

FRANCHISE DISCLOSURE DOCUMENT

Cajun Global LLC

A Delaware limited liability company

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MAR 16 2011

**Department of Corporations
Los Angeles**



The franchises described in this disclosure document are for quick-service restaurants specializing in the sale of fried chicken and other quick-service food under the service mark "Church's Chicken" ("Restaurants"). Cajun Global LLC ("Cajun"), a Delaware limited liability company, offers these rights.

The total investment necessary to begin the operation of a new free-standing Restaurant ranges from \$567,300 - \$1,070,100 (excluding real estate). The total investment necessary to begin the operation of a new inline or end cap Restaurant ranges from \$339,300 to \$685,100 (excluding real estate). The total investment necessary to begin the operation of a convenience store Restaurant ranges from \$269,300 to \$815,100 (excluding real estate). This includes \$35,000 that must be paid to Cajun by new franchisees.

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, us or our affiliates in connection with the proposed franchise sale or grant. **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 Patricia Perry, Senior Manager of Franchise Sales & Development, at 980 Hammond Drive, Suite 1100, Atlanta, GA 30328, or 770-350-3800.

The terms of your franchise agreement will govern your franchise relationship. Don't rely on the disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement 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 by calling 1-877-FTC-HELP or writing the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: March 2, 2011

STATE COVER PAGE

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

Call the state administrators listed in Exhibit A of this disclosure document or your public library for sources of information about us or 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 PERMITS YOU TO SUE ONLY IN GEORGIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE CAJUN IN GEORGIA THAN IN YOUR HOME STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF GEORGIA 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.**

The Effective Date: See the next page for state effective dates.

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

This Franchise 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:

Hawaii:

Illinois:

Indiana:

Michigan:

Maryland:

Minnesota:

Virginia:

Washington:

Wisconsin:

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of March 2, 2011.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor.

To simplify the language in this disclosure document, “Cajun”, “we” or “us” means Cajun Global LLC, the owner and franchisor of the Church’s Chicken restaurant system (“System”). “You” means the person or entity who buys the franchise. If you are a corporation or other entity, certain provisions of this disclosure document also apply to your owners and will be noted.

Cajun is a Delaware limited liability company formed on January 14, 2011. Our principal business address is 980 Hammond Drive, N.E., Suite 1100, Atlanta, Georgia 30328-6161. Our agents for service of process are listed in Exhibit B to this disclosure document. We do business under our corporate name and under the trade name “Church’s Chicken” (as well as related trademarks and service marks). We have franchised Church’s Chicken restaurants (“Church’s Restaurants” or “Restaurants”) since our acquisition of the Church’s Restaurant business effective February 24, 2011. We do not currently operate any Church’s Restaurants and we do not engage in any business not described in this Item 1.

As of December 31, 2010, there were 1,716 restaurants in the System worldwide. There were 1,364 Church’s Restaurants in the United States, including 1,094 franchised Church’s Restaurants (of which 113 were located in Puerto Rico and 1 in the U.S. Virgin Islands) and 270 company-owned Church’s Restaurants. There were 352 franchised Church’s Restaurants outside the United States and its territories (some of which operate under the “Texas Chicken” name and trademarks). We may offer and sell franchises for operation outside the United States on terms different than those described in this disclosure document, and under different trademarks. We have not offered franchises other than for Church’s Restaurants, although we may do so in the future.

The Financing Transaction and the Management Agreement

On February 24, 2011, in connection with a financing transaction, Cajun Operating Company (“Cajun Operating”), our immediate predecessor, assigned all franchise agreements (“Franchise Agreements”) and development agreements (“Development Agreements”) governing franchised Church’s Restaurants to us so that we could expand and administer the System (through new franchises and other means). In connection with the financing transaction, most of the assets associated with the operations of company-owned Church’s Restaurants previously owned by Cajun Operating were assigned to our wholly-owned subsidiary, Cajun Restaurants LLC. Cajun Restaurants LLC is a Delaware limited liability company formed on January 14, 2011 and its principal business address is the same as ours.

Also in connection with the financing transaction, Cajun Operating contributed its 100% ownership interest in Cajun Funding Corp. (“Cajun Funding”), owner of the “Church’s” and “Church’s Chicken” trade names, service marks and other trademarks that are associated with the System (collectively, the “Proprietary Marks”), to us. Cajun Funding has granted us a 99 year license to use, and license others to use, the Proprietary Marks. Cajun Funding has never offered franchises in any line of business. Cajun Funding is a Delaware corporation formed in November 2004 and its principal business address is the same as ours.

Under a management agreement (“Management Agreement”) between us (and our three wholly owned subsidiaries involved in the financing transaction) and Cajun Operating, Cajun Operating will—at all times acting on our behalf—fulfill all of our duties and obligations under all Franchise Agreements and Development Agreements, including: fulfilling all of our obligations to franchisees; managing the

System; marketing, offering and negotiating new and renewal Franchise Agreements and Development Agreements as our franchise broker; and assisting franchisees.

Cajun Operating employs all the persons who will provide services to you on our behalf under the terms of your Franchise Agreements and Development Agreements. If Cajun Operating fails to perform its obligations under the Management Agreement, then Cajun Operating may be replaced as the franchise service provider. However, as the franchisor, we will always be responsible for fulfilling all of our duties and obligations under your Franchise Agreements and Development Agreements.

Our Predecessors and Parents

Cajun Operating is our immediate predecessor. Cajun Operating operated and franchised Church's Restaurants from December 26, 2004 to February 24, 2011, when it assigned all Franchise Agreements and Development Agreements to us (see above).

Cajun Operating's immediate predecessor, AFC Enterprises, Inc. ("AFC") (formerly known as America's Favorite Chicken Company), operated and franchised Church's Restaurants from November 5, 1992 to December 26, 2004, when AFC sold the assets of the System to Cajun Operating's former parent, Cajun Holding Company ("Cajun Holding"). Cajun Holding subsequently assigned the assets of the System to Cajun Operating. AFC has operated and franchised Popeyes Chicken & Biscuits Restaurants ("Popeyes Restaurants") since 1992. AFC currently does business under its corporate name and the name "Popeyes Louisiana Kitchen" as well as related trademarks and service marks. AFC also operated and franchised Cinnabon bakeries. In 2004, the company sold its Cinnabon division to FOCUS Brands, Inc. AFC has a principal address at Six Concourse Parkway, Suite 1700, Atlanta, Georgia 30328-5352.

AFC's immediate predecessor was Church's Fried Chicken, Inc. ("CFC"). CFC began operating and offering franchises of Church's Chicken in 1969. CFC was formed out of the merger of its predecessors, Church's Food Industries, Inc., which began offering franchises of Church's Chicken in 1962, and Church's Fried Chicken To Go, which began the Church's Chicken brand in 1952. None of CFC or its predecessors offered franchises in any other line of business.

Our ultimate corporate parent is Church's Holding Corp., a Delaware corporation that is controlled by private equity funds affiliated with Friedman, Fleischer & Lowe LLC. Church's Holding Corp.'s principal business address is One Maritime Plaza, 22nd Floor, San Francisco, California 94111. Church's Holding Corp. has never operated any Church's Restaurants or offered franchises in any line of business and it does not provide products or services to our franchisees. Our direct corporate parent is Cajun Operating.

The Franchises.

Our predecessors opened the first Church's Restaurant in San Antonio, Texas in 1952 and started selling franchises for Church's Restaurants in 1964. Cajun currently grants franchises for Church's Restaurants. We offer franchise agreements and development agreements to qualified individuals and entities wishing to operate Restaurants. We refer to individuals and entities (as well as the owners of entities) as "you" instead of the "Franchisee" or the "Developer" in this disclosure document.

Each Restaurant is operated under a Franchise Agreement. A copy of our standard Franchise Agreement is attached as Exhibit C. Under the Franchise Agreement, we grant you the right (and you accept the responsibility) to operate a Restaurant. You must operate the Restaurant under the Proprietary Marks.

You must also operate the Restaurant under the System and our business and operating procedures which we describe in our Operating Standards Manual (together with our Product, Procedures & Systems Manual and any other manuals created or approved for use in the operation of Church's Restaurants, and all amendments and updates, the "Manual"). The System includes specially designed buildings; distinctive interior and exterior layouts, décor, color schemes, and furnishings; confidential food formulas and recipes used in the preparation of food products and, particularly, a unique seasoning and batter formula for preparing Church's fried chicken; specialized menus; and standards and specifications for equipment, equipment layouts, products, operating procedures, employee training, and management programs. You cannot offer menu items that are not part of the System without our approval. We anticipate continued improvement of the System and will provide new information and techniques to you by means of the Manual.

In addition to a Franchise Agreement, you must sign a Development Agreement regardless of the number of Restaurants you commit to develop. A copy of our standard Development Agreement is attached as Exhibit E. Under the Development Agreement, you are granted the right (and you accept the responsibility) to develop a specific number of Restaurants in a specific geographic area according to a schedule (the "Development Area"). In some instances, we will sign an Amendment to the Development Agreement which provides limited exclusivity for the Development Area. A copy of our standard Amendment to Development Agreement is attached as Exhibit F. The Development Agreement also specifies the number of Restaurants that you must open and operate and the dates by which they must open and be in operation in a development schedule (the "Development Schedule") to the Development Agreement.

The Restaurants.

You must operate Restaurants in accordance with the System. Restaurants may be opened in free-standing buildings, store-front locations, mall locations, convenience stores, travel plazas, and other locations, in either urban, suburban or rural areas. Restaurants may feature walk-in, drive-in, or sit-down formats, or some combination of these types of formats, with our approval.

The General Market and the Competition.

The customer base for the quick-service restaurant market includes the total population. There is a clearly established market for fast food prepared away from home. In general, the quick-service restaurant business is highly competitive. Changes in taste and eating habits of the public, local and national economic conditions, population, and traffic patterns affect the restaurant business and are generally unpredictable.

The principal basis of competition in the industry is the quality, appeal, and price of the food products offered, but name identification, site location, quality and speed of service, consistency, advertising, and attractiveness of facilities are also important factors. You should expect to compete with other fast food, carry-out, delivery, and sit-down restaurants as well as grocery and/or deli offerings that feature chicken and related menu items similar to those offered at the Restaurants. You will also compete with restaurants and fast food outlets that offer other types of chicken entrées and other foods to be eaten at those restaurants, delivered, or taken out by the consumer.

You may also encounter competition from other Church's Restaurants that our franchisees or we or one of our affiliates operate.

Some of these competitors may be in close proximity to your Restaurant and may have greater financial resources, larger advertising budgets, and more national (or local) recognition than we have. In

addition, competition for management and other operating personnel and for sites is intense within the industry.

Industry-Specific Laws and Regulations.

You must comply with the local, state and federal laws that apply to the operation of your Restaurant, including health and safety, sanitation, “no smoking” and employment laws. Federal, state and local regulations may affect your advertising and may even require point-of-sale disclosure of certain information about nutrition and the dietary characteristics (*e.g.*, calories and fat content) of the food served at your Restaurant. You should consult with your attorney concerning these and other laws and ordinances that may affect the operation of your Restaurant.

ITEM 2
BUSINESS EXPERIENCE

Independent Manager: Thomas M. Strauss

Mr. Strauss has served as our Independent Manager since February, 2011. He has also been employed by Wilmington Trust Company (“Wilmington Trust”) and Wilmington Trust SP Services, Inc. (“Wilmington SP”), both located in Wilmington, Delaware, since July 1991, serving as Vice President for Wilmington Trust and as Director, Client Services for Wilmington SP since April 1999.

Independent Manager: Amy W. Stengel

Ms. Stengel has served as our Independent Manager since February 2011. She has also been employed by Wilmington Trust and Wilmington SP, both located in Wilmington, Delaware, since March 2006, serving as Vice President for Wilmington Trust and as Chief Administrative Officer for Wilmington SP since January 2009. From May 2007 to January 2009, Ms. Stengel was Managing Director, Traditional Entity Management for Wilmington SP and from March 2006 to May 2007, she was Assistant Vice President for Wilmington Trust and Manager Financial Services for Wilmington SP.

President and Chief Executive Officer: Mel Deane

Mr. Deane has been President and Chief Executive Officer since January 14, 2011. He has also been President, Chief Executive Officer, and a Director of Cajun Operating since December 2009. He was Executive Vice President from August 2009 to December 2009. He has served as Operating Principal for Friedman, Fleischer & Lowe LLC in San Francisco, California, since March 2000.

Executive Vice President: Rajat Duggal

Mr. Duggal has been Executive Vice President since January 14, 2011. He has also been a member of Cajun Operating’s Board of Directors since August 2009. He has been employed by Friedman, Fleischer & Lowe LLC in San Francisco, California since August 2002, serving as Managing Director since June 2004 and as Vice President from August 2002 until June 2004.

Executive Vice President, Chief Legal Officer and Secretary: Kenneth A. Cutshaw

Mr. Cutshaw has been Executive Vice President, Chief Legal Officer and Secretary since January 14, 2011. He has also held these positions with Cajun Operating since January 2006.

Executive Vice President, Chief Financial Officer and Treasurer: Louis J. (Dusty) Profumo

Mr. Profumo has been Executive Vice President, Chief Financial Officer and Treasurer since January 14, 2011. He has also held these positions with Cajun Operating since January 2005.

Franchise Manager: Cajun Operating Company

As detailed in Item 1, under the Management Agreement between us (and our three wholly owned subsidiaries involved in the financing transaction described in Item 1) and Cajun Operating, which was entered into in February 2011, Cajun Operating will act as our franchise broker and will also – on our behalf – fulfill all of our duties and obligations under Franchise Agreements and Development Agreements. See below in this Item 2 for the directors, principal officers and other executives of Cajun Operating who will have managerial responsibility relating to the sale or operation of Church's Restaurants franchises.

President – US Operations: John F. Bowie

Mr. Bowie has been President of US Operations of Cajun Operating since September 2010. From December 2007 until August 2010, he was a Senior Vice President of Restaurant Operations for Friendly's Ice Cream Corporation in Wilmington, Massachusetts, and from June 1994 until December 2007 he was a Division Vice President for Wendy's International in Philadelphia, Pennsylvania.

Executive Vice President, Supply Chain: Will Costello

Mr. Costello has been Executive Vice President, Supply Chain of Cajun Operating since May 2010. From August 2004 until April 2010, he was Vice President of Purchasing for International Dairy Queen in Minneapolis, Minnesota.

Executive Vice President and Chief Marketing Officer: Anthony M. Lavelly

Mr. Lavelly has been Executive Vice President and Chief Marketing Officer of Cajun Operating since August 2009. From February 2007 to July 2009, he served as President of Odyssey Worldwide, LLC in Orlando, Florida. He was Senior Vice President, Marketing & Franchise Development of Ruth's Hospitality Group, Inc. in Orlando, Florida from July 2004 to January 2007.

Senior Vice President of International Operations: Zack Kollias

Mr. Kollias has been Senior Vice President of International Operations of Cajun Operating since May 2006. He served as Cajun Operating's Vice President of Planning and Analysis from April 2005 until May 2006 in Atlanta, Georgia.

Senior Vice President – Franchise Operations: Michael Kuzminsky

Mr. Kuzminsky has been Senior Vice President of Franchise Operations of Cajun Operating since March 2010. He was Cajun Operating's Vice President of Franchise Operations from January 2008 until March 2010. He was Cajun Operating's Senior Director of Franchise Operations from August 2006 to January 2008. From October 1997 to July 2006, he served as Regional Director of Operations for Pizza Hut of America, a division of YUM Brands, Inc., in Atlanta, Georgia.

Senior Vice President – Research and Development: Kirk Waisner

Mr. Waisner has been Senior Vice President of Research and Development of Cajun Operating since January 2011. From October 2009 to January 2011, he was Vice President of Research and Development of Cajun Operating. From December 2004 until October 2009, he was Vice President of Quality, Supply and Commercialization for AFC Enterprises, Inc., in Atlanta, Georgia.

Senior Vice President – Marketing: Marc Butler

Mr. Butler has been Senior Vice President – Marketing of Cajun Operating since January 2011. He was Vice President – Marketing of Cajun Operating from February 2009 until January 2011. He was Senior Director – Marketing of Cajun Operating from July 2004 until February 2009.

Vice President - Quality: Dave Crussell

Mr. Crussell has been Vice President of Quality of Cajun Operating since August 2009. He has been Operating Vice President of Friedman, Fleischer & Lowe LLC in San Francisco, California since August 2007. He was Chief Operating Officer of SumTotal Systems in Mountain View, California, from May 2002 until August 2007.

Senior Director – International Development: William Schreiber

Mr. Schreiber has been Senior Director of International Development of Cajun Operating since April, 2009. From December 2006 until November 2008 he was Director of Development and Construction for Pollo Campero in Dallas, Texas. From April 1995 until July 2006 he was employed by Triarc Companies, d/b/a Arby's Restaurant Group in Ft. Lauderdale, Florida, where his final position was Vice President of Franchise Management and General Manager – Canada.

Director – National Field Training: Stephen Heissner

Mr. Heissner has been Director of National Field Training of Cajun Operating since October, 2007. From April 2003 until September 2007, he was President and owner of Palimpsest Communications in Atlanta, Georgia.

Senior Manager – Franchise Sales & Development: Patricia Perry

Ms. Perry has been Senior Manager of Franchise Sales & Development of Cajun Operating since March 2008. She was Manager of Franchise Sales & Development from November 2006 until March 2008. She was an Equity Partner for Jasabar Restaurant and Magnaz LLC in Atlanta, Georgia from January 2002 until March 2006.

Development Director – Marcelino Contreras

Mr. Contreras has been Development Director of Cajun Operating in Wylie, Texas, since April 2007. From August 2002 until January 2007, he was Director, Franchise Sales & Development, for El Pollo Loco in Irvine, California.

Development Director – Reggie B. Ferree

Mr. Ferree has been Development Director of Cajun Operating in Ashboro, North Carolina, since February 1998.

ITEM 3
LITIGATION

Pending Litigation Involving Our Predecessor.

Marcus Beasley and Denise Beasley v. Arcapita, Inc., Crescent Capital Investments, Inc., Cajun Holding Company and Cajun Operating Company, No. 1:08-cv-00804-RDB (D.Md.). Marcus Beasley and Denise Beasley filed this action on April 1, 2008 in the United States District Court for the District of Maryland, alleging that Cajun Operating's decision to prohibit their franchise company, Beasley Food Ventures, Inc., from selling pork products in their Church's Chicken restaurant was based on racial discrimination, in violation of 42 U.S.C. § 1981. The plaintiffs seek "actual damages of \$5,000,000, compensatory damages of \$5,000,000, punitive damages of \$10,000,000, reasonable attorneys' fees, fees for experts, interest, costs and such other relief to which they may be entitled." The Court granted Cajun Operating's motion to dismiss on October 10, 2008. The plaintiffs have appealed the dismissal to the Fourth Circuit Court of Appeals. Cajun Operating denies these allegations and intends to defend itself vigorously.

Litigation Involving Franchise Relationship in Fiscal Year 2010.

Litigation to Enforce Post-Termination Obligations Under the Franchise Agreement

Cajun Operating Company v. Bach Springs Corporation, Barkat Daredia, and Mooney Lee, No. 3:10-CV-1509-M(BF), U.S. District Court, Northern District of Texas, Dallas Division.

* * *

Additional litigation in the 10-year period immediately before the date of this FDD involving Cajun Operating's predecessor, AFC, and/or its Popeyes brand, is disclosed in Exhibit O.

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

ITEM 4
BANKRUPTCY

1. In re Avado Brands, Inc., Case No. 04-31555-SAF-11 (U.S. Bankruptcy Court for the Northern District of Texas, Dallas Division). Our current Executive Vice President, Chief Financial Officer and Treasurer, Louis J. (Dusty) Profumo, served as Chief Financial Officer of Avado Brands, Inc. ("Avado") from February 2002 to January 2005 and as Chief Accounting Officer from July 1997 to March 2000. Avado is the owner and operator of the Don Pablo's and Hops casual dining restaurant concepts and is based in Madison, Georgia. On February 4, 2004, Avado filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. Avado emerged from bankruptcy in May 2005.

Except as provided above, no bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Development Fee. You must sign a Development Agreement regardless of the total number of Restaurants you commit to develop. You must pay a development fee ("Development Fee") for each Restaurant to be developed under the same Development Agreement at the time you sign the Development Agreement. The Development Fee is \$20,000 per Restaurant you agree to develop under the Development Agreement.

If you are an existing franchisee of Church's (that is, you had a Restaurant open on December 31, 2010 and you have a Restaurant open on the date you sign a new Development Agreement), and you enter into a Development Agreement to develop additional Restaurants, we will reduce the Development Fee to \$10,000 per Restaurant.

Initial Franchise Fee. The initial franchise fee ("Franchise Fee") is \$15,000 for each Restaurant. You must pay the Franchise Fee, which is in addition to the Development Fee, when you sign the Franchise Agreement for each Restaurant. You must sign the Franchise Agreement within 90 days after we accept a site for the Restaurant and prior to opening the Restaurant.

Incentive Programs. We may offer promotions for limited periods of time in the form of reduced franchise or development fees, limited royalty waivers, and other incentives as part of certain programs designed to promote the execution of Development Agreements and Franchise Agreements, and to encourage the development and opening of Restaurants. We may change or eliminate such promotions at any time. We may limit the promotions to certain target markets. We may impose conditions on any incentive programs. As of the date of this Franchise Disclosure Document, we are not offering any incentive programs. In 2010, initial fees were uniform except that for one new franchisee that committed to open at least three new Restaurants in 3.5 years, we reduced the Development Fee to \$5,000 per Restaurant, and allowed the franchisee to defer payment of the Development Fee for up to 18 months.

* * *

All of the fees described above must be paid in full. None are refundable.

ITEM 6
OTHER FEES

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Development Schedule Extension Fee	\$3,000 for each Development Schedule extension of 6 months	Upon our approval of any Development Schedule Extension	We reserve the right, in our sole discretion, to grant one or more Development Schedule Extensions.
Royalty²	5% of Gross Sales ³	Within 5 business days after the end of each fiscal week.	"Gross Sales" means all revenue related to the Restaurant, less sales taxes.

TYPE OF FEE¹	AMOUNT	DUE DATE	REMARKS
Tax Reimbursement	If any taxes, fees or assessments are imposed on us by reason of our acting as franchisor or licensing proprietary marks to you, then you must reimburse us such amount	30 days after receipt of invoice	
Advertising Fund Contribution	5% of Gross Sales (up to 1% of Gross Sales if a Co-Op has been formed, plus contribution to Co-Op), and at least \$25,000	Same as Royalty	
Advertising Co-Op Contribution³	Percentage of Gross Sales as determined by your Co-Op.	Same as Royalty	The amount of the contribution to the Co-Op will be determined by a vote of its members, in accordance with the Co-Op's Operating Procedures. It can exceed 5%.
Transfer	\$5,000	Upon transfer of franchise	
Unauthorized Transfer	\$25,000	Upon transfer of franchise if transfer made in violation of Franchise Agreement	
Renewal	50% of our then-current, standard, initial franchise fee	Upon signing of Franchise Agreement for the renewal term	Renewal is subject to contractual requirements. See Item 17.
Securities Offering Review Fee	\$5,000 or such greater amount as is necessary to reimburse us for reviewing the proposed offering	Upon request for review	Fee charged only if you propose to place securities in public or private offering.
Product Testing	Cost of testing new products	If incurred, on demand	This fee (which could range from \$0 to \$2,500) will be charged only for ingredients, supplies and goods you buy from suppliers that we have not approved, or if these materials do not meet our specifications.
Audit (by us)	Cost of audit	If incurred, on demand	If we audit you and find that you understated Gross Sales by 2% or more, you must reimburse us for the cost of the audit. ⁴

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Late Payment Fee - Overdue Payments and Understated Sales	1.5% of the amounts due per month, plus \$100	On demand	The late payment fee runs from the date your payment was due until the date it is received by us.
Default Royalty	1% of Gross Sales	Within 5 business days after the end of each fiscal week.	For as long as you are in default under the Franchise Agreement, we may raise your Royalty Fee by 1% of Gross Sales.
Costs and Attorneys' Fees	Will vary by circumstances	Immediately, if incurred	Costs and attorneys' fees are payable if we terminate the Franchise Agreement due to your default.
Cure	Will vary by circumstances	If incurred, on demand	If you breach the Franchise Agreement or fail to comply with the Manual, we may take action to cure such breach or failure, and you must reimburse us for our reasonable costs and expenses.
Follow-up Inspection	Will vary by circumstances	If incurred, on demand	If you fail an inspection conducted by us, we may require you to reimburse us for all costs (both out-of-pocket and internal overhead) we incur to conduct a follow-up inspection
Indemnity	Will vary by circumstances	If incurred, on demand	You must indemnify and reimburse us for our costs and any judgment if we are sued for claims relating to the operation of your Restaurant. You must also reimburse us for costs we incur in enforcing the agreements if you default, or if you sue us (unless you are found to be in compliance with the agreements).
Liquidated Damages	Average weekly royalty fees and advertising contributions for the 52 weeks preceding termination, multiplied by 104 (or, if less than two years remaining in the term, multiplied by the number of weeks remaining in the franchise term).	If incurred, on demand	This amount is intended to reflect damages to us if your franchise agreement is terminated by us based upon your default.

TYPE OF FEE¹	AMOUNT	DUE DATE	REMARKS
Purchasing Division Surcharge	Pass-through of our cost	Upon payment for goods which bear a surcharge dedicated to the Purchasing Division.	Costs of the Purchasing Division are reimbursed by surcharges on certain goods. Currently, the surcharges are \$0.60 per case of flour, \$1.41 per case of regular chicken box, \$1.61 per case of family chicken box, and \$1.63 per case of biscuit mix.
Customer Satisfaction and Franchise Compliance Programs	Pass-through of our approximate cost per restaurant. Currently \$50 per 4-week period for the combination of Guest Hotline, Customer Survey Program, and Mystery Shop Program.	Every four weeks.	
Manager Training	Cost of training program	Before attending training	Under current policy, there is no fee for first two manager trainees; the fee for each additional manager trainee is \$750.

NOTES:

1 These fees must be paid to us, and are non-refundable. Generally, all fees are uniformly imposed on our franchisees, however, in our discretion, we may reduce or waive a fee for a particular franchisee for a limited period of time.

2 Upon 30 days' prior written notice from us, you must participate in our electronic funds transfer program authorizing us to utilize a pre-authorized bank draft system. All royalty fees and other amounts owed to us under the Franchise Agreement, including advertising contributions and interest charges, must be received by us or credited to our account before 5:00 p.m. on the fifth business day after the end of each fiscal week. You must designate an account at a commercial bank and furnish the bank with all authorizations necessary to permit us to make withdrawals by electronic funds transfer.

3 We may establish an Ad Co-Op (as defined in Item 11) in every DMA (as defined in Item 11) in which a franchised Church's Restaurant is located. Each Church's Restaurant (including any Church's Restaurant owned by our affiliate, Cajun Restaurants LLC) has one vote in the Ad Co-Op. See Item 11 for the number of Church's Restaurants we own in each DMA. The following is a list of DMAs where we have majority voting power, and the required percentage of gross sales which franchisees in those DMAs contribute combined to the Ad Co-Op and Advertising Fund:

<u>DMA</u>	<u>Franchisee Contribution</u>
Alexandria, LA	5.60%
Austin, TX	5.00%
Birmingham, AL	4.75%
Columbus, GA	4.50%

Lafayette, LA	4.00%
McAllen TX	4.00%
Memphis, TN	4.50%
Montgomery, AL	4.75%
Nashville, TN	5.60%
New Orleans, LA	4.00%
San Antonio, TX	5.00%
St. Louis, MO	5.60%
Tampa, FL	4.00%

4 It is very difficult to estimate audit costs that you might experience as these costs are contingent on a number of factors and, therefore, vary widely. For example, audit fees may be dependent upon the amount of any understatement; the fees that were understated; the length of time the fees were understated; whether the understatement was intentional; the location of the franchisee's offices and its restaurants; the condition of the franchisee's books and records; the number of restaurants at issue; and the franchisee's cooperation, or lack of cooperation, with the auditor. Depending upon these factors, we anticipate that the audit costs could range from \$1,000 to \$5,000 for one Restaurant.

ITEM 7 **ESTIMATED INITIAL INVESTMENT**

Your initial investment will depend on the type of Church's Restaurant that you develop.

YOUR ESTIMATED INITIAL INVESTMENT: 1850 Prototype

The "1850" prototype is a free-standing restaurant with both dine-in and drive-thru facilities, and which complies with our current brand standards. The estimated initial investment for a ground-up construction of a new 1850 prototype is set forth below. The initial investment to convert an existing building will vary according to the circumstances.

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made ¹
Development Fee²	\$20,000 per Restaurant	Lump sum	At signing of Development Agreement	Us
Initial Franchise Fee²	\$15,000	Lump sum	At signing of Franchise Agreement	Us
Real Estate (purchase or lease)³	Variable	Lump sum or Monthly	As arranged	Lessors/ vendors
Site Work⁴	\$90,000 to \$185,000	Lump sum	As ordered	Vendors
Building and Improvements⁵	\$273,000 to \$390,000	Lump sum	As ordered	Vendors
Equipment and Signs⁶	\$100,000 to \$260,000	Lump sum	As ordered	Vendors
Fees, Misc., A&E Services, Deposits⁷	\$45,000 to \$150,000	Lump sum	As ordered	Vendors, consultants, municipalities

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made ¹
Initial Training⁸	\$0 to \$6,500	As incurred	As incurred	Employees/ vendors
Opening Supplies⁹	\$4,500 to \$10,000	As arranged	As incurred	Suppliers
Insurance¹⁰	\$7,500 to \$10,000	As arranged	As ordered	Insurance company/ broker
Utility Deposits¹¹	\$2,000 to \$3,000	Lump sum	Per lease or utility company's requirements	Utility companies/ lessors
Business Licenses¹²	\$300 to \$600	Lump sum	Before opening	Government agencies
Additional Funds¹³	\$10,000 to \$20,000	As arranged	As needed	Employees/ suppliers
Total Investment¹⁴	\$567,300 - \$1,070,100 (excluding Real Estate)			

YOUR ESTIMATED INITIAL INVESTMENT: Inline Restaurant

An Inline Restaurant is located in a retail space in a strip mall-type shopping center, with dine-in facilities; it may include drive-thru facilities if located as an "end-cap." It must comply with our current brand standards.

The estimated initial investment for a new construction Inline Restaurant (including an "end-cap") is the same as listed above for the 1850 Prototype, except as set forth below. The low end of the estimates below may reflect some site work, improvements, or miscellaneous work performed by the property owner as part of a negotiated lease. The cost to convert an existing in-line space will vary according to the circumstances.

Category	Estimated Cost	Method Of Payment	When Due	To Whom Payment Is To Be Made
Site Work	\$20,000 to \$60,000	Lump sum	As ordered	Vendors
Fees, Misc., A&E Services, Deposits⁷	\$10,000 to \$40,000	Lump sum	As ordered	Vendors, consultants, municipalities
Building and Improvements	\$150,000 to \$250,000	Lump sum	As ordered	Vendors
Equipment and Signs⁶	\$100,000 to \$250,000	Lump sum	As ordered	Vendors
Total Investment¹⁴	\$339,300 to \$685,100 (excluding Real Estate)			

YOUR ESTIMATED INITIAL INVESTMENT: Convenience Store or Travel Plaza

A Convenience Store Restaurant is attached to or part of a convenience store or travel plaza. It must comply with our current brand standards.

The estimated initial investment for a new construction Convenience Store Restaurant is the same as listed above for the 1850 Prototype, except as set forth below. The cost to convert an existing convenience store space will vary according to the circumstances.

Category	Estimated Cost	Method Of Payment	When Due	To Whom Payment Is To Be Made
Site Work	\$0 to \$100,000	Lump sum	As ordered	Vendors
Building and Improvements	\$75,000 to \$250,000	Lump sum	As ordered	Vendors
Equipment and Signs ⁶	\$90,000 to \$230,000	Lump sum	As ordered	Vendors
Total Investment¹⁴	\$269,300 to \$815,100 (excluding Real Estate)			

YOUR ESTIMATED INITIAL INVESTMENT: Conversion of a Former Mrs. Winner's® or Popeyes®

An existing building can be converted to a Church's Restaurant. In 2008 and 2009, we converted 29 buildings that were formerly operated as Mrs. Winner's® or Popeyes® restaurants. The initial investment for a conversion of a former Mrs. Winner's® or Popeyes® is the same as listed above for the 1850 Prototype, except as follows:

Category	Estimated Cost	Method of Payment	When Due	To Whom Payment Is To Be Made
Site Work	\$3,000 to \$9,800	Lump sum	As Ordered	Vendors
Building and Improvements	\$59,000 to \$94,000	Lump sum	As Ordered	Vendors
Equipment and Signs ⁶	\$60,000 to \$210,000	Lump sum	As Ordered	Vendors
Fees, Misc, A&E Services, Deposits ⁷	\$10,000 to \$25,000	Lump sum	As Ordered	Vendors, consultants, municipalities
Total Investment¹⁴	\$191,300 - \$423,900 (excluding Real Estate)			

NOTES:

1. All costs paid to us are not refundable.
2. You must sign a Development Agreement regardless of the number of Restaurants you develop. When you sign a Development Agreement, you must pay a Development Fee in the amount of \$20,000 for each Restaurant you agree to develop under the Development Agreement. The Franchise Fee is \$15,000 for each Restaurant. You must pay the \$15,000 Franchise Fee, which is in addition to the

Development Fee, when you sign the Franchise Agreement for each Restaurant. You must sign the Franchise Agreement within 90 days after we accept a site for the Restaurant and prior to opening the Restaurant. If you are an existing franchisee of Church's (that is, you had a Restaurant open on December 31, 2010 and you have a Restaurant open on the date you sign a new Development Agreement), and you enter into a Development Agreement to develop additional Restaurants, we will reduce the Development Fee to \$10,000 per Restaurant. You may find additional details about these fees in Item 5 above.

3. We cannot estimate your initial investment for real estate. However, the following factors will bear on the amount of your investment. If you do not already own adequate Restaurant space, you will have to purchase or lease land and a building for the Restaurant. Typical locations for Restaurants are shopping centers, urban commercial areas and suburban shopping areas. These typical Restaurants range in size from 1,200 to 3,000 square feet. Free-Standing units in suburban locations will require from 14,000 to 30,000 square feet of land for the Restaurant and adequate parking facilities. The cost of commercial land or restaurant space, whether you lease or buy, varies considerably depending upon the location and conditions affecting the local market for commercial property. We estimate that the annual rent for leased space will range from \$24,000 to \$70,000, depending upon factors, including but not limited to, the following: whether the Restaurant is located within an existing retail business (*e.g.*, convenience store, supermarket, shopping mall) and the extent of the menu to be offered. Security deposits should not exceed an average of two months' rent on the property. The cost of converting land to use as a Restaurant may vary widely depending upon the previous use and condition of the property. The cost of land (if purchased) will vary depending considerably based upon the location and condition of the property.

4. The initial investment for site work can vary significantly. The amount of site work needed will depend on the condition of the land when leased or purchased, but in our experience is often in the range of \$90,000 to \$185,000 for a free-standing restaurant.

5. Free-Standing Restaurants are ordinarily of frame, cementitious siding, EIFS (Exterior Insulation and Finishing System) and/or masonry construction.

6. You must purchase certain items of furniture, fixtures, equipment, signage, menuboards, smallwares, and computer systems (including a POS System and back office software as described in Item 11). The Manual contains a complete list of the equipment needed. As the above table indicates, the cost of equipment and signage varies depending on the size and location of the Restaurant, as well as the availability of used equipment. The standard equipment package (including signage, lighting, walk-in refrigeration units, furniture, décor, fixtures (other than HVAC and other fixtures which are counted in the "building and improvement" category), menuboards, and smallwares, but excluding computer and POS System, delivery, and taxes) for an 1850 Prototype costs \$195,000.

7. You must obtain, at your own expense, additional qualified architectural and engineering services to prepare surveys, site and foundation plans, and to adapt the standard plans and specifications to applicable local or state laws, regulations or ordinances. You must bear the cost of preparing plans that deviate from and/or modify the standard plans. Certain governmental authorities may require impact fees, filings fees, and other costs of doing business, which vary from jurisdiction to jurisdiction.

8. In connection with the initial training, you will need to arrange and pay for transportation, lodging, food and incidental expenses for you and your designated management employees. You must also pay the salaries and benefits of your designated management employees. The expenses you will incur depend on factors such as the cost of travel, hotel accommodations, and meals, as well as employee salaries and associated costs. In addition, training expenses will vary depending upon how many

employees you send to training. We may require that you send a certain minimum number of employees that we determine to training.

9. We estimate that the range given will be sufficient to cover a supply of food and paper products for one to two weeks of Restaurant operations.

10. Required insurance includes general liability, employer's liability, workers' compensation, auto liability and property insurance. See Section 8 of the Development Agreement and Section 12 of the Franchise Agreement for specific requirements and coverage amounts. Your cost will vary according to the risks associated with your business and your location. The cost of workers' compensation insurance will vary according to the number of employees of the Restaurant and the requirements of state law.

11. You may need to provide deposits for utilities. The amount of these deposits and utility costs will vary depending upon the location of the Restaurant and the practices of the lessor and the utility companies.

12. Local, municipal, county and state regulations vary on what licenses and permits are required by you to operate a Restaurant. For example, you may need city and county occupational licenses and a city food-handlers' license. Such fees are paid to governmental authorities, when incurred, before commencing business.

13. You will need capital to support on-going expenses, such as payroll, uniforms, supplies and miscellaneous expenses. We estimate that the amount given will be sufficient to cover on-going expenses for the initial phase of business, which we estimate to be three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this initial phase or after.

14. The range given provides our best estimate of your total investment, assuming that you will establish only one Restaurant under the Development Agreement. We relied upon the many years of experience of our executives identified in Item 2, our construction department, and reports from our franchisees in preparing these figures.

* * *

As described in Item 10, we do not offer, either directly or indirectly, financing to you in connection with your initial investment. The availability and terms of financing from third parties will depend on factors such as the availability of financing generally and your credit-worthiness.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To operate the Restaurant, you must use certain items that incorporate our trade secrets ("Trade Secret Products"). Trade Secret Products include ingredients, products, materials, supplies and other items. Trade Secret Products include our fried chicken batters and seasonings and certain other food products and recipes (including fried okra batter and breading; boneless wing seasonings, batters, and breading; collard greens seasoning, buffalo wing seasoning, marinated chicken strips formula, cob corn oil, biscuit topping and mix, macaroni and cheese formula, mashed potatoes formula, fried apple pies formula, potato fried pies formula, jalapeno cheese bombers, various other seasonings and sauces). You must buy Trade Secret Products only from suppliers that we designate.

Certain products bear our Proprietary Marks and are made to our specifications by approved manufacturers ("Proprietary Products"). You must buy Proprietary Products only from manufacturers we approve in writing. Examples of Proprietary Products include certain uniforms, signs, menu boards, paper goods and packaging.

We retain the right to require you to use only cash registers and other point-of-sale equipment, and associated software and back-office systems (collectively, "POS System") that we specify in writing. However, we currently do not impose any limits on your choice of POS Systems.

You must construct the Restaurant in accordance with our standard plans and specifications, or according to plans and specifications approved by us.

You must purchase, install, and use only fixtures, furnishings, equipment (including, without limitation, fryers, grills, ovens, warmers, refrigerators, freezers, waste disposal units, dishwashers, and display cases) and signs that we have approved as meeting our specifications and standards for quality, design, appearance, function and performance.

Except for Trade Secret Products, Proprietary Products, and items described in the prior paragraphs, you must buy all other items needed to operate the Restaurant (such as french fries, flour, food trays, paperwares, etc.) only from suppliers and distributors who demonstrate, to our continuing and reasonable satisfaction, the ability to meet our reasonable standards for those items; who possess adequate quality controls and capacity to supply your needs promptly and reliably; and as to whom we have given (and not revoked) our written approval.

No officer of our company owns an interest in any approved supplier.

You cannot offer menu items that are not part of the System without our approval.

If you want to obtain items from a non-approved supplier or distributor, you (or the supplier or distributor) must make a written request to us seeking approval. As a condition of our approval, we may require that the supplier or distributor allow our representatives to inspect its facilities and that the supplier or distributor deliver samples, at our option, either to us or to an independent laboratory that we designate for testing before we will grant our approval. The approval process ranges from 30 days for simple items to 6 months for highly complex food formulas, which require more extensive testing. You or the supplier or distributor must pay a charge not to exceed our reasonable cost of inspection and the actual cost of testing. We reserve the right, at our option, to periodically reinspect the facilities and products of any approved supplier or distributor. We will also have the right to revoke our approval if we find that a supplier or distributor no longer meets our standards. The process of reviewing possible suppliers and distributors includes many factors, such as inspecting and testing sample products to determine whether the products meet our standards, inspecting a proposed distributor's physical plant and similar steps to assure compliance with our standards for quality, food safety and sanitation. If we conclude that an approved supplier or distributor no longer meets our standards, we will revoke our approval of that supplier or distributor. We do not currently charge fees to approve suppliers and distributors, but we reserve the right to do so.

We do not currently require you to buy or lease goods or services from us, nor do we or our affiliates presently supply or offer to sell or lease goods or services to our franchisees. We do not derive income from sales made by designated or approved suppliers or distributors to Church's franchisees (however, the distributors collect a surcharge on certain products to fund the Church's Purchasing Division, as described below). There are currently no purchasing or distribution cooperatives.

We will provide our standards to you through our Manual. We will lend you a copy of our Manual when you sign the Franchise Agreement and pay us the initial Franchise Fee and any other amounts then due. We may update and revise these standards periodically, and we will notify you of these changes by written or electronic communication. See Item 11. We usually develop standards internally, but sometimes we develop standards with suppliers.

We estimate that your purchases from approved suppliers or from suppliers that we designate, and otherwise under our standards, will be approximately 95% of the total purchases and leases of products and services needed to establish the Restaurant, and approximately 95% of the total purchases and leases of products and services needed to operate the Restaurant. We also estimate that your purchase of Trade Secret Products will be less than 1% of the total purchases and leases of products and services needed to establish the Restaurant, and approximately 25% of the total purchases and leases of products and services needed to operate the Restaurant.

Under the Franchise Agreement, we may designate an exclusive beverage supplier or suppliers for beverage products sold within the System ("Designated Beverage Supplier"). After 30 days notice to you of our appointment of a Designated Beverage Supplier, you must purchase all designated beverage items only from the Designated Beverage Supplier.

We do not receive rebates from any suppliers based upon purchases by franchisees.

We do not require you to buy or lease any goods or services from us, or suppliers designated by us, except as described above.

Church's Purchasing Division provides purchasing and logistical services to the System. You must participate in Church's Purchasing Division (or any successor designated by Church's) and sign a Participation Memorandum regarding your participation. The Purchasing Division negotiates with certain vendors and suppliers for the benefit of franchisees as well as company-owned stores. The Purchasing Division passes its costs and overhead to the System through surcharges on certain products, as detailed in Item 6. Currently, these surcharges are: \$0.60 per case of flour, \$1.41 per case of regular chicken box, \$1.61 per case of family chicken box, and \$1.63 per case of biscuit mix. The surcharges are imposed by the distributors of these products and then paid to the Purchasing Division. The Purchasing Division is not a source of profit for us. The Purchasing Division has a Board of Directors with seven members. The Church's Independent Franchise Association appoints three members of the Board; the two largest franchisees (determined by annual revenue) appoint two members of the Board, and we appoint the remaining two members of the Board. The budget of the Purchasing Division, including the surcharges on certain products, is subject to the approval of the Board of Directors.

You must participate in a guest feedback/hotline program operated by ServiceCheck, Inc. You must also participate in an interactive voice response customer survey program operated by Service Management Group, Inc. You must participate in a mystery shopping program operated by Market Force Information, Inc. The costs associated with each of these programs are disclosed in Item 6. We have access to information regarding your participation in these programs, including the results of your participation in these programs.

We do not confer special or other material benefits on franchisees that buy or lease from approved suppliers or sources.

Under the Development Agreement, you are required to obtain the right to occupy the premises at which you will operate each Restaurant. We will have the right to review and approve these premises.

You will generally have the option to buy, lease, or sublease the premises, depending upon market conditions. If you lease or sublease the premises, we will have the right to review and approve the lease or sublease. We may require the lease or sublease to contain the following terms, among others, before we will give our approval: (i) if you default under the lease/sublease, or stop operating the Restaurant for any reason, we will have the right to assume your rights and obligations under the lease/sublease; (ii) if you default under the lease/sublease, we must receive a copy of any notice of the default; and (iii) if you default under your lease/sublease or stop operating the Restaurant, we may modify the premises as necessary to enforce the covenants against competition and the other post-termination obligations under the Franchise Agreement that are noted in Item 17 below.

ITEM 9
FRANCHISEE'S OBLIGATIONS

The following table lists your principal obligations under the Franchise Agreement and the Development Agreement. It will help you find more detailed information about your obligations in these Agreements and in other Items of this disclosure document.

OBLIGATION	SECTION(S) IN AGREEMENT(S)	DISCLOSURE DOCUMENT ITEM
a. Site Selection and Acquisition/Lease	§ 5 of Development Agreement	Item 11
b. Pre-Opening Purchases/Leases	§ 6 of Development Agreement	Items 5, 7 and 8
c. Site Development and Other Pre-Opening Requirements	§ 8 of Franchise Agreement §§ 5 and 7 of Development Agreement	Items 7, 8 and 11
d. Initial and On-Going Training and Certification	§§ 8 and 10 of Franchise Agreement	Item 11
e. Opening	§7 of Development Agreement	Item 11
f. Fees	§§ 3, 4, 8, 10, 15, 18 and 22 of Franchise Agreement §§ 3, 4, 12 and 18 of Development Agreement	Items 5 and 6
g. Compliance with Standards and Policies/ Operating Manual	§ 6, 7 and 10 of Franchise Agreement § 9 of Development Agreement	Items 6, 8 and 11
h. Trademarks and Proprietary Information	§§ 5, 7, 11 and 17 of Franchise Agreement § 14 of Development Agreement § 3 of Guaranty Agreement	Items 13 and 14
i. Restrictions on Products/Services Offered	§ 10 of Franchise Agreement	Item 16
j. Warranty and Customer Service Requirements	§ 10 of Franchise Agreement	Item 11
k. Territorial Development and Sales Quotas	§§ 1 and 3 to Development Agreement	Item 12
l. On-Going Product/Service Purchases	§§ 10 and 12 of Franchise Agreement	Item 8
m. Maintenance, Appearance and Remodeling Requirements	§§ 3, 10 and 15 of Franchise Agreement	Item 11
n. Insurance	§ 12 of Franchise Agreement § 8 of Development Agreement	Items 6 and 7
o. Advertising	§ 5 of Franchise Agreement	Items 6 and 11
p. Indemnification	§ 22 of Franchise Agreement § 18 of Development Agreement	Item 6
q. Owner's Participation/Management/ Staffing	§§ 8, 10 and 13 of Franchise Agreement § 5, 7 and 10 of Development Agreement	Item 15
r. Records/Reports	§ 4 of Franchise Agreement	Item 6

OBLIGATION	SECTION(S) IN AGREEMENT(S)	DISCLOSURE DOCUMENT ITEM
s. Inspections/Audits	§§ 4, 5, 9, 10 and 18 of Franchise Agreement § 6 and 7 of Development Agreement	Items 6 and 11
t. Transfer	§ 15 of Franchise Agreement § 12 of Development Agreement	Item 17
u. Renewal	§ 2 of Franchise Agreement	Item 17
v. Post-Termination Obligations	§ 19 of Franchise Agreement § 16 of Development Agreement § 4 of Guaranty Agreement	Item 17
w. Non-Competition Covenants	§ 17 of Franchise Agreement § 14 of Development Agreement § 4 of Guaranty Agreement	Item 17
x. Dispute Resolution	§ 27 of Franchise Agreement § 23 of Development Agreement	Item 17
y. Other - Customer Satisfaction and Franchise Compliance Programs	§ 10 of Franchise Agreement	Item 6
Personal Guaranty	§ 13 of Franchise Agreement § 10 of Development Agreement Guaranty Agreement	Item 15

ITEM 10
FINANCING

We do not offer any direct or indirect financing to you, guarantees any. We do not guarantee your note, lease or obligation.

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

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

Under the Management Agreement between us (and three of our wholly owned subsidiaries) and Cajun Operating, Cajun Operating will—at all times acting on our behalf—fulfill all of our duties and obligations under Franchise Agreements and Development Agreements, including: fulfilling all of our obligations to franchisees; managing the System; marketing, offering and negotiating new and renewal Franchise Agreements and Development Agreements as our franchise broker; and assisting franchisees.

Cajun Operating employs all the persons who will provide services to you on our behalf under the terms of your Franchise or Development Agreement. If Cajun Operating fails to perform its obligations under the Management Agreement protocol, then Cajun Operating may be replaced as the franchise service provider. However, as the franchisor, we will always be responsible for fulfilling all of our duties and obligations under your Franchise and Development Agreements.

Pre-Opening Obligations.

Listed below are our pre-opening obligations under the Development Agreement and Franchise Agreement.

Development Agreement:

1. We will evaluate each site you propose for a Restaurant, and we will send you, within 30 days after receipt of your proposal, written notice of acceptance or non-acceptance of the proposed site. [*Development Agreement, Section 5C*]
2. We will provide you with standard plans and specifications for use only in the construction/renovation of your Restaurant, as we may require. You cannot modify or deviate from the standard plans and specifications unless you have our prior written approval. You must obtain, at your own expense, additional qualified architectural and engineering services to prepare surveys, site and foundation plans, and to adapt the standard plans and specifications to applicable local or state laws, regulations or ordinances. You must bear the cost of preparing plans that deviate from and/or modify the standard plans. [*Development Agreement, Section 6A*]
3. We will evaluate your final and complete plans for the construction/renovation and decoration of your Restaurant, and, if appropriate, we will approve these plans. [*Development Agreement, Section 6A*]
4. For your first Restaurant opened under a Development Agreement, we will provide a representative to be present at the opening. [*Development Agreement, Section 7A*]

Franchise Agreement:

Under the Franchise Agreement, we must provide certain assistance and services to you. Although the Franchise Agreement does not specify when we must perform these services, we intend to perform the following services before the opening of the Restaurant. Except as provided below, we are not required to provide you with any assistance.

1. We will make available our New Franchisee Orientation Program for you, and our Manager-in-Training Program for you and up to four designated management employees; see “The Orientation Program” below for more information. [*Franchise Agreement, Section 8A and 8B*]
2. We will provide our “All-Star Training Kit” for you to train your employees in connection with the opening of the Restaurant.
3. We may provide consultation and advice to you, in our sole discretion, with regard to the development and operation of the Restaurant, building layout, furnishings, fixtures and equipment plans and specifications, employee recruiting, selection and training, purchasing and inventory control, and such other matters as we deem appropriate. [*Franchise Agreement, Section 9A*]

Continuing Obligations.

Listed below are our obligations under the Franchise Agreement during the on-going operation of the Restaurant. Unless listed below, we need not provide any assistance to you.

1. We will make available to you additional training programs as we, in our discretion, choose to conduct. [*Franchise Agreement, Section 8C*]
2. As we deem appropriate, we will advise and consult with you in connection with the operation of the Restaurant. As we deem appropriate, we will provide to you our knowledge and expertise

regarding the System and pertinent new developments, techniques and improvements in the areas of restaurant design, management, food and beverage preparation, sales promotion, service concepts and other areas. We may provide these services through visits by our representatives, the distribution of printed or filmed material or electronic information, meetings or seminars, telephone communications, electronic mail communications or other communications. [*Franchise Agreement, Section 9B*]

3. We will make available to you continuing advisory assistance in the operation of the Restaurant, in person or by electronic or written bulletins, as we deem appropriate. [*Franchise Agreement, Section 9B*]

4. We (or our designated affiliate) will maintain and administer an Advertising Fund, and in some areas, an Ad Co-Op (as defined in this Item), to increase the public's awareness of the Restaurants and the System. [*Franchise Agreement, Section 5*]

5. We will lend you one copy of the Manual. The Manual contains the standards, specifications, operating procedures and techniques of the System. We supplement or amend the Manual from time to time by letter, electronic mail, updates to our www.TeamChurchs.com website, bulletin, videotapes, audio tapes, compact disks, software or other communications. [*Franchise Agreement, Section 6; Development Agreement, Section 9*] You must abide by all revisions to the Manual.

6. We will lend you one copy of our All Star Training Kit, which contains the materials that are to be used in training restaurant employees. The All Star Training Kit is part of the Manual [*Franchise Agreement, Section 8D*]

7. We will establish uniform criteria for approving suppliers and will make reasonable efforts to share our standards and specifications with your prospective suppliers upon your written request. We may choose not to make available to prospective suppliers the standards and specifications for any food formula or equipment design that we deem to be confidential. [*Franchise Agreement, Section 10C*]

10. We will inspect the Restaurant and its operations to assist your operations and ensure compliance with the System, at such times as we may determine. [*Franchise Agreement, Section 9C*]

Site Selection and Length of Time Before Opening.

The Development Agreement grants you a specific Development Area in which to establish and operate Restaurants under the System at specific locations to be designated in separate Franchise Agreements. You select the site of your Restaurant subject to our acceptance of the site. You must submit for our approval a Site Acceptance Request, in the form that we require, for the proposed site of each Restaurant you develop. We will evaluate each proposed site, and within 30 days after receipt of your complete proposal, we will send you written notice of our acceptance or non-acceptance of the site. We consider the following factors, among others, in evaluating the proposed site: demographic characteristics (such as the number of households in the neighborhood, average income and family size); traffic patterns; proximity to existing restaurants, including existing Church's Restaurants, and the size and condition of the proposed premises. Our acceptance of a proposed site will be good for 90 days, during which time you must provide us with satisfactory evidence (such as a deed or signed lease) that you have the right to occupy the site. Our acceptance of a site is not a representation or promise by us that a Restaurant at that site will achieve a certain sales volume or level of profitability. Similarly, our acceptance of one or more sites and our non-acceptance of other sites is not a representation or promise by us that a site we accept will have a higher sales volume or be more profitable than a site we do not accept. Our acceptance only indicates our willingness to be represented by you at that site.

The typical length of time between the signing of a Franchise Agreement and the opening of the Restaurant is between 90 and 180 days. The length of this period depends on many factors, such as your ability to buy or lease a site and obtain adequate financing, the local requirements you must meet to obtain permits and zoning approval, whether you use stick-built or modular construction, the amount of time required to train your intended management personnel, and other factors that affect construction in your area, such as weather. Other factors may affect the length of this period, such as your ability to obtain insurance and to get your approval of the final and complete plans and specifications for the construction/renovation and decoration of the Restaurant.

If we cannot reach agreement on a site, you will be unable to sign a Franchise Agreement and operate a Restaurant, and you will be in default under the Development Schedule of your Development Agreement.

The Orientation Program

You must complete, to our satisfaction, the New Franchisee Orientation Program (“NFOP”) before opening your first Restaurant. NFOP consists of two days of workshops and seminars conducted at a facility we designate (currently at our corporate offices in Atlanta, Georgia). We do not charge a fee for NFOP. You are, however, responsible for all expenses which you or your representatives incur while attending NFOP, such as the cost of travel, accommodations, meals, and employee wages and benefits.

Before opening your first Restaurant, your Operating Principal and up to four designated management employees (we decide the exact number, which must be at least three for your first Restaurant, and at least two for each additional Restaurant) must attend and complete, to our satisfaction, our initial Manager-in-Training Program (“MIT Program”). If your management employees complete the MIT Program to our satisfaction, we will issue certificates of completion to these trainees who will become “Certified Managers.” You must maintain at least two Certified Managers in the employ of each Restaurant throughout the term of the Franchise Agreement; we may require that you maintain more than two Certified Managers. You must enroll a qualified replacement in the MIT Program for any Certified Manager who ceases active employment at your Restaurant within 30 days after the former employee’s last day of employment. The replacement employee must join the next scheduled MIT Program, at your expense, at a Certified Training Restaurant (“CTR”). If the CTR is operated by another franchisee, you may be instructed to pay the training fee directly to the other franchisee. The current fee for the MIT Program for each employee, after the first two employees, is \$750.

We also may periodically make available to you and your employees additional training programs that we, in our discretion, choose to conduct. Attendance at these additional, training programs may be mandatory. Although we do not currently charge a fee for additional, mandatory training programs and related materials, we reserve the right to charge fees in the future to cover the cost of presenting such additional, mandatory training programs and producing the related materials. You will be responsible for all expenses that you and your management employees incur in connection with training, such as cost of travel, accommodations, meals, and employee wages and benefits. Optional training programs (instruction and required materials) may be offered to Franchisees for a fee.

We designed our MIT Program to educate you and your managers in all phases of the quick-service restaurant industry as related to the operation of the Restaurant. The MIT Program will be conducted at a CTR and lasts three weeks. Prior to attending the MIT Program you are required to successfully satisfy all the requirements of our All Star Training Program which is focused on the line level tasks performed in a Restaurant, including, but not limited to, product preparation procedures and recipes, customer service, food safety, and facility cleanliness and maintenance. The three week MIT

Program builds upon this knowledge base and addresses management responsibilities related to these tasks such as scheduling, cash management, inventory control, ordering, sales generation and profitability.

All Training and Development Department personnel have extensive experience in operations with us and other food service companies. Our training staff has the responsibility of developing and delivering training programs and training support materials. We employ the following individuals on our training staff:

Director – National Field Training: Stephen Heissner. Mr. Heissner has been involved with our training program since October 2007. He has more than 25 years of experience in restaurant operations training.

National Field Trainer: Francis Agbaroji. Mr. Agbaroji has been involved with our training program since 1988. He has more than 18 years of experience in restaurant operations training.

National Field Trainer: Michelle Petty. Ms. Petty has been involved with our training program since 2009. She has more than 20 years of experience in restaurant operations training.

National Field Trainer: Felicia Brody. Ms. Brody has been involved with our training program since October 2007. She has more than 13 years in restaurant operations and 5 years of experience foodservice training. Ms. Brody is also a certified ServSafe® instructor and exam proctor with NEHA (National Environmental Health Association) and Prometric.

National Field Trainer: Kent Contreras. Mr. Contreras has been involved in our Training program since 2009 as a Market leader and a National Field Trainer. He has over 30 years in restaurant operations training. Mr. Contreras is a certified Pro Metric / ServSafe proctor.

Training Detail.

The subjects covered during the MIT Program are as follows:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Orientation	3	8-10	Certified Training Restaurant
Reading Assignments and Exams	10-14	3-6	Certified Training Restaurant
Cleaning and Sanitation, Filtering and Boil-Out	N/A	6-8	Certified Training Restaurant
Food Preparation	N/A	10-14	Certified Training Restaurant
Customer Service/ Drive-Thru/ POS	N/A	10-14	Certified Training Restaurant
Expediting	N/A	4-6	Certified Training Restaurant

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Management (including safety, security, management systems and forms, established standard guidelines, shift management, open-to-close duties, inventory, preventative maintenance, labor scheduling, operations review)	N/A	75-96	Certified Training Restaurant
Totals	13-17	116-154	

We use the All Star Training Kit, the Manual, a Proctor & Gamble Manual and other training aids as instructional materials for the MIT Program. All training occurs at a Church's Chicken restaurant which has been approved by us a "Certified Training Restaurant."

Manual.

For the duration of the Development Agreement and Franchise Agreement, we will lend you one copy of the Manual per Restaurant or make the Manual available to you electronically via diskette, CD ROM, electronic mail, the Internet or other electronic format. The Manual contains detailed standards, specifications, instructions, requirements, methods and procedures for development, management and operation of the Restaurant. The Manual may also include requirements related to the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of all products and beverages sold at the Restaurant; management and employee training; marketing, advertising and sales promotions; maintenance and repair of the Restaurant building, grounds, equipment, graphics, signs, interior and exterior décor items, fixtures and furnishings; employee dress attire and appearance standards; menu concept and graphics; and accounting, bookkeeping, records retention and other business systems, procedures and operations. The Manual is confidential, and it is and shall at all times remain our property. We may revise the contents of the Manual from time to time by letter, electronic mail, bulletin, videotapes, audio tapes, compact disks, software or other communications. You must abide by all revisions of the Manual. Any revisions to the Manual, however, will not alter your status and rights under your Franchise Agreement and/or your Development Agreement. You can find the Table of Contents to the Manual in Exhibit I to this disclosure document. As of the date of this Disclosure Document, the Manual is comprised of the New Store Opening Guide, the Operating Standards Manual, and the Product Procedures and Systems Manual, and together they comprise 1047 pages.

Point-of-Sale and Computer Systems.

We may require you to obtain and install cash registers and other point-of-sale equipment, and associated software and back-office computer systems (collectively, "POS System") that we specify in writing. [*Franchise Agreement, Section 10C*]. Although you are required to obtain and install a POS System, we currently do not impose any limits on your choice of POS Systems.

You must purchase a computer system that meets or exceeds the minimum standards of 2GHz Core 2 Duo Processor with 2 GB Ram and 160GB hard drive. Your computer system must permit internet communication between us and the POS System and back office system at your Restaurant.

We may revise our specifications for the POS System from time to time. Consequently, we may require you to upgrade, update, or replace your POS System. There is no contractual limitation on the frequency and cost of this obligation.

The cost to purchase a POS System will range between \$16,000 and \$25,000 based on the type and amount of POS software and POS equipment. The annual cost of upgrades or required maintenance for hardware, software, helpdesk, and menu maintenance will be between \$3,500 and \$4,500, based on software and equipment purchased and the level of support desired. We do not have any obligation to provide ongoing maintenance or upgrades of your POS system or computer system, nor does any affiliate of ours or a third party.

Sales Reporting.

You must report sales and other information to us. Currently, you must enter your Restaurant information every week into the Church's Sales Information (CSI) web portal. The information includes sales, transactions, and any pertinent business information such as employee turnover or test product information into this system. To use CSI, you must access the Internet. There is no fee or expense to you to use CSI.

Website.

You may not operate an Internet website for your Restaurant without our prior written consent. Our consent to your creating, operating and/or maintaining such a website is subject to such requirements as we may reasonably establish from time to time.

Advertising and Promotion.

Advertising Program:

Advertising and standardization of advertising and promotion is important to the goodwill and public image of the System. Our advertising program is conducted through a national advertising fund ("Ad Fund") and a series of regional Advertising Cooperatives ("Ad Co-ops"), which are described below. We control the Ad Fund. Under the Franchise Agreement, we are obligated to use the Ad Fund for advertising, marketing, and public relations programs and related activities, and we cannot use the Ad Fund for our general operating expenses.

1. We use the Ad Fund for national, regional, and local media coverage
2. We select the media and locale for media placement. Currently, we use television (where practical), radio, newspaper, internet, direct mail and restaurant point-of-purchase advertising.
3. We currently use two regional advertising agencies to produce our advertising materials. We may change this at any time. We may require you to use the advertising agency or agencies that we select.
4. We are not obligated to spend any amount on advertising in the area or territory of any individual franchisee. It is our practice (although we are not required to do so) to allocate 0.75% of all Ad Fund contributions to our national production fund (which produces commercials, point-of-purchase materials, and certain other advertising, and also funds overhead and miscellaneous expenses). We allocate the balance to joint use accounts managed by Ad Co-ops (if applicable) and to local accounts managed by individual franchisees. We may change the allocations from time to time.

Use of Your Own Advertising Material:

All local advertising by you or any Ad Co-Op is subject to our approval and must be in such media and of such type and format as we may approve; be conducted in a dignified manner; and conform to such standards and requirements as we may specify. All advertising, marketing and promotional plans and materials must meet our standards, and you must obtain our prior written approval before using any local advertising, marketing or promotional plans or materials. To obtain our approval, you must submit samples of the proposed advertising copy, marketing or promotional plans to us unless we previously prepared or approved the materials. If you do not obtain our written approval within 15 days after we receive the proposed samples or materials, it means that we disapproved the samples or materials. All press releases must be approved by us. We do not approve or disapprove the sales prices of products in proposed advertising, marketing or promotional plans.

The rules and procedures described in the previous paragraph also apply to Ad Co-Ops.

Franchisee Marketing Committee:

We have an informal marketing committee (“Marketing Committee”) composed of franchisees chosen by the Church’s Independent Franchise Association (“CIFA”) from among its members. We do not have the power to change or dissolve the Marketing Committee. We consult with the Marketing Committee concerning our marketing and advertising policies and programs. The Marketing Committee operates in an advisory capacity only. We are not required to consult with the Marketing Committee.

The Ad Fund.

All franchisees must contribute to our Ad Fund. If you do not participate in an Ad Co-Op, you must contribute to the Ad Fund each week 5% of your Gross Sales, or such lesser amount as we determine. However, we may require you to contribute a minimum of \$25,000 per year to the Ad Fund. If you participate in an Ad Co-Op, you must contribute to the Ad Fund each week 1% of your gross sales, or such lesser amount as we determine, and also make a weekly contribution to your Ad Co-Op. All franchisees contribute to the Ad Fund on the same basis (except that some older Franchise Agreements provide for a 4% contribution to the Ad Fund, rather than a 5% contribution).

Restaurants that we own contribute to the Ad Fund on the same basis as you, except where our restaurants contribute a greater percentage of gross sales than you.

We administer the Ad Fund and have the right to direct all spending by the Ad Fund.

It is our practice to audit the Ad Fund on an annual basis, although we are not required to do so. If we do not audit the Ad Fund, we will prepare an annual statement of monies collected and costs incurred by the Ad Fund. We will, upon written request, provide you with a copy of the audit or the annual statement.

In fiscal year 2010, 1% of the Ad Fund (including moneys controlled by Ad Co-Ops) was spent on administration, 20% was spent on production, and 79% was spent on media placement.

We anticipate that all contributions to, and earnings of, the Ad Fund will be spent during the year in which such contributions and earnings are received. If, however, there are excess amounts in the Ad Fund at the end of the year, the amounts will be carried over to the following year.

We do not use the Ad Fund to solicit the sale of franchises, except for some incidental uses such as promoting franchise sales on our www.churchs.com website.

1. The Ad Fund currently uses all contributions made to it, and any earnings on those contributions exclusively to pay the costs of maintaining, administering, directing and preparing market research, advertising and/or promotional activities. We maintain all sums paid to the Ad Fund in an account separate from our other funds. We maintain separate bookkeeping accounts for the Ad Fund.

2. Currently, we allocate 0.75% of all Ad Fund contributions for production of commercials and point-of-purchase materials. We allocate the balance to joint use accounts and local accounts. We may change the allocations from time to time.

3. We do not use the Ad Fund to defray our expenses except as permitted under the Franchise Agreement, and except for expenses we incur in administering the Ad Fund and in running advertising and marketing programs for the System. We may charge the Ad Fund for our reasonable costs for market research, production and distribution of advertising materials.

Advertising Cooperatives:

You must participate in an advertising cooperative ("Ad Co-Op") if one exists in the area where your Restaurant is located, unless we waive the requirement that you join the Ad Co-Op. Ad Co-ops are organized by designated market area ("DMA"). As of December, 2010, we had 58 Ad-Co-ops in which 679 Restaurants (including our own Restaurants) participate.

If you participate in an Ad Co-Op, then in addition to your contribution to the Ad Fund, which is described above, you must contribute to the Ad Co-Op each week the percentage of gross sales established by vote of that Ad Co-Op. Your contribution to the Ad Co-Op, combined with your contribution to the Ad Fund, will be at least 5% of your weekly gross sales. All members of an Ad Co-Op, including our own Restaurants, must contribute at the same rate.

Our Field Marketing Manager or Director for the DMA administers the Ad Co-Op. Each owner (including us, if we own Restaurants in the Ad Co-op) is generally entitled to one vote per Restaurant. The operations of the Ad Co-Op are governed by written operating procedures and other documents, which you can review. Each Ad Co-Op is also required to prepare periodic unaudited financial reports, which are available for your review.

We have the right to form, change, dissolve or merge Ad Co-Ops. An Ad Co-Op may also be established if the owners of 80% of the Restaurants (franchised and owned by us) within the same DMA vote to do so.

In conducting regional advertising, it is normal and customary to engage the services of an advertising agency to plan and place media, as well as perform other tasks. We reserve the right to require or approve the advertising agencies you or any Ad Co-Op uses. We also reserve the right to set standards that advertising agencies are required to meet, and to withdraw our approval of an agency that does not meet those standards.

The following chart lists each DMA in which one or more Church's Restaurants currently operate, as well as the voting power of our company-owned Restaurants in that DMA, as of December 31, 2010.

DMA Name	Number of Company-Owned Restaurants	Number of Franchised Restaurants	Voting Power of Company-Owned Restaurants
Abilene, TX	0	3	0%
Albany, GA	1	4	20%
Albuquerque/Santa Fe, NM	8	12	40%
Alexandria, LA	3	1	75%
Amarillo, TX	0	2	0%
Anchorage, AK	0	1	0%
Atlanta, GA	1	45	2%
Augusta, GA	0	5	0%
Austin, TX	9	8	53%
Bakersfield, CA	0	1	0%
Baton Rouge, LA	6	8	43%
Beaumont/Port Arthur, TX	0	14	0%
Biloxi/Gulfport, MS	0	2	0%
Birmingham, AL	14	9	61%
Charleston, SC	0	10	0%
Charlotte, NC	0	5	0%
Chattanooga, TN	2	0	100%
Chicago, IL	0	26	0%
Cleveland/Akron, OH	0	13	0%
Columbia, SC	0	8	0%
Columbia, MO	0	1	0%
Columbus/Tupelo, MS	0	1	0%
Columbus, GA	7	5	58%
Columbus, OH	0	4	0%
Corpus Christi, TX	4	13	24%
Dallas/Ft. Worth, TX	0	107	0%
Dayton, OH	0	5	0%
Denver, CO	0	6	0%
Detroit, MI	0	26	0%
Dothan, AL	0	4	0%
El Paso, TX	0	16	0%
Florence/Myrtle Beach, SC	0	1	0%
Ft. Leonard Wood, MO	0	1	0%
Ft. Smith, AR	0	2	0%
Gainesville, FL	0	2	0%
Greensboro/Highpoint, NC	0	7	0%
Greenville, SC	0	7	0%
Greenwood/Greenville, MS	0	7	0%
Honolulu, HI	0	3	0%
Houston, TX	0	131	0%
Huntsville, AL	0	4	0%
Indianapolis, IN	0	15	0%
Jackson, MS	5	8	38%
Jacksonville, FL	1	8	11%
Jonesboro	0	1	0%
Kansas City, MO	0	26	0%
Lafayette, LA	3	2	60%
Lake Charles, LA	0	3	0%
Lansing, MI	0	0	0%
Laredo, TX	2	8	20%

DMA Name	Number of Company-Owned Restaurants	Number of Franchised Restaurants	Voting Power of Company-Owned Restaurants
Las Vegas, NV	0	5	0%
Laurel/Hattiesburg, MS	0	3	0%
Little Rock, AR	0	7	0%
Los Angeles, CA	0	46	0%
Louisville, KY	0	0	0%
Lubbock, TX	3	0	100%
Macon, GA	0	12	0%
McAllen, TX	45	1	98%
Memphis, TN	16	4	80%
Meridian, AL	0	0	0%
Meridian, MS	0	3	0%
Miami, FL	12	0	100%
Midland, TX	5	0	100%
Milwaukee, WI	0	2	0%
Mobile, AL/Pensacola, FL	0	32	0%
Monroe/El Dorado, LA	0	6	0%
Monterey/Salinas, CA	0	1	0%
Montgomery, AL	9	7	56%
Nashville, TN	14	7	67%
New Orleans, LA	10	4	71%
New York City, NY	0	1	0%
Norfolk/Newport News, VA	0	7	0%
Oklahoma City, OK	0	14	0%
Orlando, FL	1	5	17%
Panama City, FL	0	1	0%
Peoria/Bloomington, IL	0	1	0%
Philadelphia, PA	0	15	0%
Phoenix, AZ	0	33	0%
Portland, OR	0	1	0%
Raleigh/Durham, NC	0	5	0%
Richmond, VA	0	4	0%
Sacramento, CA	0	5	0%
Saginaw, MI	0	3	0%
San Angelo, TX	0	3	0%
San Antonio, TX	46	26	64%
San Diego, CA	0	8	0%
San Francisco, CA	0	9	0%
Savannah, GA	0	3	0%
Seattle/Tacoma, WA	0	3	0%
Sherman, TX	0	1	0%
Shreveport, LA	0	17	0%
St. Joseph, MO	0	1	0%
St. Louis, MO	22	1	96%
Tallahassee, FL	0	2	0%
Tampa, FL	8	3	73%
Toledo, OH	0	5	0%
Topeka, KS	0	3	0%
Tucson, Nogales, AZ	0	10	0%
Tulsa, OK	0	9	0%
Tyler, TX	0	15	0%
Valdosta, GA	0	1	0%

DMA Name	Number of Company-Owned Restaurants	Number of Franchised Restaurants	Voting Power of Company-Owned Restaurants
Victoria, TX	0	3	0%
Waco/Temple, TX	8	9	47%
Washington, DC	0	1	0%
Wichita, KS	0	5	0%
Wichita Falls, TX	0	6	0%
Wilmington, NC	0	2	0%
Yuma, AZ	0	3	0%

ITEM 12 **TERRITORY**

Development Agreement.

Under our standard Development Agreement, you have a specific Development Area in which to develop one or more Restaurants. 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.

We may offer an amendment to the Development Agreement that provides limited territorial exclusivity (“Exclusive Development Agreement”), as negotiated between us based upon your capabilities and our market development objectives.

The Development Agreement grants you the right and obligation to develop an agreed-upon number of restaurants in your Development Area according to an agreed-upon Development Schedule. The Development Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional franchises inside or outside your Development Area. The size of the Development Area will vary considerably and is subject to our mutual agreement before the Development Agreement is signed. Factors that may affect the size of a Development Area include your wishes, the expansion capacity of the area contemplated, the competition in the area and your prior experience and financial capacity.

If you sign an Exclusive Development Agreement, you will be granted a geographic area within which we will not open a Restaurant, nor license anyone other than you to open a Restaurant, subject to the other terms of the Agreement. The exclusive development area does not include airports, train stations, bus stations, travel plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or any similar captive market location, even though such locations may be located within the Development Area.

Territorial exclusivity under the Exclusive Development Agreement does not depend upon the achievement of a certain sales volume, market penetration or any other contingency; however, you must comply with the terms of the Exclusive Development Agreement, including the obligation to open and keep open an agreed-upon number of Restaurants in accordance with the Development Schedule.

If you fail to comply with the development schedule in your Development Agreement, we may terminate your Development Agreement. We will not refund your Development Fee if you fail to comply

with the development schedule. We may, in our discretion, take action short of termination, including termination of some but not all of your development options, or, if you have an Exclusive Development Agreement, termination of your limited territorial exclusivity.

Franchise Agreement.

When you sign a Franchise Agreement, you will be granted a geographic area (the “Protected Area”) within which we will not open, nor license anyone other than you to open a Church’s Restaurant during the term of the Franchise Agreement. The Protected Area will be specified in Schedule 1 to your Franchise Agreement. It will typically (but not necessarily) consist of an area equal to the lesser of: (i) a two mile radius from the Restaurant; or (ii) an area surrounding the Restaurant, encompassing a population (residential and/or daytime commercial) of fifty thousand people. The Protected Area excludes: (A) existing Restaurants that are under construction or open for business and/or Restaurants for which Franchise Agreements were previously granted; and (B) alternative venue locations, including transportation facilities (including airports, train stations, bus stations, travel plazas, etc.), stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, food courts, enclosed shopping malls and retail centers, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or any similar captive market location. Currently, we use demographic data compiled by GeoVue as the source of our population determinations; however, we reserve the right to select a different source for this information in the future.

At any time during the term of your Franchise Agreement, we may reduce or modify the Protected Area to encompass a geographic area immediately surrounding the Restaurant that has a population (residential, daytime business, or commercial, or any combination) of no less than 50,000 people. The reduction or modification will become effective upon your receipt of written notice from us.

You may only operate the Restaurant from the location we have approved, and you may not relocate the Restaurant without our prior written consent, which we are not obligated to grant. You will not be restricted from soliciting or accepting orders from customers that may be located elsewhere. Similarly, other Restaurants will not be restricted from soliciting or accepting orders from customers located in the vicinity of your Restaurant.

You will not be granted the right under the Franchise Agreement to acquire additional franchises.

With the exception of the Protected Area, you will not receive an exclusive territory under the Franchise Agreement, and we may establish other franchised or company-owned Restaurants outside of the Protected Area that may compete with your location. We reserve the right to use channels of distribution other than restaurants identified as “Church’s Chicken” restaurants in your Protected Area. We may also grant such rights to third parties. In addition, we reserve the right, and may grant to third parties the right, to sell Church’s Chicken products in the Protected Area in restaurants primarily identified by another trademark and in temporary facilities in conjunction with any cultural, sporting, recreational, or other events. We also have the right to make wholesale sales of products identified by the Church’s Chicken trademark within your Protected Area.

We have not established, nor do we presently intend to establish, other franchises or company-owned outlets selling or leasing similar products or services under a different trade name or trademark; however, we retain the right to do so.

* * * *


Except as described above, we and our affiliates may establish other franchised or company owned outlets under the Proprietary Marks and/or under other marks that may compete with your Restaurant and merchandise and distribute to any location (including within the Development Area or Protected Area) goods and services identified by the Proprietary Marks through other methods or channels of distribution (including the Internet). We do not compensate you for any orders that we solicit or accept from within the Development Area or Protected Area.

ITEM 13
TRADEMARKS

We will grant you the right under the Franchise Agreement to operate the Restaurant under the System and the Proprietary Marks. You must use the Proprietary Marks only at the Restaurant and only in the way we specify in the Franchise Agreement, Manuals or otherwise in writing. If you use the Proprietary Marks in any other way, you may be in violation of the Franchise Agreement and you may also be infringing on our trademarks and service marks.

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

The Proprietary Marks are owned by our wholly-owned subsidiary Cajun Funding. As described in Item 1, in connection with the financing transaction, in February 2011, Cajun Operating contributed its 100% ownership interest in Cajun Funding to us. Under a License Agreement with Cajun Funding, we have the right to use and license others to use the Proprietary Marks for a 99 year term. In addition to other registered trademarks, Cajun Funding has registered the following principal trademarks with the United States Patent and Trademark Office on the Principal Register, and all required affidavits of continued use have been filed and accepted:

Mark	Registration Number	Date of Registration
 CHURCH'S CHICKEN SINCE 1952, and Design	2,721, 849	6/3/2003
CHURCH'S CHICKEN	3,519,711	10/21/2008

There are no currently effective determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, trademark administrator of any state, or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks that is relevant to their use by you.

There are no agreements currently in effect that significantly limit our right to use or license the use of the Proprietary Marks in any manner material to the franchise. There are no infringing uses actually known to us that can materially affect your use of the Proprietary Marks.

You must promptly notify us of any suspected infringement of, or challenge to, our Proprietary Marks. We will control any administrative proceeding or litigation involving our Proprietary Marks and will decide whether to pursue any suspected infringer. If we defend or commence litigation relating to the Proprietary Marks, you must sign any documents and do what our counsel believes is necessary to carry out the defense or prosecution. Unless the litigation arises as a result of your use of the Proprietary Marks in a manner inconsistent with the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these things (except that you will still bear the salary costs of your employees). Otherwise, we are not obligated by the Franchise Agreement, or otherwise, to defend the rights granted to you to use the Proprietary Marks or to defend you against claims of infringement or unfair competition. Nevertheless, it is ordinarily in our best interest to do so.

If we find it necessary to modify or discontinue the use of a particular trademark or service mark as a result of litigation, or otherwise substitute different Proprietary Marks for use in identifying the System and the Restaurants operating under the System, you must immediately use the new marks in place of the old marks upon receipt of our notice to do so.

Your right to use the Proprietary Marks applies only to their use in connection with the operation of the Restaurant at the location designated in the Franchise Agreement, and includes only the Proprietary Marks we designate (or may later designate) in the Manual or otherwise in writing as part of the System, and does not include any other mark, name or indicia of origin of ours now in existence or that we may later adopt or acquire.

We have the right to use the federally registered mark "Church's Chicken" for restaurant services, fried chicken and other related products; the building configurations; and the other Proprietary Marks of the System. You may not represent in any way that you own our Proprietary Marks or have the right to use our Proprietary Marks, except as permitted in the Franchise Agreement. Your use of the Proprietary Marks will not give you any right, title or interest in or to our Proprietary Marks. Your use of the Proprietary Marks will inure to our benefit.

Use of the Proprietary Marks outside the scope of the Franchise Agreement, without our prior written consent, is an infringement of our exclusive right to use the Proprietary Marks. During the term of the Franchise Agreement you may not infringe, contest, help others contest the Proprietary Marks or take any other action to disparage the Proprietary Marks. The same rules apply after the Franchise Agreement terminates or expires.

Your right and license to use the Proprietary Marks is non-exclusive. We have the following rights under the Franchise Agreement:

1. We may grant other licenses for the Proprietary Marks in addition to those licenses already granted to existing franchisees;
2. We may develop and establish other franchise systems for the same, similar or different products or services utilizing Proprietary Marks not now or later designated as part of the System, and to grant licenses to them, without providing you any right in them; and
3. We may develop and establish other systems for the sale, at wholesale or retail, of similar or different products utilizing the same or similar Proprietary Marks, without providing you with any right in them.

All goodwill associated with the System and identified by the Proprietary Marks will inure directly and exclusively to the benefit of Cajun and our affiliates, and such goodwill is the property of

Cajun and our affiliates. Upon the expiration or termination of the Franchise Agreement, no monetary amount will be assigned as attributable to any goodwill associated with any of your activities, the operation of the Restaurant, or your use of the Proprietary Marks.

You may not use any of the Proprietary Marks as part of your corporate or other business name. Without our prior written consent, you also may not use the Proprietary Marks to perform any activity or incur any obligation or debt in any way that might make us liable for your actions, debts, or obligations.

All of the details of the System are important to you, us and other franchisees in order to develop and maintain high and uniform standards of quality and service, and to protect the reputation and goodwill of the Restaurants. You must operate your Restaurant and advertise, at your expense, only under the name "Church's" or "Church's Chicken" without prefix or suffix. You must adopt and use the Proprietary Marks only in the way we permit you to do. You must observe all reasonable requirements concerning trademark registration notices that we may periodically specify in the Manual or otherwise in writing.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

As described in Item 1, in connection with the financing transaction, in February 2011, Cajun Operating contributed its 100% ownership interest in Cajun Funding, the holder of the intellectual property assets, to us. Under a License Agreement with Cajun Funding, we have the right to use and license others to use the intellectual property rights relating to the Church's Chicken brand.

Patents and Copyrights.

There are no patents, patent applications, or copyrights that are material to the franchise.

Confidential and Proprietary Information.

We will provide you with certain confidential and proprietary information while you are a franchisee, such as food formulas and recipes, food preparation methods, equipment standards, equipment layouts, product standards, operating procedures, training tools and programs, management programs and architectural standards for our Restaurants.

You may not, during or after the term of either the Franchise Agreement or the Development Agreement, disclose to any unauthorized person or entity any confidential information, knowledge or know-how concerning the System. You may disclose confidential information only to those of your employees who need access to it in order to operate your Restaurant. Any information, knowledge or know-how (including, for example, drawings, materials, equipment, recipes, prepared mixtures or blends of spices or other food products and other data) that we designate as confidential will be deemed confidential for purposes of the Franchise and Development Agreements.

You must have a system in place to ensure your employees keep confidential our trade secrets and confidential and proprietary information, and, if requested by us, you must obtain from those employees we designate an executed Confidential Disclosure Agreement in the form prescribed by us.

Trade Secrets.

The Trade Secret Products used in preparing our unique fried chicken, biscuits, and other menu items are made in accordance with our trade secrets. The Trade Secret Products are supplied by our designated suppliers. See Item 8.

Manual.

In order to protect the reputation and goodwill of the System and to maintain uniform standards of operation under the Proprietary Marks, you must operate the Restaurant in accordance with our Manual. For the duration of the Franchise Agreement, we will lend you a copy of the Manual or make the Manual available to you electronically via diskette, CD-ROM, electronic mail, the internet or other electronic format.

You must, at all times, treat the Manual and the information contained in such Manual as confidential. You must use all reasonable efforts to ensure that your employees maintain the Manual as secret and confidential. You may not, at any time, without our prior written consent, copy, duplicate, record or otherwise make the Manual available to any unauthorized person(s) or source(s).

The Manual is our sole property.

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

You must designate and retain an individual to serve as the "Operating Principal." Unless waived in writing by us, the Operating Principal must:

- (1) have at least a 10% equity ownership interest in the franchise entity;
- (2) have full control over the day-to-day activities, including operations, of the Restaurant and other restaurants (franchised by us or our affiliates) operated by you in the same geographic area as the Restaurant;
- (3) devote full-time and best efforts to supervising the operation of the Restaurant and those other restaurants (franchised by us or our affiliates) operated by you in the same geographic area as the Restaurant, not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility;
- (4) maintain his or her primary residence within a reasonable driving distance of at least one Restaurant;
- (5) complete the NFOP (if applicable) and the MIT Program and any additional training required by us; and
- (6) be approved by us.

You must designate a group of individuals to serve as your "Continuity Group". The Continuity Group will at all times own at least 51% of the voting securities in you (or, if you are a partnership, the Continuity Group will at all times have at least a 51% interest in the operating profits and losses and at

least a 51% ownership interest in you). All members of the Continuity Group must jointly and severally guarantee your payment and performance under the Franchise Agreement and the Development Agreement and must sign a written guaranty agreement (“Guaranty”). Unless you are a publicly-held entity, all holders of a legal or beneficial interest in you of 5% or more of your equity (“5% Owners”) also must sign a Guaranty agreeing to jointly and severally guarantee your payment and performance under the Franchise Agreement and the Development Agreement. Our standard Guaranty forms for the Franchise Agreement and the Development Agreement are attached as Exhibit G.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale at the Restaurant only products and menu items that meet our standards and have been approved in writing by us for sale. See Item 8 for details. You also must offer for sale all menu items that we specify in the Manual or otherwise in writing. You must refrain from selling any products and menu items that we have not approved or for which we have withdrawn approval. We may, at any time and in our sole discretion, disapprove the sale of certain items and you must stop selling those items upon written notice from us to do so.

You may offer products and menu items for sale at whatever price you want. You are not bound by any sales price which we recommend or suggest.

Except as described above, we do not impose any restrictions in the Development Agreement, Franchise Agreement, or otherwise, limiting the goods or services which you may offer for sale or limiting the customers to whom you may sell. However, you may only sell products and menu items from the Restaurant and nowhere else without our prior written approval.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

DEVELOPMENT AGREEMENT

Provision	Section in Development Agreement	Summary
a. Length of the Development Term	§1	Until the last date of the Development Schedule.
b. Renewal or Extension of Term	Not applicable	Not applicable
c. Requirements for You to Renew or Extend Term	Not applicable	Not applicable
d. Termination by You	Not applicable	Not applicable
e. Termination by Us Without Cause	Not applicable	Not applicable

Provision	Section in Development Agreement	Summary
f. Termination by Us with Cause	§15	We can terminate only if you default under the agreement and for other specified grounds.
g. "Cause" Defined (Curable Defaults)	Not applicable	Not applicable
h. "Cause" Defined (Non-Curable Defaults)	§15	Non-curable defaults include: failure to meet the development schedule or any other provision of the agreement; failure to obtain our approval of site/construction plans; failure to comply with franchise agreements or other agreements with us; and general financial incapacity (e.g., insolvency, receivership, bankruptcy [which may not be enforceable]).
i. Your Obligations on Termination	§15	You may not establish or operate any more Restaurants on termination.
j. Assignment of Contract by Us	§11	There is no restriction on our right to transfer.
k. "Transfer" by You (Definition)	§12	"Transfer" by you includes the sale, assignment, transfers, conveyance, or gift of an interest in the developer entity, the Development Agreement, or other assets of the developer entity pertaining to the Development Agreement.
l. Our Approval of Transfer by You	§12	No transfers are permitted without our prior written approval. No grant of a security interest in your assets without our approval.
m. Conditions of Our Approval of Transfer	§12	Conditions include: payment of money owed; compliance with covenants not to compete; execution of a release; a qualified transferee; transfer of all agreements with us in the Development Area; reasonable sale price; a written assignment agreement; execution by the transferee of a new development agreement and guaranty; remodeling of the Restaurant; training of the transferee's personnel; compliance with entity document requirement; development of additional restaurants by the transferee; and payment of a transfer fee.
n. Our Right of First Refusal to Acquire Your Business	§12	We may match any offer of a transfer that would require our approval.
o. Our Option to Purchase Your Business	Not applicable	Not applicable
p. Your Death or Disability	§12	You may transfer the Development Agreement upon your death or permanent incapacity, provided that the Transfer is to your parent, sibling, spouse or children or to a member of the Continuity Group. You must complete such Transfer within a reasonable time, not to exceed six months.

Provision	Section in Development Agreement	Summary
q. Non-Competition Covenants During the Term of the Development Agreement	§14	In-term, non-competition covenants include a ban on diverting any customer or potential customer; owning any restaurant business that specializes in selling fried chicken that is located in the Development Area or within a 5-mile radius of any Church's Restaurant that is in existence as of the date of the Development Agreement (which restrictions do not apply to your existing Church's Restaurants, if any, or to other restaurants operated by you that are franchised by us or our affiliates); and employing our employees or employees of other Church's franchisees. With respect to individual owners, the same covenant is contained in § 4 of the Guaranty Agreement.
r. Non-Competition Covenants After the Development Agreement is Terminated or Expires	§14	Post-term, non-competition covenants include a 2-year ban on owning any restaurant business that specializes in selling fried chicken within the Development Area or within a 5-mile radius of any Church's Restaurant that is in existence as of the date of the Development Agreement (which restrictions do not apply to your existing Church's Restaurants, if any, or to other restaurants operated by you that are franchised by us or our affiliates) and a 1-year ban on employing certain individuals. With respect to individual owners, the same covenant is contained in § 4 of the Guaranty Agreement.
s. Modification of the Agreement	§9, 21	All amendments must be mutually agreed upon and in writing; however, we can modify the Manual.
t. Integration/Merger Clause	§21	The Development Agreement is our full and complete agreement with you. Except for the statements contained in this disclosure document, you may not rely on any other statements, materials or things you may have been told about the development of your franchise.
u. Dispute Resolution by Arbitration or Mediation	Not applicable	Not applicable
v. Choice of Forum	§23	Subject to state law, if you sue us, you must do so where our principal office is located (currently, Atlanta, Georgia). If we sue you, we may do so there as well.
w. Choice of Law	§23	Subject to state law, Georgia law applies.

FRANCHISE AGREEMENT

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	§2	20 years from the date of commencement of operation of the Restaurant.
b. Renewal or Extension of Term	§2	One renewal term of 10 years, subject to contractual requirements.
c. Requirements for You to Renew or Extend	§2	Requirements include: notice; satisfaction of monetary obligations; compliance with Franchise Agreement; execution of new Franchise Agreement which may contain terms and conditions substantially different from your current Franchise Agreement, including higher royalty fees and advertising contributions; execution of general release of all claims against us; refurbishment and modernization of Restaurant; payment of renewal; compliance with all operational requirements for all Restaurants; and no pending or threatened litigation between you and us.
d. Termination by You	Not applicable	Not applicable
e. Termination by Us Without Cause	Not applicable	Not applicable
f. Termination by Us With Cause	§18	We can terminate only if you default under the Franchise Agreement and for other specified grounds.
g. "Cause" Defined (Curable Defaults)	§18	You will have 30 days after notice to cure certain defaults susceptible of cure, but only 10 days to cure non-payment defaults.
h. "Cause" Defined (Non-Curable Defaults)	§18	Non-curable defaults include: general financial incapacity (e.g., insolvency, receivership, bankruptcy [which may not be enforceable]); failure to open; failure to stay open; criminal convictions; threats to health and safety; causing serious harm or death to a person; failure to meet transfer requirements; failure to comply with covenants against competition; release of confidential information; keeping false books or records; making false reports to us; default under certain other agreements; and repetition of earlier defaults.
i. Your Obligations on Termination/Non-Renewal	§19	<p>Obligations include: complete and permanent de-identification; return of manuals, records and files; payment of amounts due; assignment/transfer of lease and premises to us; offering equipment, inventory and materials for sale to us; paying all damages, costs and expenses to us; and compliance with covenants not to compete against us.</p> <p>If we terminate the Franchise Agreement based upon your default, you must pay us a lump sum equal to your average weekly royalty fees and advertising contributions during the 52-week period preceding termination multiplied by the lesser of 104 or the number of weeks remaining in the franchise term.</p>

Provision	Section in Franchise Agreement	Summary
j. Assignment of Contract by Us	§14	There is no restriction on our right to transfer. You must sign a release of claims against us if we transfer.
k. "Transfer" by You (Definition)	§15	"Transfer" by you includes the sale, assignment, transfer, conveyance, or gift of an interest in the franchisee entity, the Franchise Agreement, the Restaurant, assets of the Restaurant, the Franchised Location, or other assets of pertaining to the Franchise Agreement.
l. Our Approval of Transfer by You	§15	No transfers by you are permitted without our prior written approval.
m. Conditions for Our Approval of Transfer by You	§15	Conditions include: payment of money owed; compliance with covenants not to compete; execution of a release; a qualified transferee; reasonable sale price; a written assignment agreement; execution by transferee of a new franchise agreement and guaranty; remodeling of the Restaurant; training of the transferee's personnel; compliance with entity document requirements; development of additional restaurants by transferee, and payment of transfer fee.
n. Our Right of First Refusal to Acquire Your Business	§15	We may match any offer of a transfer that would require our approval.
o. Our Option to Purchase Your Business	§20	This option applies only to certain items and only upon expiration or termination of the Franchise Agreement.
p. Your Death or Disability	§15	Your interest must be assigned to an approved transferee within 12 months of your death or disability. If your heir cannot satisfy the usual transfer conditions, this period can be extended for a reasonable time, up to 18 months after your death or disability.
q. Non-Competition Covenants During the Term of the Franchise	§17	In-term, non-competition covenants include a ban on diverting any customer or potential customer; owning any restaurant business that specializes in selling fried chicken within a 5-mile radius of any Church's Restaurant that is in existence as of the date of the Franchise Agreement (which restrictions do not apply to your existing Church's Restaurants, if any, or to other restaurants operated by you that are franchised by us or our affiliates); and employing our employees or employees of other Church's franchisees. With respect to individual owners, the same covenant is contained in § 4 of the Guaranty Agreement.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	§17	Post-term, non-competition covenants include a 2-year ban on owning any restaurant business that specializes in selling fried chicken within a 5-mile radius of any Church's Restaurant that is in existence as of the date of the Franchise Agreement (which restrictions do not apply to your existing Church's Restaurants, if any, or to other restaurants operated by you that are franchised by us or our affiliates) and a 1-year ban on employing certain individuals. With respect to individual owners, the same covenant is contained in § 4 of the Guaranty Agreement.
s. Modification of Agreement	§25	All amendments must be mutually agreed upon and in writing; however, we can modify the Manual.

Provision	Section in Franchise Agreement	Summary
t. Integration/Merger Clause	§25	The Franchise Agreement is our full and complete agreement with you. Except for the statements contained in this disclosure document, you may not rely on any other statements, materials or things you may have been told about the franchise.
u. Dispute Resolution by Arbitration or Mediation	Not applicable	Not applicable
v. Choice of Forum	§27	Subject to state law, if you sue us, you must do so where our principal office is located (currently, Atlanta, Georgia). If we sue you, we may do so there as well.
w. Choice of Law	§27	Subject to state law, Georgia law applies.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet that 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 four tables present information about the actual sales and expenses of domestic Church's restaurants in our 2010 fiscal year.

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Table 1: 2010 Sales by Asset Type (Franchise Restaurants)

Below are average franchise restaurant sales for fiscal year 2010 by type of Church's Restaurant. Only Church's Restaurants which operated at least 52 weeks during fiscal year 2010, and which were open as of February 9, 2011, are included. The table includes only franchise restaurants in the continental United States, and does not include restaurants located in Hawaii, Puerto Rico and U.S. territories. All franchised Church's Restaurants in the table were franchised by our predecessor, Cajun Operating.

2010 Annual Sales	Free Standing With Drive Thru Tower Image	Free Standing With Drive Thru Image Other Than "Tower"	Free Standing Without Drive Thru	In-Line	C-Store	Co-branded	Other
Average – domestic franchise.	\$725,397	\$709,175	\$693,527	\$533,074	\$542,833	\$203,436	\$503,810
Top Quartile – domestic franchise	\$827,845	\$829,339	\$792,444	\$599,926	\$653,988	\$259,879	\$590,767
Restaurant count	83	541	90	42	140	21	25
Franchise restaurants at or above domestic franchise average	34	228	43	18	53	9	11
% franchise restaurants at or above domestic franchise average	41.0%	42.1%	47.8%	42.9%	37.9%	42.9%	44.0%

Notes To Table 1: 2010 Sales By Asset Type (Franchise Restaurants)

1. "Free-Standing" and "In-Line" units are described in Item 7. "C-Store" means a unit attached to or part of a convenience store or travel plaza. "Co-branded" means a unit which shares operating space with another branded restaurant or business.
2. Seven Little Rock, Arkansas Church's Restaurants owned by our predecessor, Cajun Operating, were transferred to a franchisee in February 2010 and are included in this Table 1.
3. Three Waco, Texas Church's Restaurants owned by our predecessor, Cajun Operating, were transferred to a franchisee in October 2010 and are included in Table 2.

Table 2: 2010 Sales by Asset Type (Company Restaurants)

Below are average company-owned restaurant sales for fiscal year 2010 by type of Church's Restaurant. Only Church's Restaurants which operated at least 52 weeks during fiscal year 2010, and which were open as of February 9, 2011, are included. All company-owned Church's Restaurants in the table were previously operated by our predecessor, Cajun Operating, and are currently operated by our wholly-owned subsidiary, Cajun Restaurants LLC.

2010 Annual Sales	Free Standing With Drive Thru Tower Image	Free Standing With Drive Thru Image Other Than "Tower"	Free Standing Without Drive Thru	In-Line	C-Store
Average - Co. Owned	\$948,329	\$850,964	\$683,871	\$493,561	\$692,669
Top Quartile - Co. Owned	\$1,102,200	\$1,016,671	\$754,063	\$493,561	\$751,839
Unit Count - Co.	57	177	28	1	2
Franchise Unit at or above Co. Owned Avg.	13	124	43	24	29
% Franchise at or above Co. Owned Avg.	15.7%	22.9%	47.8%	57.1%	20.7%

See Notes to Table 1 above regarding restaurants acquired from or sold to franchisees in 2010.

Table 3: 2010 Income Statement Summary - By Sales Band (Company Restaurants Only)

Below is a summary based on Cajun Operating's unaudited income statement for fiscal year 2010 for restaurants that meet all of the following criteria: (1) previously owned by our predecessor, Cajun Operating, and currently owned by our wholly-owned subsidiary, Cajun Restaurants LLC, (2) free-standing and (3) operated by our predecessor, Cajun Operating, for all of 2010. Accordingly, Table 2 includes six restaurants (three in Waco, Texas that were sold to a franchisee, one in-line and two c-stores) that are excluded from Table 3.

The three middle columns (which are divided by 2010 sales amounts) are for company-owned restaurants that conformed to the "Cloud" brand image.

The right-hand column contains only company-owned restaurants that conformed to the "Tower" corporate image. Because only 58 restaurants belonged to this category for all of 2010, we did not divide the results by sales band.

We did not include data from franchisees in the following summary because financial statements provided by franchisees to us are not in a common format, and furthermore they are not independently verified by us. Franchisees will incur other costs in connection with the operation of Church's Restaurants including, without limitation, occupancy costs (such as rent or mortgage payments), utilities, royalties, advertising and promotional expenses, office expenses, legal and accounting expenses, insurance expenses, and various other general administrative expenses. Expenses in the operation of Restaurants

will vary from franchisee to franchisee and from location to location, and are dependant upon seasonal, local and other factors beyond our control, such as the franchisee's efficiency in the utilization of products, the costs of transportation and the fluctuation in market prices for food and other products.

The operating costs information reflected in the following table is based on company financial statements (see Notes below).

	"CLOUD" IMAGE Annual Sales Band			"TOWER" IMAGE %
	<\$800k %	\$800- 1,000k %	>\$1,000k %	
Sales	100.0%	100.0%	100.0%	100.0%
Food cost	35.7%	33.7%	32.2%	32.6%
Labor - Management	6.8%	5.8%	5.1%	5.4%
Labor - Shift Management	4.8%	2.8%	2.3%	3.0%
Labor - Crew	16.0%	13.7%	11.8%	12.6%
Labor - Other	4.8%	3.8%	3.3%	3.7%
Labor - Total	32.4%	26.1%	22.5%	24.6%
Gross Profit Margin	31.9%	40.1%	45.4%	42.7%
Controllables	14.7%	11.6%	8.8%	10.9%
Marketing	5.0%	5.0%	5.0%	5.0%
Royalty	5.0%	5.0%	5.0%	5.0%
Controllable Profit Margin	7.2%	18.6%	26.5%	21.9%
Non-controllables	2.0%	1.6%	1.2%	2.0%
Restaurant Operating Profit, pre-tax (EBITDAR)	52%	17.0%	25.3%	19.9%
Unit Count	101	52	48	58

Notes To Table 3: 2010 Income Statement Summary - By Sales Band

1. See Notes to Table 1 above regarding restaurants acquired from or sold to franchisees in 2010.

2. Food costs include the delivered cost of food, beverages, paper and promotional items (i.e., limited-time offerings) to the restaurants. Delivered costs include distribution and freight costs. The calculation of food costs is primarily a function of the mix of products sold and the cost of commodities which compromise the products.

3. Labor costs include unit hourly labor, which is comprised of the average hourly rate and the number of hours worked (a direct correlation to sales volume). The cost of labor will vary from location to location and will be dependent upon factors beyond our control, including, without limitation, local minimum wage laws and local labor market conditions. Labor costs also include the salaries of general and assistant managers. Most company-owned restaurants employ one salaried general manager and one salaried assistant manager. The other components of labor expense are: payroll taxes, health insurance, vacation, wages, sick pay, bonuses and workers' compensation insurance. We make no

warranties, representations, predictions, promises or guaranties with respect to the actual labor expenses likely to be experienced by individual franchisees. Also, with respect to labor costs, because a certain number of employees will be necessary to open and operate a restaurant irrespective of its Gross Sales, units that have lower than average Gross Sales probably will experience higher than average labor costs.

4. The Marketing fee is described as 5.0% because franchisees are required to pay up to 5% of gross income to the Advertising Fund. [See Item 6 and Item 11.] The percentage of income from company-owned restaurants which is spent on marketing may be higher or lower than 5.0%.

5. The Royalty fee is described as 5.0% because franchisees are required to pay 5% of gross income to Cajun. [See Item 6.] Company-owned restaurants do not pay a royalty fee.

6. Table 3 excludes occupancy costs, i.e. rent or mortgage payments

7. Table 3 excludes certain overhead and other expenses which are not classified as “store-level” for internal accounting purposes.

8. “Controllables” refers to miscellaneous store-level costs which are affected by or decided by management, such as the cost of maintenance and repair. “Non-controllables” refers to miscellaneous store-level costs where the owner has no decision-making ability regarding the expenditure, such as the cost of local operating permits.

Written substantiation for this financial performance representation will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Restaurant, however, we may provide you with the actual records of that Restaurant. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Peter Dosik, Cajun Operating’s Vice President and Deputy General Counsel, at 980 Hammond Drive, Suite 1100, Atlanta, GA 30328, or 770-350-3800, the Federal Trade Commission and the appropriate state regulatory agencies.

Your individual financial results are likely to differ from results described in this Item 19. You should conduct an independent investigation of the costs and expenses you will incur in operating your Restaurant. Franchisees or former franchisees indentified in this disclosure document may be one source of information.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION*

Table No. 1
Systemwide Outlet Summary
For Years 2008 to 2010

Outlet Type	Year	Outlets at Start of the Year	Outlets at End of the Year	Net Change
Franchised	2008	1,045	1,080	+35
	2009	1,080	1,081	+1
	2010	1,081	1,094	+13
Company Owned	2008	255	232	-23
	2009	232	285	+53
	2010	285	268	-17
Total Outlets	2008	1,300	1,312	+12
	2009	1,312	1,366	+54
	2010	1,366	1,362	-4

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than Cajun)
For Years 2008 to 2010

State	Year	Number of Transfers
Alabama	2008	0
	2009	1
	2010	1
Arizona	2008	1
	2009	3
	2010	2
Arkansas	2008	0
	2009	1
	2010	0
California	2008	4
	2009	0
	2010	6
Colorado	2008	3
	2009	0
	2010	0

* The tables in Item 20 include Church's Restaurants franchised and company-owned and operated by Cajun Operating at the times shown. As part of the financing transaction in February 2011, the franchised Church's Restaurants were assigned to us and the company-owned and operated Church's Restaurants were assigned to Cajun Restaurants LLC.

State	Year	Number of Transfers
Florida	2008	16
	2009	2
	2010	0
Georgia	2008	0
	2009	6
	2010	1
Michigan	2008	1
	2009	0
	2010	0
Mississippi	2008	0
	2009	0
	2010	0
Missouri	2008	0
	2009	0
	2010	0
New Mexico	2008	2
	2009	0
	2010	0
Ohio	2008	4
	2009	0
	2010	0
Oklahoma	2008	0
	2009	0
	2010	0
South Carolina	2008	0
	2009	0
	2010	0
Texas	2008	7
	2009	4
	2010	8
Total	2008	38
	2009	17
	2010	18

**Table No. 3
Status of Franchised Outlets
For Years 2008 to 2010**

State	Year	Outlets At Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Cajun	Ceased Operations – Other Reason	Outlets at End of the Year
Alabama	2008	39	11 ¹	0	0	1	2	47
	2009	47	2	0	0	2	0	47
	2010	47	3	0	0	0	1	49
Alaska	2008	1	0	0	0	0	0	1
	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	1	0
Arizona	2008	48	2	1	0	0	0	49
	2009	49	0	0	0	0	0	49
	2010	49	1	0	0	0	4	46
Arkansas	2008	8	0	0	0	0	0	8
	2009	8	0	0	0	0	1	7
	2010	7	7 ²	0	0	0	0	14
California	2008	75	3	0	0	0	1	77
	2009	77	2	1	0	0	1	77
	2010	77	1	0	0	0	4	74
Colorado	2008	4	2	0	0	0	0	6
	2009	6	0	0	0	0	0	6
	2010	6	0	0	0	0	0	6
Florida	2008	53	7 ³	0	0	0	8	52
	2009	52	3	2	0	25	2	26
	2010	26	1	1	0	0	1	25
Georgia	2008	82	4	5	0	0	5	76
	2009	76	3	0	0	0	0	79
	2010	79	4	3	0	0	3	77
Hawaii	2008	1	3	0	0	0	0	4
	2009	4	0	0	0	0	1	3
	2010	3	0	0	0	0	0	3

¹ During 2008, Cajun Operating sold 11 company operated Restaurants in Alabama to a franchisee.

² During 2010, Cajun Operating sold 7 company operated Restaurants in Arkansas to a franchisee.

³ During 2008, Cajun Operating sold 6 company operated Restaurants in Florida to a franchisee.

State	Year	Outlets At Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Cajun	Ceased Operations – Other Reason	Outlets at End of the Year
Illinois	2008	30	0	0	0	5	2	23
	2009	23	0	0	0	0	0	23
	2010	23	1	0	0	0	0	24
Indiana	2008	19	0	0	0	0	0	19
	2009	19	0	0	0	0	0	19
	2010	19	0	0	0	0	0	19
Kansas	2008	10	2	0	0	0	0	12
	2009	12	1	0	0	0	0	13
	2010	13	1	0	0	0	0	14
Kentucky	2008	0	0	0	0	0	0	0
	2009	0	1	0	0	0	0	1
	2010	1	0	0	0	0	1	0
Louisiana	2008	54	0	0	0	18	2	34
	2009	34	0	0	0	1	1	32
	2010	32	2	0	0	0	1	33
Maryland	2008	1	0	0	0	0	0	1
	2009	1	0	0	0	0	1	0
	2010	0	0	0	0	0	0	0
Michigan	2008	29	0	0	0	0	0	29
	2009	29	0	0	1	0	0	28
	2010	28	2	0	0	0	1	29
Mississippi	2008	22	2 ⁴	0	0	0	0	24
	2009	24	1	0	0	0	0	25
	2010	25	0	0	0	0	1	24
Missouri	2008	36	0	0	0	17	0	19
	2009	19	1	0	0	0	0	20
	2010	20	2	0	0	0	0	22
Nevada	2008	4	0	0	0	0	0	4
	2009	4	1	0	0	0	0	5
	2010	5	0	0	0	0	0	5

⁴ During 2008, Cajun Operating sold 2 company operated Restaurants in Mississippi to a franchisee.

State	Year	Outlets At Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Cajun	Ceased Operations - Other Reason	Outlets at End of the Year
New Jersey	2008	1	0	0	0	0	0	1
	2009	1	1	0	0	0	0	2
	2010	2	0	0	0	0	0	2
New Mexico	2008	11	0	0	0	0	1	10
	2009	10	1	0	0	0	0	11
	2010	11	0	0	0	0	0	11
New York	2008	0	1	0	0	0	0	1
	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
North Carolina	2008	17	0	0	0	0	0	17
	2009	17	1	0	0	0	0	18
	2010	18	0	0	0	0	0	18
Ohio	2008	30	1	0	0	0	3	28
	2009	28	0	0	0	0	1	27
	2010	27	0	0	0	0	0	27
Oklahoma	2008	24	1	0	0	0	0	25
	2009	25	2	0	0	0	0	27
	2010	27	1	0	0	0	0	28
Pennsylvania	2008	8	3	0	0	0	0	11
	2009	11	2	0	0	0	0	13
	2010	13	0	0	0	0	0	13
Puerto Rico	2008	103	1	0	0	0	1	103
	2009	103	5	0	0	0	1	107
	2010	107	5	0	0	0	1	111
South Carolina	2008	29	1	0	0	0	3	27
	2009	27	1	0	0	0	1	27
	2010	27	0	1	0	0	0	26
Tennessee	2008	11	0	0	0	0	1	10
	2009	10	1	0	0	0	0	11
	2010	11	0	0	0	0	1	10

State	Year	Outlets At Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Cajun	Ceased Operations – Other Reason	Outlets at End of the Year
Texas	2008	279	69 ⁵	0	1	0	3	344
	2009	344	21	0	0	1	6	358
	2010	358	14 ⁶	6	0	0	2	364
U.S. Virgin Islands	2008	1	0	0	0	0	0	1
	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
Virginia	2008	12	0	0	0	0	0	12
	2009	12	0	0	0	0	0	12
	2010	12	1	0	0	0	1	12
Washington	2008	1	2	0	0	0	0	3
	2009	3	2	1	0	0	1	3
	2010	3	1	0	0	0	0	4
Wisconsin	2008	2	0	0	0	0	0	2
	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
Total	2008	1,045	115	6	1	41	32	1,080
	2009	1,080	52	4	1	29	17	1,081
	2010	1,081	47	11	0	0	23	1,094

Exhibit H includes a list of our franchisees as of December 26, 2010 and a list of the names, cities, states and telephone numbers of franchisees who had a Franchise Agreement terminated, cancelled, not renewed, or otherwise have voluntarily or involuntarily ceased doing business during our last fiscal year, or who have not communicated with Cajun Operating or us within 10 weeks before the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

⁵ During 2008, Cajun Operating sold 50 company operated Restaurants in Texas to franchisees.

⁶ During 2010, Cajun Operating sold 3 company operated Restaurants in Texas to a franchisee.

**Table No. 4
Status of Company-Owned Outlets
For Years 2008 to 2010**

State	Year	Outlets At Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Alabama	2008	33	0	1	0	11	23
	2009	23	0	2	1	0	24
	2010	24	0	0	0	0	24
Arizona	2008	0	0	0	0	0	0
	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
Arkansas	2008	8	0	0	0	0	8
	2009	8	0	0	0	0	8
	2010	8	0	0	0	7	1
Florida	2008	6	0	0	0	6	0
	2009	0	1	25	3	0	23
	2010	23	0	0	0	0	23
Georgia	2008	8	0	0	0	0	8
	2009	8	0	0	0	0	8
	2010	8	0	0	0	0	8
Illinois	2008	0	0	5	0	0	5
	2009	5	0	0	0	0	5
	2010	5	0	0	0	0	5
Kansas	2008	0	0	0	0	0	0
	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
Kentucky	2008	0	0	0	0	0	0
	2009	0	1	0	0	0	1
	2010	1	0	0	1	0	0
Louisiana	2008	0	0	18	0	0	18
	2009	18	3	1	0	0	22
	2010	22	0	0	1	0	21
Mississippi	2008	6	0	0	0	1	5
	2009	5	0	0	0	0	5
	2010	5	0	0	0	0	5

State	Year	Outlets At Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Missouri	2008	0	0	17	0	0	17
	2009	17	0	0	0	0	17
	2010	17	0	0	0	0	17
New Mexico	2008	9	0	0	0	0	9
	2009	9	0	0	0	0	9
	2010	9	0	0	1	0	8
Tennessee	2008	16	0	0	0	0	16
	2009	16	23	0	1	0	38
	2010	38	0	0	4	0	34
Texas	2008	169	5	0	1	50	123
	2009	123	1	1	0	0	125
	2010	125	0	0	0	3	122
Total	2008	255	5	41	1	68	232
	2009	232	29	29	5	0	285
	2010	285	0	0	7	10	268

**Table No. 5
Projected Openings as of December 26, 2010**

During the one-year period following December 26, 2010, we estimate that we will open restaurants to be located in the following states:

State	Franchise Agreements Signed but Outlets Not Yet Opened	2011 Projected New Franchised Unit Openings	2011 Projected Company-Owned Unit Openings
Alabama		1	
Arizona			
California		3	
Colorado			
Florida			
Georgia		4	
Illinois			
Kansas			
Louisiana		1	
Michigan		1	
Mississippi			
Missouri		1	1
New Mexico			
North Carolina		1	
Oklahoma			
Pennsylvania			

State	Franchise Agreements Signed but Outlets Not Yet Opened	2011 Projected New Franchised Unit Openings	2011 Projected Company-Owned Unit Openings
South Carolina			
Puerto Rico			
Tennessee			
Texas		15	
Virginia		1	
TOTAL		28	1

During our last three fiscal years, neither we nor Cajun Operating have signed any confidentiality clauses with current or former franchisees which would restrict their ability to speak openly with you about their experience with us. No trademark-specific franchisee organization associated with the System has been created, sponsored, or is endorsed by us.

ITEM 21 **FINANCIAL STATEMENTS**

Attached to this disclosure document as Exhibit J is our audited opening balance sheet as of February 4, 2011.

ITEM 22 **CONTRACTS**

Copies of the contracts offered by us are attached hereto in the following order:

1. Exhibit C: Franchise Agreement;
2. Exhibit D: Amendment to Franchise Agreement for Convenience Stores and Travel Plazas;
3. Exhibit E: Development Agreement (Non-Exclusive);
4. Exhibit F: Amendment to Development Agreement (Exclusive); and
5. Exhibit G: Guaranty Agreement (Franchise and Development Agreements).

ITEM 23 **RECEIPT**

Two copies of an Acknowledgment of your receipt of this disclosure document appear as Exhibit P. Please return one copy to us (*i.e.*, the one marked "Cajun's Copy") and retain the other one (*i.e.*, the one marked "Franchisee's Copy") for your records.