurant, in this Agreement, or in Franchisee, shall provide Franchisor with all of the terms of the proposed transfer in writing at least thirty (30) days prior to the proposed date of transfer. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party, net of any finders or brokers fees which any third party would be obligated to pay. In the event that Franchisor elects to purchase the seller's interest, closing on such purchase must occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor does not exercise its option to purchase, Franchisee or shareholders of Franchisee may proceed to consummate a transfer to a third party if they have complied with the conditions of this Paragraph XIV. If Franchisor did not exercise its option to purchase, any material change in the terms of the third party's offer prior to closing shall constitute a new offer subject to the same option to purchase by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Paragraph XIV.C. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Paragraph XIV. with respect to a proposed transfer.

(2) In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor is not in a position to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash.

D. Upon the death or mental incapacity of any person with a direct or indirect interest in this Agreement or in Franchisee, the executor, administrator, or personal representative of such person shall transfer the interest to a third party, including shareholder(s) or member(s) of Franchisee, approved by Franchisor within twelve (12) months after such death or mental incapacity, or, if legal proceedings make transfer within twelve (12) months not feasible, within such longer period as may be reasonable under the circumstances. Such transfer, including, without limitation, transfer by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. If an approved transfer has not been made within the aforementioned period, Franchisor shall have the option to purchase the Franchised Business at fair market value, and thereupon terminate this Agreement. In the event that Franchisor elects to

purchase the Franchised Business and terminate this Agreement in accordance with the foregoing, closing of the transaction shall take place as promptly as possible after Franchisor exercises its option to purchase, and the parties reach agreement concerning the fair market value of the Franchised Business. Payment will be made in four (4) installments, the first of which shall be made at the time of closing and the remaining three (3) installments shall each be made at one (1) year intervals from the date of the first payment. Interest shall be payable on the unpaid portion of the purchase price on the due date of each installment of principal at the prime rate of Bank of America on the date of Franchisor's election to purchase the Franchised Business. If the parties are unable to agree on the fair market value of the Franchised Business, then the dispute will be settled by binding arbitration in Charlotte, North Carolina, in accordance with the rules and procedures of the American Arbitration Association.

E. Franchisor's consent to a transfer of any interest in Franchisee, rights to operate the Restaurant, interest in this Agreement or any license or franchise rights granted hereunder shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

F. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XIV. will cause Franchisor irreparable injury, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XIV.

## XV. DEFAULT AND TERMINATION

A. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against Franchisee and not opposed by Franchisee; or if Franchisee is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee.

B. Upon occurrence of any of the following events, Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee:

(1) **[This subsection (1) intentionally left blank.]**

(2) If Franchisee or any shareholder or member of Franchisee is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably

likely, in the sole opinion of Franchisor, adversely to affect the System, the Proprietary Marks, the Trade Dress, the goodwill associated therewith, or Franchisor's interest therein;

(3) If Franchisee or any shareholder or member of Franchisee purports to transfer any interest in this Agreement, any rights hereunder, including but not limited to any rights to operate the Restaurant, franchise and license rights or obligations under this Agreement or any interest in Franchisee to any third party without Franchisor's prior written consent, contrary to the terms of Paragraph XIV. of this Agreement;

(4) If, contrary to the terms of Paragraph IX. or X. hereof, Franchisee discloses or divulges the contents of the Manual or other confidential information provided to Franchisee by Franchisor;

(5) If Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor;

(6) If Franchisee, or any shareholder or member of Franchisee, violates Paragraph VIII. hereof by making any unauthorized use of any name, trademark, service mark, or other Proprietary Mark or Trade Dress of Franchisor;

(7) If Franchisee shall cause, suffer, or permit (voluntarily or involuntarily) its right to or possession of the premises on which the Restaurant is located to be terminated prematurely for any cause whatsoever; or if Franchisee shall be in material default under the lease for the premises on which the Restaurant is located, or shall be in material default under any mortgage with respect to the property on which the Restaurant is located, provided, however, that Franchisee shall not be in breach of this provision if a condemnation proceeding affecting the premises upon which the Restaurant is situated occurs which makes it impossible or infeasible for Franchisee to continue to operate the Restaurant at its present location, and within thirty (30) days after the final condemnation determination Franchisee provides Franchisor with notice of its intention to open, and within one (1) year of the final condemnation determination opens, a substitute Restaurant on a new site approved by Franchisor;

(8) If Franchisee ceases to operate or otherwise abandons, or attempts to cease to operate or abandon, the Restaurant or enters into an agreement to sell, or sells, or purports or attempts to sell, the real property upon which the Restaurant is situated, or substantially all right, title and interest in and to the Restaurant or real property lease, or substantially all of the assets of Franchisee or of the Restaurant, without Franchisor's prior written consent; provided, however, that upon the occurrence of any of the foregoing events, Franchisor may, in lieu of immediate termination of this Agreement, request from Franchisee, a statement of intentions and assurances that no event in breach of this Agreement is so contemplated, which statement and assurances shall be delivered in writing within twenty-four (24) hours of Franchisor's request. In addition Franchisor may request, and Franchisee shall provide within five (5) business days thereafter, a performance bond from Franchisee, the amount of such bond and the issuing entity to be solely at Franchisor's reasonable discretion.

(9) If any other Franchise Agreement or Development Agreement of Bojangles' of America, Inc., Bojangles' Restaurants, Inc. or Bojangles' International, LLC entered into by Franchisee is terminated based upon Franchisee's default thereunder;

(10) If Franchisee, after curing a default pursuant to Paragraph XV.C. hereof, commits the same, or a substantially similar, default again within one hundred eighty (180) days after the prior default occurred, whether or not cured after notice; or

(11) If Franchisee repeatedly is in default under Paragraph XV.C. hereof for failure to comply with any of the requirements imposed by this Agreement, whether or not cured after notice.

C. Except as otherwise provided in Paragraphs XV.A. and XV.B. of this Agreement, Franchisee shall have thirty (30) days after its receipt from Franchisor of a written notice of default within which to remedy any default hereunder and to provide evidence thereof to Franchisor. If any such default is not cured within that time, or such longer period as applicable law may require, Franchisor may terminate this Agreement, effective immediately upon Franchisee's receipt of notice from Franchisor after the expiration of the thirty (30) day period or such longer period as applicable law may require. Franchisee shall be in default hereunder for any failure to comply with any of the requirements imposed by this Agreement, including any matter enumerated in this Paragraph XV.C., as it may from time to time reasonably be supplemented by the Manual, or to carry out the terms of this Agreement in good faith. Such defaults shall include, for example, but without limitation, the occurrence of any of the following events:

(1) If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its parents, subsidiaries or affiliates when due, or to submit the financial or other information required by Franchisor under this Agreement;

(2) If Franchisee fails to pay or fails repeatedly to make prompt payment of undisputed amounts due to its suppliers, landlord, equipment lessors, or other third parties;

(3) If Franchisee fails to maintain the Restaurant in a good, clean and wholesome manner, or fails to maintain or observe any of the other standards or procedures prescribed by Franchisor in this Agreement, the Manual, or otherwise in writing;

(4) If Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

(5) If Franchisee denies Franchisor or its designee the right to inspect the Restaurant at reasonable times;

(6) If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks or uses the Franchisor's Trade Dress other than in connection with the Restaurant or uses

any of Franchisor's products, procedures or methods in any other operation not authorized by Franchisor;

(7) If Franchisee fails to comply with the in-term covenants in Paragraph XVII.A. hereof or employs, or seeks to employ, any person who at the time is employed by Franchisor or any of its affiliates or by any Bojangles' franchisee, or otherwise induces, directly or indirectly, any such person to leave such employment;

(8) If a final judgment against Franchisee remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed);

(9) If Franchisee is dissolved, execution is levied against Franchisee's business or property, suit to foreclose any lien or mortgage against the Franchised Business or equipment situated therein is instituted against Franchisee and not dismissed or bonded off within sixty (60) days, or the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal or constable; or

(10) If an approved transfer of a controlling interest in Franchisee is not effected within the prescribed period following the death or mental incapacity of a shareholder or member of Franchisee, as required by Paragraph XIV.D. hereof.

D. In the event that this Agreement is terminated on account of Franchisee's default, Franchisor shall have the option, within sixty (60) days after the date of termination (or longer if the provisions of Paragraph XV.D.(3) are applicable), to purchase or lease the Franchised Business subject to the following terms and subject to the terms of the Development Agreement entered into between Franchisee and Franchisor:

(1) If Franchisee leases the Restaurant building and land on which the Restaurant is situated, Franchisor shall have the right to purchase the leasehold and other assets owned by Franchisee relating to the Restaurant for an amount equal to the higher of (i) the net tangible book value (which shall be the cost of the Restaurant building, land and equipment reduced by accumulated depreciation, utilizing the straight-line method of depreciation using a useful life of 5 years for all equipment, 7 years for seating and decor, 10 years for signs, paving and HVAC and 20 years for the building and other improvements) of the assets owned by Franchisee relating to the Restaurant, including the leasehold improvements, equipment, inventory and supplies, and excluding unamortized franchise and development fees, good will and all other intangible assets; or (ii) an amount calculated as follows:

| <u>A</u>   | <u>B</u>                     | <u>C</u>  |
|--|------------------------------|---|
| If Gross Sales for the Restaurant for the 12 months immediately preceding termination are: | Multiply the Gross Sales by: | and subtract the following from the product of A and B: |

|                      |       |  |
|----------------------|-------|--|
| up to \$750,000      | \$.40 | All debts and liabilities of Franchisee to Franchisor, or to third parties (excluding lease obligations to third parties) which are being assumed by Franchisor. |
| \$750,001--\$900,000 | \$.50 |  |
| \$900,001 or more    | \$.55 |  |

The amount as computed above shall be payable twenty percent (20%) on closing with the principal balance payable in three (3) equal payments due annually on the anniversary of the purchase with interest on the unpaid principal balance payable on the due date of each principal payment at the rate of ten percent (10%) per annum. Undisclosed or matured contingent liabilities which are paid by Franchisor after payment of the twenty percent (20%) down shall be deducted from the next installment(s) due, together with interest thereon from the date paid at the rate of two percent (2%) per annum over the prime rate of Bank of America on the date such payment is made.

(2) If Franchisee owns the land on which the Restaurant to be purchased by Franchisor is situated, Franchisor shall have the right, at its discretion, either to purchase or lease the land and Restaurant building. If Franchisor elects to purchase, Franchisee shall sell the land, building, equipment, inventory, and supplies to Franchisor at the higher of (i) their depreciated net tangible book value, which shall be the cost of the Restaurant building, land and equipment reduced by accumulated depreciation, utilizing the straight-line method of depreciation using a useful life of 5 years for all equipment, 7 years for seating and decor, 10 years for signs, paving and HVAC and 20 years for the building and other improvements, or (ii) an amount to be determined in accordance with the table in Paragraph XV.D.(1) above. If Franchisor elects to lease, Franchisee shall lease the land and building to Franchisor on Franchisor's then-standard lease form for Bojangles' Restaurant sites operated by Franchisor, and Franchisor shall purchase the equipment, inventory and supplies at their depreciated net tangible book value, as defined above. Net annual rental payments (payable monthly after taxes and expenses) shall be equal to the higher of fourteen percent (14%) of the depreciated net tangible book value, as defined above, of the land and Restaurant building, or six and one-half percent (6½%) of Gross Sales to the extent that Gross Sales do not exceed the amount of Gross Sales for the twelve (12) months preceding the commencement of occupancy by Franchisor, and five percent (5%) of Gross Sales that exceed that amount.

(3) Franchisor shall exercise its right to purchase the Franchised Business by the later of sixty (60) days after the date of termination, the date it takes possession of the Restaurant pursuant to Paragraph XV.E. hereof, or ten (10) days after the date upon which any litigation contesting the validity of the termination is finally adjudicated. If Franchisor has taken possession of the Restaurant, it shall exercise its right to purchase the Restaurant or vacate the premises by the end of the foregoing period.

E. In order to maintain continuous operation of the Restaurant and to promote the best interests of the System, in the event this Agreement is terminated, Franchisor shall have the right immediately upon termination to enter and take possession of and operate the Restaurant.

F. In the event that this Agreement is terminated and Franchisee contests the validity of the termination, the party that operates the Restaurant during the period commencing with the date that notice of termination was given and ending with the date upon which a final notice and nonappealable judgment resolving the issue is entered, shall operate the Restaurant for the benefit of the prevailing party in such contest, and shall account for, and pay over, any profits earned during said period to the other party, if such other party is the party that prevails.

G. Upon termination of this Agreement owing to default by Franchisee, Franchisee shall not remove any furniture, fixtures, signs, equipment or other property or leasehold improvements from the Restaurant premises until expiration of the period within which Franchisor may exercise its right to purchase the Restaurant. If Franchisor does not elect to purchase the Restaurant it may nevertheless elect, within ninety (90) days of the date of termination, to purchase Franchisee's furniture, fixtures, signs, equipment, leasehold improvements and other property or any portion thereof for a sum equal to the fair market value of such property. If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and the appraiser's determination shall be binding. Any property so purchased by Franchisor shall be delivered to Franchisor's representative at the Restaurant premises on a date specified in the purchase notice by Franchisor not more than five (5) days after delivery of the purchase notice or at such other time as may be reasonable in the circumstances. If Franchisor elects to exercise any right to purchase herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefor.

H. Upon expiration of this Agreement or termination resulting from any condemnation proceedings affecting the premises upon which the Restaurant is situated, within sixty (60) days prior to the date specified for expiration or takeover by any public authority, Franchisee shall not remove any furniture, fixtures, signs, equipment and other property or leasehold improvements. Franchisor may, upon written notice at least thirty (30) days prior to such date, notify Franchisee of its intention to purchase all or any portion of the furniture, fixtures, signs, equipment and other chattels for a sum equal to the fair market value of such property. Determination of fair market value and the terms of delivery shall be as specified in Paragraph XV.G. hereof.

## XVI. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

A. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

B. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; the Proprietary Marks "BOJANGLES"® and "BOJANGLES' FAMOUS CHICKEN 'N BISCUITS"®; and all other Proprietary Marks and distinctive forms, slogans, signs, symbols,

and devices and any Trade Dress associated with the System. In particular, Franchisee shall follow Franchisor's instructions to deidentify the Restaurant from the System, including removal or modification of structural features of the Restaurant including, but not limited to, the distinctive roof, interior and exterior color combinations and designs, and shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles which display the Proprietary Marks.

C. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "BOJANGLES®" or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

D. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary Marks, and further agrees not to utilize any Trade Dress or designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

E. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the premises operated hereunder at the time of default.

F. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Paragraph XVI.

G. Franchisee shall immediately deliver to Franchisor all manuals, including the Manual, records, files, instructions, correspondence, all materials related to operating the Franchised Business, including, without limitation, brochures, agreements, invoices, and any and all other materials relating to the operation of the Franchised Business in Franchisee's possession, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

H. Franchisee shall comply with any surviving covenants contained in Paragraph XVII. of this Agreement.

## XVII. COVENANTS

A. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information relating to the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, Franchisee covenants that:

(1) During the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee and its shareholders or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company:

(a) Divert or attempt to divert any business or customer of the Restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks and the System; or

(b) Employ or seek to employ any person who is at that time employed by Franchisor or by any other developer or franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

(2) Except as otherwise approved in writing by Franchisor, Franchisee and its shareholders or members shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or limited liability company, own, maintain, advise, help, invest in, make loans to, be employed by, be the landlord of, engage in, or have any interest in:

(a) Any restaurant business which competes with any Bojangles' restaurant or which sells fried chicken, biscuits and/or biscuit sandwiches, or other items which become featured menu items at the Restaurant, during the term of this Agreement and for a continuing uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for one (1) year thereafter; and

(b) Any fast food restaurant business which is located within twenty (20) miles from the Restaurant, or within the designated market area within which the Restaurant is situated, during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause of termination, and continuing for three (3) years thereafter.

B. Paragraph XVII.A. shall not apply to ownership by Franchisee of less than two percent (2%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

C. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a

covenant in this Paragraph XVII. is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Paragraph XVII.

D. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraph XVII.A. or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified.

E. Franchisee expressly agrees that the existence of any claims it may have now or in the future against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Paragraph XVII.

F. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XVII. would result in irreparable injury to Franchisor, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XVII.

G. At the request of Franchisor, Franchisee shall obtain and deliver to Franchisor executed covenants similar in substance to those set forth in this Paragraph XVII. (including covenants applicable upon the termination of a person's relationship with Franchisee) from the following persons: all officers, directors, or members, and holders of the securities of Franchisee, and of any corporation or limited liability company directly or indirectly controlling or controlled by Franchisee. Every covenant required by this Paragraph XVII.G. shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them. Failure by Franchisee to obtain execution of a covenant required by this Paragraph XVII.G. or to deliver the covenant to Franchisor shall constitute a default under this Agreement.

#### XVIII. FORCE MAJEURE

If the performance of any obligation under this Agreement is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof, affecting the parties hereto or the rights granted hereunder, such force majeure to include but not be limited to acts of God, fire, flood, governmental restrictions, lockouts or labor disputes, then the affected party shall be given such additional time as is reasonable to perform in view of the nature and extent of the force majeure.

#### XIX. TAXES, PERMITS, AND INDEBTEDNESS

A. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of

every kind incurred by Franchisee in the conduct of the Franchised Business. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

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

C. Franchisee shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

D. Franchisee shall notify Franchisor in writing within ten (10) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

## XX. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisee is an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

B. During the term of this Agreement and any extensions thereof, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place in the Restaurant, the content of which Franchisor reserves the right to specify.

C. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Franchised Business or any claim or judgment arising therefrom. Franchisee shall indemnify and hold Franchisor and Franchisor's officers, directors, shareholders, and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with, Franchisee's operation of the Franchised Business, as well as the costs, including attorneys' fees, of defending against them.

XXI. APPROVALS AND WAIVERS

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

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

C. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee under any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to a subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

XXII. NOTICES

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been properly given (a) on the day delivered, if delivered personally or (b) three (3) business days after being mailed, if mailed first class, postage prepaid, registered or certified mail, return receipt requested, or (c) one (1) business day after being mailed, if sent via a reputable overnight courier service, as follows:

If to Franchisor:

Via first class, postage prepaid, registered or certified mail:

BOJANGLES' INTERNATIONAL, LLC  
P.O. Box 240239  
Charlotte, NC 28224  
Attn: General Counsel

And

Via personal delivery or overnight courier services:

BOJANGLES' INTERNATIONAL, LLC  
9432 Southern Pine Boulevard  
Charlotte, NC 28273  
Attn: General Counsel

If to Franchisee:

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Any party may give notice of a change of address by written notice given as provided in this paragraph.

### XXIII. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the Attachment(s) hereto constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. No representations have induced Franchisee to execute this Agreement except for those contained in this Agreement, the Exhibits and the Franchise Disclosure Document. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing; provided, however, that a writing signed by Franchisee need not be signed by any of its shareholders or members except to the extent, if any, that such writing would increase the amount of such shareholder's or member's financial obligations. Further, no modification, amendment, waiver, discharge or termination of any obligation of Franchisee, and no other matter or termination of any nature or kind whatsoever, including without limitation any release of Franchisee from any such obligation, shall release any shareholder or member of any guaranty obligation given or made by him under this Agreement or otherwise, whether or not such shareholder or member has notice thereof, all rights to notice or to consent being expressly waived hereby.

### XXIV. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each portion, paragraph, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any portion, paragraph, section, part, term, and/or provisions herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portion, paragraph, section, part, term, and/or provision of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portion, paragraph, section, part, term, and/or provision shall be deemed not to be a part of this Agreement.

B. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, and employees, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated by Paragraph XIV. hereof, any rights or remedies under or by reason of this Agreement.

C. Franchisee and each of its shareholders or members expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a

part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

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

E. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable, and all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee.

F. This Agreement shall be executed in three copies and each executed copy shall be deemed an original.

## XXV. APPLICABLE LAW

A. This Agreement takes effect upon its acceptance and execution by Franchisor in the State of North Carolina, and shall be interpreted and construed under the laws of that State, which laws shall prevail in the event of any conflict of law; provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of North Carolina, then such provisions shall be interpreted and construed under the laws of the state in which the principal office of Franchisee is located.

B. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of North Carolina and do hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

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

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

E. In the event of any action at law or in equity to secure or protect rights under or to enforce the terms of this Agreement, except as otherwise provided for in this Agreement, the prevailing party shall be entitled to recover reasonable counsel fees together with court costs and expenses incurred in connection with the litigation.

## XXVI. ACKNOWLEDGMENTS

A. Franchisee acknowledges that the success of the business venture contemplated by this Agreement involves substantial business risks and will be largely dependent upon the ability of Franchisee as an independent business entity. Franchisor expressly disclaims the making of, and Franchisee acknowledges not having received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

B. Franchisee acknowledges that Franchisee has received, read, and understood this Agreement, the Exhibits attached hereto, and agreements relating hereto, if any; that other franchise agreements entered into by Franchisor may be different in form and content from this Agreement; and that Franchisor has accorded Franchisee ample time and opportunity, and has encouraged Franchisee, to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

C. Franchisee acknowledges that it received a complete copy of this Agreement, the Exhibits hereto, and agreements relating hereto, if any, at least seven (7) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, which rule is entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Venturers," at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

**[Signatures on the following page]**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered three copies of this Agreement on the day and year first above written.

ATTEST:

\_\_\_\_\_  
Assistant Secretary

(Seal)

ATTEST:

\_\_\_\_\_  
\_\_\_\_ Secretary

(Corporate Seal)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Executive Vice President

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_ President

\_\_\_\_\_  
Principal Operating Officer of Franchisee

SHAREHOLDERS OF FRANCHISEE:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**\*\*\*OR\*\*\***

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
Member/Manager

\_\_\_\_\_

Witness

Principal Operating Partner of Franchisee

MEMBERS OF FRANCHISEE:

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Witness

---

Witness

ATTACHMENT A

APPROVED LOCATION

UNDER

BOJANGLES' INTERNATIONAL, LLC

FRANCHISE AGREEMENT

The location approved by Franchisor for the Restaurant franchised under the attached Franchise Agreement shall be:

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**GUARANTEE**

As an inducement to BOJANGLES' INTERNATIONAL, LLC ("Franchisor") to execute the Franchise Agreement ("Agreement"), to which this Guarantee is attached, the undersigned, jointly and severally, hereby agree to be individually bound by all the terms and conditions of the Agreement including any amendments thereto whenever made and unconditionally guarantee to Franchisor and its successors and assigns the payment of all liabilities incurred by Franchisee at any time.

Sixty (60) days after any default of Franchisee under Paragraphs XV.A. or XV.B. of the Agreement, or ninety (90) days after a default by Franchisee which is not cured under Paragraph XV.C. of the Agreement, the undersigned will immediately make payment of any liabilities previously incurred by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment and performance by Franchisee.

Upon death of an individual guarantor, the estate of such guarantor will be bound by this Guarantee but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors will continue in full force and effect.

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

**GUARANTORS:**

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

**ADDENDUM TO RENEWAL  
OF INDIVIDUAL FRANCHISE AGREEMENT  
BETWEEN  
BOJANGLES' INTERNATIONAL, LLC ("FRANCHISOR")  
AND  
\_\_\_\_\_ ("FRANCHISEE")  
FOR RESTAURANT LOCATED AT  
  
\_\_\_\_\_**

This Addendum ("Addendum") is made as of \_\_\_\_\_, 2012 to the Renewal of Individual Franchise Agreement of same date between Franchisor and Franchisee attached hereto ("Individual Franchise Agreement"). To the extent this Addendum is construed to conflict with the terms of the Individual Franchise Agreement, the terms of the Addendum shall be deemed to control. The terms of this Addendum shall be considered terms of the Individual Franchise Agreement, as if incorporated therein, the breach of which shall be considered a default under Paragraph XV.B. of the Individual Franchise Agreement. All capitalized terms within this Addendum shall have the same meaning given those terms within the Individual Franchise Agreement.

1. The Pepsi-Cola Company is the Bojangles' System Exclusive Beverage Supplier of Choice throughout the domestic Bojangles' System for new franchisees. Accordingly, Franchisee shall offer exclusively Pepsi-Cola Company brand post-mix soft drink products and colas. This exclusive designation and choice of products may be changed at Franchisor's option upon written notice by Franchisor.

\_\_\_\_\_  
\_\_\_\_\_

BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_ President/Member/Manager

By: \_\_\_\_\_  
Executive Vice President

Exhibit F

**ADVERTISING EXPENSE SHARING AGREEMENT**

THIS AGREEMENT, made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2012 by and between Bojangles' International, LLC and the undersigned, being franchise owners presently engaged in the operation of Bojangles' Restaurants and all future franchise owners who may hereafter engage in the operation of Bojangles' Restaurants and hereafter adopt this Agreement.

WITNESSETH:

THAT WHEREAS, Franchisor and the undersigned Franchisees acknowledge and agree that it is or may in the future be in their mutual best interests for them to cooperate in advertising throughout the particular television designated market area influence in which their respective Bojangles' franchise restaurants are located, in particular at such time as they shall determine to use television as an advertising media; and

WHEREAS, the parties hereto acknowledge and agree that by said cooperative efforts all of them will be able to afford greater and more effective exposure of their products and business to the general public than otherwise might be possible; and

WHEREAS, the parties agree that through said cooperative advertising efforts they may be able to increase the sales and profitability of their Bojangles' Restaurants; and

WHEREAS, the parties hereto have agreed on a structure and manner for carrying out said cooperative efforts, all as hereinafter more particularly set forth.

NOW, THEREFORE, the parties to this Advertising Expense Sharing Agreement in consideration of the premises and for other good and valuable considerations in hand paid each to the other, the receipt of which is hereby acknowledged, do hereby agree and covenant as follows:

1. DEFINITIONS: Throughout this Agreement, terms listed in this paragraph shall be defined as follows:

a. "DMA" shall mean that geographical area designated as a television marketing designated market area by the Nielsen Ratings Company. In the event any such geographical area shall be changed by Nielsen Ratings Company after execution of this Agreement, such change shall not be considered for purposes of this Agreement (including the determination of DMA Membership under this Agreement) until the next Transfer Date occurring after such change.

b. "DMA Advertising" shall mean the initiation and execution within a DMA of marketing programs specifically as they relate to (but not limited to) television media advertising for the mutual and equitable benefit of the DMA Membership. Such advertising may also include marketing programs using radio, print, mail out, billboards, or other media or means.

c. "DMA Member" or "Member" is (i) each Franchisee owning a Restaurant within a particular DMA that has entered into or adopted this Agreement, (ii) each Initial Franchisee who may have elected to become a member of a particular DMA under paragraph 13 hereof, and (iii) Franchisor as to each DMA in which Franchisor owns a Restaurant.

d. "DMA Membership" or "Membership" is all of the Members of a particular DMA.

e. "Adoption Agreement" shall mean an agreement executed by a Franchisee after the execution of this Agreement pursuant to which such Franchisee becomes a party to this Agreement and agrees to be bound by the terms of this Agreement.

f. "Advertising Period" shall mean the period of time from an Initiation Date to a Termination Date.

g. "Agreement" shall mean the agreement set forth herein.

h. "Eligible DMA" is a DMA with two or more members (an DMA which is not an Eligible DMA upon the execution of this Agreement due to its having less than two members shall become an Eligible DMA at such later time as it may have two or more members).

i. "Franchisee" means a person, corporation, or other business entity operating or owning one or more Bojangles' Restaurants pursuant to a Franchise Agreement between such Franchisee and Bojangles' International, LLC or one of its predecessors in interest.

j. "Franchisor" means Bojangles' International, LLC.

k. "Initial Franchisee" is a person, corporation, or other legal entity that is a Franchisee upon the date of execution of this Agreement, or is a corporation or other legal entity owned (either entirely or partially by virtue of stock ownership, partnership interest, or other interest) by a person or persons who owns (either entirely or partially by virtue of stock ownership, partnership interest, or other interest) a corporation or other legal entity that is a Franchisee upon the date of execution of this Agreement.

l. "Initiation Date" shall mean the date upon which the Membership of a DMA shall have voted to initiate DMA advertising as provided in paragraph 4 hereof.

m. "Local Advertising" shall mean advertising including radio, television, magazine, newspaper, billboard, campaigns, print, direct mail, and other forms of advertising media and public relation activities, but shall not include the costs of advertising production, production of other marketing materials, or food promotion.

n. "Restaurant" means a Bojangles' restaurant.

o. "Subsequent Franchisee" is a person, corporation, or other legal entity that becomes a Franchisee after the execution of this Agreement.

p. "Termination Date" shall mean the date upon which the Membership of a DMA shall have voted to discontinue DMA advertising or shall have failed to vote to continue DMA advertising as provided in paragraph 4 hereof.

q. "Transfer Date" shall be June 1 of each year.

2. MEETINGS: The Membership of each Eligible DMA shall conduct meetings as follows:

a. Initial Meeting - Each Eligible DMA shall conduct an initial meeting of its Membership at such time and place as such Membership may mutually agree, or in the absence of such agreement, at such time and place as may be designated by Franchisor, but in either event, within 60 days from the date of this Agreement. The first order of business at the initial meeting shall be the election of a chairman for the DMA.

b. Annual Meetings - Each Eligible DMA shall conduct an annual meeting on each anniversary of its initial meeting (or the first business day thereafter if such anniversary date shall be a weekend or a holiday).

c. Special Meetings - Special meetings of an Eligible DMA may be called by the chairman at such times as the chairman may determine, and shall be called by the chairman upon the request of at least 30% of the Members of the DMA. Such Special Meetings may be held at such time and place as may be designated by the chairman or a majority of the Membership.

d. Conduct of Meetings - The meetings shall be presided over by the chairman and shall be conducted pursuant to Robert's Rules of Order.

e. Telephone Meetings - The chairman may provide that any of the Membership meetings called for herein be held by means of conference telephone calls in lieu of an actual physical meeting. Notice requirements for a telephone meeting shall be the same as for any other meeting.

f. Informal Action - Any action which may be taken by the Membership hereunder at a meeting may be informally agreed to by the Membership without meeting provided such agreement shall be reflected in a written consent signed by each Member.

g. Voting - Upon each question that may come before the Membership of a DMA for vote, each Member of such DMA shall be entitled to (i) one vote for each Restaurant owned by such Member and located within the DMA (unless such Restaurant has been transferred to another DMA as provided in paragraph 13), and (ii) in the case of a Member who is an Initial Franchisee, one vote for each Restaurant such Initial Franchisee has elected to transfer into the DMA by an election pursuant to paragraph 13 that shall then be in effect at the time such vote is taken. Any Member of

the DMA shall be entitled to designate a proxy to attend meetings and vote on behalf of such member provided the designation of such proxy shall be in writing and be delivered to the chairman of the DMA at the time of such meeting or vote. All matters voted on by the Membership shall require a majority vote of the Members of the DMA voting in person or by proxy except where provided otherwise in this Agreement.

h. Quorum - The presence, in person or by proxy, of Members entitled to cast 51% of the votes in a DMA shall be necessary to constitute a quorum for the transaction of business, but a lesser number may adjourn to some future date not less than ten nor more than 30 days later, and in the event of such adjournment, the chairman shall give at least five days notice by mail to each Member entitled to vote who was absent from such meeting.

3. NOTICE OF MEETINGS: The chairman shall give each Member of the DMA at least ten days notice of any annual or special meeting of the Membership, which notice shall be in writing and shall state the place, date, and time of such meeting. The notice required by this paragraph may be waived by a written waiver signed by all of the Members of a DMA or by any Member, and shall be deemed waived by a Member as to any meeting at which such Member shall be present in person or by proxy.

4. ACTIVATION: At the initial and at each annual meeting the Membership shall, and at any special meeting the Membership may, vote upon the question of activating DMA Advertising if DMA Advertising shall not be then activated for the DMA, or if DMA Advertising shall then be activated, whether to continue such activation. DMA Advertising shall be initiated or continued only if approved by 51% of the DMA Membership voting upon the question; however, other Members in the DMA may have different provisions that permit them not to participate in the DMA except upon a greater vote. In lieu of membership in the DMA, Franchisor may require Express Units to pay up to two percent (2%) of gross sales to Franchisor to offset, in part, spending of Franchisor in the DMA, without admitting Express Units as voting members of the DMA.

5. CONTRIBUTIONS: Except during a DMA Advertising Period, no DMA Advertising shall be conducted and no contributions shall be required of the DMA Membership except pro rata reimbursement (computed on a per Restaurant basis) for reasonable and necessary administrative expenses incurred by the chairman in fulfillment of his duties. During any DMA Advertising Period, the Membership shall contribute to the costs of DMA Advertising an amount equal to \_\_\_\_\_ percent (\_\_\_%) of the gross sales (defined as set forth in the Bojangles' Franchise Agreement) of each such Member's Restaurants located within the DMA or transferred to the DMA; provided however, that the Membership may require contributions that exceed two percent (2%) of such gross sales upon unanimous consent of the Membership as provided in paragraph 21 of this Agreement).

Such contributions shall be paid on a monthly basis on or before the 15th day of the month immediately following the calendar month in respect to which such contribution is being made. Franchisor reserves the right to require that contributions be directly drafted by Franchisor from Franchisee's account.

6. FAILURE TO MAKE REQUIRED CONTRIBUTIONS: In the event any Member shall fail to make the contributions required hereunder within 10 days after the due date thereof, such Member shall not be entitled to vote upon any DMA matters until such amounts shall be paid, and in addition, the chairman, the Franchisor, or any Member of the DMA is hereby authorized and empowered to bring such collection action as may be necessary to collect such delinquent contributions, and in the event any such collection action shall be necessary, in addition to such delinquent contribution, such delinquent Member shall also be liable to the party incurring same for the reasonable expenses incurred in such collection, including reasonable attorney's fees (such expenses shall be reimbursed to the party incurring same).

7. EXPENDITURE OF CONTRIBUTIONS: All funds contributed by DMA Members shall be expended solely for advertising and marketing within that DMA, including without limitation, (i) direct costs for measurable media for television, radio, billboard, direct mail, newspaper, and print advertising, including time charges, agency commissions, and associated costs; and (ii) out-of-pocket expenses directly incurred and related to the cost of such advertising and administration of the DMA Advertising. All contributions required hereunder by the Members of a DMA shall be paid over to the chairman or to such other person, corporation, or legal entity as may from time to time be designated by a majority vote of the Membership. Such funds shall be deposited in a bank account designated by the person, corporation, or legal entity directed herein to receive same in an account in such person, corporation, or other legal entity's name as trustee for the \_\_\_\_\_ Cooperative Advertising Pool. The chairman and/or such other persons as may be designated from time to time by the Membership of the DMA shall have signature authority over such funds.

8. CHAIRMAN: The chairman shall be elected for a term of one year or until his successor has been duly elected. The chairman may be removed at any time by a majority vote of the DMA Membership.

9. ADVERTISING AGENCIES: The Membership of a DMA may employ an advertising agency or individual to carry out some or all of the DMA Advertising functions for the DMA set forth herein. Such employment shall be for a period not to exceed one year. A vote of 51% of the DMA Membership present and voting at an annual or special meeting of the DMA shall be required for such employment or for extending the term of such employment beyond the one year period set forth herein.

10. INDEMNIFICATION: Each of the Members of each DMA do hereby agree to indemnify and hold harmless Franchisor in respect to all losses, claims, or liabilities that may result from actions of such Member's DMA, including without limitation, the nonpayment of media sources (except no indemnity is intended as to any contributions which may be due from Franchisor as a DMA Member).

11. OVERALL STRATEGY: The functions set forth hereunder shall be carried out in such manner as to comply with the overall marketing strategies and guidelines of Franchisor for use of the Bojangles' trademark and logo. All DMA Advertising, in any media, shall be conducted in a dignified manner and shall conform to such standards and requirements as Franchisor may specify

from time to time in writing. Franchisor may, at its option, require that any advertising be submitted to Franchisor for its prior written approval. Each DMA Member agrees that advertising created by or for DMA Advertising and advertising utilized by the DMA Membership shall be subject to all applicable provisions contained in the Franchise Agreements, including without limitation, those provisions governing the ownership and use of proprietary marks. Any trademark, service mark, or copyright utilized or created in the DMA Advertising under this Agreement shall be the property of Franchisor.

12. DMA RECORDS: Each DMA shall maintain records as to any DMA Advertising Period reflecting all contributions made or due to be made by Members and all expenditures of same. The chairman may employ an independent accounting firm on behalf of the DMA Membership for the purpose of compiling, maintaining, and recording records of the financial transactions of the DMA.

13. TRANSFER OF MEMBERSHIP: Any Initial Franchisee who is a member of a DMA owning Restaurants in more than one DMA may elect to have all or any of such Restaurants located in one DMA be transferred to such other DMA in which such Initial Franchisee shall also have Restaurants located. Upon such transfer, such transferred Restaurants shall for all purposes hereunder (including, without limitation, voting and contributions) be treated as if located within the DMA to which such Restaurants are transferred. Prior to the Initial Meeting of the DMA Membership, such transfer shall be effective upon such transferring Initial Franchisee giving written notice of such transfer to all Members of the DMA from which and to which such Restaurants are transferred. Any such transfer made after the Initial Meetings of the DMA Membership shall be effective upon written notice to the chairman of the DMA to which and from which such Restaurant or Restaurants are transferred. The right of transfer given hereunder to an Initial Franchisee shall be continuing for so long as such Initial Franchisee remains a Franchisee and may be exercised repeatedly irrespective of prior transfers; provided however, any such transfer after the Initial Meetings of DMA Membership called for herein shall be effective only as of the Transfer Date next following the date such elections shall have been made by such Initial Franchisee. Provided further, nothing herein shall authorize the transfer of a Restaurant to any DMA except a DMA which may be adjacent to the DMA in which such Restaurant is physically located. Provided further, no transfer shall be allowed of a Restaurant into a DMA if the county in which such Restaurant is physically located receives a substantially higher percentage of coverage (according to Nielsen Ratings) from television stations located in the DMA in which such Restaurant is physically located than from TV stations located in the DMA to which such transfer is sought. No Initial Franchisee shall be entitled to make any transfer of Restaurants from one DMA to another hereunder unless such Initial Franchisee shall be current in its obligations to make DMA contributions at the time of such transfer.

14. NONELIGIBLE DMAs: Any DMA which is not an Eligible DMA under this Agreement will not carry out any of the functions called for herein until such time as it may become an Eligible DMA, and no Franchisee shall have any duties or obligations hereunder in respect to any Restaurants owned by him in such DMA unless and until such Restaurants be transferred under the terms hereunder to an Eligible DMA of which such Franchisee is a member.

15. FRANCHISOR'S RIGHT TO DISCONTINUE DMA ADVERTISING:

Notwithstanding the provisions of this Agreement, Franchisor may in its discretion discontinue the operation of cooperative advertising programs within the DMA and require the return of all funds to each respective contributor to the extent these funds have not been expended or obligations created. Mandatory discontinuance of cooperative advertising within a DMA may be implemented by Franchisor upon written notice to each Member. If Franchisor shall require discontinuance of DMA advertising the Chairman shall promptly return all funds of DMA Members to each contributor except for those funds necessary to pay obligations incurred to pay for advertising within the DMA. Nothing in this Agreement shall limit Franchisor's rights under the terms of any franchise agreement or other agreement pertaining to any franchisee which is a Member under this Agreement.

16. BOJANGLES' EXPRESS UNIT: As long as a DMA contains only Bojangles' Express units ("Express Units") (as determined by the form of Franchise Agreement executed by a Franchisee) each Express Unit shall have full voting rights and DMA Membership as provided in this Agreement. If, however, a DMA contains both Express Units and free-standing independent units ("Non-Express Units"), then Franchisor may change the nature of DMA Membership of the Express Units by giving written notice to all DMA Members to require contribution to the DMA Membership in the amount required of other DMA Members, not to exceed two percent (2%) of gross sales but granting Express Unit Members one-half vote for each Express Unit within the DMA.

17. INCORPORATION: The Membership of a DMA may, by a majority vote of its Members voting on the question at an annual or special meeting of the Membership, elect to form a corporation under the Nonprofit Corporation Act of the state in which a majority of the Members' Restaurants in such DMA are located, for the purpose of carrying out the DMA Advertising function set forth herein. In the event of such incorporation, the charter and/or by-laws as appropriate shall be consistent with the terms of this Agreement, including without limitation, the amount of DMA advertising contributions by the Members, the expenditures of such contributions, and the requirements contained in this Agreement as to greater than majority votes being required as to certain actions.

18. REPORTS FROM MEMBERS: Each Member of a DMA shall, during any Advertising Period, submit to the chairman of the DMA or such other person as the DMA Membership may have designated, reports reflecting the gross sales of each Restaurant owned by such Member that is located in the DMA or that has been transferred to the DMA. Such reports shall be made in such form and shall be due at such time as may be from time to time determined by the chairman of the DMA.

19. CONDUCT OF BUSINESS: The Membership of a DMA may from time to time designate or appoint an individual or committee to supervise or to conduct the DMA Advertising functions provided for in this Agreement.

20. ADVERTISING CONTRACT: Prior to a DMA being incorporated pursuant to paragraph 17 above, all advertising agency, media, or other contract approved by the Membership of a DMA for purposes of carrying out the DMA Advertising functions set forth herein shall be executed by each Member of the DMA, and each such Member of the DMA does hereby agree to

execute all such contracts as may be duly approved by the Membership in the manner provided in this Agreement.

21. INCREASE IN CONTRIBUTIONS: The contributions required to be paid by the Members of any DMA hereunder shall not be increased over the two percent (2%) of gross sales limitation set forth in paragraph 5 hereof except pursuant to the unanimous consent of all Members of the DMA as to which such increase applies.

22. CREDIT FOR ADVERTISING EXPENSE: All amounts contributed by a Member for DMA advertising hereunder shall, to the extent the same shall be expended for Local Advertising, be an allowable Local Advertising expense which shall be prorated among the DMA Members in proportion to their contributions, and each Member's pro-rated amount shall be taken into full account in determining such Member's fulfillment of its Local Advertising requirement as set forth in their respective Bojangles' franchise agreements for those Restaurants operating in the DMA covered by this Agreement.

23. INDEPENDENT PRICING: Each Franchisee shall determine its own prices independently of each other Franchisee and shall otherwise be in compliance with all applicable laws and regulations.

24. COUNTERPARTS: This Agreement is being executed in multiple counterparts and in three (3) copies of each counterpart, each such counterpart shall be executed by the Franchisor and one or more of the Franchisees, and upon such execution, all of said counterparts shall be considered as one contract, binding upon all parties thereto. Upon such execution of the aforesaid multiple copies, one of such copies shall be retained by the Franchisor for its own use, one shall be retained by the Franchisor and be delivered to the chairman of the DMA as to which the Franchisee parties to each such contract copy shall be a member, and one copy shall be retained by the Franchisee signing same.

25. OTHER AGREEMENTS: Some franchisees may have executed other versions of this Agreement or may have a "grandfathered" right to sign other version of this Agreement, which may provide, among other things, for lesser rates of co-operative contribution or may contain other terms. The undersigned Franchisee agrees to be bound to the terms of this Agreement and acknowledges that the performance of other Members may be governed by other forms of agreement.

**{Signatures on the following page}**

IN TESTIMONY WHEREOF, the parties have hereunto set their hands and seals, this the day and year first above written.

ATTEST:

BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

\_\_\_\_\_  
Assistant Secretary

By: \_\_\_\_\_  
Executive Vice President

(Seal)

FRANCHISEE:

\_\_\_\_\_,  
a \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
\_\_\_\_ Secretary

By: \_\_\_\_\_  
\_\_\_\_ President

(Corporate Seal)

**\*\*\*OR\*\*\***

FRANCHISEE:

\_\_\_\_\_,  
a \_\_\_\_\_

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Member/Manager

COOP 03/30/12

Exhibit G

**CONFIDENTIALITY AGREEMENT  
BETWEEN  
BOJANGLES' INTERNATIONAL, LLC ("FRANCHISOR")  
AND  
MANAGERS AND MEMBERS OF  
\_\_\_\_\_ ("FRANCHISEE")**

This Agreement is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2012 between Franchisor and Managers and Members of Franchisee ("Managers and Members").

WHEREAS, Franchisee has expressed an interest in entering into a Franchise Agreement with respect to a restaurant to be located at \_\_\_\_\_, with Franchisor and will receive access to confidential information in connection with entering into the Franchise Agreement; and

WHEREAS, the Managers and certain Members of Franchisee will also receive confidential information in connection with Franchisee's entering into the Franchise Agreement; and

WHEREAS, Franchisor is willing to release such confidential information to Franchisee and to the Managers and certain Members of Franchisee in exchange for Franchisee entering into the Franchise Agreement.

THEREFORE, for good and valuable consideration hereby acknowledged, Franchisor and the Managers and Members of Franchisee agree as follows:

None of the undersigned Managers or Members of Franchisee shall at any time, whether during the term of this Franchise Agreement or after its expiration or earlier termination, reveal to others, use or apply in whole or part, any information, knowledge or know-how concerning the Bojangles' System, including but not limited to its techniques, recipes, formulas, processes, procedures, designs, information contained in the Manual, financial information and any proprietary information, which may be communicated to Franchisee's Managers or Members or of which Franchisee may be apprized by virtue of Franchisee's operation under the terms of the Franchise Agreement in connection with any other purpose other than the operation of the Bojangles' Restaurant. Without limiting the foregoing, Franchisee's Managers and Members specifically agree that they shall not use in whole or part, any of Franchisor's techniques, recipes, formulas, processes, products or procedures in the preparation of biscuits, chicken or any other menu items prepared or sold as part of any business other than the Bojangles' Restaurant, and Franchisee's Managers and Members shall not use any of Franchisor's trade dress, proprietary marks, distinctive forms, slogans or signs in connection with any business other than the Bojangles' Restaurant. Franchisee's Managers and Members shall specifically not apply any information, knowledge, or know-how concerning the Bojangles' System in the operation of any other franchises in which any of the Managers or Members may own a whole or part interest.

ATTEST:

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

\_\_\_\_\_  
Assistant Secretary

By: \_\_\_\_\_  
Executive Vice President

(Seal)

MEMBERS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

MANAGERS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

FCA 03/30/12

**CONFIDENTIALITY AGREEMENT  
BETWEEN  
BOJANGLES' INTERNATIONAL, LLC ("FRANCHISOR")  
AND  
DIRECTORS AND SHAREHOLDERS OF  
\_\_\_\_\_ ("FRANCHISEE")**

This Agreement is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2012 between Franchisor and Directors and Shareholders of Franchisee ("Directors and Shareholders").

WHEREAS, Franchisee has expressed an interest in entering into a Franchise Agreement with respect to a restaurant to be located at \_\_\_\_\_, with Franchisor and will receive access to confidential information in connection with entering into the Franchise Agreement; and

WHEREAS, the Directors and certain Shareholders of Franchisee will also receive confidential information in connection with Franchisee's entering into the Franchise Agreement; and

WHEREAS, Franchisor is willing to release such confidential information to Franchisee and to the Directors and certain Shareholders of Franchisee in exchange for Franchisee entering into the Franchise Agreement.

THEREFORE, for good and valuable consideration hereby acknowledged, Franchisor and the Directors and Shareholders of Franchisee agree as follows:

None of the undersigned Directors or Shareholders of Franchisee shall at any time, whether during the term of this Franchise Agreement or after its expiration or earlier termination, reveal to others, use or apply in whole or part, any information, knowledge or know-how concerning the Bojangles' System, including but not limited to its techniques, recipes, formulas, processes, procedures, designs, information contained in the Manual, financial information and any proprietary information, which may be communicated to Franchisee's Directors or Shareholders or of which Franchisee may be apprized by virtue of Franchisee's operation under the terms of the Franchise Agreement in connection with any other purpose other than the operation of the Bojangles' Restaurant. Without limiting the foregoing, Franchisee's Directors and Shareholders specifically agree that they shall not use in whole or part, any of Franchisor's techniques, recipes, formulas, processes, products or procedures in the preparation of biscuits, chicken or any other menu items prepared or sold as part of any business other than the Bojangles' Restaurant, and Franchisee's Directors and Shareholders shall not use any of Franchisor's trade dress, proprietary marks, distinctive forms, slogans or signs in connection with any business other than the Bojangles' Restaurant. Franchisee's Directors and Shareholders shall specifically not apply any information, knowledge, or know-how concerning the Bojangles' System in the operation of any other franchises in which any of the Directors or Shareholders may own a whole or part interest.

ATTEST:

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

\_\_\_\_\_  
Assistant Secretary

(Seal)

By: \_\_\_\_\_  
Executive Vice President

SHAREHOLDERS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

DIRECTORS OF FRANCHISEE:

FCA 03/30/12

**CONFIDENTIALITY AGREEMENT  
BETWEEN  
BOJANGLES' INTERNATIONAL, LLC ("FRANCHISOR")  
AND  
MANAGERS AND MEMBERS OF  
\_\_\_\_\_ ("FRANCHISEE")**

This Agreement is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2012 between Franchisor and Managers and Members of Franchisee ("Managers and Members").

WHEREAS, Franchisee has expressed an interest in entering into a Development Agreement with Franchisor and will receive access to confidential information in connection with entering into the Development Agreement; and

WHEREAS, the Managers and certain Members of Developer will also receive confidential information in connection with Developer's entering into the Development Agreement; and

WHEREAS, Franchisor is willing to release such confidential information to Developer and to the Managers and certain Members of Developer in exchange for Developer entering into the Development Agreement.

THEREFORE, for good and valuable consideration hereby acknowledged, Franchisor and the Managers and Members of Franchisee agree as follows:

None of the undersigned Managers or Members of Developer shall at any time, whether during the term of this Development Agreement or after its expiration or earlier termination, reveal to others, use or apply in whole or part, any information, knowledge or know-how concerning the Bojangles' System, including but not limited to its techniques, recipes, formulas, processes, procedures, designs, information contained in the Manual, financial information and any proprietary information, which may be communicated to Developer's Managers or Members or of which Developer may be apprized by virtue of Developer's operation under the terms of the Development Agreement in connection with any other purpose other than the operation of the Bojangles' Restaurants. Without limiting the foregoing, Developer's Managers and Members specifically agree that they shall not use in whole or part, any of Franchisor's techniques, recipes, formulas, processes, products or procedures in the preparation of biscuits, chicken or any other menu items prepared or sold as part of any business other than the Bojangles' Restaurants, and Developer's Managers and Members shall not use any of Franchisor's trade dress, proprietary marks, distinctive forms, slogans or signs in connection with any business other than the Bojangles' Restaurants. Developer's Managers and Members shall specifically not apply any information, knowledge, or know-how concerning the Bojangles' System in the operation of any other franchises in which any of the Managers or Members may own a whole or part interest.

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

ATTEST:

\_\_\_\_\_  
Assistant Secretary

(Seal)

By: \_\_\_\_\_  
Executive Vice President

MEMBERS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

MANAGERS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

DCA 03/30/12

**CONFIDENTIALITY AGREEMENT  
BETWEEN  
BOJANGLES' INTERNATIONAL, LLC ("FRANCHISOR")  
AND  
DIRECTORS AND SHAREHOLDERS OF  
\_\_\_\_\_ ("FRANCHISEE")**

This Agreement is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2012 between Franchisor and Directors and Shareholders of Franchisee ("Directors and Shareholders").

WHEREAS, Franchisee has expressed an interest in entering into a Development Agreement with Franchisor and will receive access to confidential information in connection with entering into the Development Agreement; and

WHEREAS, the Directors and certain Shareholders of Developer will also receive confidential information in connection with Developer's entering into the Development Agreement; and

WHEREAS, Franchisor is willing to release such confidential information to Developer and to the Directors and certain Shareholders of Developer in exchange for Developer entering into the Development Agreement.

THEREFORE, for good and valuable consideration hereby acknowledged, Franchisor and the Directors and Shareholders of Franchisee agree as follows:

None of the undersigned Directors or Shareholders of Developer shall at any time, whether during the term of this Development Agreement or after its expiration or earlier termination, reveal to others, use or apply in whole or part, any information, knowledge or know-how concerning the Bojangles' System, including but not limited to its techniques, recipes, formulas, processes, procedures, designs, information contained in the Manual, financial information and any proprietary information, which may be communicated to Developer's Directors or Shareholders or of which Developer may be apprized by virtue of Developer's operation under the terms of the Development Agreement in connection with any other purpose other than the operation of the Bojangles' Restaurants. Without limiting the foregoing, Developer's Directors and Shareholders specifically agree that they shall not use in whole or part, any of Franchisor's techniques, recipes, formulas, processes, products or procedures in the preparation of biscuits, chicken or any other menu items prepared or sold as part of any business other than the Bojangles' Restaurants, and Developer's Directors and Shareholders shall not use any of Franchisor's trade dress, proprietary marks, distinctive forms, slogans or signs in connection with any business other than the Bojangles' Restaurants. Developer's Directors and Shareholders shall specifically not apply any information, knowledge, or know-how concerning the Bojangles' System in the operation of any other franchises in which any of the Directors or Shareholders may own a whole or part interest.

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

ATTEST:

\_\_\_\_\_  
Assistant Secretary

(Seal)

By: \_\_\_\_\_  
Executive Vice President

SHAREHOLDERS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

DIRECTORS OF FRANCHISEE:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

DCA 03/30/12

Exhibit H

**AFFIDAVIT OF OWNERSHIP**

The undersigned President/Member/Manager of \_\_\_\_\_, a \_\_\_\_\_ corporation (the "Corporation") or limited liability company (the "LLC"), does hereby certify that following is a listing of all of the shareholders/members of the Corporation/LLC and each shareholder's/member's percent ownership as of the date hereof:

Percent Ownership

\_\_\_\_\_ %  
Address \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ %  
Address \_\_\_\_\_  
\_\_\_\_\_

DATE: \_\_\_\_\_, 2012

By: \_\_\_\_\_  
\_\_\_\_\_ President/Member/Manager

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Notary Public  
Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

(Notarial Stamp or Seal)

AFO 03/30/12

**EXHIBIT I - LIST OF STATE ADMINISTRATORS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

|   |  |
|---|--|
| <p><b>CALIFORNIA</b><br/> California Corporations Commissioner<br/> Department of Corporations<br/> 320 West Fourth Street, Suite 750<br/> Los Angeles, California 90013-2344<br/> (213) 876-7500<br/> Toll Free: (866) 275-2677</p>  | <p><b>MARYLAND</b><br/> Office of the Attorney General<br/> Securities Division<br/> 200 St. Paul Place<br/> Baltimore, Maryland 21202-2020<br/> (410) 576-6360</p>  |
| <p><b>HAWAII</b><br/> Commissioner of Securities of the State of Hawaii<br/> Department of Commerce &amp; Consumer Affairs<br/> Business Registration Division<br/> Securities Compliance Branch<br/> 335 Merchant Street, Room 203<br/> Honolulu, Hawaii 96813<br/> (808) 586-2722</p> | <p><b>MICHIGAN</b><br/> Department of Attorney General<br/> Consumer Protection Division<br/> G. Mennen Williams Building<br/> 525 W. Ottawa St.,<br/> Lansing, Michigan 48933<br/><br/> P.O. Box 30212<br/> Lansing, Michigan 48909<br/> (517) 373-7117</p> |
| <p><b>ILLINOIS</b><br/> Illinois Office of the Attorney General<br/> Franchise Division<br/> 500 South Second Street<br/> Springfield, Illinois 62706<br/> (217) 782-4465</p>   | <p><b>MINNESOTA</b><br/> Commissioner of Commerce<br/> Department of Commerce<br/> 85 7<sup>th</sup> Place East, Suite 500<br/> St. Paul, Minnesota 55101<br/> (651) 296-4026</p>  |
| <p><b>INDIANA</b><br/> Secretary of State<br/> Franchise Section<br/> 302 West Washington, Room E-111<br/> Indianapolis, Indiana 46204<br/> (317) 232-6681</p>  | <p><b>NEW YORK</b><br/> Bureau of Investor Protection and Securities<br/> New York State Department of Law<br/> 120 Broadway, 23rd Floor<br/> New York, New York 10271<br/> (212) 416-8211</p>   |
| <p><b>NORTH DAKOTA</b><br/> North Dakota Securities Department<br/> 600 Boulevard Avenue,<br/> State Capitol, Fifth Floor, Dept. 414<br/> Bismarck, North Dakota 58505-0510<br/> (701) 328-4712</p>   | <p><b>VIRGINIA</b><br/> State Corporation Commission<br/> Division of Securities and Retail Franchising<br/> 1300 East Main Street, 9<sup>th</sup> Floor<br/> Richmond, Virginia 23219<br/> (804) 371-9051</p>   |
| <p><b>RHODE ISLAND</b><br/> Department of Business Regulation<br/> Securities Division<br/> Bldg. 69, First Floor, John O. Pastore Center<br/> 1511 Pontiac Avenue<br/> Cranston, Rhode Island, 02920<br/> (401) 462-9527</p>   | <p><b>WASHINGTON</b><br/> Department of Financial Institutions<br/> Securities Division – 3<sup>rd</sup> Floor<br/> 150 Israel Road, S.W.<br/> Tumwater, Washington 98501<br/> (360) 902-8760</p>  |

|   |  |
|---|--|
| <b>SOUTH DAKOTA</b><br>Director of Division of Securities<br>445 E. Capitol<br>Pierre, South Dakota 57501<br>(605) 773-4823 | <b>WISCONSIN</b><br>Office of the Commissioner of Securities<br>345 West Washington Avenue, Fourth Floor<br>Madison, Wisconsin 53703<br>(608) 261-9555 |
|---|--|

**EXHIBIT J - AGENTS FOR SERVICE OF PROCESS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

|   |   |
|---|---|
| <p><b>CALIFORNIA</b><br/> California Corporations Commissioner<br/> 320 West Fourth Street, Suite 750<br/> Los Angeles, California 90013-2344<br/> (213) 576-7500<br/> Toll Free: (866) 275-2677</p>  | <p><b>MARYLAND</b><br/> Maryland Securities Commissioner<br/> 200 St. Paul Place<br/> Baltimore, Maryland 21202-2020<br/> (410) 576-6360</p>  |
| <p><b>HAWAII</b><br/> Commissioner of Securities of the State of Hawaii<br/> Department of Commerce &amp; Consumer Affairs<br/> Business Registration Division<br/> Securities Compliance Branch<br/> 335 Merchant Street, Room 203<br/> Honolulu, Hawaii 96813<br/> (808) 586-2722</p> | <p><b>MICHIGAN</b><br/> Dept. of Energy, Labor, &amp; Economic Growth<br/> Corporations Division<br/> P.O. Box 30054<br/> Lansing, Michigan 48909<br/> 7150 Harris Drive<br/> Lansing, Michigan 48909<br/> (517) 373-7117</p> |
| <p><b>ILLINOIS</b><br/> Illinois Attorney General<br/> 500 South Second Street<br/> Springfield, Illinois 62706<br/> (217) 782-4465</p>   | <p><b>MINNESOTA</b><br/> Commissioner of Commerce<br/> 85 7<sup>th</sup> Place East, Suite 500<br/> St. Paul, Minnesota 55101<br/> (651) 296-4026</p>   |
| <p><b>INDIANA</b><br/> Indiana Secretary of State<br/> 201 State House<br/> Indianapolis, Indiana 46204<br/> (317) 232-6681</p>   | <p><b>NEW YORK</b><br/> New York State Department of State<br/> Division of Corporations<br/> Second Floor<br/> 41 State Street<br/> Albany, New York 12231</p>   |
| <p><b>NORTH DAKOTA</b><br/> North Dakota Securities Commissioner<br/> 600 Boulevard Avenue,<br/> State Capitol, Fifth Floor<br/> Bismarck, North Dakota 58505-0510<br/> (701) 328-4712</p>  | <p><b>VIRGINIA</b><br/> Clerk of the State Corporation Commission<br/> 1300 East Main Street, 1<sup>st</sup> Floor<br/> Richmond, Virginia 23219<br/> (804) 371-9733</p>  |
| <p><b>RHODE ISLAND</b><br/> Director of Department of Business Regulation<br/> Department of Business Regulation<br/> Securities Division<br/> Bldg. 69, First Floor, John O. Pastore Center<br/> 1511 Pontiac Avenue<br/> Cranston, Rhode Island 02920<br/> (401) 462-9527</p>         | <p><b>WASHINGTON</b><br/> Director of Department of Financial Institutions<br/> Securities Division – 3<sup>rd</sup> Floor<br/> 150 Israel Road, S.W.<br/> Tumwater, Washington 98501<br/> (360) 902-8760</p>                 |
| <p><b>SOUTH DAKOTA</b><br/> Director of Division of Securities<br/> 445 E. Capitol<br/> Pierre, South Dakota 5750<br/> (605) 773-4013</p>   | <p><b>WISCONSIN</b><br/> Commissioner of Securities<br/> 345 West Washington Avenue, Fourth Floor<br/> Madison, Wisconsin 53703<br/> (608) 261-9555</p>   |

**EXHIBIT K**

**STATE ADDENDA**

1. STATE OF ILLINOIS
2. STATE OF NEW YORK
3. STATE OF MARYLAND
4. STATE OF CALIFORNIA
5. COMMONWEALTH OF VIRGINIA
6. STATE OF MICHIGAN

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
CONTAINING THE INFORMATION  
REQUIRED BY THE STATE OF ILLINOIS**

**THIS ADDENDUM TO THE BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
IS REQUIRED BY THE STATE OF ILLINOIS  
AND IS BEING PROVIDED TO YOU  
AT THE SAME TIME AS THE  
FRANCHISE DISCLOSURE DOCUMENT WHICH CONTAINS THE INFORMATION  
REQUIRED BY THE FEDERAL TRADE COMMISSION**

**\*\*\***

**YOU SHOULD REVIEW THIS ILLINOIS ADDENDUM  
IN CONJUNCTION WITH THE FRANCHISE DISCLOSURE DOCUMENT**

**3/30/12 ILADD**

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT ("FDD")  
CONTAINING THE INFORMATION  
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ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF ILLINOIS

This Addendum to the Franchise Disclosure Document is set forth below in order to amend and revise the Franchise Disclosure Document as follows:

1. The Cover Page of the Illinois Franchise Disclosure Document, Item 17, "RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION", Section "Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement/Renewal of Individual Franchise Agreement," Paragraphs v and w, and Item 17, Section "Development Agreement," Paragraphs v and w, shall be amended by the addition of the following language:

Any provisions in a Franchise Agreement/Development Agreement that designates jurisdiction or venue in a forum outside of Illinois is void provided that a Franchise Agreement/Development Agreement may provide for arbitration in a forum outside of Illinois.

Illinois Franchise Disclosure law will govern the Franchise Agreement/Development Agreement.

ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC ("Bojangles")  
DEVELOPMENT AGREEMENT  
FRANCHISE AGREEMENT  
INDIVIDUAL FRANCHISE AGREEMENT  
EXPRESS FRANCHISE AGREEMENT  
RENEWAL OF INDIVIDUAL FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF ILLINOIS

This Addendum to the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement and Bojangles' Renewal of Individual Franchise Agreement is executed contemporaneously with the execution of the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement respectively between Franchisor and Franchisee/Developer as set forth below in order to amend and revise the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement respectively as follows:

1. Sections XVI.B.-C. of the Development Agreement shall be amended by the addition of the following language to the last sentence:  
  
"and, provided further that the Illinois Franchise Disclosure laws shall govern."
  
2. Sections XXIV.A-B. of the Franchise Agreement, Sections XXV.A.-B. of the Individual Franchise Agreement, Sections XXVI.A.-B. of the Express Franchise Agreement, and Section XXV.A.-B. of the Renewal of Individual Franchise Agreement shall be amended by the addition of the following language to the last sentence:  
  
"and, provided further that the Illinois Franchise Disclosure laws shall govern."
  
3. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of said Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois Addendum to the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement on the same date as respective Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, or Bojangles' Renewal of Individual Franchise Agreement was executed.

FRANCHISEE/DEVELOPER:  
\_\_\_\_\_

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_ President

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

**CONTAINING THE INFORMATION  
REQUIRED BY THE STATE OF NEW YORK**

**THIS ADDENDUM TO THE BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
IS REQUIRED BY THE STATE OF NEW YORK  
AND IS BEING PROVIDED TO YOU  
AT THE SAME TIME AS THE  
FRANCHISE DISCLOSURE DOCUMENT  
WHICH CONTAINS THE INFORMATION  
REQUIRED BY THE FEDERAL TRADE COMMISSION**

**\*\*\***

**YOU SHOULD REVIEW THIS NEW YORK ADDENDUM  
IN CONJUNCTION WITH THE FRANCHISE DISCLOSURE DOCUMENT**

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
("FDD")  
CONTAINING THE INFORMATION  
REQUIRED BY THE STATE OF NEW YORK**

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ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF NEW YORK

This Addendum to the Franchise Disclosure Document is set forth below in order to amend and revise the Franchise Disclosure Document as follows:

1. The Cover Page of the New York Franchise Disclosure Document shall be amended by the addition of the following language:

REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

2. This paragraph shall be inserted prior to Item 1:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT THESE ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

3. Item 3, "LITIGATION", shall be amended by the addition of the following paragraphs:

Neither the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegation. In addition, include pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by

a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

4. Item 4, "BANKRUPTCY", shall be deleted in its entirety and substituted by the following paragraph:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

5. Item 17, "RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION", Section "Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement/Renewal of Individual Franchise Agreement," shall be amended by the deletion of Paragraph d in its entirety and substitution by the following language:

d. Termination by you

The Franchisee may Terminate the Agreement upon any grounds available by law.

ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC ("Bojangles'")  
DEVELOPMENT AGREEMENT  
REQUIRED BY THE STATE OF NEW YORK

This Addendum to the Bojangles' Development Agreement is executed contemporaneously with the execution of the Bojangles' Development Agreement between Franchisor and Developer as set forth below in order to amend and revise the Bojangles' Development Agreement as follows:

1. The following Section should be added to the Bojangles' Development Agreement:

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2. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of said Bojangles' Development Agreement the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this New York Addendum to the Bojangles' Development Agreement on the same date as the Bojangles' Development Agreement was executed.

DEVELOPER:

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_ President

ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC ("Bojangles'")  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF NEW YORK

This Addendum to the Bojangles' Franchise Agreement is executed contemporaneously with the execution of the Bojangles' Franchise Agreement between Franchisor and Franchisee as set forth below in order to amend and revise the Bojangles' Franchise Agreement as follows:

1. The following Section should be added to the Bojangles' Franchise Agreement:

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2. Section II.B.(7) shall be deleted in its entirety and substituted by the following paragraph:

Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its parents, subsidiaries and affiliates, and their respective officers, directors, agents, and employees provided, however, that all rights arising in Franchisee's favor from the provisions of Article 33 of the GBL of the State of N.Y. and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL, sections 687.4 and 687.5 be satisfied; and

3. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of said Bojangles' Franchise Agreement the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this New York Addendum to the Bojangles' Franchise Agreement on the same date as the Bojangles' Franchise Agreement was executed.

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

FRANCHISOR:

BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_ President

ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC ("Bojangles'")  
INDIVIDUAL FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF NEW YORK

This Addendum to the Bojangles' Individual Franchise Agreement is executed contemporaneously with the execution of the Bojangles' Individual Franchise Agreement between Franchisor and Franchisee as set forth below in order to amend and revise the Bojangles' Individual Franchise Agreement as follows:

1. The following Section should be added to the Bojangles' Individual Franchise Agreement:

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#### ADDENDUM TO FRANCHISE AGREEMENT

2. Section II.B.(7) shall be deleted in its entirety and substituted by the following paragraph:

Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its parents, subsidiaries and affiliates, and their respective officers, directors, agents, and employees provided, however, that all rights arising in Franchisee's favor from the provisions of Article 33 of the GBL of the State of N.Y. and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL, sections 687.4 and 687.5 be satisfied; and

3. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of said Bojangles' Individual Franchise Agreement the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this New York Addendum to the Bojangles' Individual Franchise Agreement on the same date as the Bojangles' Individual Franchise Agreement was executed.

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

FRANCHISOR:

BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_ President

ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC ("Bojangles'")  
EXPRESS FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF NEW YORK

This Addendum to the Bojangles' Express Franchise Agreement is executed contemporaneously with the execution of the Bojangles' Express Franchise Agreement between Franchisor and Franchisee as set forth below in order to amend and revise the Bojangles' Express Franchise Agreement as follows:

1. The following Section should be added to the Bojangles' Express Franchise Agreement:

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ADDENDUM TO FRANCHISE AGREEMENT

2. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of said Bojangles' Express Franchise Agreement the terms of this Addendum shall govern

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this New York Addendum to the Bojangles' Express Franchise Agreement on the same date as the Bojangles' Express Franchise Agreement was executed.

FRANCHISEE:  
\_\_\_\_\_

FRANCHISOR:  
BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_ President

ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC ("Bojangles'")  
RENEWAL OF INDIVIDUAL FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF NEW YORK

This Addendum to the Bojangles' Renewal of Individual Franchise Agreement is executed contemporaneously with the execution of the Bojangles' Renewal of Individual Franchise Agreement between Franchisor and Franchisee as set forth below in order to amend and revise the Bojangles' Renewal of Individual Franchise Agreement as follows:

1. The following Section should be added to the Bojangles' Renewal of Individual Franchise Agreement:

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**RENEWAL OF INDIVIDUAL FRANCHISE AGREEMENT**

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ADDENDUM TO FRANCHISE AGREEMENT

2. Section II.B.(7) shall be deleted in its entirety and substituted by the following paragraph:

Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its parents, subsidiaries and affiliates, and their respective officers, directors, agents, and employees provided, however, that all rights arising in Franchisee's favor from the provisions of Article 33 of the GBL of the State of N.Y. and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL, sections 687.4 and 687.5 be satisfied; and

4. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of said Bojangles' Renewal of Individual Franchise Agreement the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this New York Addendum to the Bojangles' Renewal of Individual Franchise Agreement on the same date as the Bojangles' Renewal of Individual Franchise Agreement was executed.

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

FRANCHISOR:

BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_ President

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
CONTAINING THE INFORMATION  
REQUIRED BY THE STATE OF MARYLAND**

**THIS ADDENDUM TO THE BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
IS REQUIRED BY THE STATE OF MARYLAND  
AND IS BEING PROVIDED TO YOU  
AT THE SAME TIME AS THE  
FRANCHISE DISCLOSURE DOCUMENT  
WHICH CONTAINS THE INFORMATION  
REQUIRED BY THE FEDERAL TRADE COMMISSION**

**THE STATE OF MARYLAND HAS NOT REVIEWED AND DOES NOT APPROVE,  
RECOMMEND, ENDORSE, OR SPONSOR ANY BUSINESS OPPORTUNITY. THE  
INFORMATION IN THIS DISCLOSURE STATEMENT HAS NOT BEEN VERIFIED BY  
THE STATE. IF YOU HAVE ANY QUESTIONS ABOUT THIS INVESTMENT, SEE AN  
ATTORNEY BEFORE YOU SIGN A CONTRACT OR CONTACT THE DIVISION OF  
SECURITIES IN THE OFFICE OF THE ATTORNEY GENERAL. YOU ARE TO BE GIVEN 10  
BUSINESS DAYS TO REVIEW THIS DOCUMENT BEFORE SIGNING ANY CONTRACT OR  
AGREEMENT OR MAKING ANY PAYMENT TO THE FRANCHISOR OR THE  
FRANCHISOR'S REPRESENTATIVE.**

**\*\*\***

**YOU SHOULD REVIEW THIS MARYLAND ADDENDUM  
IN CONJUNCTION WITH THE FRANCHISE DISCLOSURE DOCUMENT**

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
("FDD")  
CONTAINING THE INFORMATION  
REQUIRED BY THE STATE OF MARYLAND**

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ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MARYLAND

This Addendum to the Franchise Disclosure Document shall amend and revise the Franchise Disclosure Document as follows:

1. Item 17, "RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION", Section "Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement/Renewal of Individual Franchise Agreement," shall be amended by the deletion of Paragraph c in its entirety and substitution by the following language:

- |    |   |   |   |
|----|---|---|---|
| c. | Requirements for you to renew or extend | Section II.B./<br>Section II.B./<br>None/<br>Section 11B. | Give written notice, renovate premises, no default by you under any agreements with us, satisfaction of all of your monetary obligations to us, present evidence of your right to continue possession of restaurant location for renewal term, execute renewal Franchise Agreement, sign release, except this release is not intended to nor shall it act as a release, estoppel or waiver of any liability arising under the Maryland Franchise Registration and Disclosure Law, and meet current qualification and training requirements. |
|    |   |   | The Bojangles' Express® Franchise Agreement does not specifically provide for renewal rights.   |

2. Item 17, "RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION", Section "Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement/Renewal of Individual Franchise Agreement," shall be further amended by the deletion of Paragraph m in its entirety and substitution by the following language:

- |    |   |  |   |
|----|---|--|---|
| m. | Conditions for our approval of transfer | Section XIII.B.-D./<br>Section XIV.B.-D./<br>Section XV.B.-E./<br>Section XIV.B.-D | Transfer is subject, where applicable, to our option to purchase and is subject to terms of other agreements including Development Agreement, if any. Transfer of controlling interest is subject to any or all of the following conditions at our sole discretion: satisfaction of all monetary obligations; no defaults; you sign release and agree to remain liable for specified period, except this release is not intended to nor shall it act as a release, estoppel or waiver of any liability arising under the Maryland |
|----|---|--|---|

Franchise Registration and Disclosure Law; assumption of your obligations and obligations of any transferor who is a guarantor of your obligations; new franchisee qualifies; current agreements signed by new franchisee and guarantee of such agreements signed by shareholders or members of transferee; transferee to upgrade Restaurant to then-current standards; your continued liability for obligations prior to transfer; completion of training programs by transferee's Principal Operating Officer or Partner and managers; payment of \$2,500 per Restaurant transfer fee.

Party to hold security interest in Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement/Renewal of Individual Franchise Agreement or Restaurant must give us right to purchase its rights in event you default under security agreements.

Bojangles' Express® Franchise Agreement also provides there shall be no prohibition on your right to transfer your real property interests or other hard assets, excluding items which bear any Proprietary Marks.

3 Item 17, "RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION", Section "Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement/Renewal of Individual Franchise Agreement," shall be further amended by the deletion of Paragraph v and Paragraph w in their entirety and substitution by the following language:

- |    |                 |   |  |
|----|-----------------|---|--|
| v. | Choice of forum | Section XXIV.B./<br>Section XXV.B./<br>Section XXVI.B./<br>Section XXV.B. | Litigation must be in North Carolina; however, you are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law as long as the lawsuit is brought within three (3) years after the grant of the franchise. |
| w. | Choice of law   | Section XXIV.A./<br>Section XXV.A./<br>Section XXVI.A./<br>Section XXV.A. | North Carolina law applies, except laws of state of your principal place of business and the Maryland Franchise Registration and Disclosure Law shall apply to provisions that are not enforceable under North Carolina law.   |

4 Item 17, "RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION", Section "Development Agreement," shall be further amended by the deletion of Paragraph m in its entirety and substitution by the following language:

- |  |   |  |
|--|---|--|
| m. Conditions for our approval of transfer | Section IX.B.,C. and [D.] and D. and [E.] | Transfer is subject, where applicable, to our option to purchase. Transfer of controlling interest is subject to any or all of the following conditions at our sole discretion: satisfaction of all monetary obligations; no defaults; you sign release and agree to remain liable for specified period, except this release is not intended to nor shall it act as a release, estoppel or waiver of any liability arising under the Maryland Franchise Registration and Disclosure Law; assumption of your obligations and obligations of any transferor who is a guarantor of your obligations; new franchisee qualifies; current agreements signed by new franchisee and guarantee of such agreements signed by shareholders or members of transferee; completion of training programs by transferee's Principal Operating Officer or Partner and managers; payment of \$2,500 per Restaurant transfer fee. |
|--|---|--|

Party to hold security interest in Development Agreement or any Restaurant developed under it must give us the right to purchase its rights in the event you default under security agreements; transferee shall acquire development rights, all Restaurants opened under Development Agreement and all your rights under all Franchise Agreements with us.

If the Development Agreement is associated with a Bojangles' Express® Franchise Agreement, no prohibition of transfer of your real property interests or other hard assets, excluding items which bear any Proprietary Marks.

5. Item 17, "RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION", Section "Development Agreement," shall be further amended by the deletion of Paragraph v and Paragraph w in their entirety and substitution by the following language:

Litigation must be in North Carolina;

- |    |                 |                |  |
|----|-----------------|----------------|--|
| v. | Choice of forum | Section XVI.C. | however, you are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law as long as the lawsuit is brought within three (3) years after the grant of the franchise. |
| w. | Choice of law   | Section XVI.B. | North Carolina law applies, except laws of state of your principal place of business and the Maryland Franchise Registration and Disclosure Law shall apply to provisions that are not enforceable under North Carolina law.         |

6. Item 19, “Financial Performance Representations”, shall be amended by the addition of the following language to each chart:

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

7. Item 22, “Contracts”, shall be amended by the addition of the following:

Exhibit K      Release (We may use this form or similar versions of this form in different transactions)

RELEASE

\_\_\_\_\_ ("Prior Franchisee") hereby releases Bojangles' Inc. **[Bojangles' International, LLC]** ("Bojangles'") together with its affiliates, officers, directors, shareholders, members, employees and partners, in their corporate and individual capacities, from any and all claims arising under federal, state and local laws, rules, regulations and ordinances and from any and all obligations under or related to the Franchise Agreement and Addendum dated \_\_\_\_\_ by and between Prior Franchisee and Bojangles' (the "Franchise Agreement"), whenever and however arising.

Prior Franchisee further agrees to remain liable to Franchisor for all affirmative obligations, covenants, and agreements contained in the Franchise Agreement for two (2) years following the effective date of transfer (or, if transferor retains a purchase money interest in the transferred business, for a period greater than two (2) years, until the interest is extinguished) or for such shorter period as Franchisor may, in its sole discretion, determine. Prior Franchisee agrees to remain liable for three (3) years from the effective date of transfer for those obligations set forth in Paragraph VIII., IX, and X[**Verify paragraph references**] of the Franchise Agreement.

This Release is given in consideration for the consent of Bojangles' to the transfer of Prior Franchisee's rights under the Franchise Agreement.

This Release sets forth the entire agreement of the parties hereto with respect to the matters herein and all other agreements of the parties, whether oral or written, are superseded hereby.

This Release shall inure to the benefit of and be binding in all respects on each party hereto, its successors, assigns, affiliates, officers, directors, shareholders, members, employees and partners.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

[PRIOR FRANCHISEE]

BOJANGLES' INTERNATIONAL, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name:

Title:

Title:

ATTEST:

ATTEST:

\_\_\_\_\_  
Title: \_\_\_\_\_ Secretary

\_\_\_\_\_  
Title: \_\_\_\_\_ Secretary

(Corporate Seal)

(Corporate Seal)

**[WE MAY USE THIS FORM OR SIMILAR VERSIONS OF THIS FORM IN DIFFERENT TRANSACTIONS]**

ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC ("Bojangles'")  
DEVELOPMENT AGREEMENT  
FRANCHISE AGREEMENT  
INDIVIDUAL FRANCHISE AGREEMENT  
EXPRESS FRANCHISE AGREEMENT  
RENEWAL OF INDIVIDUAL FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF MARYLAND

This Addendum to the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement is executed contemporaneously with the execution of the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement respectively between Franchisor and Franchisee/Developer shall amend and revise the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement respectively as follows:

1. Section II.B.7. of the Franchise Agreement and Section II.B.7. of the Individual Franchise Agreement and Renewal of Individual Franchise Agreement shall be deleted in their entirety and substituted by the following paragraph:

Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its parents, subsidiaries and affiliates, and their respective officers, directors, agents, and employees, except that this release is not intended to nor shall it act as a release, estoppel or waiver of any liability arising under the Maryland Franchise Registration and Disclosure Law; and

2. Section VI.B. of the Franchise Agreement and Section VIII.B. of the Express Franchise Agreement shall be amended by the addition of the following sentence:

This paragraph is not intended to nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise and Disclosure Law.

3. Section IX.B.(2)(c) of the Development Agreement, Section XIII.B.(3)(c) of the Franchise Agreement, Section XIV.B.(3)(c) of the Individual Franchise Agreement and Renewal of Individual Franchise Agreement, and Section XV.B.(3)(c) of the Express Franchise Agreement shall be deleted in their entirety and substituted by the following paragraph:

The transferor shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, members, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances, except that this release is not intended to nor shall it act as a release, estoppel or waiver of any liability arising under the Maryland Franchise Registration and Disclosure Law; and shall agree to remain liable to Franchisor for all affirmative obligations, covenants, and agreements contained herein for two (2) years following the effective date of transfer (or, if transferor retains a purchase money interest in the transferred business,

for a period greater than two (2) years, until the interest is extinguished) or for such shorter period as Franchisor may, in its sole discretion, determine;

4. Sections XVI.B.-C. of the Development Agreement shall be deleted in their entirety and substituted by the following paragraphs:

B. This Agreement takes effect upon its acceptance and execution by Franchisor in the State of North Carolina, and shall be interpreted and construed under the laws of that State, which laws shall prevail in the event of any conflict of law; provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of North Carolina, then such provisions shall be interpreted and construed under the laws of the state in which the principal office of Developer is located, and, provided further that the Maryland Franchise Registration and Disclosure Law shall apply.

C. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of North Carolina and do hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision; however, you are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law within three (3) years after the grant of the franchise.

5. Section XXIV.A. of the Franchise Agreement, Section XXV.A. of the Individual Franchise Agreement and Renewal of Individual Franchise Agreement, and Section XXVI.A. of the Express Franchise Agreement shall be amended by the addition of the following language to the last sentence:

“and, provided further that the Maryland Franchise Registration and Disclosure Law shall apply.”

6. Section XXIV.B. of the Franchise Agreement, Section XXV.B. of the Individual Franchise Agreement and Renewal of Individual Franchise Agreement, and Section XXVI.B. of the Express Franchise Agreement shall be amended by the addition of the following language to the last sentence:

“however, you are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law within three (3) years after the grant of the franchise.”

7. Section XVII of the Development Agreement, Section XXV of the Franchise Agreement, Section XXVI of the Individual Franchise Agreement and Renewal of Individual Franchise Agreement, and Section XXVII of the Express Franchise Agreement shall be amended by the addition of the following paragraph:

D. No representation or acknowledgment made by Franchisee in this Agreement is intended to act as a release, estoppel or waiver of any liability of Franchisor under the Maryland Franchise Registration and Disclosure Law.

8. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of said Bojangles’ Development Agreement, Bojangles’ Franchise Agreement, Bojangles’ Individual Franchise Agreement, Bojangles’ Express Franchise Agreement, and Renewal of Individual Franchise Agreement, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Maryland Addendum to the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement and Bojangles' Renewal of Individual Franchise Agreement on the same date as respective Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, or Bojangles' Renewal of Individual Franchise Agreement was executed.

FRANCHISEE/DEVELOPER:

\_\_\_\_\_

FRANCHISOR:

BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_ President

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
CONTAINING THE INFORMATION  
REQUIRED BY THE STATE OF CALIFORNIA**

**THIS ADDENDUM TO THE BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
IS REQUIRED BY THE STATE OF CALIFORNIA  
AND IS BEING PROVIDED TO YOU  
AT THE SAME TIME AS THE  
FRANCHISE DISCLOSURE DOCUMENT  
WHICH CONTAINS THE INFORMATION  
REQUIRED BY THE FEDERAL TRADE COMMISSION**

**\*\*\***

**YOU SHOULD REVIEW THIS CALIFORNIA ADDENDUM  
IN CONJUNCTION WITH THE FRANCHISE DISCLOSURE DOCUMENT**

**3/30/12 CA**

BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
("FDD")  
CONTAINING THE INFORMATION  
REQUIRED BY THE STATE OF CALIFORNIA

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ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF CALIFORNIA

This Addendum to the Franchise Disclosure Document shall amend and revise the Franchise Disclosure Document as follows:

1. The Cover Page of the California Franchise Disclosure Document shall be amended by the addition of the following language:

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BEING DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. Item 3, Litigation, shall be amended by the addition of the following paragraph:

Neither the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. Item 19, "Financial Performance Representations", shall be amended by the addition of the following paragraph:

The Financial Performance Representations figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC ("Bojangles'")  
DEVELOPMENT AGREEMENT  
FRANCHISE AGREEMENT  
INDIVIDUAL FRANCHISE AGREEMENT  
EXPRESS FRANCHISE AGREEMENT  
RENEWAL OF INDIVIDUAL FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF CALIFORNIA

This Addendum to the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement is executed contemporaneously with the execution of the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement respectively between Franchisor and Franchisee/Developer shall amend and revise the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement respectively as follows:

1. Section X.A.(2)(a) of the Development Agreement, Section XVI.A.(2)(a) of the Franchise Agreement, Section XVII.A.(2)(a) of the Individual Franchise Agreement, Section XVIII.A.(3). of the Express Franchise Agreement, and Section XVII.A. (2) (a) of the Renewal of Individual Franchise Agreement shall be amended by the addition of the following language:

Franchisee is encouraged to consult private legal counsel to determine the applicability of California and federal laws to any provisions of the Agreement that contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

2. Section XVI.B of the Development Agreement, Section XXIV.A. of the Franchise Agreement, Section XXV.A. of the Individual Franchise Agreement, Section XXVI.A. of the Express Franchise Agreement, and Section XXV.A. of the Renewal of Individual Franchise Agreement shall be amended by the addition of the following language:

Franchisee is encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Bus.& Prof. Code Section 20040.5. Code of Civil Procedure Section 1281 and the Federal Arbitration Act) to any provisions of the Agreement requiring application of laws outside of the State of California. These provisions may not be enforceable under California law.

3. Section XVI.C. of the Development Agreement, Section XXIV.B. of the Franchise Agreement, Section XXV.B. of the Individual Franchise Agreement, Section XXVI.B. of the Express Franchise Agreement, and Section XXV.B. of the Renewal of Individual Franchise Agreement shall be amended by the addition of the following language:

Franchisee is encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Bus.& Prof. Code Section 20040.5. Code of Civil Procedure Section 1281 and the Federal Arbitration Act) to any provisions of the Agreement requiring arbitration to occur outside of the State of California. These provisions may not be enforceable under California law.

4. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of said Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this California Addendum to the Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, Bojangles' Express Franchise Agreement, and Bojangles' Renewal of Individual Franchise Agreement on the same date as respective Bojangles' Development Agreement, Bojangles' Franchise Agreement, Bojangles' Individual Franchise Agreement, or Bojangles' Express Franchise Agreement was executed.

FRANCHISEE/DEVELOPER:

\_\_\_\_\_

FRANCHISOR:

BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_ President

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
CONTAINING THE INFORMATION  
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

**THIS ADDENDUM TO THE BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
IS REQUIRED BY THE COMMONWEALTH OF VIRGINIA  
AND IS BEING PROVIDED TO YOU  
AT THE SAME TIME AS THE  
FRANCHISE DISCLOSURE DOCUMENT WHICH CONTAINS THE INFORMATION  
REQUIRED BY THE FEDERAL TRADE COMMISSION**

**\*\*\***

**YOU SHOULD REVIEW THIS VIRGINIA ADDENDUM  
IN CONJUNCTION WITH THE FRANCHISE DISCLOSURE DOCUMENT**

**08/10/12 VA ADD**

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT ("FDD")  
CONTAINING THE INFORMATION  
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

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ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE COMMONWEALTH OF VIRGINIA

This Addendum to the Franchise Disclosure Document is set forth below in order to amend and revise the Franchise Disclosure Document as follows:

1.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Bojangles' for use in the Commonwealth of Virginia, Item 17, "RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION", Section "Franchise Agreement/Individual Franchise Agreement/Bojangles' Express® Franchise Agreement/Bojangles' Renewal of Individual Franchise Agreement" Paragraph h, and Item 17, Section "Development Agreement," Paragraph h, shall be amended by the addition of the following language:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given to him by any provision contained in the Development Agreement, Franchise Agreement, Individual Franchise Agreement, Express Franchise Agreement, or Renewal of Individual Franchise Agreement. If any grounds for default or termination is stated in the Development Agreement, Franchise Agreement, Individual Franchise Agreement, Express Franchise Agreement, or Renewal of Individual Franchise Agreement does not constitute "reasonable cause" as the term may be defined in the Virginia Retail Franchising Act or laws of Virginia, that provision may not be enforceable.

ADDENDUM TO DEVELOPMENT AGREEMENT  
FRANCHISE AGREEMENT  
INDIVIDUAL FRANCHISE AGREEMENT  
EXPRESS FRANCHISE AGREEMENT  
RENEWAL OF INDIVIDUAL FRANCHISE AGREEMENT  
BETWEEN  
BOJANGLES' INTERNATIONAL, LLC ("FRANCHISOR")  
AND  
\_\_\_\_\_  
("DEVELOPER" or "FRANCHISEE")  
REQUIRED BY THE COMMONWEALTH OF VIRGINIA

This Addendum ("Addendum") to the Development Agreement, Franchise Agreement, Individual Franchise Agreement, Express Franchise Agreement, and Renewal of Individual Franchise Agreement is executed contemporaneously with the execution of the Development Agreement, Franchise Agreement, Individual Franchise Agreement, Express Franchise Agreement, and Renewal of Individual Franchise Agreement, respectively, between Franchisor and Developer/Franchisee in order to amend and revise the Development Agreement, Franchise Agreement, Individual Franchise Agreement, Express Franchise Agreement, and Renewal of Individual Franchise Agreement, respectively, as follows:

1. Sections VIII.B. and C. of the Development Agreement, Sections XIV.A. and B. of the Franchise Agreement, Sections XV.A. and B. of the Individual Franchise Agreement, Sections XVI.A. and B. of the Express Franchise Agreement, and Section VX.A. and B. of the Renewal of Individual Franchise Agreement shall be amended by the addition of the following language:  
Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given to him by any provision contained in the Development Agreement, Franchise Agreement, Individual Franchise Agreement, Express Franchise Agreement, or Renewal of Individual Franchise Agreement. If any grounds for default or termination stated in the Development Agreement, Franchise Agreement, Individual Franchise Agreement, Express Franchise Agreement, or Renewal of Individual Franchise Agreement does not constitute "reasonable cause", as that term may be defined in the Virginia Retail Franchising Act or laws of Virginia, that provision may not be enforceable.
2. To the extent this Addendum shall be deemed inconsistent with any terms and conditions of said Development Agreement, Franchise Agreement, Individual Franchise Agreement, Express Franchise Agreement, and Renewal of Individual Franchise Agreement, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum to the Development Agreement, Franchise Agreement, Individual Franchise Agreement, Express Franchise Agreement, and Renewal of Individual Franchise Agreement on the same date as respective Development Agreement, Franchise Agreement, Individual Franchise Agreement, Express Franchise Agreement, and Renewal of Individual Franchise Agreement was executed.

DEVELOPER/FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_ President/Member/Manager

FRANCHISOR:

BOJANGLES' INTERNATIONAL, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_ President

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

**CONTAINING THE INFORMATION  
REQUIRED BY THE STATE OF MICHIGAN**

**THIS ADDENDUM TO THE BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
IS REQUIRED BY THE STATE OF MICHIGAN  
AND IS BEING PROVIDED TO YOU  
AT THE SAME TIME AS THE  
FRANCHISE DISCLOSURE DOCUMENT  
WHICH CONTAINS THE INFORMATION  
REQUIRED BY THE FEDERAL TRADE COMMISSION**

**\*\*\***

**YOU SHOULD REVIEW THIS MICHIGAN ADDENDUM  
IN CONJUNCTION WITH THE FRANCHISE DISCLOSURE DOCUMENT**

**BOJANGLES' INTERNATIONAL, LLC  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
("FDD")  
CONTAINING THE INFORMATION  
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**ADDENDUM TO BOJANGLES' INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MICHIGAN**

**This Addendum to the Franchise Disclosure Document is set forth below in order to amend and revise the Franchise Disclosure Document pursuant to the Michigan Franchise Investment Law as follows:**

**The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.**

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives the franchisee of rights and protections provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchise of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provisions has been made for providing the required contractual service.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

\* \* \* \*

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN ATTORNEY GENERAL'S OFFICE CONSUMER PROTECTION DIVISION, ATTENTION. FRANCHISE SECTION, 525 W. OTTAWA STREET, G. MENNEN WILLIAMS BUILDING, 1ST FLOOR, LANSING, MICHIGAN 48933.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

MICHIGAN ATTORNEY GENERAL'S OFFICE  
CONSUMER PROTECTION DIVISION  
ATTENTION. FRANCHISE SECTION  
525 W. OTTAWA STREET  
G. MENNEN WILLIAMS BUILDING, 1ST FLOOR  
LANSING, MICHIGAN 48933  
(517) 373-7117

**ATTACHMENT A**

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**ITEM 23**

**RECEIPT**

Two copies of an acknowledgment of your receipt of this disclosure document appear as Attachment B. Please return one copy to us and retain the other for your records.

**ATTACHMENT B**  
**RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Bojangles' offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

**New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.**

**Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.**

If Bojangles' 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 state agency listed on Exhibit I.

The franchisor is Bojangles' International, LLC, located at 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273. Its telephone number is (704) 527-2675.

Issuance date: March 30, 2012, as amended August 10, 2012.

The franchise sellers for this offering are Leigh Ann Stump, Franchise Marketing and Sales Manager and Randy Kibler, President, Bojangles' International, LLC, 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273 (704) 527-2675.

Bojangles' authorizes the respective state agencies identified on Exhibit J to receive service of process for it in the particular state.

I received a disclosure document dated March 30, 2012, as amended August 10, 2012, that included the following Exhibits:

- |            |   |            |                                      |
|------------|---|------------|--------------------------------------|
| Exhibit A. | Development Agreement                     | Exhibit G. | Confidentiality Agreement            |
| Exhibit B. | Franchise Agreement                       | Exhibit H. | Affidavit of Ownership               |
| Exhibit C. | Franchise Agreement (Individual)          | Exhibit I. | State Administrators                 |
| Exhibit D. | Franchise Agreement (Express)             | Exhibit J. | Agents for Service of Process        |
| Exhibit E. | Renewal of Individual Franchise Agreement | Exhibit K. | State Addenda to Disclosure Document |
| Exhibit F. | Advertising Expense Sharing Agreement     |            |                                      |

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Franchisee

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

You may return the signed receipt either by signing, dating, and mailing it to Bojangles' International, LLC at 9432 Southern Pine Boulevard, Charlotte, North Carolina 28273, or by faxing a copy of the signed and dated receipt to Bojangles' at (704) 529-3921.

**(THIS COPY IS TO BE RETAINED BY YOU)**

08/10/12 FTC

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\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Franchisee

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

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**(THIS COPY TO BE RETURNED TO BOJANGLES' INTERNATIONAL, LLC,  
ATTENTION: LEGAL DEPARTMENT)**

08/10/12 FTC