



**PAPA MURPHY'S INTERNATIONAL LLC  
INFORMATION FOR PROSPECTIVE FRANCHISEES  
REQUIRED BY FEDERAL TRADE COMMISSION**

**Papa Murphy's International LLC  
8000 NE Parkway Drive, Suite 350  
Vancouver, WA 98662  
(360) 260-7272  
[www.papamurphys.com](http://www.papamurphys.com)**

**The date of issuance of this Disclosure Document is:  
April 1, 2012**

## FRANCHISE DISCLOSURE DOCUMENT



**PAPA MURPHY'S INTERNATIONAL LLC,**  
a Delaware limited liability company  
8000 NE Parkway Drive, Suite 350  
Vancouver, Washington 98662  
(360) 260-7272  
franchise@papamurphys.com  
www.papamurphys.com

As a franchisee, you will operate a Papa Murphy's retail food outlet currently featuring take and bake pizza, fresh calzones, pastas, salads, desserts and other related products ("Franchised Store").

The total investment necessary to begin operation of a Papa Murphy's Franchised Store is from \$216,430 to \$381,220. This includes \$25,000 that must be paid to the franchisor or affiliate for your first Franchised Store ("**Initial Franchise Fee**") and \$15,000 that must be paid to the franchisor for each subsequent Franchised Store thereafter.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale 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 the Disclosure Document in different formats, contact the Franchise Sales Department at 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662, (360) 260-7272.

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

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

Issuance Date: April 1, 2012



## STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION BY UNITED STATES ARBITRATION AND MEDIATION SERVICE, INC. IN A MUTUALLY AGREED UPON LOCATION. OUT-OF-STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN A STATE OTHER THAN YOUR OWN.
2. THE FRANCHISE AGREEMENT STATES THAT WASHINGTON LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.
4. IT IS IMPORTANT TO NOTE THAT THE GUARANTOR'S LIABILITIES EXCEED ITS TANGIBLE ASSETS, WHICH MAY ENTAIL ADDITIONAL RISK OF FINANCIAL LOSS.

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

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

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

<b>State</b>	<b>Effective Date</b>	<b>State</b>	<b>Effective Date</b>
California		New York	
Hawaii		North Dakota	
Indiana		Rhode Island	
Maryland		South Dakota	
Michigan		Virginia	
Minnesota		Washington	
		Wisconsin	

In all other states, the effective date of this Disclosure Document is the Issuance Date of April 1, 2012.

**NOTICE REQUIRED  
BY  
STATE OF MICHIGAN**

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise before the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from

exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:

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

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

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

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

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

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

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

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

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

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## EXHIBITS:

- Exhibit A: List of State Administrators and Agents for Service of Process
- Exhibit B: List of Franchisees and Certain Former Franchisees
- Exhibit C: Financial Statements
- Exhibit D: Form of Franchise Agreement
- Exhibit E: Collateral Assignment of Telephone Numbers, Addresses, Listings and Assumed or Fictitious Business Name
- Exhibit F: Operations Manual Table of Contents
- Exhibit G: State Law Addenda
- Exhibit H: Form of Area Development Agreement
- Exhibit I: Form of Multiple Store Commitment Letter and Amendment to Franchise Agreements
- Exhibit J: Statement of Franchisee
- Exhibit K: ACH Debit and Credit Authorization Form
- Exhibit L: Guarantee of Performance
- Exhibit M: Receipt



**ITEM 1**  
**THE FRANCHISOR, AND ANY PARENT PREDECESSORS, AND AFFILIATES**

To simplify the language in this Disclosure Document, “we,” “us” or “Papa Murphy’s” means Papa Murphy’s International LLC, the franchisor. “You” or “your” means the person or legal entity that buys the franchise. If you are a corporation, partnership, limited liability company or other legal entity, “you” or “your” also includes the franchisee’s owners.

The Franchisor

Papa Murphy’s International LLC, a Delaware limited liability company, formerly known as Papa Murphy’s International, Inc., a Delaware corporation, is the franchisor and was incorporated in June 2004 and converted to a Delaware limited liability company in May 2010. Our principal business address is 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662.

Parent, Predecessors and Affiliates

In June 2004, Papa Murphy’s International, Inc., a Delaware corporation, was formed by Charlesbank Capital Partners, LLC in Boston, Massachusetts, and was merged with our predecessor, Papa Murphy’s International, Inc., a Washington corporation. Following the merger, our predecessor was dissolved and Papa Murphy’s International, Inc., a Delaware corporation, was the surviving entity. Papa Murphy’s International, Inc. assumed all rights, obligations and liabilities of our predecessor and was a wholly-owned subsidiary of PMI Holdings, Inc., a Delaware corporation and our former parent.

On May 5, 2010, Lee Equity Partners, a New York-based private equity company purchased the majority interest of PMI Holdings, Inc., the former parent of Papa Murphy’s International, Inc., from Charlesbank Capital Partners, LLC and other private investors. At the time of the merger, Papa Murphy’s International, Inc. was converted to Papa Murphy’s International LLC, which is a wholly-owned subsidiary of Papa Murphy’s Company Stores, Inc., a Washington corporation. Papa Murphy’s Company Stores, Inc. is a wholly-owned subsidiary of PMI Holdings, Inc., a Delaware corporation, which is a wholly-owned subsidiary of Papa Murphy’s Intermediate, Inc., a Delaware corporation, which is a wholly-owned subsidiary of Papa Murphy’s Holdings, Inc., a Delaware corporation.

Our parent, Papa Murphy’s Holdings, Inc., a Delaware corporation, was incorporated on March 29, 2010.

In May of 2006, we formed a subsidiary, PMI Canada, ULC, an Alberta unlimited liability corporation, which offered Papa Murphy’s franchises in Canada.

Murphy’s Marketing Services, Inc., a Florida corporation, is an affiliate of Papa Murphy’s and was incorporated on August 30, 2010 to provide marketing and gift card services.

The principal business address of our parent, predecessors, all affiliates and subsidiaries is 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662.

We do business under the name “Papa Murphy’s,” “Papa Murphy’s Take „N“ Bake,” and “Papa Murphy’s Take „N“ Bake Pizza.”

The name and address of our agent for service of process in your state is in **Exhibit A**.

Except as described above, we have no other parents, predecessors or affiliates required to be disclosed in this Item 1.

### The Franchise Offered

We offer the right to operate one or more Papa Murphy’s Franchised Stores. A copy of the Franchise Agreement is attached to this Disclosure Document as **Exhibit D**. In certain items of this Disclosure Document we will refer to specific provisions of the Franchise Agreement. For the sake of brevity, “**FA**” will refer to the Franchise Agreement. For selected areas, and for qualified candidates, we may offer an area development agreement (“**Area Development Agreement**”), attached to this Disclosure Document as **Exhibit I** or a Multiple Store Commitment (“**Multiple Store Commitment**”), attached to this Disclosure Document as **Exhibit J**. As of January 2, 2012, there were 1,301 Papa Murphy’s stores in the United States and Canada. Of those 1,301 stores, 1,232 were domestic Franchised Stores, 18 were Canadian franchised stores and 51 were domestic company owned and operated. The company owned Papa Murphy’s stores are owned and operated by Papa Murphy’s Company Stores, Inc., a Washington corporation.

Papa Murphy’s customers are the general public, and Papa Murphy’s products (“**Papa Murphy’s Products**”) are likely to be sold primarily to persons seeking a fresh meal that can be served at home. Our pizzas are prepared fresh within our Franchised Stores and sold uncooked for customer preparation at home. The Franchised Stores currently feature prepared take and bake pizza, fresh calzones, pastas, salads, desserts and related products. We reserve the right to expand or reduce our approved menu at any time. You will be competing with other businesses offering similar food services, including supermarkets that sell frozen take-home pizzas and pizzerias offering sit-down and take-out food service. Other franchises and fast food outlets will also be sources of indirect competition.

We produce and sell innovative advertising and sales promotion materials. We attempt to negotiate group discount rates for the benefit of our franchisees for wholesale supplies, merchandise, and services.

We know of no legal regulations that relate specifically to our industry apart from those that relate to all food-related businesses. Many state and local laws require food service permits for those handling food. Your employees and you may need to pass a test to obtain such permits. There may be laws governing food storage preparation and service, and inspections relating to these laws. There may be laws requiring washrooms and other facilities for customers and employees, and access laws relating to disabled patrons and employees.

### Prior Business Experience

We have offered take and bake pizza franchises since 1995. Our predecessor, Papa Aldo’s International, Inc., offered franchises beginning in 1982. Comurphyco Franchise

Corporation, also a predecessor in interest offered franchises from 1986. These companies merged into Papa Murphy's International, Inc., now known as Papa Murphy's International LLC and we have been franchising under this name since 1995. We, or our affiliates, operate company owned stores of the type being franchised. These stores are part of the Papa Murphy's franchise system and are listed in ITEM 20. Papa Murphy's has not offered franchises for restaurants or any other business, and has not engaged in any other business.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Chairman of the Board of Managers: John D. Barr**

John Barr joined Papa Murphy's International LLC (formerly known as Papa Murphy's International, Inc.) as Vice Chairman of the Board of Directors in June 2004 and served as Chief Executive Officer from April 2005 through December 2011. In October 2009, Mr. Barr was named as Chairman of the Board. In addition, from June 2009 to June 2011, Mr. Barr assumed the responsibilities of President and Chief Operating Officer.

### **Chief Executive Officer, President and Manager: Ken Calwell**

Ken Calwell joined Papa Murphy's International LLC as President in June 2011 and was named Chief Executive Officer and Manager effective December 31, 2011. Prior to joining Papa Murphy's, Mr. Calwell was with Wendy's International from 2008 to June 2011 as Chief Marketing Officer and Executive Vice President: Marketing, Research and Development. From 2001 to 2008, Mr. Calwell was with Domino's Pizza as Chief Marketing Officer and Executive Vice President: Marketing, Research and Development.

### **Director: Yoo Jin Kim**

Yoo Jin Kim joined Papa Murphy's International LLC's Board of Managers in May 2010. Mr. Kim has been a Partner at Lee Equity Partners, LLC since 2005.

### **Director: Benjamin A. Hochberg**

Benjamin Hochberg joined Papa Murphy's International LLC's Board of Managers in May 2010. Mr. Hochberg has been a Partner at Lee Equity Partners, LLC since May 2006.

### **Director: Achi Yaffe**

Achi Yaffe joined Papa Murphy's International LLC's Board of Managers effective December 31, 2011. Mr. Yaffe has been a Vice President at Lee Equity Partners, LLC since 2010 and has been a Consultant for McKinsey & Company since 2007.

### **Director: John D. Shafer, Jr.**

John Shafer joined Papa Murphy's International, Inc.'s Board of Directors in October 2006 and continued on the Board of Managers of Papa Murphy's International LLC after its conversion.

### **Chief Financial Officer and Senior Vice President of Finance: Janet Pirus**

Janet Pirus joined Papa Murphy's International, Inc., a Washington corporation, predecessor by merger to Papa Murphy's International, Inc., a Delaware corporation, now known as Papa Murphy's International LLC, in April 2000 as our Chief Financial Officer and Senior Vice President of Finance.

### **Chief Marketing Officer: Jenifer Anhorn**

Jenifer Anhorn joined Papa Murphy's International LLC as Chief Marketing Officer in July 2010. Prior to joining Papa Murphy's, Ms. Anhorn was with Minneapolis-based Periscope Inc. where she worked since 1993, most recently as Vice President/Management Supervisor.

### **Chief Development Officer: Kevin King**

Kevin King joined Papa Murphy's International LLC (formerly known as Papa Murphy's International, Inc.), a Delaware limited liability company, in June 2005 as Senior Vice President of Development. In June 2009, Mr. King was promoted to Senior Vice President of Operations. In November 2011, Mr. King was promoted to Chief Development Officer.

### **Senior Vice President and General Counsel: Victoria Blackwell**

Victoria Blackwell joined Papa Murphy's International, Inc., a Washington corporation, predecessor by merger to Papa Murphy's International, Inc., a Delaware corporation, now known as Papa Murphy's International LLC in July 2001 as our Corporate Attorney and was promoted in March 2007 to her current position of Senior Vice President and General Counsel.

### **Regional Vice President, Central Region: David Schauer**

David Schauer joined Papa Murphy's International, Inc., a Washington corporation, predecessor by merger to Papa Murphy's International, Inc., a Delaware corporation, now known as Papa Murphy's International LLC, in November 2004 as a Field Marketing Director. In December 2009, Mr. Schauer was promoted to Senior Field Marketing Director. Mr. Schauer was further promoted in July 2010 to his current position of Regional Vice President, Central Region.

### **Regional Vice President, Eastern Region: Jim Perkins**

Jim Perkins joined Papa Murphy's International LLC (formerly known as Papa Murphy's International, Inc.), a Delaware limited liability company, in October 2004. In July 2006, Mr. Perkins was promoted to his current position of Regional Vice President, Eastern Region.

### **Regional Vice President, Southwest Region: Gail Lawson**

Gail Lawson joined Papa Murphy's International LLC (formerly known as Papa Murphy's International, Inc.), a Delaware limited liability company, in April 2008 as a Director of Franchise Operations. In April 2010, Ms. Lawson was promoted to Regional Vice President, Southwest Region. Prior to joining Papa Murphy's, Ms. Lawson was with Cold Stone Creamery

in Scottsdale, Arizona, as a Profitability Consultant, Sales Consultant, Project Manager, Senior Manager Area Developer Operations, Director – Desert Southwest Territory, and most recently as President of Surf City Squeeze and Nrgize Lifestyle Café.

**Regional Vice President, Western Region: Jenny Pettit**

Jenny Pettit joined Papa Aldo’s International, Inc., predecessor to Papa Murphy’s International, Inc., a Delaware corporation, now known as Papa Murphy’s International LLC, in June 1984. In February 2005, Ms. Pettit was promoted to her current position of Regional Vice President, Western Region.

**Vice President of Field Marketing: Shauna Walker**

Shauna Walker joined Papa Aldo’s International, Inc., predecessor to Papa Murphy’s International, Inc., a Delaware corporation, now known as Papa Murphy’s International LLC, in 1987 serving in various positions as Store Manager, Company Store Supervisor, Director of Franchise Operations, and Training Manager. In February 2008, Ms. Walker was promoted to Director of Field Implementation and in February 2009, she was promoted to Senior Director of Field Implementation. In October 2010, Ms. Walker was promoted to her current position of Vice President of Field Marketing.

**Vice President of Human Resources: Maryellen Mech**

Maryellen Mech joined Papa Murphy’s International, Inc., a Washington corporation, predecessor by merger to Papa Murphy’s International, Inc., a Delaware corporation, now known as Papa Murphy’s International LLC, in March 1999. In October 2006, Ms. Mech was promoted to her current position of Vice President of Human Resources. In June 2009, Ms. Mech assumed leadership of the Training and Business Development Departments.

**Vice President of Real Estate: John Stange**

John Stange joined Papa Murphy’s International LLC in May 2011 as Vice President of Real Estate. Prior to joining Papa Murphy’s, Mr. Stange was with Embree Asset Group from 2007 to May 2011 as a Real Estate Development Manager. From 1998 to 2007, Mr. Stange was with Select Comfort Retail Corporation serving as Director of Retail Development from 2001 to 2007.

**Vice President of Supply Chain Management: Jeff McNally**

Jeff McNally joined Papa Murphy’s International LLC (formerly known as Papa Murphy’s International, Inc.), a Delaware limited liability company, in November 2009 as Vice President of Supply Chain. From June 2003 to November 2009, Mr. McNally was with the Subway franchisee-owned Independent Purchasing Cooperative in Miami, Florida.

### **Director of Franchise Sales: Bruce Clute**

Bruce Clute joined Papa Murphy's International LLC in October 2001 as a Director of Franchise Operations. In April 2011, Mr. Clute was promoted to his current position as Director of Franchise Sales.

### **Director of Franchise Sales: Jeff Hood**

Jeff Hood joined Papa Murphy's International LLC in May 2007 as a Director of Franchise Operations. In April 2011, Mr. Hood was promoted to his current position as Director of Franchise Sales. Prior to joining Papa Murphy's, Mr. Hood was District Manager for H&R Block from November 2006 to May 2007 and Director of Franchise Operations for Pizza Inn from March 2001 to November 2006.

### **Director of Franchise Sales: Mark Levis**

Mark Levis joined Papa Murphy's International LLC in December 2011 as Director of Franchise Sales. Prior to joining Papa Murphy's, Mr. Levis was Director of Sales and Development at Rooster's Men's Grooming Centers in Austin, Texas from January 2011 to December 2011; Fannie May Confection Brands in North Canton, Ohio from April 2010 to January 2011; Director of Franchise Sales – Southeast Region at Checker's Drive-Thru Restaurants in Tampa, Florida from April 2009 through December 2009; Director of Franchise Development, Western Region in Johnny Rockets Group, Inc. in Lake Forest, California from April 2008 through November 2008; and Director of New Business Development for Gatti's Pizza Inc. in Austin, Texas from July 2005 through April 2008.

### **Director of Franchise Sales: Steve Millard**

Steve Millard joined Papa Murphy's International LLC (formerly known as Papa Murphy's International, Inc.), a Delaware limited liability company, in January 2007 as Construction Project Manager. In May 2009 Mr. Millard moved to the position of Franchise Sales Manager and in August 2009, he was promoted to the role of Director of Franchise Development. In January 2010, Mr. Millard moved to his current position of Director of Franchise Sales.

### **Franchise Sales Manager: Harold Kermen**

Harold Kermen joined Papa Murphy's International, Inc., a Washington corporation, predecessor by merger to Papa Murphy's International, Inc., a Delaware corporation, now known as Papa Murphy's International LLC, in December 1998. In March 2006 he was promoted to his current position of Franchise Sales Manager.

### **Franchise Sales Manager: Michael Norcup**

Michael Norcup joined Papa Murphy's International LLC in April 2011 as a Franchise Sales Manager. Prior to joining Papa Murphy's, Mr. Norcup was a Regional Vice President with United Franchise Group from July 2007 to April 2011 and an Operations Analyst with Bank of America from November 2004 to June 2006.

### **ITEM 3 LITIGATION**

Pleasant Enterprise, LLC and John Pleasant v. Kevin Ray Pillars, Stormbringer, LLC, and Papa Murphy's International, Inc. (Fayette Circuit Court, Commonwealth of Kentucky, Case Number 08-CI-5963)

On November 21, 2008, John Pleasant and Pleasant Enterprise, LLC ("Plaintiffs") filed a complaint against Papa Murphy's International, Inc., now known as Papa Murphy's International LLC, and its franchisees, Kevin Ray Pillars and Stormbringer, LLC. The complaint alleges that after Papa Murphy's became aware that the Plaintiffs and Pillars had engaged in an unapproved transfer of the franchise to the Plaintiffs, it made false representations as to whether it would award the franchise to Plaintiffs and ultimately declined to approve the transfer. The Plaintiffs seek compensatory damages of approximately \$88,000 and punitive damages in excess of \$4,000 under Kentucky law. Papa Murphy's denies the Plaintiffs' allegations. On February 3, 2012, the case was dismissed without prejudice for lack of prosecution. .

Papa Murphy's International LLC v. Edward Detwiler (United States District Court, Western District of Washington at Tacoma, Case No. 3:11-cv-05593-KLS)

On August 3, 2011, Papa Murphy's filed suit against the above-named Papa Murphy's franchisee for breach of contract, trademark and trade dress infringement, and unfair competition. Papa Murphy's alleged that defendant Edward Detwiler breached his Franchise Agreements by failing to file income and payroll tax returns and failing to pay income and payroll taxes for his franchise since 2006. Papa Murphy's sought a declaratory order and enforcement of termination of the Franchise Agreements, damages as a result of the breach of contract, enjoinder from trademark, trade dress and trade name infringement and from otherwise engaging in unfair competition, an injunctive order directing franchisee to comply with his post-termination obligations, damages sustained and the profits derived as a result of franchisee's actions, prejudgment interest, exemplary or punitive damages, costs, attorneys' fees and such other relief as the court deemed just and proper. This case was settled on November 7, 2011 and a Stipulation of Dismissal was filed on November 10, 2011.

Other than these two actions, no litigation is required to be disclosed in this Disclosure Document.

### **ITEM 4 BANKRUPTCY**

John Barr, our Chief Executive Officer, was an independent director for HomeBase, Inc. from July 1997 until March 2002. Effective September 8, 2001, California-based HomeBase, Inc. changed its name to House2Home, Inc. and converted its business from a home improvement store to a home decorating superstore. On November 7, 2001, House2Home, Inc. filed a voluntary petition for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Central District of California, Santa Ana Division (Case No. SA01-19244). Under a motion approved by the Bankruptcy Court, House2Home, Inc. has liquidated and ceased operation of all 42 of its House2Home home decorating superstores. On

February 17, 2006, a Notice of Motion and Motion for Final Decree Closing Bankruptcy Case was filed with the Court stating that its estate has been fully-administered.

John Barr, our Chief Executive Officer, was on the board of directors of Performance Logistics Group, Inc. (“**PLG**”), a Michigan-based nationwide automobile transportation business from March 2004 until January 2007. On January 25, 2006, PLG filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the Western District of New York, Buffalo (Case No. 06-00108) citing lower vehicle output, increased diesel fuel prices and escalating labor costs. PLG expects to utilize the Chapter 11 process to reduce its debt and streamline its operations. PLG plans to continue operating without interruption. On January 30, 2007, a Notice of (A) Entry of Confirmation Order, (B) Effective Date, and (C) Administrative Expense Claims Bar Date was filed with the Court confirming the First Amended Joint Plan of Reorganization effective January 26, 2007.

Other than these two actions, no bankruptcy is required to be disclosed in this Disclosure Document.

## **ITEM 5 INITIAL FEES PAID TO THE FRANCHISOR**

You must pay us an Initial Franchise Fee of \$25,000 when you sign the Franchise Agreement for the purchase of your first Franchised Store unless you have signed an Area Development Agreement and paid an Area Development Fee. You will pay a reduced Subsequent Franchise Fee of \$15,000 for the purchase of additional Franchised Stores (“**Subsequent Franchise Fee**”). If you have signed an Area Development Agreement and paid an Area Development Fee, the Subsequent Franchise Fee will be reduced by \$5,000. The Subsequent Franchise Fee will apply provided that each additional Franchised Store is purchased by the same legal entity or principal owner which purchased another Franchised Store. Area Developers will pay the Subsequent Franchise Fee for all stores built pursuant to the terms of the Area Development Agreement, except the initial store. The Initial and Subsequent Franchise Fees are not refundable. In the past, we have waived franchise fees in limited circumstances. We reserve the right to increase or decrease the Initial Franchise Fee at any time.

If this is your first Franchised Store, you must work in an existing Papa Murphy’s Take ‘N’ Bake Pizza Store for a test period of approximately 30 hours within 30 days of signing the Franchise Agreement (“**Phase 1**”). We do not pay you any compensation or give you any benefits or insurance coverage while you work during Phase 1. You or we may decide for any reason to terminate the Franchise Agreement at any time during Phase 1. If you terminate the Franchise Agreement during Phase 1, we will return the Initial Franchise Fee less \$5,000, subject to compliance with the Franchise Agreement. If we terminate the Franchise Agreement during Phase 1, we will return the entire Initial Franchise Fee. If this is your first Franchised Store and it is pursuant to a transfer agreement, and you terminate during Phase 1, we will return the Transfer Fee, less \$5,000. In the event the Transfer Fee is less than \$5,000, we will retain the entire Transfer Fee. If this is your first Franchised Store pursuant to a transfer agreement, and we terminate during Phase 1, we will return the entire Transfer Fee. In the case of termination or revocation, you will be bound by and must confirm before receiving your refund, your post-termination obligations, including but not limited to nondisclosure, noncompetition, indemnity



and mutual releases. The Initial Franchise Fee is otherwise nonrefundable and is deemed fully earned.

In our latest fiscal year ended January 2, 2012, our actual range of Initial Franchise Fees payable was \$15,000 to \$25,000, except for the Area Development Fee described below.

For qualified candidates, we may grant development rights allowing a franchisee to open more than one Franchised Store under an Area Development Agreement. The nonrefundable area development fee (“**Area Development Fee**”) for an Area Development Agreement is \$25,000 for the first Franchised Store, and \$5,000 multiplied by the remaining number of Franchised Stores to be opened under the Area Development Agreement. If you sign an Area Development Agreement and pay the Area Development Fee, there will be no Initial Franchise Fee for your first Franchised Store and, as described above, your Subsequent Franchise Fee will be reduced by \$5,000 for each subsequent Franchised Store you develop under the Area Development Agreement. Each Franchised Store is governed by the terms of the then-current Franchise Agreement executed at the time the site for the Franchised Store is approved.

The Area Development Fee is deemed fully earned upon receipt and not refundable in whole or in part under any circumstances, even if you fail or are unable to open any of the Franchised Stores provided for under the Area Development Agreement.

For qualified candidates, we may grant a franchisee the right to develop multiple stores pursuant to a Multiple Store Commitment Letter and Amendment to Franchise Agreements. The nonrefundable multiple store fee (“**Multiple Store Fee**”) for a Multiple Store Commitment is one Initial Franchise Fee of \$25,000 for the first store and a Subsequent Franchise Fee of \$15,000 for each additional store and is due upon signing. If you sign a Multiple Store Commitment Letter and Amendment to Franchise Agreement, you will sign a Franchise Agreement for each Franchised Store under the Multiple Store Commitment.

The Multiple Store Fee is deemed fully earned upon receipt and not refundable in whole or in part under any circumstances, even if you fail or are unable to open any of the Franchised Stores provided for under the Multiple Store Commitment Letter and Amendment to Franchise Agreements.

## ITEM 6 OTHER FEES

OTHER FEES			
Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Continuing Services and Royalty Fee <sup>2</sup>	5% of your weekly Net Sales <sup>2</sup>	Each week for the prior week	We require an Automated Clearinghouse (“ <b>ACH</b> ”) Authorization that allows us to automatically deduct the fee from your Franchised Store bank account each week based upon your reports of Net Sales. (See Exhibit K.)

<b>OTHER FEES</b>			
<b>Type of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Advertising Fee <sup>3</sup>	Up to 2% of your weekly Net Sales <sup>2</sup>	Each week for the prior week	We require an ACH authorization that allows us to automatically deduct the fee from your Franchised Store bank account each week based upon your reports of Net Sales. (See Exhibit K.)
Local Marketing and Promotion and Regional Cooperative Advertising <sup>4</sup>	The greater of 5% of your Net Sales <sup>2</sup> or \$2,000 during each four-week period	You must spend this amount each four-week accounting period	See Note 3. Company owned stores have the same voting rights as Franchised Stores in these cooperatives.
Marketing Kits <sup>5</sup>	\$70 to \$100	As incurred	We require an Automated Clearinghouse (“ACH”) Authorization that allows us to automatically deduct the fee from your Franchised Store bank account. (See Exhibit K.)
Customer Relations Management <sup>6</sup>	\$35 per month for up to 50 telephone surveys; \$.49 per survey overage fee	Monthly	We require an ACH authorization that allows us to automatically deduct the fee from your Franchised Store bank account. (See Exhibit K.)
Audit	The costs of conducting an audit, plus related expenses <sup>7</sup>	As incurred	Payable only if audit shows an understatement of at least 2% of amount due. You must bear the cost of providing copies of books, records and documents to us or our representatives.
Insurance	Your insurance must include at a minimum comprehensive general liability coverage, including products liability coverage, in amount of at least \$2,000,000 per occurrence and business automobile liability insurance in an amount of at least \$1,000,000 per occurrence. You must name us as an additional insured	As incurred	Payable to us only if you fail to purchase the required insurance and we purchase it for you.
Transfer Fee	If it is the transferee’s first Franchised Store, the Transfer Fee will be \$25,000 less \$2,500 times the number of full years remaining on the initial term of the Franchise Agreement; or if the transfer occurs during a renewal term, \$25,000 less \$2,500 times the number of full years remaining on the Successive Franchise Agreement, but in no event less than \$12,500.  If the transferee is an existing franchisee, the Transfer Fee	Prior to transfer	Payable upon execution of the Franchise Agreement. Transfer is contingent upon satisfaction of other requirements. (See ITEM 17 below.)

<b>OTHER FEES</b>			
<b>Type of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
	will be \$15,000 less \$1,500 times the number of full years remaining on the initial term of the Franchise Agreement; or if the transfer occurs during a renewal term, \$15,000, less \$1,500 times the number of full years remaining on the renewal term of the Franchise Agreement, but in no event less than \$7,500.		
Indemnification	Varies	Within a reasonable time after request	You must reimburse us for all of our costs and expenses if we are held liable for claims arising from your acts or omissions to act.
Additional Assistance or Training	\$100 to \$300 per day	As incurred	<u>See</u> Section 2.6. of Franchise Agreement. Except for PMI Enterprise Solution training, there is no fee to attend a training class. You must pay all of your travel, accommodations, meal and other expenses.
Franchise Conventions	\$1,000 to \$3,500	As scheduled	There is no fee to attend a Franchise Convention, but you must pay all of your travel, accommodations, meal and other expenses.
Convention Materials	Up to \$500	As required	Payable only if you fail to attend a Franchise Convention.
Successive Franchise Fee	\$7,500	60 days prior to expiration	A condition of continued operations.
Interest	Interest of 1.5% per month unless otherwise limited by law (18% per annum)	Due while amounts owed remain unpaid	You will not be compelled to pay interest at a rate greater than the maximum allowed by applicable law.
Bookkeeping/ Payroll Service <sup>7</sup>	\$0 to \$500	Monthly	Payable directly to third party vendor.
Loss of Manual – Replacement Fee	\$1,000	As incurred	Fee incurred if Manual is lost, requires replacement upon termination or expiration, or is not returned.
Non-sufficient Funds Fees	\$35, plus reimbursement of fees we incur	As incurred	Payable to us only if you have insufficient funds available in your bank account from which we automatically deduct fees.
PMI Enterprise Solution, Computer Equipment and Updates	Up to \$27,000	Within a reasonable time after request	If we require any changes in or additions to computer and information systems, you must do so at your sole expense, within the time that we reasonably require.

OTHER FEES			
Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Help Desk <sup>8</sup>	\$215 per quarter	Quarterly	Payable directly to third party vendor. Required for the first year. Subject to an annual increase which shall not exceed the lesser of the percentage rate of increase in the CPI or 5 percent.
Software Maintenance <sup>8</sup>	\$136 per store, plus an additional \$29 per terminal per quarter	Quarterly	Payable directly to third party vendor. Subject to an annual increase which shall not exceed the lesser of the percentage rate of increase in the CPI or 5 percent.
Hosting Fees, Anti-Virus Service and Additional Services <sup>8</sup>	\$340 per quarter	Quarterly	Payable directly to third party vendor
Payment Card Industry Data Security Standards Compliance (PCI-DSS) and Managed Firewall Service	\$75 to \$150 per month	Monthly	Payable directly to third party vendor
Business Class High Speed Internet Access	\$50 to \$125 per month	Monthly	Payable directly to third party vendor.
Upgrade, Refurbish and Replace	\$4,000 to \$30,000	Within a reasonable time after request	If we require any changes in or additions to premises, fixtures, furnishings or equipment, you must do so at your sole expense, within the time that we reasonably require.
Expenses in Evaluating a Supplier Proposed by You	Our reasonable expenses	Within a reasonable time after request	If you ask us to approve a supplier, you must pay us our reasonable expenses incurred in evaluating your proposed supplier.
Step-In Costs	Personnel and administrative costs, plus 15%	Within a reasonable time after request	If we step-in to operate your Franchised Store, you must pay our personnel and administrative costs plus 15% to cover our direct and indirect expenses.

### Explanatory Notes:

- (1) All fees are either imposed by and payable to us or directly to a third party vendor. None of the fees are refundable. All fees are uniformly imposed unless otherwise noted.
- (2) On rare occasions we have granted a waiver and/or a deferral of the Continuing Services and Royalty Fee (“**Royalty Fee**”) for a valid business purpose for independent franchisees. As of January 2, 2012, there were 64 Franchised Stores paying less than 5% Royalty Fee under various marketing assistance programs available to certain franchisees. We also offer a temporary reduction in Royalty Fees to qualifying military veterans purchasing a new franchise. You will deliver to us itemized reports of your Net Sales, and other

reports, in the time, manner and form that we designate. All Royalty Fee and Advertising Fee payments are based upon Net Sales and must be paid in the time, manner and form that we designate. “**Net Sales**” is defined in the Franchise Agreement, and includes all amounts earned or received by you in connection with operating the Franchised Store or similar or related activities. Net Sales will not include any sales tax collected and paid to the government, and any customer refunds paid.

- (3) The Advertising Fee is currently 1.5% of your Net Sales. Advertising Fee payments are in addition to and exclusive of any sums that you may decide, or be required, to spend on local marketing and promotion. We have control over the creative ideas, materials, endorsements, media, placement, and allocation of monies related to use of the Advertising Fee.

The Advertising Fee is used to maintain, administer, direct, prepare, research, develop and review international, national, Internet, regional, local marketing and advertising and e-commerce materials and programs, related expenses (including salaries, accounting, collection, quality assurance, legal and other costs), and any media or agency costs and to cover our related overhead as we deem necessary. We are under no obligation to administer the Advertising Fee to ensure that expenditures are proportionate to contributions of our franchisees for any given market area or that any franchisee benefits directly or proportionately from the development or placement of advertising. We are not obligated to expend all or any part of the Advertising Fee during any specific time. We have control on how to spend the Advertising Fees, and have no fiduciary duty with regard to the Advertising and Development Fund.

- (4) These expenditures will be made directly by you, subject to approval and direction by us or our designated advertising agency. Each quarter, you must furnish to us an accounting of your expenditures on local marketing and promotion. We may designate local or regional advertising coverage areas to develop cooperative local or regional advertising or promotional programs. You must participate in and contribute your share to cooperative advertising and promotional programs in your advertising coverage area.

Your contribution to cooperative advertising or promotional programs will be credited toward the minimum local marketing expenditure required above. The cooperative will establish to whom and when to make contribution payments. You may be required to contribute a minimum of 3% of Net Sales to any cooperative to which you are assigned. The minimum may be reduced by the cooperative if your location does not receive full benefit of the cooperative’s advertising. See ITEM 11.

We may, at our discretion, require that all or a portion of your local marketing expenditure or your contribution to the cooperative advertising or promotion programs be paid into the Advertising Fee. In the event that we require you to pay all or a portion of your local marketing expenditure or your contribution to the cooperative advertising or promotion programs into the Advertising Fee, such amounts will be credited toward the minimum local marketing expenditure.

If we own and operate any Papa Murphy's store in the area cooperative, our stores will contribute to the cooperative fund on the same basis as do our franchisees. Company owned stores have no special voting power on any fees imposed by the local advertising cooperatives; we have only the voting power as is granted to any other franchise in the cooperative.

- (5) We currently pay the cost of the periodic marketing kits from the Advertising and Development Fund. These marketing kits contain various items such as training guides, plan-o-grams and point of purchase materials.
- (6) We currently pay a portion of the annual cost of the Customer Relations Management program. Currently, our vendor does not charge overage fees, however, they may do so in the future.
- (7) You must submit to us your weekly sales reports, income statements for each accounting period, including a year-to-date summary, and annual financial statements (income statement, balance sheet and statement of cash flows) and tax returns or other reports in the form, manner and time that we determine. We require you to retain an approved bookkeeping and payroll service for the first year of operation of the your Franchised Store. We may audit your books, business records, sales reports, financial statements, and tax returns at any time. You must bear the cost of providing copies of your books, records, and documents to us or our representatives. Except for the cost of providing copies, the audits will be conducted at our expense, unless it is determined that you have understated your sales by more than 2% of the Net Sales for any reported period or periods. If you underreport Net Sales by more than 2%, you must pay us for unpaid Royalty Fee and Advertising Fee payments, including accrued interest at the rate of 18% per annum and you must also reimburse us for audit costs, including the charges of any independent accountant, as well as the travel expenses, room, board, and compensation of our employees incurred in connection with the audit.
- (8) Low range costs are based on a two-terminal system with one call-in terminal and high range costs are based on a three-terminal system with four call-in terminals. We require you to have software support and hosting services for the enterprise solution software system. Help desk support is required for your first year of operation and is strongly recommended thereafter. We strongly recommend hardware maintenance after the original 13-month warranty period. The cost of hardware maintenance ranges from \$137 to \$325 per quarter and is subject to an annual increase which shall not exceed the lesser of the percentage rate of the increase in the Consumer Price Index ("CPI") or 5%. "Hosting fees, Anti-Virus Service and Additional Services" includes MenuLink Hosting, NCR PMI Enterprise Solution Anti-Virus and Application whitelisting services, Configuration Center and Command Center Quarterly Service Fees.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>				
<b>Expenditures</b>	<b>Estimated Amount or Estimated Low-High Range</b>	<b>When Payable</b>	<b>Method of Payment</b>	<b>To Whom Paid</b>
Initial Franchise Fee <sup>(1)</sup>	\$15,000 - \$25,000	Upon Signing Agreement	Lump Sum	Us
Lease and Utilities Deposits and Payments	\$2,500 - \$6,000	As Incurred	As Incurred	Landlord, Utilities, Contractors
Leasehold Improvements <sup>(2)</sup>	\$50,000 - \$115,200	As Incurred	As Incurred	Landlord, Contractors
Signs	\$5,000 - \$10,000	As Incurred Before Opening	As Incurred	Suppliers
Stamped Architectural Drawings	\$2,800 - \$4,500	As Incurred	As Incurred	Architect
Opening Package (including Equipment and Supplies), décor, cabinets, point-of sale system and smallwares <sup>(3)</sup>	\$85,000 - \$130,000	As Incurred Before Opening	As Incurred	Suppliers
Inventory <sup>(4)</sup>	\$5,000 - \$7,000	As Incurred Before Opening	As Incurred	Suppliers
Initial Advertising Fees and Expenses - 6 months	\$30,000	As Incurred and Within 180 Days After Opening	As Incurred	Suppliers
Franchise Premises Rent <sup>(5)</sup> – 3 months	\$3,975 - \$14,985	As Incurred	As Incurred	Landlord
Materials and Supplies	\$500 - \$2,000	As Incurred Before Opening	As Incurred	Suppliers
Phase 4 (PMI Enterprise Solution) Training <sup>6</sup>	\$400	As Incurred	As Incurred	Suppliers
Travel and Living Expenses While Training (Phases 1-4) <sup>(6)</sup>	\$3,880 - \$11,860	During Training	As Incurred	Airlines, Hotels and Restaurants
Employee Training <sup>(6)</sup>	\$500 - \$1,500	As Incurred	As Incurred	Employees
Insurance - 3 months	\$375 - \$1,175	As Incurred Before Opening	As Incurred	Insurers
Bookkeeping/ Payroll Service <sup>(7)</sup> 3 months	\$1,500 - \$1,600	Monthly	As Incurred	Approved Vendor

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>				
<b>Expenditures</b>	<b>Estimated Amount or Estimated Low-High Range</b>	<b>When Payable</b>	<b>Method of Payment</b>	<b>To Whom Paid</b>
Additional Funds, Working Capital, and Miscellaneous Expenses <sup>(8)</sup> - 3 months	\$10,000 - \$20,000	As Incurred	As Incurred	Employees, Suppliers, Utilities
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b>	<b>\$216,430 - \$381,220</b>			

**Explanatory Notes:**

- (1) You must pay us an Initial Franchise Fee of \$25,000 when you sign the Franchise Agreement for the purchase of your first Franchised Store. You will pay a reduced Subsequent Franchise Fee of \$15,000 for the purchase of additional Franchised Stores provided that each additional Franchised Store is purchased by the same legal entity or principal owner which purchased another Franchised Store. In the event an Area Development Agreement is entered into, you are required to pay a non-refundable Area Development Fee determined by the number of Franchised Stores required to be opened under the Area Development Agreement. If you sign an Area Development Agreement, there will be no Initial Franchise Fee for your first Franchised Store and a reduced Subsequent Franchise Fee as described in more detail in ITEM 5. In the event a Multiple Store Commitment Letter and Amendment to Franchise Agreements are entered into, you are required to pay a non-refundable Multiple Store Fee determined by the number of Franchised Stores required to be opened under the Multiple Store Commitment Letter.
- (2) This figure does not include any tenant improvement allowance received from your landlord or any free-standing buildings or exterior renovations. Payments for the Leasehold Improvements are made to suppliers, not us. The time and method of payment is determined by the contract between you and the supplier.
- (3) You must purchase a grand opening supply package from approved vendors, if we so specify. The opening package shall include all equipment and supplies necessary to commence business at the Franchised Store. The time and method of payment is determined by the contract between you and the supplier. You are required to have access to a facsimile machine, telephone, point-of-sale computer system and email access, business-class broadband internet connection (digital service line (DSL), cable or wireless) and reliable transportation. (See ITEM 11.)
- (4) Inventory is required as outlined in the Operations Manual. Payments for the Inventory are made to suppliers, not us. The time and method of payment is determined by the contract between you and the supplier.



- (5) You are solely responsible to obtain and pay for a location for the franchise (“**Franchise Premises**”). The cost of purchasing or leasing a Franchise Premises varies with its location and size. The average size of a Franchise Premises built in 2011 was 1,406 square feet and ranges from 1,000 to 2,160 square feet. The average cost for rent for a Franchise Premises opened in 2011, including operating costs, was \$2,444 per month and ranges from \$1,152 to \$3,933 per month. The range for Franchise Premises rent identified in this chart reflects our best estimate of the total rent you will pay for the first three months for your Franchised Store.
- (6) Training is divided into four required phases which may take up to five and one-half weeks. Phase 4 training is conducted by our PMI Enterprise Solution partner, NCR. The cost of Phase 4 training is \$400 per entity for up to two participants. Additional participants may attend at a cost of \$150 each. If you are not located near a designated Papa Murphy’s certified training store (“**Certified Training Store**”) or an NCR certified training site, travel, accommodations, meals and other expenses may apply to all of the training period. These amounts are estimates and can vary widely.
- (7) We require you to retain an approved bookkeeping and payroll service for the first year of operation of the Franchised Store.
- (8) You will also have other miscellaneous expenses involved in establishing a business. These expenses vary greatly, and we have estimated a minimum of \$10,000 and up to \$20,000. They may include attorney fees, license fees, deposits, sales tax bonds (where required), recruiting expenses, employee wages, and supply expenses. You will pay your own legal and other expenses in connection with the review and negotiation of your lease. You must pay all taxes required by local, state or federal laws related to the services furnished or used in connection with the operation of a Papa Murphy’s Franchised Store. You must obtain all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Store. We also recommend that you have direct access to a minimum of \$10,000 for working capital during the first three months of operation. This row estimates your initial three-month start-up expenses, less any revenue earned by you. This row does not include any salary or reimbursement of personal expenses paid to you.

These figures represent our estimates based upon actual expenses in 2011 and our experience and the experience of our franchisees. We do not guarantee that you will not have additional and different expenses than those we have identified in this table. Your actual costs will depend upon many factors, including, how well you follow our directions and suggestions, your business skill and experience, local economic conditions, the local market for your products, the location and condition of your Franchise Premises, the prevailing wage rates, competition, and your sales levels during the initial period. You should review the figures carefully with a business advisor before making any decision to purchase the Franchised Store or make any expenditures.

You should understand that entry into any business venture necessarily involves some unavoidable risk of loss or failure and that the purchase of a Papa Murphy’s Franchised Store is a speculative investment. Unforeseen circumstances or expenses may require significant

investment beyond that outlined in this Disclosure Document, and may be required to succeed. There is no guaranty against possible loss or failure and the most important factors in the success of a Papa Murphy's Franchised Store are your business, marketing, administrative, judgment, operational and other skills.

Except as provided in ITEM 5, any fees paid to us are not refundable. Amounts paid to any third parties may be refundable, depending upon the contracts between them and you.

We do not finance any of these initial expenses. The availability and terms of financing will depend on various factors including the availability of financing generally, your credit worthiness, security available to you, lending institution policies concerning the type of business to be operated by you, and other comparable elements.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

It is essential to the proper marketing of Papa Murphy's Products and to the preservation and promotion of our reputation and acceptance by the public that uniform standards of quality, taste, and food appearance are maintained; that uniform quantities, volumes, and types of food are offered; and that cartons and other paper goods displaying our commercial symbols are of uniform size, quality, texture, absorbency, strength, finish, and appearance. Therefore, you will at all times dispense, serve, sell or offer for sale to the public only articles, foods and other products that meet the specifications and standards that we periodically designate in writing. You are required to obtain all food products from us or our affiliates or sources we approve and according to our specifications.

We will lend to you a copy of Papa Murphy's operations manuals ("**Operations Manual**") prior to Phase 2 of the mandatory training program described in ITEM 11. Periodically, we may reasonably amend the Operations Manual, including changes that may affect minimum requirements for your Franchised Store operations. You will strictly follow the requirements of the Operations Manual as we amend it periodically. You will carry out immediately all changes at your cost, unless we otherwise specify and we do not limit or cap these expenses in any way. We may designate your business format and sales and distribution guidelines, as specified periodically in the Operations Manual. The Operations Manual is confidential and our exclusive property.

The Operations Manual may contain lists of approved sources, suppliers, recipes, menu requirements, specifications, standards, operating procedures, accounting and bookkeeping methods, marketing ideas, artwork, distribution techniques, advertising layouts, product specifications, operation requirements, public relations guidelines and other rules that we may prescribe. For example, except as delineated in the Operations Manual, currently franchisees may not sell any baked products. As of the issuance date of this Disclosure Document, neither we nor an affiliate is an approved supplier of any required items.

With advance written notice, you may request our approval to obtain products, equipment, supplies or materials from sources that we have not previously approved. We may require you to give us sufficient information, photographs, drawings, samples, and other data to

allow us to determine whether the items from these other sources meet our specifications and standards, as established periodically. These specifications and standards will relate to quality, taste, durability, value, cleanliness, texture, composition, strength, finish and appearance, and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation. We may require that samples from any supplier be delivered to a designated independent laboratory for testing before approval and use. You will reimburse us for the actual cost of the tests. We may license any supplier that can meet our requirements and standards, for a reasonable license fee. Our confidential specifications, recipes, requirements, designs, systems and formulas will be revealed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy, competent, and reputable; has the capacity to consistently follow our standards, requirements and testing procedures; will maintain the confidentiality of the designs, systems and formulas; and will adequately supply your reasonable needs. We will notify you in writing of the approval or disapproval of any supplier you propose. We will complete our product review and approval process within 60 to 90 days after we receive all required information about the product or supplier being considered.

We or our agents may inspect any proposed or approved manufacturer's, contractor's, supplier's or distributor's facilities and products. If we find from any inspection that a manufacturer, contractor, supplier or distributor fails to meet our standards, we may disapprove the manufacturer, contractor, supplier or distributor.

There are no suppliers in which one of our officers owns a material interest.

Except as provided below, neither we nor our affiliates currently sell or lease any inventory, materials or supplies to our franchisees. Required purchases from an approved vendor may be payable to us for purposes of simplified billing and reduced administrative costs. Such purchases are a pass-through expense and we do not currently charge a fee for this service. In the 2011 fiscal year, \$691.80 was received in administration charges for properties leased from us. The administration fees were discontinued in February 2011. During the same period, we did not derive any income from products purchased from us or entities affiliated with us.

We may receive payments from suppliers for Franchise Convention-related expenses and communications, research and development expenses. In our fiscal year 2011, we received payments in the amount of \$1,186,370. These payments were placed by us in our general account and used by us to defer our expenses for the last and/or next annual Franchise Convention or periodic meetings that benefit the franchise system, or placed into the Advertising and Development Fund. We reserve the right to utilize these payments in any manner that benefits the Papa Murphy's franchise system.

Neither we nor our affiliates receive any revenue from products sold to you by our approved suppliers. We may receive payments from vendors or suppliers. All payments received shall be placed into the Advertising and Development Fund or a fund established for the benefit of the franchise system. In fiscal year 2011, we recognized \$3,802,952 in vendor contributions to the domestic Advertising and Development Fund.

We estimate that purchases and leases of goods and services from us, affiliates, or from approved suppliers will be from 45% to 60% percent of the total estimated initial investment you make as shown in ITEM 7 and from 80% to 98% percent of the total purchases and leases of goods and services you make to operate your Franchised Store.

You may not sell or dispense any products, food or non-food services, or activities other than those specifically recognized and approved by us as part of the Papa Murphy’s franchise system without our prior written approval. You may not install or use any vending machines, televisions, juke boxes, games, or musical devices in your Franchised Store without our prior written approval.

We may require you to participate in a stored value card, gift card or gift certificate program, apply with the applicable government entity to accept electronic benefit transfer cards or food stamps and to accept credit cards.

We do not have any purchasing or distribution cooperatives as of the issuance date of this Disclosure Document. We may negotiate purchase arrangements with approved suppliers for the benefit of our franchisees. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of approved suppliers or purchases of particular products or services.

## ITEM 9 FRANCHISEE’S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT (“FA”), AREA DEVELOPMENT AGREEMENT (“ADA”), OR MULTIPLE STORE COMMITMENT (“MSC”)	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	2.1, 3 (FA); 3.2, 6.1 (ADA); 3 (MSC Letter)	6, 12
b. Pre-opening purchases/leases	3, 5.4, 5.7, 5.9 (FA); 6.1 (ADA), 3 (MSC Letter)	7, 8
c. Site development and other pre-opening requirements	2.3, 3, 4.4, 5.1 (FA); 2.1, 2.2, 2.3, 2.4, 7.5, Schedule A (ADA); 3 (MSC Letter)	7, 8, 12
d. Initial and ongoing training	2.3, 2.4, 2.5, 6.1 (FA); 2.6, 2.8 (ADA), 3, 5.1 (MSC Amendment)	6, 11
e. Opening	2.1, 3.8, 5.1, Attachment A (FA); 2.1, 2.4, Exhibits A & B (ADA); 4, 6 (MSC Letter)	11
f. Fees	1.6, 4, 5.10, 5.14(a), 6.1, 6.5(b), 7.1(a) (FA); 2.1, 5 (ADA); 2 (MSC Letter)	5, 6, 17
g. Compliance with standards and policies/Operations Manual	3, 5.11, 5.3, 5.5, 5.14 (FA); 9.1(c), 12.4 (ADA)	11, 17

<b>OBLIGATION</b>	<b>SECTION IN FRANCHISE AGREEMENT (“FA”), AREA DEVELOPMENT AGREEMENT (“ADA”), OR MULTIPLE STORE COMMITMENT (“MSC”)</b>	<b>ITEM IN DISCLOSURE DOCUMENT</b>
h. Trademarks and proprietary information	1.4, 1.5, 2.3, 5.12, 5.14 (FA); 8.2, 8.4 (ADA)	13, 14, 17
i. Restrictions on products/services offered	2.2, 5 (FA)	8, 12, 13, 16, 17
j. Warranty and customer service requirements	9.8 (FA)	11
k. Territorial development and sales quotas	None (FA); 2.1, 3.1, Exhibit B (ADA)	7, 12
l. Ongoing product/service purchases	5.4, 5.7, 5.10 (FA)	7, 8
m. Maintenance, appearance and remodeling requirements	5.3, 5.4, 5.7, 5.8, 5.12 (FA)	7, 11, 17
n. Insurance	8.2 (FA)	7
o. Advertising	4.3, 4.4, 4.5 (FA); 2.7 (ADA)	9, 11
p. Indemnification	8.1 (FA); 12.1, 12.2 (ADA)	6
q. Owner’s participation/management/staffing	5.11 (FA); 2.5 (ADA)	11, 15, 17
r. Records/reports	4.7 (FA)	6, 11, 17
s. Inspections/audits	4.8, 5.6, 6.4 (FA)	6, 11, 17
t. Transfer	7 (FA); 7 (ADA)	17
u. Renewal	6.1 (FA); 4.2 (ADA)	17
v. Post-termination obligations	5.16, 6.4 (FA); 8.2, 8.4 (ADA)	17
w. Noncompetition covenants	5.16 (FA); 8 (ADA)	17
x. Dispute resolution	9.9, 9.10, 9.11 (FA); 11.2 (ADA)	17

## **ITEM 10 FINANCING**

We do not provide direct or indirect financing. We do not assist in providing financing for you. We do not currently guarantee any notes or financial obligations you may incur in setting up and operating your franchise.

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

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

**Before you open your Franchised Store, we will:**

1. Analyze your franchise location. We will help you to analyze your market area to help determine site feasibility and assist you in your selection of the Franchise Premises. In analyzing a proposed Franchise Premises for approval, some of the factors we examine are its

general location, neighborhood, traffic patterns, parking, size, physical characteristics, proximity to competing businesses, and lease terms. You will analyze your market area, determine site feasibility, and select the Franchise Premises, subject to our approval and with our assistance. You will complete a site submission package in a form prescribed by us that will detail the rationale for your selection of the proposed site. (See FA, Section 3).

You must obtain our prior written approval for the site of the Franchise Premises and your lease related to it. We bear no liability for any consequences of any Franchise Premises you choose. We retain the right to approve or disapprove of all Franchise Premises. We do not guarantee success or sales potential for any Franchise Premises you select. We will not be liable for any consequences of your choice of any Franchise Premises. Any site recommendation or approval we make is not a representation that any particular site is available or legally appropriate for use as a franchise site. It is your responsibility to investigate all applicable zoning, requirements of the Americans with Disabilities Act, licensing, leasing and other requirements for any Franchise Premises. You must ensure that the site you select complies with these requirements. You will bear all other site selection and negotiation expenses.

Before you enter a lease or purchase agreement for the Franchise Premises, you will submit the lease or purchase documents to us for review. Lease documents must include an addendum to the lease in the form attached as Attachment C to the Franchise Agreement, or in a form we otherwise approve, under which we may assume the lease as provided in Section 6.4 of the Franchise Agreement. (See FA, Section 6.4.) Refer to ITEM 5 above concerning site selection and other requirements for additional franchise purchases by existing franchisees. You must open the Franchised Store within 12 months after signing the Franchise Agreement.

2. Lend you a copy of the Operations Manual and various selling aids. (See FA, Section 5.14.) The Operations Manual is confidential and remains our property. It contains mandatory and suggested recipes, specifications, standards and procedures. We may reasonably modify the Operations Manual, but the modifications will not alter your basic status and rights under the Franchise Agreement. The revisions may include advancements and developments in recipes, sales, marketing, operational techniques, and other items and procedures used for the operation of the Franchised Store. The Table of Contents of the current version of electronic Operations Manual is attached to this Disclosure Document as **Exhibit F**.

3. Give you a four-phase training and familiarization program before you open your Franchised Store. (See FA, Section 2.3.)

<b>TRAINING PROGRAM</b>			
Column 1  Subject	Column 2  Hours of Classroom Training	Column 3  Hours of On-the- Job Training	Column 4  Location
<b>Phase 1: In-Store Orientation</b> Tour Store Overview of Store Operations Pizza and Product Preparation Standard Rules of Operation Local Store Marketing – Sampling	0	3 days or 30 hours	Mutually agreed upon Papa Murphy's store
<b>Phase 2:</b> <b>Food/Pizza Preparation Skill Development</b> Team Member Positions and Duties - Product Flow - Product Specifications - Dough - Prep <b>Administration/Management Duties</b> Administration - Accounting - Administrative Paperwork - Weekly Inventory - Scheduling - Food and Produce Ordering Human Resources - Personnel - Training and Development - Store Policies and Procedures - Performance Review and Pay Increases - Interviewing - Reference Check - Team Member Orientation - New Hire Paperwork - Team Member Counseling - Performance Appraisal Safety and Security Shift Management - Rush Management - Food and Labor Cost Troubleshooting - Service Time - Customer Relationship Management - Quality Service Cleanliness Visitation Marketing/Local Store Marketing - Sampling - Street of the Day - Business of the Week - Outside Sales	0	20 days or 200 hours	Designated Certified Training Store

<b>TRAINING PROGRAM</b>			
Column 1  Subject	Column 2  Hours of Classroom Training	Column 3  Hours of On-the- Job Training	Column 4  Location
<b>Phase 3:</b> <b>Marketing</b> - Local Store Marketing Sampling Business of the Week Trade Area Reconnaissance - National Advertising <b>Human Resources</b> - Recruiting/Interviewing/Selecting - On-Boarding - Training - Coaching/Motivating - Appraising - Counseling/Terminating - Sexual Harassment <b>Administration</b> - Weekly/Daily Sales Reports/Record- keeping Requirements - Production Charts - Prep & Dough/ - COGS/Inventory Calculation - Purchasing & Receiving/Storage - Labor Cost Control - Financial Administration/Bank Accounting Procedures - Food Cost & Labor Troubleshooting <b>Operations</b> - Fundamental Values/Standardization - Sanitation/Safety/Security - Customer Service/Customer Relationship Management - Cash Handling Procedures - Dough Procedures - Training Program	5 days or 45 hours	0	Corporate Headquarters
<b>ServSafe</b> - Proctor Exam Only		0	Corporate Headquarters
<b>Phase 4:</b> <b>PMI Enterprise Solution Training</b> <b>POS Back Office &amp; Other Store Technologies</b> - MenuLink Inventory Purchasing Labor Scheduling Workflow Employee Maintenance	2½ days or 20 hours	0	Corporate Headquarters, or an NCR Certified Training Site in Atlanta, Georgia; Dallas, Texas; or in certain infrequent situations in a PMI market



<b>TRAINING PROGRAM</b>			
Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Cash Handling & Financials - Aloha Front of House Walk-In Order Taking Call-In Order Taking Online Ordering (if applicable) - Configuration Center Pricing Buttons Tax Configuration Break Rule Configuration			

The training program consists of selling aids, professional consultation and training materials which are comprised of videos, handouts, manuals, presentations and required tests. Training will cover recipes, product preparation and presentation, employee guidelines, general business operations, retail sales practices, franchise systems management, bookkeeping and financial management, inventory control and purchasing, security practices, equipment operations, marketing, increasing sales at your location and assisting in creating relationships with your customers. Phases 1 through 3 of the training program are included in the Initial Franchise Fee. Phase 4 costs \$400 per entity for up to two participants. Additional participants may attend at a cost of \$150 for each additional participant. Phase 1 training is held at a Papa Murphy's store mutually agreed upon by us. Phase 2 training is held at a designated Certified Training Store. Phase 3 is held at Papa Murphy's corporate headquarters in Vancouver, Washington. Phase 4 is held at an NCR Certified Training Site in either Atlanta, Georgia; Dallas, Texas; or Vancouver, Washington. Travel, accommodations, meals, wage and other expenses during all phases are borne by you. (See ITEM 7.) All phases of the training program must be completed by all franchisees unless, based upon a franchisee's experience, we deem it unnecessary.

New franchisees must schedule and complete Phase 1 training at a mutually agreed upon Papa Murphy's store within 30 days from the Effective Date of the Franchise Agreement. Upon successful completion of Phase 1, Phase 2 is scheduled at a designated Certified Training Store at a time mutually agreed upon by franchisee and us, typically upon execution of the lease for your Franchised Store. Phase 3 training is scheduled upon successful completion of Phase 2 and must be completed no less than four weeks and no more than eight weeks before the scheduled date of the opening of the Franchised Store. Phases 1 and 2 are held as frequently as necessary to accommodate new franchisees. Phase 3 training is held no less than eight times per year. Phase 4 training is held at the Vancouver corporate headquarters no less than eight times per year following each Phase 3 training and at the Atlanta, Georgia and Dallas, Texas certified training sites based upon demand.

In addition to the above training program, Basic Manager, Advanced Manager, and Shift Supervisor training classes are offered numerous times throughout the year at various field locations throughout the system.

Your training instructor for Phase 3 will be one or more of the following individuals:

Maryellen Mech is our Vice President of Human Resources. Ms. Mech joined us in March 1999 as a Franchise Consultant. Throughout her career with Papa Murphy's, Ms. Mech has held a variety of operations positions, including overseeing franchise and company stores for the Sacramento and Northern Plains districts. In October 2006, Ms. Mech was promoted to her current position of Vice President of Human Resources and in June 2009, assumed responsibility for the Training and Business Development Departments. Ms. Mech has been in the quick service restaurant industry since 1980.

Jaime Wilson has been our Director of Training since February 2009. From September 2004 to February 2009, Ms. Wilson was our Training Manager. Prior to September 2004, Ms. Wilson was a Company Store Supervisor for five company-owned stores. Ms. Wilson is currently responsible for conducting classroom training for franchisees and store managers and works with both new and existing franchisees to increase their profitability and improve their skills. Ms. Wilson also prepares and delivers presentations to help meet in-store training needs. Ms. Wilson has been employed with us since June 2000 as a Manager and Company Store Supervisor for 4 years, and was previously a Manager for McDonalds for 14 years. She has been in the quick service restaurant industry since 1985, and is currently a member of The Council of Hotel and Restaurant Trainers (CHART) and the Women's Foodservice Forum (WFF).

Mike Puzach joined us in February 2008 assuming the dual roles of Training Manager and Brand Support Manager. In July 2010 Mr. Puzach was promoted to Director of Business Development. Mr. Puzach's responsibilities include creating in-store training materials, maintaining and updating the Operations Manual, and teaching managers and franchisees in classroom and field settings. In addition, he works closely with the Operations and Product Development Departments in the areas of food safety and systems development. Mr. Puzach's experience includes operations, training, and human resources at McDonald's, Round Table Pizza, and Chipotle Mexican Grill.

Jordan Sessions has been a Training Manager since November 2011. Mr. Sessions is currently responsible for conducting classroom training for franchisees, store managers and new owners. When not in the classroom, his major projects include researching and developing an e-Learning training program for store-level employees and corporate staff development, as well as developing and implementing new training documents and programs. Prior to Papa Murphy's, Mr. Sessions worked for Cold Stone Creamery Inc. and Kahala Corp. where he was the Senior In-Store Training Manager for four years. Mr. Sessions is a member of The Council of Hotel and Restaurant Trainers (CHART).

Becca Meier joined Papa Murphy's as the Training Coordinator in August 2011. Ms. Meier's primary responsibilities are training class coordination, developing and

revising class materials, instruction of training classes, and certified training store communication.

Your training instructor for Phase 4 will be a member of the NCR Brand Solutions Group.

The Brand Solutions Group provides deployment, training and initial support services for the PMI Enterprise Solution. The group has a deep understanding of the PMI Enterprise Solution's hardware and software components and the best-practices for their use within the Papa Murphy's system to enhance business operations and the guest experience. The Brand Solutions training team members come from consulting, client support and client management disciplines.

You must attend Phase 1 training within 30 days after executing the Franchise Agreement and before incurring any costs or expenses related to the opening of the Franchised Store. If we terminate the Franchise Agreement after Phase 1, we will refund your Initial Franchise Fee under the terms described in ITEM 5. We will not be liable for your costs or expenses if we terminate the Franchise Agreement after Phase 1.

You must successfully complete Phase 2 of the mandatory training program in a designated Certified Training Store. You must successfully complete Phase 3 of the mandatory training program at our corporate headquarters in Vancouver, Washington. If you do not successfully complete Phase 2 or Phase 3 of the training program, we may terminate the Franchise Agreement and we will retain your Initial Franchise Fee. All stores must be managed by a trained owner or a Certified Manager ("**Certified Manager**"). A Certified Manager is a manager who has received in-store training from the franchisee in accordance with the In-Store Training Workbook and has successfully completed the Papa Murphy's Basic Manager's Class. Basic Manager's Classes are offered at no additional expense to you, but you will be responsible for paying all costs associated with the manager's attendance. If you designate a new or additional manager to manage the Franchised Store, you must notify us of the identity of the manager. Each manager hired may be required to successfully complete Certified Manager training or any additional or advanced training or attend any regional meetings we may at any time reasonably require.

Although not required by the Franchise Agreement, we may provide other supervision, assistance, and services before the opening of your Franchised Store, such as literature, advertising materials, displays, and flyers. Any such expenses would be considered part of the Initial Advertising Fees and Expenses and are paid to the vendor providing such services.

**During the operation of your Franchised Store, we will:**

1. Provide ongoing assistance, for your training, advertising, sales assistance, and use of the Operations Manual. (See FA, Sections 4.3., 5.4., 5.14.)
2. Administer our advertising program and formulate and conduct national, regional and local promotional programs. (See FA, Sections 4.3., 4.4., 4.5.)

Currently we promote Franchised Stores through television, radio, print, sporting events, billboards, electronic and direct mail media. This is done locally and regionally. We use our in-house marketing department and national and regional advertising agencies. You must follow our advertising guidelines and purchase point-of-purchase advertising materials that we may designate for you to use in your local marketing and promotional efforts. We will use your Advertising Fee to place advertising in geographic areas, in media, at times and using products and services we deem to be in the best interest of our franchisees and our franchise system. The Advertising Fee contributions may be placed in our general account.

We will administer the funds we receive for Advertising Fees and direct all regional and national advertising programs. We have control over the creative ideas, materials, endorsements, placement, and allocation of overhead expenses. We may use the Advertising Fee to maintain, administer, direct, prepare, and review national, regional, or local advertising materials and programs, including point-of-purchase programs, as we deem proper. We are under no obligation to administer the Advertising Fee to ensure that expenditures are proportionate to contributions of franchisees for any given market area or that any franchise benefits directly or proportionately from the development or placement of advertising. We will not be obligated to expend all or any part of the Advertising Fees we receive during any specific period. We have control on how to spend the Advertising Fees, and have no fiduciary duty with regard to the Advertising and Development Fund. The following describes the use of the Advertising Fees in the most recently concluded fiscal year:

**Summary of Advertising and Development Fund Contributions and Expenses for Fiscal Year ended January 2, 2012.**

<b>Advertising and Development Fund Contributions:</b>	
ADF Fee Contributions (1-1.5% of Net Sales)	\$9,451,769
Vendor Contributions	\$3,802,952
Other Contributions	\$845,568
<b>Total Contributions</b>	<u>\$14,100,289</u>
Fund Balance carryover from 2010	\$777,637
<b>Total Funds Available</b>	<u>\$14,877,926</u>
<b>Advertising and Development Fund Expenses:</b>	
Corporate Marketing Support, Product Development, Finance, Accounting, Facilities and Taxes	\$2,079,970
Field Marketing Services	\$2,180,314
Production of Commercials, Market Research and Graphics Studio	\$5,904,062
Market Level Advertising and Print Support	\$3,881,617
<b>Total Expenses</b>	<u>\$14,045,963</u>
Excess of Contributions over Expenses (carryover to 2012)	<u><u>\$831,963</u></u>

Upon request, we will provide you with an annual unaudited summary of Advertising Fee contributions and expenses. We will loan to you advertising manuals (“**Advertising Manual**”) and an on-line advertising kit that will contain samples of local advertisements we approve. You will use the advertising materials that we provide or approve. The Advertising Manual remains our property and must be returned to us upon the termination or expiration of the Franchise Agreement for any reason. You may not embark upon advertising in any media without our written approval of the media. You may, however, utilize social media sites and other forms of

electronic communication to promote your Franchised Business provided that such sites or other forms of electronic communication are utilized according to our standards and specifications. You will submit to us all advertising copy and other advertising and promotional materials before you use them in your local marketing program. You may not use any advertising copy or other promotional material until we approve it. If within ten days after submission, we have not advised you in writing that the material is approved, the material will be deemed disapproved by us for you to use.

You must spend through us or at our direction up to \$30,000 on advertising before opening and during the first 180 days you operate the Franchised Store in accordance with our grand opening program. We will provide a grand opening plan and assist with grand opening marketing. In addition, you will obtain professional public relations help, advice, and advertising before opening the Franchised Store for business necessary to effectively execute the grand opening marketing plan.

We may provide other supervision, assistance, or services, although the Franchise Agreement or other related agreement do not bind us to do so. These may include advertising materials, literature, additional assistance in training, secret shopper programs, promotional materials, bulletins on new food products, merchandise, and new sales and marketing developments, techniques, frequency of purchase programs, point-of-purchase materials, gift cards or certificates and loyal customer programs.

A Franchise Advisory Board (“**FAB**”) is utilized by us to gather input and advice from the franchise community on key initiatives and business issues. The FAB serves in an advisory capacity only. Members of the FAB shall be franchisees elected by the franchisee community or appointed by us. As part of the FAB, we have created a Marketing Committee to provide insight and advice. Currently, the FAB also has a Technology Committee, an Operations Committee and a Store Contribution Committee. These committees consist of both franchisees and our employees, as appointed by us.

You must participate in the multi-area marketing programs that we specify and we may specify maximum resale prices in connection with such programs. For example, you must participate in periodic national or regional promotions, and purchase related marketing kits at a reasonable cost. You must place and display our franchise sales brochures that we provide at our cost in your Franchised Store as directed by us. We may reasonably designate local or regional advertising coverage areas to develop cooperative local or regional advertising and promotional programs. You must participate in and contribute your share to the cooperative advertising and promotional programs in your Advertising Coverage Area.

Your contributions to cooperative advertising or promotional programs will be credited toward the minimum local marketing and promotional expenditure required by Section 4.4. of the Franchise Agreement. “**Advertising Coverage Area**” means the area covered by a particular advertising medium (television, radio or other medium) as recognized in the industry or as determined by us. At the time a cooperative local or regional advertising or promotional program is developed, we will provide to you a list of all Franchised Stores and company owned stores that are operating within your Advertising Coverage Area.

Your contributions must be paid as detailed in the bylaws of the local advertising cooperative approved by us. We have the right to require and approve or disapprove bylaws under which these cooperative advertising and promotional programs operate. We have the right to approve or disapprove the advertising agencies that work on behalf of the cooperative advertising and promotional programs.

We may change, merge or dissolve cooperatives and must approve bylaws and all activities and advertising of any cooperative. All cooperatives will report to us in the manner required by the Franchise Agreement.

3. Periodically provide refresher training programs, seminars or regional meetings. We may require that you or your managers attend and complete them to our satisfaction. These training programs, seminars and regional meetings will be held at locations we designate and will be provided at no cost to you. You will be exclusively responsible for paying all travel, accommodations, meals and other expenses and compensation of attending these programs and seminars. (See FA, Section 6.1.)

4. Hold a convention (“**Franchise Convention**”) or regional meetings periodically for the franchisees that make up our franchise system. (See FA, Section 2.4.)

Each Franchise Convention may be held at a different location. The Franchise Convention may include programs on sales and marketing techniques, performance specifications, advertising programs, training suggestions, and committee elections. Your attendance at each convention is strongly encouraged and is required for Area Developers. You will bear all expenses of attending, including travel, accommodations, meals, entertainment and other expenses. For any Franchise Convention that you do not attend, we may deliver to you and you will pay us for audio or video recordings and written summaries of the activities of convention. The price for the audio and video cassettes and written summaries for each annual convention will be established by us periodically but will not be more than \$500. (See ITEM 6.)

5. Access your business, computer systems, and point-of-sale data to verify and secure your compliance with your obligations. (See FA, Sections 5.6 and 5.9.)

6. Periodically inspect the facilities of your manufacturers, contractors, suppliers, and distributors and notify you and the manufacturers, contractors, suppliers, and distributors in writing of any failure to meet our specifications and standards. (See FA, Section 5.10.)

7. Periodically send to you updates to the Operations Manual, methods of operation, promotional materials and bulletins on developments, new sales and marketing techniques, and products, which you must adhere to and follow. (See FA, Section 5.14.)

8. Require you to install and use a computer system and a single-purposed point-of-sale and back office system with accounting, cash control, labor management, inventory control, sales terminals and various other capabilities (“**PMI Enterprise Solution**”). We may require you to augment the PMI Enterprise Solution with additional capabilities and technologies in the future. You must lease, purchase or otherwise acquire, at your expense, from our approved point-of-sale vendors, services, software and hardware with the appropriate configurations as determined by us based on projected volume. You must have and utilize an Internet firewall provided by a

managed security partner approved by us. Each server and terminal must have the most current versions of approved software. Each server and terminal must have the most current version of anti-virus software that is approved by us and the subscription must be kept current. You must have a business-class high speed Internet connection (digital subscriber line (DSL) or cable) from an approved vendor, installed, to operate the point-of-sale system and allow for updates and third party remote support. (See FA, Section 5.9.) You must have credit card, gift card and electronic benefit transfer card accounts from an approved vendor, set up at our direction on your behalf to operate via the point-of-sale system. Your total initial purchase, installation and training costs for the PMI Enterprise Solution will range from \$17,400 for a minimum three terminal recommended system to \$27,000 for a seven terminal system. This amount is included in the Opening Package. We or our agents may enter your business or enter through a remote connection, manually or via automated polling, and have access to the computer system to collect, store, utilize, and disseminate the data and all information captured by the computer system or point-of-sale system, along with any reports and records, to examine or audit your business, at any reasonable time without notice. We are the sole owner of all information collected through the point-of-sale system and your use of such information is solely pursuant to a license as granted pursuant to the Franchise Agreement.

We require help desk support from our approved supplier for the first year you have the PMI Enterprise Solution at a cost of \$860 per year. We require software maintenance for all Franchised Stores at an annual combined cost of \$544 per store and \$115 per terminal and site hosting, anti-virus and additional services for all Franchised Stores at an annual combined cost of \$1,344 per store. You will have and provide to us an email address that you must access pursuant to the Operations Manual.

Computer systems are vulnerable in varying degrees to hardware and software failures, configuration-related problems, computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders (“**E-Problems**”). We have taken reasonable steps to ensure that E-Problems will not materially affect our business. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-Problems. This may include taking reasonable steps to secure your systems (including firewalls, password protection, and anti-virus systems) and to provide backup systems.

The typical length of time between the signing of the Franchise Agreement or first payment of consideration for the franchise and the opening of the Franchised Store for business is about 210 days. You are expected to complete the mandatory training and commence your Franchised Store operations within 12 months after you sign the Franchise Agreement. (See FA, Section 5.1.) Factors that may affect this time are finding and negotiating for the Franchise Premises, arranging for the training session, refurbishing and remodeling requirements, equipping the Franchise Premises, obtaining initial inventory, financing and business permit requirements, and your personal operational needs.

## **ITEM 12 TERRITORY**

### **Franchised Stores**

You will be given a specific location within which you will operate your Franchised Store. 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. The specific address for the Franchise Premises or the area within which it may be located will be identified in **Attachment A** to the Franchise Agreement. You must obtain our prior written approval for the site of the Franchise Premises and your related lease. We retain the right to withhold approval.

In determining whether to approve the site you select, we may consider our market analysis, market penetration plans and franchise placement strategies, prior franchise commitments. Other factors we may consider include but are not limited to population demographics, traffic, parking, and other businesses in the area. We have developed a franchise placement policy and related procedures, which may be changed or eliminated by us at any time. When the exact location for the Franchised Store is decided, Attachment A to the Franchise Agreement will be updated to identify the Franchise Premises.

You must receive our written permission before you relocate any Franchised Store. You may not do business, solicit customers, or place advertisements by any means, or use electronic or other media (including the Internet), that primarily reach persons outside your Advertising Coverage Area (or local cooperative as designated by us), except with our prior written permission or following the local marketing requirements in the Operations Manual. Currently, you may not market on the Internet except on our site and as we specify. You may, however, utilize social media sites and other forms of electronic communication to promote your Franchised Business provided that such sites or other forms of electronic communication are utilized according to our standards and specifications.

We reserve the following rights, without any compensation to you: (i) we may establish company owned or franchised operations, including retail operated stores using our methods of operation, trade names or trademarks that will compete with you, at any location we select; (ii) we may sell any products or services anywhere, whether or not using the Marks, through various channels of distribution, including Internet, wholesale, mail order, multi-area marketing programs, and retail or government/military channels. The Internet is a channel of distribution reserved exclusively to us, and you may not independently market on the Internet or conduct e-commerce; (iii) we may purchase or be purchased by, or merge or combine with, competing businesses wherever located; (iv) we may offer franchises in the future, and have done so in the past, on terms we deem appropriate, including terms that differ from the Franchise Agreement; and (v) we may establish multi-area marketing programs. We may offer you the opportunity to service customers developed by a multi-area marketing program, or we may make other arrangements to do so.

In the Franchise Agreement, you do not receive the right to acquire additional franchises or to grant subfranchises. There are no minimum sales quotas.



## Area Development Agreement

We may offer qualified candidates the opportunity to purchase area development rights to open and operate more than one Franchised Store (“**Area Developer**”). If you purchase area development rights for Franchised Stores, the Area Development Agreement you sign with us will grant you a temporary exclusive territory (“**Development Territory**”) for Franchised Stores which must be established during implementation of the development schedule (“**Development Schedule**”). A Development Territory is usually defined by geographical boundaries, political boundaries such as city, county or state limits, or by other reasonable boundaries we may determine. Generally, an Area Developer is not granted an entire state. When and if the Development Schedule has been timely satisfied, you will no longer have the entire Development Territory and each Franchised Store will be limited to its individual Franchise Premises, as described above.


During the term of the Area Development Agreement, we do not have the right to establish our own, or to grant to others the right to establish, Franchised Stores within the Development Territory. After the expiration of the term of the Area Development Agreement, we reserve the same rights with respect to your Development Territory as we have with respect to the Franchise Premises granted to franchisees operating Franchised Stores.

While preservation of a Development Territory is not contingent upon sales volume, if an Area Developer does not meet its Development Schedule, grounds for default exist. In the event of default, we may elect to terminate the Area Development Agreement, reduce or eliminate the territorial exclusivity, or reduce the size of the Development Territory.



Unless a renewal of the Area Development Agreement and an extension of the Development Schedule are negotiated by the parties, the Area Developer will no longer have a Development Territory upon the expiration or termination of the Area Development Agreement. However, each Franchised Store in good standing will retain the protection provided at the Franchise Premises as set forth in the Franchise Agreement.

### ITEM 13 TRADEMARKS

We grant you the right to use certain trademarks, service marks and other commercial symbols in the operation of your Franchised Store (“**Marks**”). Unless otherwise noted all of our primary Marks are registered with the United States Patent and Trademark Office (“**USPTO**”) on the Principal Register as follows:

MARK	REGISTRATION NUMBER	DATE OF REGISTRATION	
Papa’s Favorite®	1,447,787	July 14, 1987	Words
Murphy’s Pizza®	1,609,982	August 14, 1990	Words
Papa Murphy’s®	1,983,341	July 2, 1996	Words
deLITE®	2,186,254	September 1, 1998	

MARK	REGISTRATION NUMBER	DATE OF REGISTRATION	
Logo of Little Man Papa <sup>®</sup>	2,607,594	August 13, 2002	
A Fresh Way of Making Pizza <sup>®</sup>	2,736,495	July 15, 2003	Words
Papa – Roni <sup>®</sup>	2,924,995	February 8, 2005	Words
Hand Made Home Baked <sup>®</sup>	2,815,887 Supplemental Register	February 17, 2004	Words
Papa Murphy's Take 'N' Bake Pizza <sup>®</sup>	3,148,464	September 26, 2006	Words
Papa Murphy's Take 'N' Bake Pizza <sup>®</sup> (stylized and/or with design; color)	3,148,456	September 26, 2006	
Papa Murphy's Take 'N' Bake Pizza <sup>®</sup> (with design; color)	3,148,457	September 26, 2006	
Papa Murphy's Take 'N' Bake Pizza <sup>®</sup> (stylized and/or with design; black and white)	3,148,460	September 26, 2006	
Papa Murphy's Take 'N' Bake Pizza <sup>®</sup> (stylized and/or with design; black and white)	3,148,461	September 26, 2006	
Papa Murphy's Take 'N' Bake Pizza <sup>®</sup> (stylized and/or with design)	3,192,203	January 2, 2007	Words
Logo of Open Oven <sup>®</sup>	3,211,275	February 20, 2007	
DELITE <sup>®</sup>	3,339,186	November 20, 2007	Words
We Can Do That <sup>®</sup>	3,518,907	October 21, 2008	Words
Make It A Meal <sup>®</sup>	3,676,208	September 1, 2009	Words
Papa Murphy's Pizza <sup>®</sup> (stylized and/or with design; black and white)	3,961,116	May 17, 2011	
Handmade Home Baked	Pending	Pending	Words
HeartBaker	Pending	Pending	Words
Join the Take 'N' Bake Revolution	Pending	Pending	Words

MARK	REGISTRATION NUMBER	DATE OF REGISTRATION	
Mini Murph	Pending	Pending	Words
Papa Murphy's Pizza (stylized and/or with design; color)	Pending	Pending	
Pizza Cutter (stylized and/or with design; black and white)	Pending	Pending	

All required affidavits of continued use and renewals have been filed.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringements, opposition or cancellation proceedings or material litigation, involving the Marks. No agreements currently in effect limit our right to use or license the use of the Marks in any way important to your business.

There are no agreements currently in effect that limit our rights to use or license the use of the Marks. We know of no infringing uses that could materially affect your use of the Marks.

We claim common law rights to the Marks and any other marks used by us in the United States, and our domain names and trade dress.

The Marks are our sole and exclusive property. You must follow our rules, which are in the Franchise Agreement and the Operations Manuals, when you use these Marks. You must notify us immediately of any claim, demand or suit involving your use of the Marks, and of any unauthorized or improper use or infringement of our rights relating to the Marks. We will decide to take action or not take action, as we deem appropriate. You may not use the Marks in any manner that we have not authorized in writing. You may not use or give others permission to use the Marks, or any colorable imitation of them, combined with any other words or phrases. You may not sublicense the Marks. You may not use our Marks as part of your business name or on the Internet. You may not market or have a site on the Internet, except with our permission, and at our Web site.

All goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit.

We retain the right to change or modify any part of the Marks periodically. You will accept, use, and protect, for the purposes of your franchise, all changes and modifications as if they were a part of the Marks at the time the Franchise Agreement is executed. You will bear all costs and expenses that may be reasonably necessary because of these changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to these changes or modifications.

**ITEM 14**  
**PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own any patent issued by the USPTO, or any copyright issued by the United States Registrar of Copyrights, that is material to the franchise. However, we claim copyright protection of the Operations Manual, menus, advertising and promotional materials, and related items although these materials have not been registered with the United States Registrar of Copyrights. ITEM 11 describes the Operations Manual and the limits on use of the copyrighted materials by you and your employees.

We affix a statutory notice of copyright to our Operations Manual, to most of our advertising products, and to our pizza and pastas, and to all modifications and additions to them. There are no determinations, agreements, infringements or obligations currently affecting these notices or copyrights. You have no rights to the copyrighted material. You are granted the right and are required to use the copyrighted items only with your operation of the Franchised Store during the term of your Franchise Agreement. You may not copy, duplicate, record or otherwise reproduce any material that is set forth in the Operations Manual.

Information disclosed to you and your employees concerning the development and operation of the Franchised Store includes valuable proprietary information and trade secrets, is considered our property and may be used by you only as provided in the Franchise Agreement. You may not use our confidential information in any unauthorized manner and must act reasonably to prevent its disclosure to others. You must contact us immediately if you learn of any unauthorized use of our proprietary information. You must also agree to not contest our rights to and interest in our copyrights and other proprietary information. You must notify us immediately of any claim, demand or suit involving your use of the proprietary information, and of any unauthorized or improper use or infringement of our rights relating to the proprietary information. We will decide to take action or not take action, as we deem appropriate. You may not use the proprietary information in any manner that we have not authorized in writing.

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

You, or your approved operations personnel, must personally oversee and manage the actual day-to-day operation of your Franchised Store, except as we may agree in writing for good cause. If you own more than one Franchised Store, you must actively participate in the management and operation of each of the Franchised Stores owned by you. In addition, we may impose a requirement that includes requiring Certified Managers at each location and providing equity ownership, or similar incentives, to store operating personnel as a condition to granting you additional franchises. Such specific requirements will become part of your Franchise Agreement. Managers you employ to help you to operate the Franchised Store must successfully complete the mandatory training program described in ITEM 11. The manager and all of your owners must agree to be bound by the confidentiality and noncompetition provisions of the Franchise Agreement.

For Area Development Agreements, depending on your experience and qualifications, we may impose requirements that include the experience and qualifications of the operating management of your stores. Such requirements may also include you providing equity ownership, or similar incentives, to your operating personnel. These requirements will become part of your Area Development Agreement.

Each of your owners must assume and agree to discharge all of your obligations under the Franchise Agreement.

### **Our Step-In Rights**

In order to prevent any significant interruption of your Franchised Store that would cause significant harm to or lessen the value of your Franchised Store and the Papa Murphy's system, we may step in to operate your Franchised Store when we deem necessary for a period up to 90 days. Causes for interruption include but are not limited to our determination that you are absent or incapacitated because of disability, death, or abandonment; or creditors have begun proceedings that are likely to result in the seizing of significant business assets or closing the Franchised Store. After an initial 30-day evaluation period, we will either operate the Franchised Store for an additional 60-day period of time or return it to you. If we operate for an additional 60 days, at the end of this period, we will return the Franchised Store to you, provided the cause for interruption has been remedied.

You will receive all Net Sales generated by our operation of the Franchised Store provided that we will pay from Net Sales all expenses, debts, and liabilities we incur during our operation of your Franchised Store, including our personnel and administrative costs, and we also will retain 15 percent of Net Sales to cover our direct and indirect expenses, including general and administrative costs. You must also reimburse us for our reasonable legal and accounting costs. We also have the option, but not the obligation, to pay for you any claims owed by you to any creditor, landlord, or employee of the Franchised Store and you will reimburse us upon demand.

### **ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may sell, serve or distribute only those Papa Murphy's Products, services and other items at the Franchised Store, which we have approved. You must offer all Papa Murphy's Products, services and other items that we designate as required by our franchisees. You must make all menu items in strict compliance with our specifications, recipes and requirements.

You may not, without our written consent, sell, serve, dispense or otherwise provide our products bearing our trademarks, trade names or service marks, except by retail sales in or delivered from the Franchised Store. Currently, you may not sell ready-to-eat baked products except as specified in the Operations Manual. We have the right to change the type of authorized Papa Murphy's Products, services and other items and there are no limits on our right to make changes.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document. (FA) refers to sections in the Franchise Agreement. (ADA) refers to sections in the Area Development Agreement. The MSC is governed by the terms of the Franchise Agreement.**

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Franchise Agreement (unless otherwise indicated)</b>	<b>Summary</b>
a. Term of the Franchise	Section 2.1. (FA); Section 4.1. (ADA)	(FA) Ten years.  (ADA) We will mutually agree upon the term of the ADA.
b. Renewal or extension of the term	Section 6.1. (FA); 4.2. (ADA)	(FA) Your renewal right permits you to remain as a franchisee after the initial term of your FA expires. If you wish to do so, and you satisfy the required pre-conditions to renewal, we will offer you the right to obtain an additional five-year term. You must sign our then-current FA for the renewal term and a Successive Addendum (Attachment E to FA). This new FA may have different terms and conditions (e.g., higher royalty and/or advertising contribution) from the FA that covered your original term.  (ADA) We will mutually agree upon the renewal term of the ADA.
c. Requirements for you to renew or extend	Section 6.1. (FA); Section 4.2 (ADA)	(FA) Give written notice at least six months before expiration of the initial term; faithfully perform under the initial agreement; refurbish, remodel, or replace the Franchise Premises and replace obsolete equipment; sign general release; sign a new agreement; pay renewal fee, have an acceptable location and lease, and retraining.  (ADA) An agreement between us and you regarding a future development plan, in writing and executed within 180 days before expiration of the ADA.
d. Termination by you	Sections 2.5., 4.1. and 6.2. (FA)	(FA) You may terminate the FA if you are a new franchisee and you decide at any time during Phase 1 as described in the FA, we will return the Initial Franchise Fee less \$5,000. If you have started Phase 2 training, you may not terminate the FA without cause and, the Initial Franchise Fee is non-refundable.  (FA) You may terminate the FA if you are in compliance with the FA and if we breach any material provision and fail to cure or reasonably to begin to cure that breach within 60 days after receipt of written notice from you. Termination will be effective ten days after you deliver to us a written declaration of termination for failure to cure within the allowed period.

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Franchise Agreement (unless otherwise indicated)</b>	<b>Summary</b>
		In either situation, you must confirm all of your post-termination obligations, including noncompetition, and you close your Franchised Store at the Franchise Premises. (ADA) No provision.
e. Termination by us without cause	Sections 2.5 and 4.1 (FA)	(FA) If this is your first Franchised Store, we may terminate the FA during Phase 1 for any or no reason. If we terminate, we will return the Initial Franchise Fee. If either party terminates after you begin Phase 2 training, the Initial Franchise Fee is non-refundable. (ADA) No provision.
f. Termination by us with cause	Section 6.3. (FA); Section 9.1., 9.2. (ADA)	(FA) We can terminate if you commit any one of a list of violations, or if your lease terminates. (ADA) We may terminate if you materially breach, or sell, assign, transfer or encumber in violation of ADA, or if you fail to meet the Development Schedule. We may also terminate if you commit a material breach of an individual FA or any other agreement between us and you or your owners and do not cure.
g. "Cause" defined- defaults which can be cured	Section 6.3. (FA); Section 9.2. (ADA)	(FA) 30 days to cure breach: (i) failure to begin operations within 12 months, (ii) breach of FA or other agreements with us, or (iii) failure to operate in accordance with the Operations Manual. (FA) 24 hours to cure breach: unsafe, unhealthy, unclean or unsanitary condition. (ADA) If you commit a material breach of the ADA or an individual FA or any other agreement between us and you or your owners and do not cure.
h. "Cause" defined defaults which cannot be cured	Section 6.3. (FA); Section 9.1. (ADA)	(FA) Abandonment, repeated default, misrepresentations, certain criminal conviction, endangerment of public health or safety, insolvency, bankruptcy or other proceedings, underreporting or fraud, noncompliance with law, lease termination or expiration, illegal or unauthorized use of the Franchise Premises, unauthorized transfer, termination of any other FA with us. (ADA) If you are in default of any FAs beyond the applicable cure period.
i. Your obligations on termination/ nonrenewal	Section 6.4. (FA); Section 8.2., 9.3. (ADA)	(FA) Return of Operations Manual and Advertising Manual, release of telephone numbers and listings, remove all franchise-related equipment, furnishings, décor, signage, trade dress and inventory, payment of sums owed and future royalties, allow us final inspection and audit of your computer systems, books, records and accounts, abide by post-termination, confidentiality, noncompetition and indemnity. At our option, assign your lease and sell all franchise-related equipment, furnishings, and inventory to us as described in paragraph o. below.

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Franchise Agreement (unless otherwise indicated)</b>	<b>Summary</b>
		(ADA) No competition for three years, loss of right to construct, equip, own, open or operate additional Franchised Stores; and loss of exclusive Development Area.
j. Assignment of contract by us	None (FA); Section 7.1. (ADA)	(FA) There are no restrictions on our right to transfer. (ADA) There are no restrictions on our right to transfer.
k. "Transfer" by you	Section 7.1. (FA)	(FA) Restrictions apply if you sell, transfer, assign, encumber, give, lease, or sublease (collectively called " <b>transfer</b> ") the whole or any part of: the Franchise Agreement, substantial assets of the Franchised Store, or ownership or control of you. (ADA) No provision.
l. Our approval of transfer by you	Section 7.1. (FA)	(FA) We have the right to approve all transfers. (ADA) No provision.
m. Conditions for our approval of transfer	Section 7.1. (FA)	(FA) The transferee must qualify as a franchisee and assume your obligations, you must prove you have paid all your debts, you may not be in default, the transferee must successfully complete the mandatory training and pay the then-current training fee, you or transferee must pay Transfer Fee, the transferee must sign a new Franchise Agreement on our then-current terms, you must release us, and you must submit to us satisfactory evidence of the consent of lenders, lessors, and governmental authorities of permits and licenses. (ADA) No provision.
n. Our right of first refusal to acquire your business	Section 7.1. (FA)	(FA) If you receive an offer, you must notify us within 7 days. We have the right to purchase on the same terms and conditions by notifying you within 21 days. (ADA) No provision.
o. Our option to purchase your business	Section 6.4. (FA)	(FA) Upon termination we may require you to sell your equipment, furnishings, and inventory to us, at the depreciated book value (straight line depreciation over five years) for equipment and furnishings and at your invoice cost for inventory. We will not be liable for payment to you for intangibles, including goodwill and may set off any amounts owed to us by you.  (FA) Upon expiration we may require you to sell your equipment, furnishings, and inventory to us, at the fair market value. We will not be liable for payment to you for intangibles, including goodwill and may set off any amounts owed to us by you.  (ADA) No provision.



<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Franchise Agreement (unless otherwise indicated)</b>	<b>Summary</b>
p. Your death or disability	Section 7.2. (FA)	(FA) Within 180 days, your heirs, beneficiaries, devisees or legal representatives may apply to continue to operate the franchise, or transfer franchise interest, as described in paragraph m. above. (ADA) No provision.
q. Noncompetition covenants during the term of the franchise	Section 5.16. (FA); Section 8.1. (ADA)	(FA) You may not engage in or have an interest in any business that is in competition with us. (ADA) No participation whatsoever by you, your owners, shareholders, partners, directors, officers, consultants, distributors, or agents, nor by the members of your immediate families or household members (who have access to our knowledge or Operations Manual or methods of operations) in any business engaged in the wholesale or retail sale of take and bake pizza.
r. Noncompetition covenants after the franchise is terminated or expires	Section 5.16. (FA); Section 8.2. (ADA)	(FA) Same as above, noncompetition covenant applies within a 25-mile radius of your Franchised Store and of other Franchised Stores and continues for two years after termination or expiration of franchise. (ADA) No participation whatsoever by you, your owners, shareholders, partners, directors, officers, consultants, distributors, or agents, nor by the members of your immediate families or household members (who have access to our knowledge or Operations Manual or methods of operations) in any business engaged in the sale at wholesale or retail of take and bake pizza for three years after termination, expiration or transfer of ADA.
s. Modification of the agreement	Sections 5.14. and 9.7. (FA); Section 12.8. (ADA)	(FA) We may modify the Operations Manual. Modifications to the FA must be in writing and signed by an authorized person from each of the parties. (ADA) All modifications must be in writing and signed by an authorized person from each of the parties.
t. Integration/merger clause	Sections 1.5., 9.6(c), 9.8. and . (FA); Section 12.8. (ADA)	(FA) Only terms of Agreements and Operations Manual are binding. Any other promises may not be enforceable. (ADA) Only terms of Agreements are binding.
u. Dispute resolution by arbitration or mediation	Section 9.9. (FA)	(FA) Except for certain claims for immediate relief, all disputes must be first negotiated then subject to non-binding mediation in the city that United States Arbitration and Mediation Service, Inc. has an office nearest our headquarters office, unless otherwise mutually agreed. (ADA) No provision.
v. Choice of forum	Section 9.11. (FA); Section 11 (ADA)	(FA) Except for certain claims for extraordinary relief, dispute resolution will be in the applicable federal or state court for the judicial district in which Papa Murphy's International LLC has its principal place of business at the time the action is commenced, except as stated in State Addenda to this Disclosure Document.

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Franchise Agreement (unless otherwise indicated)</b>	<b>Summary</b>
		(ADA) All issues and disagreements must be tried, heard and decided in the applicable federal or state court for the judicial district in which Papa Murphy’s International LLC has its principal place of business at the time the action is commenced, except to the extent modified by the State Addenda to this Disclosure Document.
w. Choice of law	Section 9.6. (FA); Section 11.1 (ADA)	(FA) Washington law applies to the contract, except to the extent governed by the United States Trademark Act, and except to the extent modified by the State Addenda to this Disclosure Document.  (ADA) Washington law applies, except to the extent governed by the United States Trademark Act, except to the extent modified by the State Addenda to this Disclosure Document.

**ITEM 18  
PUBLIC FIGURES**

We do not currently use any public figure to promote the sale of franchises, but we reserve the right to do so in the future.

**ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

Under the three sections below, we have provided an unaudited statement of system store performance, benchmark costs, average annual Net Sales percentage increase, and new store performance. Information for franchise-owned stores has been taken from their respective self-reported weekly sales and profit and loss statements. We have not audited or verified these figures or reports nor have we asked questions of the submitting franchisees to determine whether they are in fact accurate and complete, although we have no information or other reason to believe that they are unreliable. We do not know whether the information was prepared consistent with generally accepted accounting principles

The amount of sales realized and costs and expenses incurred will vary from store to store. The sales, costs and expenses of your Franchised Store will be directly affected by many

factors, such as the Franchised Store's size, geographic location, menu mix, and competition in the marketplace; the presence of other Papa Murphy's stores; the quality of management and service at the Franchised Store; contractual relationships with lessors and vendors; the extent to which you finance the construction and operation of the Franchised Store; your legal, accounting, real estate and other professional fees; federal, state and local income, gross profits or other taxes; discretionary expenditures; and accounting methods used. You should, therefore, use this analysis only as a reference.

You are urged to consult with appropriate financial, business and legal advisors to conduct your own analysis of the information contained in this section.

### **System Store Performance**

All stores included in this System Store Performance section are traditional stores, in that the stores are not located within another retailer's space, such as a grocery or department store. As of January 2, 2012 (the end of our 2011 fiscal year) there were 1,283 stores open. Of the 1,283 stores open, 1,202 traditional stores were open and operating during the entire period of our fiscal year, and 81 stores were either non-traditional or were not open for the full fiscal year. The following statements are based on information reported by the 1,202 traditional stores, both franchise-owned and company-owned, in operation as of January 2, 2012. These stores represent 46 company-owned stores and 1,156 franchise-owned stores (collectively referred to herein as "**System Stores**"). The System Stores were divided into three groups with the same number of stores in each group, except for one less store in the Medium Group based on Net Sales results: top third ("**High**"), middle third ("**Medium**"), and lower third ("**Low**").

The average annual Net Sales of the System Stores was \$559,495 ("**System Store Average**") per store. These System Stores offer substantially the same menu and product mix that your Franchised Store will offer. Of the 1,202 stores, 492 met or exceeded this average.

The High Group's average Net Sales are \$828,296; the Medium Group's average Net Sales are \$511,241; and the Low Group's average Net Sales are \$338,829. The ranges of Net Sales and averages within the High, Medium and Low categories are listed below:

<b>VOLUME</b>	<b>HIGH</b>	<b>MEDIUM</b>	<b>LOW</b>
Number of Stores	401	400	401
Net Sales			
Highest	\$1,741,245	\$606,304	\$424,770
Lowest	\$606,814	\$425,114	\$156,352
<b>Average Net Sales by Category</b>	<b>\$828,296</b>	<b>\$511,241</b>	<b>\$338,829</b>
Number of Stores Exceeding Average Net Sales by Category	156	205	227
Total System Store Average Net Sales	\$559,495		

## Benchmark Costs

On October 3, 2011, the end of our fiscal third quarter 2011, there were 1,154 franchisee-owned stores which were open and operating for the trailing 53 weeks. Of those 1,154 stores, 634 submitted profit and loss statements in the correct format for the prior 53 weeks. The following benchmark is based on the sales and operating costs reflected in the profit and loss statements submitted by those 634 stores during that time period (“**Benchmark Stores**”).

The average Net Sales for the Benchmark Stores over the trailing 53 weeks was \$612,226. The range of Net Sales was between \$207,399 and \$1,778,370. These results have not been audited and though the numbers appear to accurately reflect the level of results expected, there is no guarantee that they are in whole or part correct.

<b>VOLUME CATEGORY</b>		<b>HIGH</b>	<b>MEDIUM</b>	<b>LOW</b>
Number of Stores		211	212	211
<b>By Category:</b>	Notes			
Average Gross Sales	1	\$1,047,517	\$656,689	\$448,706
Average Discounts (on Gross Sales)	2	14.2%	14.9%	15.5%
<b>Average Net Sales</b>	<b>3</b>	<b>\$898,875</b>	<b>\$559,052</b>	<b>\$379,003</b>
Number of Stores Exceeding Average Net Sales		82	102	118
Below are represented as a % of Net Sales				
Average COGS	4	37.1%	37.4%	38.4%
Average Employee Labor	5	14.6%	15.2%	17.2%
Average Management	6	4.2%	5.1%	5.6%
Average Payroll Taxes	7	2.3%	2.3%	2.5%
Average Advertising	8	6.9%	8.1%	8.8%
Average Rent and CAM	9	4.1%	6.1%	8.4%
Average Other Store Expenses	10	12.9%	14.1%	16.0%
Average Store Contribution	11	17.9%	11.7%	3.1%

The notes to the above table are an integral part of the bases and assumptions of this analysis. You should particularly note the following:

The table of Benchmark Stores’ sales and average food and labor costs are based upon the self-reported profit and loss statements submitted by a portion of the System Stores. The average sales and average costs reflected in the analysis should not be considered as the actual or potential sales, costs, income or profits that you will realize. We do not represent that any franchisee can expect to attain the sales, costs, income or profits described in this section, or any particular level of sales, costs, income or profits. In addition, we do not represent that any franchisee will derive income that exceeds the initial payment for or investment in the Franchised Store. The individual financial results of any Franchised Store are likely to differ from the information described in this section, and your success will depend largely on your ability. Substantiation of the data used in preparing this analysis will be made available on reasonable request.

The analysis does not include any estimates of the federal income tax that would be payable on the net income from a store or state or local net income or gross profits taxes that may be applicable to the particular jurisdiction in which a store is located. Each franchisee is strongly urged to consult with its tax advisor regarding the impact that federal, state and local taxes will have on the amounts shown in the analysis.

Notes:

- (1) Average Gross Sales. The gross sales figures set forth above represent all food and beverage sales before any coupons or other discounts are taken. It does not include sales taxes collected.
- (2) Discount Percentages. The percentages included above include coupons and discounts offered on promotional items or offers. The percentage is calculated on gross sales.
- (3) Average Net Sales. The sales figures set forth above represent all food and beverage sales, net of discounts. This is the amount on which you will calculate your royalty payments.
- (4) Cost of Goods (“COGS”). Average COGS includes all food inventory and packaging delivered to the store and used in creating the product for sale, but excludes cleaning supplies and similar items. We negotiate contracts for quantity and price for both beverages and certain food products to take advantage of volume discounts. (See ITEM 8.)
- (5) Employee Labor. Hourly wages, both regular and overtime (including crew, assistant managers, shift leaders), for food preparation and service. No corporate management personnel are included in labor costs. The amount of hourly labor necessary to operate a Franchised Store will vary from unit to unit, but should incrementally increase or decrease with the sales volume of the Franchised Store. Hourly wages may vary significantly by geographic location, the supply of and demand on the local labor pool, and state and federally mandated minimum wage laws. Labor includes wages only and does not include payroll taxes, medical or workers compensation insurance or 401(k) plan contributions.
- (6) Management. Management costs include payroll expenses (salaries, bonuses for meeting performance objectives, and vacation) for the Franchised Store manager. The number of managers may vary based on sales volume and your requirements may differ from those of a Benchmark Store. In some cases, a franchise owner serves as the store manager and draws little or no salary.
- (7) Payroll Taxes. Unemployment taxes (both federal and state), FICA, employee injury insurance or workers compensation where required.
- (8) Advertising. This category is comprised of four types of expenditures: (a) local store marketing and merchandising, (b) contribution to the Advertising and Development Fund, (c) contribution to the Sales Building Print Plan, and (d) your Franchised Store’s

designated percentage contribution to your local advertising cooperative, which can be different for each designated marketing area.

- (9) Rent and Common Area Maintenance (“CAM”). Rent and CAM includes rent and lease costs, common area maintenance expenses and tax and insurance due the landlord. Rent and lease costs include the base rent and any percentage rent. Common area maintenance costs typically include franchisee’s pro rata charges for parking lot maintenance, lighting, real estate taxes, taxes on the common areas and costs of maintaining the common areas. Rental costs will vary as a result of space requirements and local market conditions.
- (10) Other Store Expenses. Other store expenses include the cost of direct supervision, bank fees, accounting and payroll services, utilities, repairs and maintenance, telephone, employee benefits, insurance, janitorial, smallwares, taxes and licenses, broadband/internet, point-of-sale system costs, credit card processing charges, uniforms, laundry and supplies as well as royalty payments. Utilities include electricity, gas, water and telephone costs for the operation of the Franchised Store. The pro rata share of common area utility costs is included under rent and lease payments. (See Note 9.) These costs are subject to local market conditions and may vary depending on the geographic location of the Franchised Store. The Other category also includes personal property taxes, other real estate taxes not included in rent and lease and other operating licenses required by state and local agencies. You should investigate property taxes in the area in which you plan to locate your Franchised Store.
- (11) Store Contribution. The store contribution represents revenue less expenses described herein, and this figure does not reflect other costs which you may incur as a franchisee, which may include general and administrative costs, depreciation (consult with your tax advisor regarding depreciation and amortization schedules and the period over which the assets may be amortized or depreciated as well as the effect, if any, of recent and proposed tax legislation), and financing costs, if any. In addition, you will also pay local state and federal income taxes which are not reflected in the preceding table.

### **Average Annual Net Sales Percentage Increase**

This statement includes the average Net Sales percentage Increase for stores based on a comparison of Net Sales: (i) in 2006 and 2005 for stores that were in operation for the entire 52-week period ended January 1, 2007; (ii) in 2007 and 2006 for stores that were in operation for the entire 52-week period ended December 31, 2007; (iii) in 2008 and 2007 for stores that were in operation for the entire 52-week period ended December 29, 2008; (iv) in 2009 and 2008 for stores that were in operation for the entire 52-week period ended December 28, 2009; (v) in 2010 and 2009 for stores that were in operation for the entire 53-week period ended January 3, 2011; and (vi) in 2011 and 2010 for stores that were in operation for the entire 52-week period ended January 2, 2012. Only stores that were open all weeks in both years are compared.

<b>Average Same Store Net Sales Percentage Increase</b>			
<b>Comparison Year</b>	<b>Stores</b>	<b>Percentage Increase</b>	<b>Number and Percentage of Stores Above Average</b>
2006 v 2005	765	2.4%	408 (53%)
2007 v 2006	828	6.0%	398 (48%)
2008 v 2007	899	9.2%	461 (51%)
2009 v 2008	987	2.7%	489 (50%)
2010 v 2009	1,059	-2.9%	540 (51%)
2011 v 2010	1,113	5.8%	567 (51%)

Papa Murphy's had positive year-over-year comparable store sales performance for five out of the last six years.

### **New Store Performance**

Of the 65 new stores opened in fiscal year 2011, 48 stores had 12 or more full operating weeks as of the week ended January 2, 2012. The average weekly Net Sales for stores during the first 12 full operating weeks was \$9,425. Of the 48 stores, 21 (44%) met or exceeded this average. The actual annual average Net Sales achieved may vary due to seasonality, location characteristics, owner involvement, marketing plans and competition, as well as other factors disclosed in this Disclosure Document.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future revenue and/or income, you should report it to the franchisor's management by contacting Victoria Blackwell, Papa Murphy's International LLC, at 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662, (360) 449-4122, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary for Years 2009 to 2011**

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2009	1,056	1,136	80
	2010	1,136	1,206	70
	2011	1,206	1,232	26
Company-Owned	2009	63	35	-28
	2010	35	33	-2
	2011	33	51	18
Total Outlets	2009	1,119	1,171	52
	2010	1,171	1,239	68
	2011	1,239	1,283	44

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners  
(other than the Franchisor) for Years 2009-2011**

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Alaska	2009	0
	2010	0
	2011	2
Arizona	2009	3
	2010	2
	2011	0
California	2009	3
	2010	7
	2011	4
Colorado	2009	0
	2010	11
	2011	1
Idaho	2009	3
	2010	3
	2011	0



Column 1	Column 2	Column 3
State	Year	Number of Transfers
Illinois	2009	0
	2010	1
	2011	0
Indiana	2009	0
	2010	1
	2011	1
Kansas	2009	1
	2010	0
	2011	0
Kentucky	2009	1
	2010	2
	2011	0
Minnesota	2009	2
	2010	1
	2011	6
Missouri	2009	2
	2010	2
	2011	4
Nebraska	2009	0
	2010	0
	2011	2
Nevada	2009	1
	2010	2
	2011	0
New Mexico	2009	0
	2010	1
	2011	0
North Carolina	2009	0
	2010	1
	2011	0
Oklahoma	2009	0
	2010	1
	2011	1
Oregon	2009	0
	2010	2
	2011	2

Column 1	Column 2	Column 3
State	Year	Number of Transfers
South Dakota	2009	0
	2010	1
	2011	0
Tennessee	2009	0
	2010	1
	2011	0
Texas	2009	3
	2010	0
	2011	8
Utah	2009	3
	2010	0
	2011	3
Washington	2009	7
	2010	0
	2011	0
Wisconsin	2009	0
	2010	3
	2011	5
<b>Total</b>	<b>2009</b>	<b>29</b>
	<b>2010</b>	<b>42</b>
	<b>2011</b>	<b>39</b>

**Table No. 3  
Status of Franchised Outlets for Years 2009-2011**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2009	2	5	0	0	0	0	7
	2010	7	4	0	0	0	0	11
	2011	11	0	0	0	0	0	11
Alaska	2009	9	0	0	0	0	0	9
	2010	9	1	0	0	0	0	10
	2011	10	0	0	0	0	0	10

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arkansas	2009	6	4	0	0	0	0	10
	2010	10	2	1	0	0	0	11
	2011	11	3	1	0	0	0	13
Arizona	2009	19	6	0	0	0	0	25
	2010	25	5	0	0	0	0	30
	2011	30	5	1	0	0	0	34
California	2009	147	6	2	0	0	1	150
	2010	150	11	4	0	0	0	157
	2011	157	6	2	0	0	0	161
Colorado	2009	51	3	0	0	0	1	53
	2010	53	2	0	0	0	0	55
	2011	55	1	0	0	12	0	44
Florida	2009	0	1	0	0	0	0	1
	2010	1	6	0	0	0	0	7
	2011	7	5	0	0	0	0	12
Georgia	2009	0	0	0	0	0	0	0
	2010	0	2	0	0	0	0	2
	2011	2	1	0	0	0	0	3
Idaho	2009	28	0	0	0	0	0	28
	2010	28	1	0	0	0	0	29
	2011	29	0	0	0	0	0	29
Illinois	2009	21	6	0	0	0	0	27
	2010	27	1	2	0	0	0	26
	2011	26	0	1	0	0	0	25
Indiana	2009	46	3	0	0	0	0	49
	2010	49	1	2	0	0	0	48
	2011	48	1	2	0	0	0	47
Iowa	2009	37	2	1	0	0	0	38
	2010	38	0	0	0	0	0	38
	2011	38	0	1	0	0	0	37
Kansas	2009	18	4	1	0	0	0	21
	2010	21	1	0	0	2	0	20
	2011	20	3	0	0	0	0	23

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Kentucky	2009	19	2	1	0	0	0	20
	2010	20	4	5	0	0	0	19
	2011	19	0	1	0	0	0	18
Louisiana	2009	9	3	0	0	0	0	12
	2010	12	3	0	0	0	0	15
	2011	15	1	0	0	0	0	16
Maryland	2009	0	0	0	0	0	0	0
	2010	0	2	0	0	0	0	2
	2011	2	0	0	0	0	0	2
Michigan	2009	10	0	0	0	0	0	10
	2010	10	0	1	0	1	0	8
	2011	8	0	0	0	0	0	8
Minnesota	2009	81	4	0	0	0	0	85
	2010	85	3	0	0	0	0	88
	2011	88	0	0	0	6	0	82
Missouri	2009	33	4	1	0	0	0	36
	2010	36	5	0	0	0	0	41
	2011	41	2	4	0	0	0	39
Montana	2009	12	0	0	0	0	0	12
	2010	12	0	0	0	0	0	12
	2011	12	0	0	0	0	0	12
Nebraska	2009	20	0	1	0	0	0	19
	2010	19	1	0	0	0	0	20
	2011	20	0	0	0	0	0	20
Nevada	2009	15	0	0	0	0	0	15
	2010	15	2	1	0	0	0	16
	2011	16	1	0	0	0	0	17
New Mexico	2009	9	1	0	0	0	0	10
	2010	10	1	2	0	0	0	9
	2011	9	3	0	0	0	0	12
North Carolina	2009	0	3	0	0	0	0	3
	2010	3	6	0	0	0	0	9
	2011	9	4	2	0	0	0	11

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
North Dakota	2009	11	0	0	0	0	0	11
	2010	11	0	0	0	0	0	11
	2011	11	0	0	0	0	0	11
Ohio	2009	18	7	4	0	0	0	21
	2010	21	0	5	0	0	0	16
	2011	16	0	2	0	0	0	14
Oklahoma	2009	8	5	0	0	0	0	13
	2010	13	1	0	0	0	0	14
	2011	14	1	1	0	0	0	14
Oregon	2009	93	1	0	0	0	0	94
	2010	94	0	0	0	0	0	94
	2011	94	0	0	0	0	0	94
South Carolina	2009	0	1	0	0	0	0	1
	2010	1	4	0	0	0	0	5
	2011	5	2	0	0	0	0	7
South Dakota	2009	13	0	0	0	0	0	13
	2010	13	0	1	0	0	0	12
	2011	12	0	0	0	0	0	12
Tennessee	2009	13	10	0	0	0	0	23
	2010	23	6	0	0	0	0	29
	2011	29	3	0	0	0	0	32
Texas	2009	49	8	1	0	0	0	56
	2010	56	15	1	0	0	0	70
	2011	70	17	2	0	0	0	85
Utah	2009	39	3	0	0	0	0	42
	2010	42	0	0	0	0	0	42
	2011	42	6	0	0	0	0	48
Virginia	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Washington	2009	139	0	0	0	0	0	139
	2010	139	1	0	0	0	0	140
	2011	140	0	0	0	0	0	140

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Wisconsin	2009	73	3	1	0	0	0	75
	2010	75	5	0	0	0	0	80
	2011	80		0	0	1	0	79
Wyoming	2009	8	0	0	0	0	0	8
	2010	8	1	0	0	0	0	9
	2011	9	0	0	0	0	0	9
Total	2009	1,056	95	13	0	0	2	1,136
	2010	1,136	98	25	0	3	0	1,206
	2011	1,206	65	20	0	19	0	1,232

The store count in the financial statements differs from that reported in this Disclosure Document by two stores. Our financial reporting considers a store open if any sales are reported during a given week. Two stores that closed during the last week of 2010 reported sales for the last week of the fiscal year, however, the physical operation ceased during the fiscal year.

Three stores temporarily closed due to circumstances beyond their control. Two stores in California, one in 2006 and one in 2009 and one store in Colorado in 2009. These stores reopened in 2010 and are included under Outlets Opened.

Three company-owned outlets were sold to franchisees in 2010, one in Colorado and two in Wisconsin. One company-owned outlet was sold to a franchisee in 2011 in New Mexico. These outlets are included under Outlets Opened.

**Table No. 4**  
**Status of Company-Owned Outlets for Years 2009-2011**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Colorado	2009	9	0	0	1	0	8
	2010	8	0	0	0	1	7
	2011	7	0	12	0	0	19
Illinois	2009	10	0	0	3	6	1
	2010	1	0	0	1	0	0
	2011	0	0	0	0	0	0

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Kansas	2009	10	0	0	1	3	6
	2010	6	0	2	0	0	8
	2011	8	1	0	0	0	9
Michigan	2009	8	0	0	1	0	7
	2010	7	0	1	0	0	8
	2011	8	0	0	0	0	8
Minnesota	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	0	6	0	0	6
Nebraska	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	0	1	1	0	0
New Mexico	2009	7	0	0	1	0	6
	2010	6	0	0	0	0	6
	2011	6	0	0	1	1	4
Ohio	2009	10	0	0	4	6	0
	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0
Oregon	2009	2	0	0	0	0	2
	2010	2	0	0	0	0	2
	2011	2	0	0	0	0	2
Texas	2009	1	0	0	0	0	1
	2010	1	0	0	1	0	0
	2011	0	0	0	0	0	0
Washington	2009	1	0	0	0	0	1
	2010	1	0	0	0	0	1
	2011	1	0	0	0	0	1
Wisconsin	2009	5	0	0	1	1	3
	2010	3	0	0	0	2	1
	2011	1	0	1	0	0	2

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Total	2009	63	0	0	12	16	35
	2010	35	0	3	2	3	33
	2011	33	1	20	2	1	51

**Table No. 5  
Projected Openings as of January 2, 2012**

Column 1	Column 2	Column 3	Column 4
	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Alaska	0	0	0
Alabama	0	0	0
Arizona	8	15	0
Arkansas	4	0	0
California	7	11	0
Colorado	2	10	0
Florida	4	8	0
Georgia	0	0	0
Idaho	1	0	0
Illinois	1	0	0
Indiana	1	3	0
Iowa	0	0	0
Kansas	1	0	0
Kentucky	0	2	0
Louisiana	5	0	0
Maryland	0	0	0
Michigan	0	0	0
Minnesota	3	0	0
Missouri	5	10	0
Nebraska	0	3	0
Nevada	3	3	0
New Mexico	0	2	2
North Carolina	5	0	0
Ohio	0	0	0
Oklahoma	0	1	0
Oregon	1	0	0
South Carolina	1	2	0
South Dakota	0	0	0
Tennessee	1	3	0
Texas	21	16	0
Utah	2	3	0
Washington	0	0	0
Wisconsin	3	3	0
Wyoming	0	0	0
Total	79	95	2



The name of each of our franchisees and the address and telephone number of each of their outlets as of the end of our last fiscal year (unless another date is stated on the list) are listed in **Exhibit B**, together with the name, city, state, telephone number and email address of each franchisee that has a signed Franchise Agreement but has not yet opened its outlet.

The name and last known home address and telephone number of every franchisee who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year and who has not communicated with us within ten weeks of the date of this Disclosure Document, is listed in **Exhibit B**. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our system.

The following independent franchisee association has asked to be included in this Disclosure Document:

Papa Murphy's Franchisee Association, Inc., an Oregon corporation  
1380 Sequoia Plaza, Ukiah, CA 95482  
Email: info@papaowners.com  
Web Address: www.papaowners.com

## **ITEM 21 FINANCIAL STATEMENTS**

Our fiscal year end is the Monday closest to the end of the calendar year. Attached to this Disclosure Document as **Exhibit C** is the Consolidated Financial Statements dated January 2, 2012 for Papa Murphy's Holdings, Inc., the parent company of franchisor and an unaudited balance sheet and income statement for Papa Murphy's Holdings, Inc. both dated March 5, 2012. Papa Murphy's Holdings, Inc. shall absolutely and unconditionally guarantee the performance by franchisor and of all of franchisor's obligations under the Franchise Agreement. A copy of the Guarantee of Performance is included as **Exhibit L**.

## **ITEM 22 CONTRACTS**

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit D	Franchise Agreement and attached Addendum to Lease
Exhibit E	Collateral Assignment of Telephone and Directory Listings
Exhibit G	State Law Addenda
Exhibit H	Area Development Agreement
Exhibit I	Multiple Store Commitment Letter and Amendment to Franchise Agreements
Exhibit J	Statement of Franchisee

Exhibit K      ACH Debit and Credit Authorization Form

**ITEM 23**  
**RECEIPTS**

The last exhibit of this Disclosure Document contains two Receipts. Please sign and date them both and return one copy to us.

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT A**

**LIST OF STATE ADMINISTRATORS  
AND AGENTS FOR SERVICE OF PROCESS**

**EXHIBIT A  
STATE ADMINISTRATORS  
AND AGENTS FOR SERVICE OF PROCESS**

<b>STATE</b>	<b>STATE ADMINISTRATOR/AGENT</b>	<b>ADDRESS</b>
California	Commissioner of Corporations Department of Corporations	320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-2344
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	Williams Building, 6 <sup>th</sup> Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 <sup>th</sup> Place East, Suite 500 St. Paul, MN 55101-2198
New York (State Administrator)	New York State Department of Law Bureau of Investor Protection and Securities	120 Broadway, 23rd Floor New York, NY 10271
New York (Agent)	Secretary of State of the State of New York	41 State Street, Second Floor Albany, NY 12231
North Dakota	Securities Commissioner	600 East Boulevard Avenue, Fifth Floor Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920
South Dakota	Director Division of Securities Division of Securities	445 East Capitol Avenue Pierre, SD 57501
Virginia (State Administrator)	Virginia State Corporation Commission Division of Securities and Retail	1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219-3630
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT B**

**LIST OF FRANCHISEES AND CERTAIN  
FORMER FRANCHISEES**

## EXHIBIT B

The following is a list of the names of all current franchisees and the addresses and telephone numbers for each of their outlets as of the end of our last fiscal year 2011.

Store ID	Store Name	Store Address	Telephone	Primary Owner
<b>ALABAMA</b>				
AL006	Athens/US Highway 72	934 US Highway 72 East, Athens, AL 35611	(256) 216-1099	Doug & Cindy Storey
AL010	Cullman/Cherokee	1850 Cherokee Avenue SW, Suite H, Cullman, AL 35055	(256) 737-7770	Doug & Cindy Storey
AL003	Decatur/Beltline	1406 Beltline Road SW, Suite B, Decatur, AL 35601	(256) 353-7273	Doug & Cindy Storey
AL009	Foley/McKenzie Street	2062 South McKenzie Street, Foley, AL 36535	(251) 970-7272	Harvey & Ann Callegan
AL002	Hartselle/Highway 31	701 Highway 31 SW, Hartselle, AL 35640	(256) 773-7271	Doug & Cindy Storey
AL007	Homewood/Green Springs Hwy	437 Green Springs Highway, 121, Homewood, AL 35209	(205) 769-9445	Mark & Linda Bryan
AL008	Hoover/Montgomery Highway	1580 Montgomery Highway, Hoover, AL 35216	(205) 978-4832	Mark & Linda Bryan
AL011	Huntsville/Memorial Parkway	11437 Memorial Parkway SW, Suite D, Huntsville, AL 35803	(256) 213-2224	Doug & Cindy Storey
AL013	Huntsville/Whitesburgh	5000 Whitesburgh Drive, Suite 112, Huntsville, AL 35802	(256) 880-4948	Doug & Cindy Storey
AL004	Madison/US Highway 72	7830 US Highway 72 West, Suite 210, Madison, AL 35758	(256) 830-4441	Doug & Cindy Storey
AL005	Muscle Shoals/Avalon	233 Avalon Avenue, Suite B, Muscle Shoals, AL 35661	(256) 389-9292	Doug & Cindy Storey
<b>ALASKA</b>				
AK005	Anchorage/Abbott	2286 Abbott Road, Anchorage, AK 99507	(907) 929-7272	Zachary & Jacqueline Field
AK002	Anchorage/Debarr	5668 Debarr Road, Suite 7, Anchorage, AK 99504	(907) 222-6260	Fred Fleck
AK008	Anchorage/Dimond Boulevard	2203 West Dimond Boulevard, Anchorage, AK 99515	(907) 344-7272	James & Susan Nelson
AK010	Anchorage/Northern Lights	1231 West Northern Lights Boulevard, Suite 5, Anchorage, AK 99503	(907) 274-7272	Jessica Holmer
AK007	Eagle River/Old Glenn Highway	13331 Old Glenn Highway, Eagle River, AK 99577	(907) 694-7272	Russ McDonald
AK009	Fairbanks/Airport Way	3637 Airport Way, Suite 107, Fairbanks, AK 99709	(907) 479-3637	Kelen Wells
AK006	Fairbanks/Old Steese	930 Old Steese Highway, Suite C, Fairbanks, AK 99701	(907) 452-7272	Kelen Wells
AK003	Juneau/Mendenhall Mall Road	9108 Mendenhall Mall Road, Juneau, AK 99801	(907) 789-7567	Russ McDonald
AK004	Soldotna/Ware House	131A Ware House Drive, Soldotna, AK 99669	(907) 260-9411	James & Susan Nelson
AK001	Wasilla/E Parks	1561 East Parks Highway, Wasilla, AK 99654	(907) 376-3696	Russ McDonald
<b>ARIZONA</b>				
AZ007	Apache Junction/Apache Trail	2114 West Apache Trail, Suite 6, Apache Junction, AZ 85220	(480) 982-6390	Mike & Joy Chastek
AZ008	Avondale/N Dysart Road	1809 North Dysart Road, Suite 108, Avondale, AZ 85323	(623) 935-7117	Edward & Linda Holmes
AZ025	Casa Grande/Florence Blvd	1485 East Florence Boulevard, Suite 102, Casa Grande, AZ 85222	(520) 876-4055	Scott & Jan Roland

Store ID	Store Name	Store Address	Telephone	Primary Owner
AZ010	Cave Creek/Cave Creek Road	29455 North Cave Creek Road, Suite 142, Cave Creek, AZ 85331	(480) 502-4433	Mark Hospenthal
AZ039	Chandler/East Ray	1020 East Ray Road, Chandler, AZ 85225	(480) 917-7474	Dennis & Cheryl Derby
AZ003	Chandler/Ray	3900 West Ray Road, Suite 7, Chandler, AZ 85226	(480) 814-7878	Tara Kempers
AZ020	Cottonwood/Main St	976 South Main Street, Suite A, Cottonwood, AZ 86326	(928) 639-3113	Frank & Yukiko Hardy
AZ035	Flagstaff/Woodlands Vlg Blvd	2700 South Woodlands Village Blvd, Suite 400, Flagstaff, AZ 86001	(928) 226-7272	Greg Terauchi
AZ004	Gilbert/E Warner	1385 East Warner Road, Suite 104, Gilbert, AZ 85296	(480) 632-7171	Tara Kempers
AZ057	Glendale/59th Avenue	20020 North 59th Avenue, Suite 105, Glendale, AZ 85308	(623) 825-0048	Deborah & Ron Brown
AZ043	Glendale/Happy Valley Road	3780 West Happy Valley Road, Suite 124, Glendale, AZ 85310	(623) 582-4000	John & Teresa Jacobson
AZ034	Goodyear/West Van Buren	15570 West Van Buren Street, Suite 104, Goodyear, AZ 85338	(623) 536-7198	Robert Brett
AZ032	Green Valley/Duval Mine	1295 West Duval Mine Road, Suite 161, Green Valley, AZ 85614	(520) 625-4699	Hazel & Mark Pilkerton Roach
AZ014	Kingman/Stockton Hill	3900 Stockton Hill Road, Suite P, Kingman, AZ 86409	(928) 692-7272	Bruce & Sue Schneider
AZ027	Lake Havasu City/McCulloch	2231 McCulloch Boulevard N, Suite 105, Lake Havasu City, AZ 86403	(928) 855-9799	Bruce & Sue Schneider
AZ059	Maricopa/North John Wayne	20298 North John Wayne Parkway, C-13, Maricopa, AZ 85139	(520) 568-3200	Jason Nelson
AZ049	Mesa/Baseline	1955 West Baseline Road, Mesa, AZ 85202	(480) 775-7272	Dennis & Cheryl Derby
AZ042	Mesa/East McKellips	1242 East McKellips Road, Mesa, AZ 85213	(480) 733-7767	Ron & Roberta Mapes
AZ045	Mesa/Power	1229 South Power Road, Suite B5, Mesa, AZ 85206	(480) 830-1970	Mike & Joy Chastek
AZ026	Mesa/Southern Avenue	3550 East Southern Avenue, Mesa, AZ 85204	(480) 807-1808	Jim & Gay Roberts
AZ038	Oro Valley/La Canada	10378 North La Canada Drive, Oro Valley, AZ 85737	(520) 877-7878	Anthony Moore
AZ052	Peoria/Cactus	7465 West Cactus Road, Suite 101, Peoria, AZ 85381	(623) 878-8253	Larry & Linda Bauman
AZ047	Peoria/Union Hills	9015 West Union Hills Drive, Suite 101, Peoria, AZ 85382	(623) 236-3014	Darrell & Lori Wolfe Doepke
AZ001	Phoenix/E Chandler	4025 East Chandler Boulevard, Suite 72, Phoenix, AZ 85048	(480) 706-5500	Tara Kempers
AZ011	Phoenix/Union Hills	3230 East Union Hills, Phoenix, AZ 85050	(602) 867-7272	Mark Hospenthal
AZ053	Prescott Valley/Glassford	3298 N Glassford Hill Road, Suite 105, Prescott Valley, AZ 86314	(928) 775-7171	Frank & Yukiko Hardy
AZ006	Prescott/Iron Springs	1333 Iron Springs Road, Suite B, Prescott, AZ 86301	(928) 708-9100	Dean & Tammy Monroe
AZ017	Sierra Vista/Fry Boulevard	2373 East Fry Boulevard, Sierra Vista, AZ 85635	(520) 459-8661	Ken Everson, Jr.
AZ002	Surprise/W Bell Road	15557 West Bell Road, Surprise, AZ 85374	(623) 214-4888	Edward & Linda Holmes
AZ023	Tucson/Grant Road	4811 East Grant Road, Suite 107, Tucson, AZ 85712	(520) 885-7272	Ken Everson, Jr.
AZ022	Tucson/La Cholla	7250 North La Cholla, Suite 186, Tucson, AZ 85741	(520) 797-4242	Ken Everson, Jr.
AZ031	Tucson/Silverbell	7850 North Silverbell Road, Suite 138, Tucson, AZ 85743	(520) 744-7122	Brian Moore
AZ041	Tucson/Tanque Verde	7245 E Tanque Verde Road, Suite 155, Tucson, AZ 85715	(520) 290-0515	Robin & Steve Williams
AZ033	Yuma/South Pacific	2951 South Pacific Avenue, Yuma, AZ 85365	(928) 317-8400	Steven & Janelle Raabe
<b>ARKANSAS</b>				
AR002	Bentonville/Walton	201 SW 14th Street, Bentonville, AR 72712	(479) 271-9809	Robert Dickerson

Store ID	Store Name	Store Address	Telephone	Primary Owner
AR020	Conway/Salem	625 Salem Road, Suite 7, Conway, AR 72034	(501) 329-7171	Chad & Cary Marlow
AR009	Fayetteville/W 6th St	3049 West 6th Street, Fayetteville, AR 72704	(479) 582-5533	Robert Dickerson
AR027	Ft. Smith/Rogers Avenue	7613 Rogers Avenue, Suite D, Ft. Smith, AR 72903	(479) 452-4700	Robert Dickerson
AR025	Ft. Smith/South Zero	2307 South Zero Street, Suite 102, Ft. Smith, AR 72901	(479) 646-4000	Robert Dickerson
AR030	Hot Springs/Higdon Ferry	1412 Higdon Ferry Road, Suite E, Hot Springs, AR 71913	(501) 321-9500	Gloria Rand
AR017	Jacksonville/John Harden Dr.	2050 John Harden Drive, Suite B, Jacksonville, AR 72076	(501) 982-2253	& Wait, Barbara Ellem, Ted
AR029	Mountain Home/Highway 62	1013 Highway 62 East, Mountain Home, AR 72653	(870) 425-1664	John Straus
AR018	North Little Rock/North Hills	7412 North Hills Boulevard, North Little Rock, AR 72116	(501) 834-1514	& Wait, Barbara Ellem, Ted
AR015	Rogers/Walnut	2006 West Walnut, Rogers, AR 72756	(479) 633-9393	Robert Dickerson
AR012	Russellville/North Arkansas	420 North Arkansas Avenue, Russellville, AR 72801	(479) 968-7272	David Shinkle
AR004	Springdale/Old Missouri	2111 South Old Missouri Road, Springdale, AR 72764	(479) 751-7878	Robert Dickerson
AR026	Van Buren/Fayetteville	2254 Fayetteville Road, Van Buren, AR 72956	(479) 471-0900	Robert Dickerson
<b>CALIFORNIA</b>				
CA010	Alameda/Broadway	1929 Broadway, Alameda, CA 94501	(510) 865-4777	Ken & Peggie Dorrance
CA146	Alamo/Danville	3000 Danville Boulevard, Suite D, Alamo, CA 94507	(925) 855-8811	Jyotsana Sahgal
CA195	American Canyon/AmCyn Rd	101 W American Canyon Rd, Suite 504, American Canyon, CA 94503	(707) 643-7272	Kashmir Dhillon
CA035	Anderson/Balls Ferry	2621 Balls Ferry Road, Anderson, CA 96007	(530) 378-2375	Larry & Kathy Hodge
CA124	Antelope/Elverta	4320 Elverta Road, Suite 1, Antelope, CA 95843	(916) 725-7272	Manjinder & Harinder Kahlon
CA078	Antioch/Deer Valley	3345 Deer Valley Road, Antioch, CA 94531	(925) 776-7888	Bill & Terry Kodweis
CA015	Arcata/F Street	600 F Street, Arcata, CA 95521	(707) 822-6220	Larry & Kathy Hodge
CA173	Atwater/Bellevue	1860 Bellevue Road, Atwater, CA 95301	(209) 357-5500	Pardeep & Ashmeer Singh
CA152	Auburn/Grass Valley Highway	2566 Grass Valley Highway, Auburn, CA 95603	(530) 823-7272	Greg & Barbara Wellington
CA255	Bakersfield/Chester	2807 North Chester Avenue, Bakersfield, CA 93308	(661) 393-4444	James & Josephine McArthur
CA207	Bakersfield/Coffee Road	6077 Coffee Road, Suite #7, Bakersfield, CA 93308	(661) 589-7272	Perry, Carole & Aaron Wilson
CA131	Bakersfield/Columbus	3705 Columbus Street, Bakersfield, CA 93306	(661) 872-7288	Lidia & Rigo Llamas
CA252	Bakersfield/Niles	3900 Niles Street, Suite 108, Bakersfield, CA 93306	(661) 873-7272	Lidia & Rigo Llamas
CA169	Bakersfield/Rosedale	13075 Rosedale Highway, Suite D, Bakersfield, CA 93314	(661) 587-3939	Perry, Carole & Aaron Wilson
CA139	Bakersfield/Stine	3404 Stine Road, Suite B1, Bakersfield, CA 93309	(661) 398-7272	Perry, Carole & Aaron Wilson
CA250	Bakersfield/Stockdale	8200 Stockdale Highway, Suite K4, Bakersfield, CA 93311	(661) 832-7272	Perry, Carole & Aaron Wilson
CA013	Belmont/El Camino Real	1602 El Camino Real, Belmont, CA 94002	(650) 594-4877	Dave & Suzanne Mann
CA075	Brentwood/2nd	1145 2nd Street, Brentwood, CA 94513	(925) 516-8300	Bill & Terry Kodweis



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CA048	Cameron Park/Palmer	3440 Palmer Drive, Suite F, Cameron Park, CA 95682	(530) 676-4557	Raman Dhillon
CA134	Carmichael/Fair Oaks	6470 Fair Oaks Boulevard, Carmichael, CA 95608	(916) 488-7272	Patrick & Pamela Stewart
CA234	Castro Valley/Redwood Road	20895 Redwood Road, Castro Valley, CA 94546	(510) 886-7272	Kenneth & Karen Birchfield
CA019	Chico/Mangrove	1305 Mangrove Avenue, Chico, CA 95926	(530) 345-6403	Scott & Marcia Bauer
CA049	Chico/Notre Dame	2485 Notre Dame Boulevard, Suite 440, Chico, CA 95928	(530) 898-1560	Scott & Marcia Bauer
CA238	Chico/West Eaton	14 West Eaton Road, Suite 120, Chico, CA 95973	(530) 343-3993	Scott & Marcia Bauer
CA122	Citrus Heights/Antelope	6456 Antelope Road, Citrus Heights, CA 95621	(916) 729-7272	Jasvir Mander
CA076	Citrus Heights/Greenback	7528 Greenback Lane, Citrus Heights, CA 95610	(916) 722-7272	Gurdeep & Amarpreet Bains
CA039	Clayton/Clayton	5433 Clayton Road, Suite H, Clayton, CA 94517	(925) 672-5335	Bill & Terry Kodweis
CA103	Clovis/Shaw	619 Shaw Avenue, Clovis, CA 93612	(559) 297-7600	Steve & Sally Frazier
CA182	Concord/Clayton	2705 Clayton Road, Concord, CA 94519	(925) 609-7300	Michael & Carol Price
CA055	Corning/Solano	2011 Solano Street, Corning, CA 96021	(530) 824-4422	Scott & Marcia Bauer
CA066	Cotati/Old Redwood	8005 Old Redwood Highway, Cotati, CA 94931	(707) 664-8888	Bill & Terry Kodweis
CA024	Crescent City/M Street	617 M Street, Crescent City, CA 95531	(707) 465-4096	Larry & Kathy Hodge
CA240	Dana Point/Del Obispo	33621 Del Obispo Street, Suite F, Dana Point, CA 92629	(949) 488-8253	Lee Mitchell
CA029	Davis/Covell	640 West Covell Boulevard, Suite G, Davis, CA 95616	(530) 753-3999	Manjinder & Harinder Kahlon
CA239	Dinuba/West El Monte	870 West El Monte Way, Suite K, Dinuba, CA 93618	(559) 595-1233	Janet Steigerwald
CA229	Dixon/East Dorset	105 East Dorset Drive, Dixon, CA 95620	(707) 693-6600	Tejinderpal & Gurjeet Brar
CA226	El Dorado Hills/Francisco	2209 Francisco Drive, El Dorado Hills, CA 95762	(916) 933-7276	Greg & Barbara Wellington
CA058	Elk Grove/Elk Grove	8559 Elk Grove Boulevard, Elk Grove, CA 95624	(916) 686-1144	John Cook
CA123	Elk Grove/Laguna	4720 Laguna Boulevard, Suite 60, Elk Grove, CA 95758	(916) 683-4900	Rasveer Kuar
CA047	Eureka/Henderson	407 Henderson Street, Eureka, CA 95501	(707) 443-9977	Larry & Kathy Hodge
CA023	Fairfield/N Texas	1070 North Texas Street, Suite C, Fairfield, CA 94533	(707) 425-1200	Bill & Terry Kodweis
CA110	Folsom/E Bidwell	703 East Bidwell Street, Space 1, Folsom, CA 95630	(916) 988-7272	Greg & Barbara Wellington
CA034	Fort Bragg/Boatyard	179 Boatyard Drive, Fort Bragg, CA 95437	(707) 961-0777	Jack & Kathleen Barr
CA014	Fortuna/Fortuna	709 South Fortuna Boulevard, Fortuna, CA 95540	(707) 725-9391	Larry & Kathy Hodge
CA175	Fremont/Mowry	5176 Mowry Avenue, Fremont, CA 94538	(510) 744-9600	Balraj Gill
CA228	Fresno/Blackstone	5054 North Blackstone Avenue, Suite 101, Fresno, CA 93710	(559) 222-7272	David Bertao
CA271	Fresno/Broadway	2450 North Brawley Avenue, Fresno, CA 93722	(559) 276-8749	Pardeep & Ashmeer Singh
CA148	Fresno/E Clinton	4218 East Clinton Avenue, Fresno, CA 93703	(559) 252-3100	Steve & Sally Frazier
CA105	Fresno/E Kings Canyon	5171 East Kings Canyon Road, Fresno, CA 93727	(559) 251-2500	Steve & Sally Frazier

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CA104	Fresno/W Shaw	3140 West Shaw Avenue, Suite 108, Fresno, CA 93711	(559) 277-1272	Bob Perkins
CA254	Fullerton/Bastanchury	1032 Bastanchury Road, Suite B5, Fullerton, CA 92835	(714) 529-2253	Lee Mitchell
CA249	Fullerton/Euclid	1105 South Euclid Street, Suite H, Fullerton, CA 92832	(714) 526-2253	Lee Mitchell
CA216	Galt/Twin Cities	10530 Twin Cities Road, Suite 40, Galt, CA 95632	(209) 745-1000	Steve & Janelle Mayo
CA079	Gilroy/First	767 First Street, Gilroy, CA 95020	(408) 846-9300	Kelly & Denise Martin
CA172	Gold River/Golden Centre	2095 Golden Centre Lane, Gold River, CA 95670	(916) 853-7272	Greg & Barbara Wellington
CA072	Grass Valley/Nevada Cty Hwy	12048 Nevada City Highway, Grass Valley, CA 95945	(530) 274-8900	Gurcharan & Gurjit Kang
CA092	Grass Valley/W McKnight	151 West McKnight Way, Suite A, Grass Valley, CA 95949	(530) 272-3589	Devinder & Sukhjean Dhesi
CA003	Greenbrae/Bon Air Cntr	318 Bon Air Center, Greenbrae, CA 94904-2416	(415) 461-1731	Matt Little
CA128	Hanford/11th Avenue	375 North 11th Avenue, Hanford, CA 93230	(559) 582-9191	Ashwindar/Amar Kaur/Mathfallu
CA057	Hollister/Airline Highway	1740 Airline Highway, Hollister, CA 95023	(831) 637-7272	Victor Gomez
CA174	Jackson/S Highway 49	777 South Highway 49, Jackson, CA 95642	(209) 223-5052	John Warren
CA176	Lincoln/S Highway 65	415 South Highway 65, Suite 2A, Lincoln, CA 95648	(916) 408-0220	John & Jennifer Kirkpatrick
CA154	Livermore/Portola	2002 Portola Avenue, Suite E, Livermore, CA 94551	(925) 443-7272	Kenneth & Karen Birchfield
CA163	Lodi/W Kettleman	2309 West Kettleman Lane, Lodi, CA 95242	(209) 368-7272	John Cook
CA138	Los Banos/Pacheco	611 Pacheco Boulevard, Los Banos, CA 93635	(209) 826-2400	Steve & Sally Frazier
CA102	Madera/N Gateway	324 North Gateway Drive, Suite 120, Madera, CA 93637	(559) 661-1800	Steve & Sally Frazier
CA060	Manteca/N Main	552 North Main Street, Manteca, CA 95336	(209) 239-1717	John Warren
CA205	Marina/Del Monte Boulevard	3158 Del Monte Boulevard, Marina, CA 93933	(831) 384-7442	Tom & Hyejin Park
CA069	Martinez/Arnold	1155 Arnold Drive, Suite B, Martinez, CA 94553	(925) 370-2727	Bill & Terry Kodweis
CA020	McKinleyville/Central	2015 Central Avenue, McKinleyville, CA 95519	(707) 839-8763	Val Sandford
CA084	Merced/Yosemite	220 East Yosemite Avenue, Merced, CA 95340	(209) 388-9898	Pardeep & Ashmeer Singh
CA158	Milpitas/N Milpitas	119 North Milpitas Boulevard, Milpitas, CA 95035	(408) 586-9600	Martin Gilmore
CA114	Modesto/E Hatch	1633 East Hatch Road, Suite A, Modesto, CA 95351	(209) 556-9677	John Warren
CA073	Modesto/Oakdale	2601 Oakdale Road, Suite F, Modesto, CA 95355	(209) 523-7272	John Warren
CA089	Modesto/Pelandale	3900 Pelandale Avenue, Suite 300, Modesto, CA 95356	(209) 545-2100	John Warren
CA100	Modesto/Tully	3430 Tully Road, Modesto, CA 95350	(209) 527-4992	John Warren
CA126	Monterey/Fremont	2440 Fremont Street, Suite 202, Monterey, CA 93940	(831) 375-7272	Richard Beach
CA054	Mt Shasta/N Mt Shasta	432 North Mt Shasta Boulevard, Mt Shasta, CA 96067	(530) 926-6900	Larry & Kathy Hodge
CA261	Murrieta/Winchester	39028 Winchester Road, Suite 115, Murrieta, CA 92563	(951) 698-7474	Peter & Lindsey Wynia
CA033	Napa/Soscol	1800 Soscol Avenue, Suite B, Napa, CA 94559	(707) 254-1234	Bob & Elaine Krause

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CA184	North Highlands/Watt	5901 Watt Avenue, North Highlands, CA 95660	(916) 348-7200	Marna Caldon
CA085	Novato/Diablo	922 Diablo Avenue, Suite B, Novato, CA 94947	(415) 892-6999	Tim Sweeney
CA113	Oakdale/East F St	1190 East F Street, Oakdale, CA 95361	(209) 848-1008	John Warren
CA101	Orangevale/Greenback	8821 Greenback Lane, Orangevale, CA 95662	(916) 988-2002	Terry & Margie Southern
CA059	Orland/Walker	123 East Walker Street, Orland, CA 95963	(530) 865-2168	Scott & Marcia Bauer
CA121	Oroville/Oro Dam	1751 Oro Dam Boulevard East, Suite 1, Oroville, CA 95966	(530) 538-8454	Scott & Marcia Bauer
CA080	Pacifica/Palmetto	330 Palmetto Avenue, Suite B, Pacifica, CA 94044	(650) 355-7727	Rajesh & Sadhana Naicker
CA008	Palo Alto/Middlefield	2730 Middlefield Road, Palo Alto, CA 94306	(650) 328-5200	Pat & Emily Chow
CA171	Paradise/Clark	6026 Clark Road, Suite C, Paradise, CA 95969	(530) 872-8998	Scott & Marcia Bauer
CA217	Patterson/Las Palmas	1010 West Las Palmas Avenue, Patterson, CA 95363	(209) 892-0888	John Warren
CA001	Petaluma/Lakeville	965 Lakeville Street, Suite C8, Petaluma, CA 94952	(707) 765-1011	Bill & Terry Kodweis
CA119	Pinole/Fitzgerald	1502A Fitzgerald Drive, Pinole, CA 94564	(510) 223-3000	Bill & Terry Kodweis
CA083	Pittsburg/Buchanan	1315 Buchanan Drive, Pittsburg, CA 94565	(925) 427-7272	Bill & Terry Kodweis
CA248	Placentia/Yorba Linda	119 East Yorba Linda Boulevard, Placentia, CA 92870	(714) 577-5740	Lee Mitchell
CA064	Placerville/Fair Lane	65 Fair Lane, Placerville, CA 95667	(530) 626-8997	Patrick & Pamela Stewart
CA116	Pleasanton/Santa Rita	1991 Santa Rita Road, Suite E, Pleasanton, CA 94566	(925) 417-7511	William Higgins & Joelle Pavone-Higgins
CA253	Porterville/West Vandalia	460 West Vandalia Avenue, Suite C, Porterville, CA 93257	(559) 789-9965	Jeffrey & Audra Row
CA044	Quincy/E Main	1750 East Main Street, Quincy, CA 95971	(530) 283-5619	Richard & Eileen Greenly
CA021	Red Bluff/S Main	845 South Main Street, Red Bluff, CA 96080	(530) 527-3848	Larry & Kathy Hodge
CA237	Redding/Cypress	1090 East Cypress Avenue, Suite A, Redding, CA 96002	(530) 221-2585	Larry & Kathy Hodge
CA046	Redding/Lake Boulevard	239 Lake Boulevard, Redding, CA 96003	(530) 243-8663	Larry & Kathy Hodge
CA094	Redding/Placer	3361 Placer Street, Redding, CA 96001	(530) 244-9994	Larry & Kathy Hodge
CA106	Reedley/11th	803 East 11th Street, Reedley, CA 93654	(559) 638-4675	Jim & Cheryl Miyakawa
CA221	Riverbank/Patterson	2542 Patterson Road, Riverbank, CA 95367	(209) 869-5555	John Warren
CA053	Rocklin/Granite	4819A Granite Drive, Rocklin, CA 95677	(916) 632-7390	Ranvinder Mander
CA230	Roseville/Douglas	1927 Douglas Boulevard, Suite 101, Roseville, CA 95661	(916) 781-7272	Greg & Barbara Wellington
CA086	Roseville/Foothills	5020 Foothills Boulevard, Suite 2, Roseville, CA 95747	(916) 774-7272	Greg & Janis Clark
CA214	Roseville/Pleasant Grove	731 Pleasant Grove Boulevard, Suite 175, Roseville, CA 95678	(916) 791-7272	Greg & Janis Clark
CA142	Roseville/Sierra College	9260 Sierra College Boulevard, Suite 100, Roseville, CA 95661	(916) 797-7272	Greg & Barbara Wellington
CA160	Sacto/Arden	4340 Arden Way, Suite 1, Sacramento, CA 95864	(916) 484-7272	Jasvir Mander
CA112	Sacto/Bradshaw	3633 Bradshaw Road, Suite E, Sacramento, CA 95827	(916) 363-7272	Greg & Barbara Wellington

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CA135	Sacto/Elk Grove-Florin	8364 Elk Grove Florin Road, Sacramento, CA 95829	(916) 681-7272	Manuel Pereira
CA164	Sacto/Folsom	5618 Folsom Boulevard, Sacramento, CA 95819	(916) 452-0550	Doug & Mary Vona
CA108	Sacto/Freeport	4424 Freeport Boulevard, Suite 1, Sacramento, CA 95822	(916) 455-7272	Sukhraj Samra
CA143	Sacto/Gerber	8118 Gerber Road, Suite 5, Sacramento, CA 95828	(916) 681-5900	Polly & Tim Schumacher
CA096	Sacto/Mack	4700 Mack Road, Suite 1, Sacramento, CA 95823	(916) 422-7272	Sukhraj Samra
CA093	Sacto/Madison	5412 Madison Avenue, Suite 110, Sacramento, CA 95841	(916) 348-7272	Patrick & Pamela Stewart
CA095	Sacto/Marconi	2805 Marconi Avenue, Suite 3, Sacramento, CA 95821	(916) 484-6900	Greg & Janis Clark
CA118	Sacto/Rush River	7485 Rush River Drive, Suite 420, Sacramento, CA 95831	(916) 424-7272	Raman Dhillon
CA081	Sacto/Truxel	3291 Truxel Road, Sacramento, CA 95833	(916) 924-7272	Nasib Aujla
CA156	Salinas/E Boronda	616 East Boronda Road, Suite D2, Salinas, CA 93906	(831) 444-7492	Scott Kunkel
CA088	Salinas/S Main	1225 South Main Street, Salinas, CA 93901	(831) 751-6922	Scott Kunkel
CA241	San Clemente/Camino de los Mares	638 Camino de los Mares, San Clemente, CA 92673	(949) 487-2253	Lee Mitchell
CA005	San Jose/Blossom	1375 Blossom Hill Road, Suite 22, San Jose, CA 95118	(408) 264-6464	David & Miree Park
CA056	San Jose/Union	2984 Union Avenue, San Jose, CA 95124	(408) 879-0900	Fred Gonzalez
CA251	San Leandro/Lewelling	699 Lewelling Boulevard, Suite 296, San Leandro, CA 94579	(510) 347-4992	Chris Lam
CA050	San Ramon/San Ramon Vly Bd	21001 San Ramon Valley Boulevard, Suite C6, San Ramon, CA 94583	(925) 828-5000	Manoj Nayyar
CA269	Santa Maria/South Broadway	2316 South Broadway, Santa Maria, CA 93454	(805) 354-7272	David Joy
CA025	Santa Rosa/Calistoga	140 Calistoga Road, Santa Rosa, CA 95409	(707) 538-8880	Bill & Terry Kodweis
CA129	Santa Rosa/Mendocino	1985 Mendocino Avenue, Santa Rosa, CA 95401	(707) 568-7272	Bill & Terry Kodweis
CA026	Santa Rosa/W College	2101 West College Avenue, Suite E, Santa Rosa, CA 95401	(707) 575-0444	Brian Rawson
CA032	Scotts Valley/Mt Hermon	245 Mt. Hermon Road, Suite T, Scotts Valley, CA 95066	(831) 438-0494	Bill & Patty Sales
CA071	Sebastopol/Healdsburg	7231 Healdsburg Avenue, Suite A, Sebastopol, CA 95472	(707) 829-7272	Tim Sweeney
CA107	Selma/Whitson	2772 Whitson Avenue, Selma, CA 93662	(559) 891-9201	Jim & Cheryl Miyakawa
CA224	Sonoma/Napa Street	678 West Napa Street, Sonoma, CA 95476	(707) 996-5000	Scott & Tracy Walthard
CA136	Sonoma/Sanguinetti	1281 Sanguinetti, Sonoma, CA 95370	(209) 588-1818	John Warren
CA256	Stockton/Country Club	2828 Country Club Boulevard, Suite 5, Stockton, CA 95204	(209) 466-7272	Sandeep & Kirpal Chatha
CA098	Stockton/N Wilson	678 North Wilson Way, Suite 38, Stockton, CA 95205	(209) 943-7272	Sandeep & Kirpal Chatha
CA068	Stockton/Pacific	4663 Pacific Avenue, Suite D, Stockton, CA 95207	(209) 952-7272	Devinder & Sukhjean Dhesi
CA074	Stockton/Thornton	7824 Thornton Road, Stockton, CA 95207	(209) 951-9970	Doug & Mary Vona
CA091	Suisun City/Sunset	131-D Sunset Avenue, Suisun City, CA 94585	(707) 434-9999	Madhav & Mansi Parekh
CA067	Sunnyvale/W El Camino	939 West El Camino Real, Suite 112, Sunnyvale, CA 94087	(408) 245-0500	Lauryl Morris

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CA027	Susanville/Main	1245 Main Street, Susanville, CA 96130	(530) 251-4622	Lorin & Judy Galassi
CA063	Tracy/W 11th	1892 West 11th Street, Tracy, CA 95376	(209) 835-5000	Rajvans Halait
CA170	Tulare/Hillman	1582 Hillman Street, Tulare, CA 93274	(559) 688-8994	Ted & Mary Albers
CA077	Turlock/Geer	2926 Geer Road, Turlock, CA 95382	(209) 634-9399	John Warren
CA051	Ukiah/N State	1198 North State Street, Suite B, Ukiah, CA 95482	(707) 462-0999	Jack & Kathleen Barr
CA040	Vacaville/Alamo	3071 Alamo Drive, Vacaville, CA 95687	(707) 451-8000	Bill & Terry Kodweis
CA127	Vacaville/E Monte Vista	781 East Monte Vista Avenue, Vacaville, CA 95688	(707) 469-8888	Madhav & Mansi Parekh
CA038	Vallejo/Admiral Callaghan	746 Admiral Callaghan Lane, Vallejo, CA 94591	(707) 649-1500	Amritpal Dhillon
CA232	Visalia/W Caldwell	3833 West Caldwell Avenue, Suite G, Visalia, CA 93277	(559) 625-1400	Jonathan, James & Patricia Collins
CA213	Walnut Creek/Palos Verdes	1577A Palos Verdes Mall, Walnut Creek, CA 94597	(925) 939-7272	Kenneth Elford
CA097	Walnut Creek/Ygnacio Vly	2991 Ygnacio Valley Boulevard, Walnut Creek, CA 94598	(925) 938-7272	Bill & Terry Kodweis
CA227	West Sacramento/Jefferson	2455 Jefferson Boulevard, Suite 110, West Sacramento, CA 95691	(916) 373-3300	Patrick & Pamela Stewart
CA147	West Sacto/W Capitol	1288 West Capitol Avenue, West Sacramento, CA 95691	(916) 372-7222	Hardeep Sandhu
CA016	Willits/S Main	875 South Main Street, Willits, CA 95490	(707) 459-0888	Jack & Kathleen Barr
CA225	Willows/Wood Street	1070 Wood Street, Willows, CA 95988	(530) 934-8010	Scott & Marcia Bauer
CA061	Windsor/Lakewood	8794 Lakewood Drive, Windsor, CA 95492	(707) 837-7300	Bill & Terry Kodweis
CA070	Woodland/Purity Plaza	13 Purity Plaza, Woodland, CA 95695	(530) 669-7272	Jaswinder & Baldish Singh
CA018	Yreka/Fort Jones	1818 Fort Jones Road, Yreka, CA 96097	(530) 842-0767	Larry & Kathy Hodge
CA036	Yuba City/Gray	962 Gray Avenue, Yuba City, CA 95991	(530) 751-9000	Kamal Kahlon
<b>COLORADO</b>				
CO008	Aurora/Mississippi	12158 East Mississippi Avenue, Aurora, CO 80012	(303) 750-7574	Kent Poelman
CO061	Boulder/28th Street	3325 28th Street, Suite 8, Boulder, CO 80301	(303) 440-5300	Asheesh Ahuja
CO075	Boulder/S Broadway	659 South Broadway, Suite 5, Boulder, CO 80305	(303) 499-0909	Asheesh Ahuja
CO042	Brighton/Bromley	450 E Bromley Lane, Suite 125, Brighton, CO 80601	(303) 659-7238	Larry & Angela Luttrell
CO028	Broomfield/Sheridan	12161 Sheridan Boulevard, Unit A, Broomfield, CO 80020	(303) 438-9999	Matthew & Joanne Collins
CO044	Canon City/N 16th Street	310 North 16th Street, Suite A & B, Canon City, CO 81212	(719) 276-0088	Jeff Barta
CO046	Castle Rock/Perry	754 South Perry Street, Unit F, Castle Rock, CO 80104	(720) 733-9382	Todd & Pam Calkins
CO038	Centennial/University	7408 South University Boulevard, Centennial, CO 80122	(720) 528-7500	Rick & Lynette Personett
CO023	Colorado Springs/Austin Bluffs	3624 Austin Bluffs Parkway, Suite 100, Colorado Springs, CO 80918	(719) 590-7760	Jonathan Hoehn
CO050	Colorado Springs/Centennial	6888 Centennial Boulevard, Colorado Springs, CO 80919	(719) 219-0014	Jonathan Hoehn

Store ID	Store Name	Store Address	Telephone	Primary Owner
CO016	Colorado Springs/Cheyenne Meadows	835 Cheyenne Meadows Road, Colorado Springs, CO 80906	(719) 527-8383	Michele & Troy McFarlane
CO077	Colorado Springs/Colorado	3105 West Colorado Avenue, Suite B, Colorado Springs, CO 80904	(719) 667-7272	William & Carolyn Vogrin
CO069	Colorado Springs/Union Blvd	9205 North Union Boulevard, Suite 160, Colorado Springs, CO 80920	(719) 282-8324	Jonathan Hoehn
CO068	Conifer/Conifer Road	25797 Conifer Road, Suite C100D, Conifer, CO 80433	(303) 838-9600	Ronnette Marshall & David Romero
CO080	Delta/Stafford	25 Stafford Lane, Delta, CO 81416	(970) 874-4141	Paul Zweigle
CO074	Denver/Colorado Boulevard	2720 South Colorado Boulevard, Suite 706, Denver, CO 80222	(303) 758-9735	William & Wendy Schaad
CO089	Denver/Hampden	8960 East Hampden Avenue, Denver, CO 80231	(303) 221-7900	William & Wendy Schaad
CO027	Denver/Leyden	1366 Leyden Street, Denver, CO 80220	(303) 355-4344	Jamie Hermansen
CO011	Denver/S Sheridan	1945 South Sheridan Boulevard, Ste 104, Denver, CO 80227	(303) 980-8022	Ronnette Marshall & David Romero
CO012	Durango/Town Plaza	12 Town Plaza, Durango, CO 81301	(970) 382-0961	Jerry & Louise Turley
CO039	Erie/Arapahoe	3331 Arapahoe Road, Suite 20, Erie, CO 80516	(720) 890-8967	Asheesh Ahuja
CO055	Falcon/McLaughlin	7669 McLaughlin Road, Falcon, CO 80831	(719) 495-7000	Gordon & Maryanne Olson
CO060	Firestone/Firestone Boulevard	6050 Firestone Boulevard, Unit 204, Firestone, CO 80504	(303) 651-7272	Brad & Sandra Carlson
CO003	Fort Collins/S Lemay	737 South Lemay Avenue, Fort Collins, CO 80524	(970) 484-7272	Marc & Donnette Moulton
CO053	Fountain/Mesa Ridge	6965 Mesa Ridge Parkway, Fountain, CO 80817	(719) 322-0200	Michele & Troy McFarlane
CO036	Ft. Collins/E Harmony	238 East Harmony Road, Suite D9, Ft. Collins, CO 80525	(970) 377-3070	Marc & Donnette Moulton
CO067	Golden/S Golden Road	17121 South Golden Road, Suite 130, Golden, CO 80401	(303) 277-1072	Jonathan Hoehn
CO001	Grand Junction/32nd Road	569 32nd Road, Unit 6, Grand Junction, CO 81504	(970) 523-9955	Bonnie Kasper
CO018	Grand Junction/Rimrock	2546 Rimrock Avenue, Suite 200B, Grand Junction, CO 81501	(970) 257-7272	Bonnie Kasper
CO025	Greenwood Village/E Arapahoe	8575 East Arapahoe Road, Suite D, Greenwood Village, CO 80112	(303) 221-7070	Matthew & Joanne Collins
CO021	Highlands Ranch/S University	9559 South University Blvd, Suite 103, Highlands Ranch, CO 80126	(303) 471-8500	Steven & Janet Stultz
CO040	Lakewood/S Kipling	1535 South Kipling Parkway, Lakewood, CO 80232	(720) 962-0202	Ronnette Marshall & David Romero
CO009	Littleton/W Coal Mine	6696 West Coal Mine Avenue, Littleton, CO 80123	(303) 948-7272	Matthew & Joanne Collins
CO034	Littleton/W Ken Caryl	12482 West Ken Caryl Avenue, Suite B4, Littleton, CO 80127	(303) 904-9040	Matthew & Joanne Collins
CO004	Longmont/Main	2330 Main Street, Suite B, Longmont, CO 80501	(303) 678-7272	Matthew & Joanne Collins
CO048	Louisville/McCaslin Boulevard	133 McCaslin Boulevard, Suite G, Louisville, CO 80027	(303) 926-7111	Michael Zitek
CO041	Loveland/Eagle	1131 Eagle Drive, Loveland, CO 80537	(970) 669-7272	John & Leslee Sobraske
CO076	Loveland/Eisenhower Boulevard	986 East Eisenhower Boulevard, Loveland, CO 80537	(970) 667-9700	Todd Kennedy
CO057	Montrose/Ogden	1421 Ogden Road, Montrose, CO 81401	(970) 249-7300	Jerry & Marie Thun

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CO063	Monument/Baptist Road	1012 West Baptist Road, Suite 10, Monument, CO 80921	(719) 481-1212	John & Carol Baer
CO071	Sterling/Main Street	712 West Main Street, Sterling, CO 80751	(970) 522-4900	Tony & Amanda Whiteside
CO037	Westminster/Church Ranch Rd	8533 Church Ranch Boulevard, Suite 200, Westminster, CO 80021	(303) 465-5441	Matthew & Joanne Collins
CO062	Windsor/Main	1550 Main Street, Suite 118, Windsor, CO 80550	(970) 686-7719	Randall & Brenda Nicholson
CO073	Woodland Park/E Highway 24	300 East Highway 24, Unit B, Woodland Park, CO 80863	(719) 686-9776	Jerry & Vickie Good
<b>FLORIDA</b>				
FL007	Apopka/Hunt Club	450 South Hunt Club Boulevard, Apopka, FL 32703	(407) 628-9933	John Morris
FL008	Ft. Walton Beach/Eglin Parkway	98 Eglin Parkway NE, Suite 5, Ft. Walton Beach, FL 32548	(850) 664-2830	Edward & Shana DeJaynes
FL010	Jacksonville/Atlantic Boulevard	13170 Atlantic Boulevard, Suite 43, Jacksonville, FL 32225	(904) 220-3588	Greg & Lori Jacobson
FL002	Jacksonville/San Jose	10991 San Jose Boulevard, 29A, Jacksonville, FL 32223	(904) 738-8351	Hans King
FL011	Lake Mary/West Lake Mary	3801 West Lake Mary Boulevard, Suite 129, Lake Mary, FL 32746	(407) 302-8585	John Morris
FL009	Longwood/State Road 434	2425 West State Road 434, Suite 169, Longwood, FL 32779	(407) 599-7272	John Morris
FL016	Naples/Golden Gate Parkway	4990 Golden Gate Parkway, Naples, FL 34116	(239) 403-7272	Craig Braun
FL022	New Port Richey/Little Road	8402 Little Road, New Port Richey, FL 34654	(727) 815-1400	Ilya & Chantel Rubin
FL020	Niceville/John Sims Parkway	1142 John Sims Parkway E, Niceville, FL 32578	(850) 729-0034	Sheila McMahon
FL012	Ocoee/Maguire	2534 Maguire Road, Ocoee, FL 34761	(407) 877-2882	John Morris
FL001	Orange Park/Blanding Blvd	528 Blanding Boulevard, Suite #1, Orange Park, FL 32073	(904) 276-7499	Hans King
FL003	Orange Park/County Road 220	1581 County Road 220, Suite 110, Orange Park, FL 32003	(904) 269-5880	Hans King
<b>GEORGIA</b>				
GA006	Hinesville/Oglethorp	755 West Oglethorp Highway, Hinesville, GA 31313	(912) 368-7272	Robert Hoersting
GA007	Richmond Hill/Highway 17	3488 US Highway 17, Richmond Hill, GA 31324	(912) 445-0777	Robert Hoersting
GA005	Savannah/Johnny Mercer	201 Johnny Mercer Boulevard, Savannah, GA 31410	(912) 335-7556	Robert Hoersting
<b>IDAHO</b>				
ID014	Blackfoot/Market	977 Market Street, Blackfoot, ID 83221	(208) 785-7272	Dave Myers
ID007	Boise/1736 W State	1736 West State Street, Boise, ID 83702	(208) 336-0011	Doug Miller
ID023	Boise/Fairview	7320 West Fairview Avenue, Boise, ID 83704	(208) 658-1155	Doug Miller
ID024	Boise/N. Eagle	4626 North Eagle Road, Boise, ID 83713	(208) 938-0005	Zach & Tiffanie Brooks
ID010	Boise/Overland	10545 Overland Road, Boise, ID 83709	(208) 375-8700	Doug Miller
ID016	Boise/S Apple	2412 South Apple Street, Boise, ID 83706	(208) 344-0070	Doug Miller
ID017	Boise/Vista	1022 South Vista Avenue, Boise, ID 83705	(208) 345-2220	Doug Miller
ID008	Boise/West State	6940 West State Street, Boise, ID 83714	(208) 853-8882	Doug Miller

Store ID	Store Name	Store Address	Telephone	Primary Owner
ID011	Caldwell/10th Avenue	2707 10th Avenue South, Caldwell, ID 83605	(208) 454-0444	Ken & Jackie Hutchison
ID021	Chubbuck/Yellowstone	4837 Yellowstone Avenue, Chubbuck, ID 83202	(208) 237-7272	Dave Myers
ID003	Coeur d'Alene/Government	1800 North Government Way, Coeur d'Alene, ID 83814	(208) 765-8878	Donn & Susan Staples
ID029	Eagle/East Plaza	228 East Plaza Street, Suite L, Eagle, ID 83616	(208) 939-7272	Doug Miller
ID026	Emmett/Washington	1310 South Washington Avenue, Emmett, ID 83617	(208) 398-8811	Doug Miller
ID001	Hayden Lake/W Prairie	301 West Prairie, Suite M, Hayden Lake, ID 83835	(208) 772-0552	Bill & G'Nell DeLack
ID004	Idaho Falls/E 17th	1600 East 17th Street, Idaho Falls, ID 83404	(208) 523-7200	Dave Myers
ID019	Idaho Falls/W Broadway	1857 West Broadway Street, Idaho Falls, ID 83402	(208) 528-9800	Dave Myers
ID027	Kuna/Linder	1545 Linder Road, Kuna, ID 83634	(208) 922-9962	Ken & Jackie Hutchison
ID009	Lewiston/Thain	148 Thain Road, Lewiston, ID 83501	(208) 746-7272	Sabrina Gedrose
ID020	Meridian/Cherry	3317 West Cherry Lane, Meridian, ID 83642	(208) 884-8333	Brent & Laura Ross
ID028	Meridian/Fairview Avenue	1330 East Fairview Avenue, Suite 101, Meridian, ID 83642	(208) 855-0777	Brent & Laura Ross
ID015	Moscow/W 3rd	524 West 3rd Street, Moscow, ID 83843	(208) 883-9508	Tim & Lee Ann Berg
ID025	Mountain Home/American Lgn	425 American Legion Boulevard, Mountain Home, ID 83647	(208) 580-0222	Ross & Marilyn Cutler
ID005	Nampa/Caldwell	920 Caldwell Boulevard, Nampa, ID 83651	(208) 465-3555	Ken & Jackie Hutchison
ID006	Pocatello/Yellowstone	540 Yellowstone Avenue, Pocatello, ID 83201	(208) 234-7272	Dave Myers
ID018	Ponderay/Fontaine	1010 Fontaine Drive, Suite 1, Ponderay, ID 83852	(208) 255-1557	Don & Tanya Cavanaugh
ID002	Post Falls/E Mullan	3134 East Mullan Avenue, Suite B, Post Falls, ID 83854	(208) 773-1575	George & Lynnette Kennedy
ID012	Rexburg/N 2nd E	64 North 2nd East, Rexburg, ID 83440	(208) 356-8900	Dave Myers
ID022	South Nampa/12th Avenue	2418 12th Avenue Road, Nampa, ID 83686	(208) 466-8777	Ken & Jackie Hutchison
ID013	Twin Falls/Cheney Drive	799 Cheney Drive, Suite C, Twin Falls, ID 83301	(208) 734-2977	Ryan & Amee Bybee
<b>ILLINOIS</b>				
IL008	Bloomington/E Oakland	2402 East Oakland Avenue, Bloomington, IL 61701	(309) 662-9000	Quinn Mulks
IL046	Champaign/Kirby	1753 West Kirby Avenue, Champaign, IL 61821	(217) 356-8000	Scot Dobbins
IL051	Danville/N Vermillion	3100 North Vermillion, Suite B, Danville, IL 61832	(217) 446-7272	Jeff & Maria Rode
IL050	Decatur/West Mound	255 West Mound Road, Suite B, Decatur, IL 62526	(217) 875-1700	Jeff & Maria Rode
IL043	Dekalb/Sycamore	2587 Sycamore Road, Dekalb, IL 60115	(815) 748-7272	Jagdish & Bhavna Patel
IL062	Edwardsville/Harvard	207 Harvard Drive, Suite 159, Edwardsville, IL 62025	(618) 656-7272	David & Kathleen Head/Neal
IL013	Freeport/SW Avenue	1713 SW Avenue, Freeport, IL 61032	(815) 233-7272	Gary & Lynn Saelens
IL011	Jacksonville/West Morton	1119 West Morton Avenue, Jacksonville, IL 62650	(217) 245-6367	Eric & Sarah Hautala
IL012	Marion/North Court	602 North Court Street, Marion, IL 62959	(618) 997-7797	Jake & Julie Jefferson



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IL056	Mattoon/Charelston Avenue	1112 Charleston Avenue, Mattoon, IL 61938	(217) 258-7272	Jeff & Maria Rode
IL009	Moline/23rd Avenue	3479 23rd Avenue, Moline, IL 61265	(309) 797-9999	Eric & Pat Melson
IL054	Morton/S Main Street	604 South Main Street, Morton, IL 61550	(309) 266-7272	Jeff & Maria Rode
IL004	Normal/E College	1531 East College Avenue, Normal, IL 61761	(309) 452-7575	Quinn Mulks
IL031	O'Fallon/Highway 50	1407 West US Highway 50, Suite 101, O'Fallon, IL 62269	(618) 632-7272	Steve & Aaron Hudson
IL061	Ottawa/Columbus	2740 Columbus Street, Suite 400, Ottawa, IL 61350	(815) 431-1111	Nicholas & Robert Frantell
IL058	Pekin/Broadway Street	1807 Broadway Street, Pekin, IL 61554	(309) 347-5051	Jeff & Maria Rode
IL002	Peoria/N University	3125 North University Street, Peoria, IL 61604	(309) 686-3700	Quinn Mulks
IL023	Plainfield/S Route 59	13400 South Route 59, Suite D, Plainfield, IL 60585	(815) 609-6278	Steven & Donna Knarr
IL005	Quincy/Broadway	3020 Broadway Street, Quincy, IL 62301	(217) 223-9200	Judith & John Dobbins
IL041	Rockford/N Alpine	1137 North Alpine Road, Rockford, IL 61107	(815) 398-7222	Arch Smith
IL007	Springfield/Chatham (Montvale)	2641 Chatham Road, Springfield, IL 62704	(217) 698-7272	Quinn Mulks
IL024	Springfield/Sangamon	1712 East Sangamon Avenue, Springfield, IL 62702	(217) 391-7272	Quinn Mulks
IL037	Sterling/Locust	415 Locust Street, Sterling, IL 61081	(815) 622-7222	Gary & Lynn Saelens
IL003	Urbana/N Vine	114 North Vine Street, Suite C, Urbana, IL 61802	(217) 344-7700	Scot Dobbins
IL032	Woodstock/Eastwood	119 South Eastwood Drive, Woodstock, IL 60098	(815) 337-9900	Chris Schinke
<b>INDIANA</b>				
IN030	Anderson/Scatterfield	4722 South Scatterfield Road, Anderson, IN 46013	(765) 643-1111	Blaine & Janet Ellis
IN036	Auburn/W 7th St	1010 West 7th Street, Auburn, IN 46706	(260) 927-7208	Kathy Cost
IN033	Avon/US Highway 36	10728 East US Highway 36, Avon, IN 46123	(317) 271-6200	Todd Gritten
IN038	Bloomington/Old SR 37	4017 South Old State Road 37, Bloomington, IN 47401	(812) 824-5151	Todd Gritten
IN016	Brownsburg/Green	927 North Green Street, Brownsburg, IN 46112	(317) 852-5252	James & Lisa Tillett
IN035	Carmel/Greyhound Pass	1950 East Greyhound Pass, Carmel, IN 46032	(317) 844-7272	Joe & Brenda Stevens
IN037	Clarksville/Veterans Parkway	1305 Veterans Parkway, Clarksville, IN 47129	(812) 280-7272	Gary Reinhardt
IN049	Columbus/N National Road	1675 North National Road, Columbus, IN 47201	(812) 376-7272	Todd Gritten
IN050	Corydon/Old Highway 135 NW	1935 Old Highway 135 NW, Corydon, IN 47112	(812) 738-0900	Gary Reinhardt
IN055	Crawfordsville/S US 231	1730 South US 231, Crawfordsville, IN 47933	(765) 307-7115	Phil Ramos
IN065	Evansville/1st Avenue	4202B North 1st Avenue, Evansville, IN 47710	(812) 437-6767	Toby & Heather Wolfe
IN061	Evansville/Davis	4827 Davis Lant Drive, Evansville, IN 47715	(812) 491-7272	Toby & Heather Wolfe
IN066	Evansville/Green River	779 South Green River Road, Evansville, IN 47715	(812) 402-8686	Toby & Heather Wolfe
IN064	Evansville/Pearl Drive	5435 Pearl Drive, Suite 2, Evansville, IN 47712	(812) 401-9191	Toby & Heather Wolfe

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IN027	Fishers/Allisonville	11815 Allisonville Road, Fishers, IN 46038	(317) 579-7272	Robert & Nicole Arnold
IN058	Fishers/Olio Road	11630 Olio Road, Fishers, IN 46037	(317) 595-5995	Robert & Nicole Arnold
IN046	Franklin/North Main	1172 North Main Street, Franklin, IN 46131	(317) 346-9929	Todd Gritten
IN032	Ft Wayne/Illinois	4818 Illinois Road, Fort Wayne, IN 46804	(260) 459-0314	Kathy Cost
IN002	Ft. Wayne/Dupont	533 East Dupont Road, Ft. Wayne, IN 46825	(260) 637-1788	Kathy Cost
IN001	Ft. Wayne/St. Joe Center	6214 St. Joe Center Road, Ft. Wayne, IN 46835	(260) 486-0200	Kathy Cost
IN029	Granger/Cleveland	316 West Cleveland Road, Granger, IN 46530	(574) 272-0072	Mark Liddell
IN047	Greencastle/Indianapolis	833 Indianapolis Boulevard, Greencastle, IN 46135	(765) 653-8400	Phil Ramos
IN007	Greenfield/E New Road	188 East New Road, Greenfield, IN 46140	(317) 462-7272	Holly & Howard Daniels
IN034	Greenwood/Independence	2150 Independence Drive, Greenwood, IN 46143	(317) 882-5500	Joe & Brenda Stevens
IN021	Greenwood/N SR 135	1011 North State Road 135, Suite F3, Greenwood, IN 46142	(317) 889-8888	Todd Gritten
IN020	Indianapolis/Crawfordsville	5945 Crawfordsville Road, Indianapolis, IN 46224	(317) 244-7272	Kristian Lee
IN008	Indianapolis/E Thompson	5347 East Thompson Road, Indianapolis, IN 46237	(317) 784-7272	Todd Gritten
IN052	Indianapolis/E. 86th Street	1340 East 86th Street, Suite 53, Indianapolis, IN 46240	(317) 846-4646	Robert & Nicole Arnold
IN060	Indianapolis/East 10th	4401 East 10th Street, Indianapolis, IN 46201	(317) 356-7272	Robert & Nicole Arnold
IN017	Indianapolis/East 62nd	2130 East 62nd Street, Indianapolis, IN 46220	(317) 259-7272	Rylinn Leuer
IN026	Indianapolis/Madison	6010 Madison Avenue, Indianapolis, IN 46227	(317) 791-8000	Todd Gritten
IN042	Indianapolis/Pendleton	10635 Pendleton Pike, Indianapolis, IN 46236	(317) 823-7171	Todd Gritten
IN025	Indianapolis/W 56th Street	4875 West 56th Street, Indianapolis, IN 46254	(317) 293-7272	Kristian Lee
IN028	Indianapolis/W 86th	3512 West 86th Street, Indianapolis, IN 46268	(317) 870-7272	Robert & Nicole Arnold
IN071	Jeffersonville/East 10th	3015 East 10th Street, Suite 101, Jeffersonville, IN 47130	(812) 280-2222	Ryan Ross
IN056	Kokomo/W Markland Avenue	211 West Markland Avenue, Kokomo, IN 46901	(765) 457-7272	Todd Gritten
IN003	Lafayette/Teal	2324 Teal Road, Lafayette, IN 47905	(765) 471-1700	John R. Cunningham
IN041	Marion/S Western	3101 South Western Avenue, Marion, IN 46953	(765) 651-9999	Todd Gritten
IN039	Mooreville/Indiana	439 South Indiana Street, Mooreville, IN 46158	(317) 831-7272	Todd Gritten
IN053	Muncie/Chandler	3636 South Chandler Drive, Muncie, IN 47302	(765) 284-4444	Blaine & Janet Ellis
IN009	Muncie/W McGalliard	1428 West McGalliard Road, Muncie, IN 47304	(765) 286-0100	Blaine & Janet Ellis
IN070	New Albany/State Street	2221 State Street, Suite C, New Albany, IN 47150	(812) 945-7272	Michael Cason
IN067	New Haven/State Route 930	311 State Route 930 East, New Haven, IN 46774	(260) 493-7050	Kathy Cost
IN062	Newburgh/Bell Road	4222 Bell Road, Suite 3, Newburgh, IN 47630	(812) 853-7272	Bryan Fischer
IN006	Noblesville/Westfield	770 Westfield Road, Noblesville, IN 46062	(317) 774-7272	Robert & Nicole Arnold

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IN044	Plainfield/E Main	1810 East Main Street, Plainfield, IN 46168	(317) 839-4466	Todd Gritten
IN059	West Lafayette/Sagamore Pkwy	1199 Sagamore Parkway West, West Lafayette, IN 47906	(765) 497-7272	John R. Cunningham
<b>IOWA</b>				
IA035	Altoona/8th Street SW	3418 8th Street SW, Suite 5, Altoona, IA 50009	(515) 967-7556	Mike Cooper
IA019	Ames/Lincoln	123 Lincoln Way, Ames, IA 50010	(515) 232-3196	Rick & Janet Lundgren
IA022	Ankeny/N Ankeny	502 North Ankeny Boulevard, Suite 7, Ankeny, IA 50023	(515) 965-4222	Joel Smith
IA008	Bettendorf/18th Street	2925 18th Street, Suite B, Bettendorf, IA 52722	(563) 332-7474	Eric & Pat Melson
IA040	Boone/Story Street	528 Story Street, Boone, IA 50036	(515) 432-1086	Mike Cooper
IA003	Cedar Falls/University	5925 University Avenue, Cedar Falls, IA 50613	(319) 268-4007	Seth Brink
IA032	Cedar Rapids/Boyson	560 Boyson Road NE, Suite D, Cedar Rapids, IA 52402	(319) 294-8170	Seth Brink
IA004	Cedar Rapids/Center Point	3335 Center Point Road NE, Cedar Rapids, IA 52402	(319) 366-4252	Seth Brink
IA011	Cedar Rapids/Edgewood Road	408 Edgewood Road NW, Cedar Rapids, IA 52405	(319) 390-3896	Seth Brink
IA001	Cedar Rapids/Mt Vernon	3219 Mt. Vernon Road SE, Cedar Rapids, IA 52403	(319) 366-4642	Seth Brink
IA029	Clive/NW 156th	2180 NW 156th Street, Suite 113, Clive, IA 50325	(515) 987-3113	Joel Smith
IA042	Coralville/2nd Street	1815 2nd Street, Coralville, IA 52241	(319) 358-6465	Dave Myers
IA036	Council Bluffs/Madison	1751 Madison Avenue, Suite 1006, Council Bluffs, IA 51503	(712) 256-6868	Tony & Miriam Beck
IA017	Council Bluffs/W Broadway	1702 West Broadway, Council Bluffs, IA 51501	(712) 328-7000	Tony & Miriam Beck
IA046	Davenport/53rd Street	2406 East 53rd Street, Suite 5, Davenport, IA 52807	(563) 359-5300	Eric & Pat Melson
IA016	Davenport/W Kimberly	2178 West Kimberly Road, Davenport, IA 52806	(563) 388-7474	Eric & Pat Melson
IA030	Des Moines/E 14th	3701 East 14th Street, Des Moines, IA 50313	(515) 263-0800	Mike Cooper
IA012	Des Moines/SE 14th Street	6058 SE 14th Street, Des Moines, IA 50320	(515) 974-0440	Joel Smith
IA013	Dubuque/JFK	1555 JFK Road, Dubuque, IA 52002	(563) 582-1234	Seth Brink
IA023	Fort Dodge/5th Avenue South	2813 5th Avenue South, Fort Dodge, IA 50501	(515) 576-0100	Rick & Janet Lundgren
IA038	Indianola/N Jefferson	1011 North Jefferson, Suite 400, Indianola, IA 50125	(515) 962-2703	Mike Cooper
IA002	Iowa City/Muscatine	2300 Muscatine Avenue, Iowa City, IA 52240	(319) 338-3808	Seth Brink
IA007	Marion/7th Avenue	2240 7th Avenue, Suite 3, Marion, IA 52302	(319) 447-9646	Seth Brink
IA041	Marshalltown/Center Street	2500 South Center Street, Suite A002, Marshalltown, IA 50158	(641) 753-6870	Mike Cooper
IA006	Mason City/4th Street SW	1419 4th Street SW, Mason City, IA 50401	(641) 424-3011	Mike Cooper
IA026	Muscatine/2nd Avenue	2604 2nd Avenue, Unit 3, Muscatine, IA 52761	(563) 288-6877	Joel Smith
IA033	Oskaloosa/A Avenue	1402 A Avenue West, Oskaloosa, IA 52577	(641) 676-7272	William & Terry Kuntz
IA044	Ottumwa/Albia Road	819 Albia Road, Ottumwa, IA 52501	(641) 684-2132	Dave Granneman

Store ID	Store Name	Store Address	Telephone	Primary Owner
IA039	Pella/Oskaloosa Street	410 E. Oskaloosa Street, Pella, IA 50219	(641) 628-7272	William & Terry Kuntz
IA037	Sioux City/28th Street	302 West 28th Street, Sioux City, IA 51104	(712) 274-7777	Robert & Amy Brown
IA010	Sioux City/Gordon	3225 Gordon Drive, Suite 106, Sioux City, IA 51105	(712) 255-7272	Mark Dobbins
IA034	Spencer/11th Street	700 11th Avenue SW, Suite 1, Spencer, IA 51301	(712) 580-7282	Danny, Candis & Derrick Huber
IA043	Spirit Lake/Highway 71	3601 Highway 71, Spirit Lake, IA 51360	(712) 336-5390	Danny, Candis & Derrick Huber
IA024	Urbandale/NW 86th	4641 NW 86th Street, Urbandale, IA 50322	(515) 309-7272	Joel Smith
IA015	Waterloo/Kimball	3005 Kimball Avenue, Waterloo, IA 50702	(319) 236-1234	Seth Brink
IA009	West Des Moines/Grand	1960 Grand Avenue, Suite 7, West Des Moines, IA 50265	(515) 440-7272	Joel Smith
IA047	Windsor Heights/University	7160 University Avenue, Windsor Heights, IA 50324	(515) 271-7500	Joel Smith
<b>KANSAS</b>				
KS045	Bonner Springs/Tulip Drive	608 Tulip Drive, Suite B, Bonner Springs, KS 66012	(913) 422-1932	Kelly Geither
KS044	Gardner/East Main Street	800 East Main Street, Gardner, KS 66030	(913) 938-4300	Steven & Cynthia Condron
KS018	Great Bend/10th	3809 10th Street, Great Bend, KS 67530	(620) 792-7222	John & Kim Allen
KS026	Hays/Oak Street	2700 Oak Street, Hays, KS 67601	(785) 621-4750	Willard Frickey
KS004	Hutchinson/N Main	2420 North Main Street, Suite D, Hutchinson, KS 67502	(620) 663-9600	John & Kim Allen
KS003	Junction City/W 6th Street	934 West 6th Street, Junction City, KS 66441	(785) 223-6200	Joel Meyer
KS027	Kansas City/State Avenue	7630 State Avenue, Kansas City, KS 66112	(913) 299-0707	Chris & Julie Copp
KS002	Lawrence/Iowa	2540 Iowa Street, Suite F, Lawrence, KS 66046	(785) 840-0123	Joel Meyer
KS021	Leavenworth/South 4th	3400 South 4th Street, Leavenworth, KS 66048	(913) 682-6500	Chris & Julie Copp
KS023	Leawood/State Line	12118 State Line Road, Leawood, KS 66209	(913) 338-3939	Chris & Julie Copp
KS011	Lenexa/W 87th Street	14912 West 87th Street Parkway, Lenexa, KS 66215	(913) 894-5800	Chris & Julie Copp
KS012	Manhattan/Claflin	2745 Claflin Road, Manhattan, KS 66502	(785) 539-3321	Joel Meyer
KS020	Olathe/W 151st Street	16563 West 151st Street, Olathe, KS 66062	(913) 764-0500	Kevin & Dianne Fonte
KS030	Olathe/W Santa Fe	1070 West Santa Fe, Olathe, KS 66061	(913) 712-9029	Chris & Julie Copp
KS040	Olathe/West 119th	14971 West 119th Street, Olathe, KS 66062	(913) 764-7200	John & Nancy Schulz
KS008	Overland Park/Switzer	13473 Switzer Road, Overland Park, KS 66213	(913) 897-0008	Kevin & Dianne Fonte
KS006	Overland Park/W 87th Street	10057 West 87th Street, Overland Park, KS 66212	(913) 888-0400	Gary McCrite
KS024	Pittsburg/W 29th	101 West 29th Street, Pittsburg, KS 66762	(620) 235-1700	Robert Dickerson
KS005	Salina/S 9th	2000 South 9th Street, Suite C, Salina, KS 67401	(785) 827-7900	Joel Meyer
KS043	Shawnee/Monticello	6636 Monticello Road, Shawnee, KS 66226	(913) 422-9100	John & Linda Stimach
KS019	Topeka/400 SW 29th	400 SW 29th Street, Topeka, KS 66611	(785) 267-7227	Steve & Audrey Quick

Store ID	Store Name	Store Address	Telephone	Primary Owner
KS041	Topeka/SW 29th	6021 SW 29th Street, Topeka, KS 66614	(785) 861-7474	Joel Meyer
KS007	Topeka/SW Gage	1035 SW Gage Boulevard, Topeka, KS 66604	(785) 272-9393	Steve & Audrey Quick
<b>KENTUCKY</b>				
KY033	Bowling Green/Scottsville	2945 Scottsville Road, B13, Bowling Green, KY 42104	(270) 843-7545	Scott Herbert
KY020	Elizabethtown/N Dixie	1811 North Dixie Highway, Suite 102, Elizabethtown, KY 42701	(270) 763-0012	Winston Barrowes
KY029	Hopkinsville/Fort Campbell	2715 Ft. Campbell Boulevard, Hopkinsville, KY 42240	(270) 886-9600	Dave Myers
KY030	La Grange/Highway 53	2028 South Highway 53, Suite 7, La Grange, KY 40031	(502) 222-5949	Jerry Best
KY021	Lexington/Nicholasville	2348 Nicholasville Road, Lexington, KY 40503	(859) 245-0005	Kenyon Matthews
KY006	Louisville/Bardstown	6756 Bardstown Road, Louisville, KY 40291	(502) 239-8282	Jerry Best
KY032	Louisville/Buechel Bypass	3614 Buechel Bypass, Suite 104, Louisville, KY 40218	(502) 473-7890	Gary Reinhardt
KY002	Louisville/Hubbards	291 North Hubbards Lane, Louisville, KY 40207	(502) 895-6363	Gary Reinhardt
KY001	Louisville/Mudd Lane	5016 Mudd Lane, Suite 101, Louisville, KY 40229	(502) 962-7272	Ryan Ross
KY026	Louisville/N Hurstbourne	2809 North Hurstbourne Parkway, Suite 100, Louisville, KY 40223	(502) 425-8818	Scott Herbert
KY010	Louisville/Outer Loop	161 Outer Loop, Suite 107, Louisville, KY 40214	(502) 361-3444	Debbie Napier
KY009	Louisville/Shelbyville	12535 Shelbyville Road, Louisville, KY 40243	(502) 253-9191	Ryan Ross
KY003	Louisville/Taylorsville	9106 Taylorsville Road, Suite B, Louisville, KY 40299	(502) 266-7000	Anthony & Jana Den Dekker
KY017	Nicholasville/Blueberry Lane	110 Blueberry Lane, Nicholasville, KY 40356	(859) 887-2254	David & Lori Watters
KY025	Owensboro/Frederica	3211 Frederica Drive, Suite 1, Owensboro, KY 42301	(270) 685-1800	Scott Herbert
KY031	Radcliff/East Lincoln	177 East Lincoln Trail Boulevard, Radcliff, KY 40160	(270) 351-1515	Anthony & Jana Den Dekker
KY013	Shelbyville/Midland	1613 Midland Trail, Shelbyville, KY 40065	(502) 633-5399	Scott Herbert
KY005	Union/US 42	8761 US 42, Suite I, Union, KY 41091	(859) 384-6000	Bradley & Tonya Jones
<b>LOUISIANA</b>				
LA005	Baton Rouge/Corporate	7620 Corporate Boulevard, Baton Rouge, LA 70809	(225) 932-9073	Mark Day
LA002	Baton Rouge/Coursey	14241 Coursey Boulevard, B1, Baton Rouge, LA 70817	(225) 751-0464	Mark Day
LA001	Baton Rouge/Jefferson	17002 Jefferson Highway, Baton Rouge, LA 70817	(225) 706-0774	Mark Day
LA003	Baton Rouge/Perkins Road	9655 Perkins Road, Suite F, Baton Rouge, LA 70810	(225) 766-0366	Mark Day
LA007	Baton Rouge/Wax Road	14409 Wax Road, Suite G, Baton Rouge, LA 70818	(225) 261-8600	Mark Day
LA011	Bossier City/Beene	2624 Beene Boulevard, Bossier City, LA 71111	(318) 549-1414	Brandy Flurry
LA006	Denham Springs/Magnolia Bch	7755 Magnolia Beach Road, Suite R, Denham Springs, LA 70726	(225) 665-3696	Mark Day
LA009	Geismar/Highway 73	13375 Highway 73, Suite J, Geismar, LA 70734	(225) 673-9189	Mark Day
LA008	Gonzales/Airline Highway	114 Airline Highway, Gonzales, LA 70737	(225) 647-0700	Mark Day

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LA020	Lafayette/Congress	2419 West Congress Street, Lafayette, LA 70506	(337) 261-9111	Michael Roger
LA015	Lake Charles/Nelson	4070 Nelson Road, Suite 500, Lake Charles, LA 70605	(337) 477-1977	Michael Roger
LA017	Mandeville/Highway 59	1680 Highway 59, Suite 500, Mandeville, LA 70448	(985) 626-6988	Rebecca & Robert Fleming
LA012	Shreveport/Line	5886 Line Avenue, Shreveport, LA 71106	(318) 865-1313	Brandy Flurry
LA010	Walker/Walker Road	28811 Walker Road South, Walker, LA 70785	(225) 665-5955	Mark Day
LA021	West Monroe/Blanchard	203 Blanchard Street, Suite D, West Monroe, LA 71291	(318) 387-6544	David & Brenda Carter
LA004	Zachary/Main Street	5875 Main Street, Suit J, Zachary, LA 70791	(225) 658-5995	Mark Day
<b>MARYLAND</b>				
MD001	Frederick/7th Street	911 West 7th Street, Frederick, MD 21701	(240) 575-9200	Mark & Tammy Bomberger
MD002	Hagerstown/North Village	18726 North Village, Hagerstown, MD 21742	(301) 733-1670	Mark & Tammy Bomberger
<b>MICHIGAN</b>				
MI012	Battle Creek/Columbia	589 Columbia Avenue West, Battle Creek, MI 49015	(269) 962-7272	Melanie Bundy
MI021	Coldwater/East Chicago	714 East Chicago Street, Coldwater, MI 49036	(517) 278-7272	Melanie Bundy
MI002	Escanaba/Lincoln	123 North Lincoln Road, Escanaba, MI 49829	(906) 786-9484	Robert & Bobbi Jo Taylor
MI016	Iron Mountain/Stephenson	1836 South Stephenson Avenue, Iron Mountain, MI 49801	(906) 779-9105	Ray & Michelle O'Connor
MI038	Kalamazoo/West Main	4315 West Main Street, Suite C, Kalamazoo, MI 49006	(269) 492-3228	Melanie Bundy
MI004	Kalamazoo/Westnedge	3942 South Westnedge Avenue, Kalamazoo, MI 49008	(269) 382-7125	Melanie Bundy
MI033	Marquette/Highway 41	3121 US Highway 41 West, Marquette, MI 49855	(906) 226-1515	Ray & Michelle O'Connor
MI010	Portage/Oakland	7926 Oakland Drive, Portage, MI 49024	(269) 323-7272	Melanie Bundy
<b>MINNESOTA</b>				
MN019	Albert Lea/Bridge	142 Bridge Street, Albert Lea, MN 56007	(507) 377-7075	Mike Cooper
MN055	Albertville/La Centre	5600 La Centre Avenue, Albertville, MN 55301	(763) 497-6929	Joseph & Kathleen Jenniges
MN049	Alexandria/Broadway	1405 Broadway Street South, Suite A, Alexandria, MN 56308	(320) 763-7420	Joel Meyer
MN073	Andover/Bluebird	15190 Bluebird Street NW, Andover, MN 55304	(763) 434-3787	Joseph & Kathleen Jenniges
MN071	Arden Hills/Lexington	3781 Lexington Avenue North, Arden Hills, MN 55126	(651) 486-6300	Todd & Kimberly Jeffers
MN003	Austin/1st Avenue SW	402 1st Avenue SW, Austin, MN 55912	(507) 433-3333	Mike Cooper
MN054	Baxter/Fairview	7822 Fairview Road, Baxter, MN 56425	(218) 825-0838	Joel Meyer
MN052	Bemidji/Paul Bunyan Drive	512 Paul Bunyan Drive NW, Bemidji, MN 56601	(218) 444-7025	James Ravnikar
MN097	Blaine/County Road 10	740 County Road 10 NE, Blaine, MN 55434	(763) 783-8888	Larry Buechler
MN025	Blaine/Ulysses	12421 Ulysses Street NE, Blaine, MN 55434	(763) 862-6031	Joseph & Kathleen Jenniges
MN032	Brooklyn Park/Edinburgh	8584 Edinburgh Center Drive, Brooklyn Park, MN 55443	(763) 424-8487	Glenn Smith

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MN062	Buffalo/Highway 25	1225 Highway 25 North, Buffalo, MN 55313	(763) 684-1661	Joseph & Kathleen Jenniges
MN072	Burnsville/County Road 42	1002 County Road 42 West, Burnsville, MN 55337	(952) 892-7100	Jim & Pam Wolfe
MN061	Cambridge/2nd Avenue	1870 2nd Avenue SE, Cambridge, MN 55008	(763) 552-7272	Terrance Tarras
MN020	Champlin/Aquila	11351 Aquila Drive North, Champlin, MN 55316	(763) 427-3556	Glenn Smith
MN035	Chanhassen/Market	7878 Market Boulevard, Chanhassen, MN 55317	(952) 294-4646	Jim & Pam Wolfe
MN070	Chaska/Gateway Dr	1006 Gateway Drive, Chaska, MN 55318	(952) 556-0001	Jim & Pam Wolfe
MN084	Cloquet/S Highway 33	1321 South Highway 33, Cloquet, MN 55720	(218) 878-1100	Joel Meyer
MN040	Coon Rapids/Main Street NW	3548 Main Street NW, Coon Rapids, MN 55448	(763) 421-2212	Joseph & Kathleen Jenniges
MN002	Crystal/W Broadway	5612 West Broadway Avenue, Crystal, MN 55428	(763) 536-9060	Glenn Smith
MN015	Detroit Lakes/Frazee	317 Frazee Street East, Detroit Lakes, MN 56501	(218) 847-7200	Kenneth & Helen Foltz
MN011	Duluth/Grand	4602 Grand Avenue, Suite 400, Duluth, MN 55807	(218) 624-5000	Paul & Jodi Christensen
MN048	Duluth/W Arrowhead	1332 West Arrowhead Road, Duluth, MN 55811	(218) 728-8021	Paul & Jodi Christensen
MN036	Eagan/Cliff Lake	1960 Cliff Lake Road, Suite 113A, Eagan, MN 55122	(651) 686-7767	Brian & Sharon Parrish
MN082	Eagan/Duckwood	1380 Duckwood Drive, Eagan, MN 55122	(651) 405-9999	Brian & Sharon Parrish
MN018	Eden Prairie/Anderson Lake	9627 Anderson Lake Parkway, Eden Prairie, MN 55344	(952) 828-1917	Jim & Pam Wolfe
MN016	Elk River/Freeport St NW	19112 Freeport Street NW, Elk River, MN 55330	(763) 241-8444	Joseph & Kathleen Jenniges
MN086	Excelsior/Highway 7	23500 Highway 7, Excelsior, MN 55331	(952) 474-0558	Jim & Pam Wolfe
MN004	Faribault/N 4th Street	615 NW 4th Street, Faribault, MN 55021	(507) 334-7040	Jim & Pam Wolfe
MN053	Fergus Falls/Lincoln	1101 West Lincoln Avenue, Fergus Falls, MN 56537	(218) 998-7272	Joel Meyer
MN050	Forest Lake/West Broadway	2009 West Broadway Avenue, Forest Lake, MN 55025	(651) 464-1166	Kevin Knoop
MN028	Fridley/57th Avenue NE	205 57th Avenue NE, Fridley, MN 55432	(763) 572-2300	Joseph & Kathleen Jenniges
MN074	Grand Rapids/Pokegama	2030 South Pokegama Avenue, Grand Rapids, MN 55744	(218) 326-8882	Joel Meyer
MN056	Hastings/Market Boulevard	1771 Market Boulevard, Hastings, MN 55033	(651) 438-8711	Jim & Mary Bolles
MN076	Hibbing/9th Avenue	4112 9th Avenue West, Hibbing, MN 55746	(218) 262-0066	Joel Meyer
MN093	Hugo/Victor Hugo	14755 Victor Hugo Boulevard N, Suite 102, Hugo, MN 55038	(651) 426-2221	Terrance Tarras
MN022	Hutchinson/Highway 15 S	1380 Highway 15 South, Suite C, Hutchinson, MN 55350	(320) 234-9696	Mark & Leigh Miller
MN043	Inver Grove Heights/Cahill	9034 Cahill Avenue, Inver Grove Heights, MN 55076	(651) 552-1300	Jim & Pam Wolfe
MN058	Lexington/Lexington Avenue	9310 Lexington Avenue North, Lexington, MN 55014	(763) 785-0939	Dale Brasher
MN090	Little Canada/Rice Street	2526 Rice Street, Little Canada, MN 55113	(651) 484-0004	Cha Thao
MN045	Long Lake/Wayzata Boulevard	2073 West Wayzata Boulevard, Suite 500, Long Lake, MN 55356	(952) 475-2222	Erik & Lisa Olson
MN024	Mankato/Madison	1776 East Madison Avenue, Mankato, MN 56001	(507) 625-7444	Jim & Pam Wolfe

Store ID	Store Name	Store Address	Telephone	Primary Owner
MN001	Mankato/S Riverfront	510 South Riverfront Drive, Mankato, MN 56001	(507) 625-5757	Jim & Pam Wolfe
MN064	Maple Grove/Grove Drive	13541 Grove Drive, Maple Grove, MN 55311	(763) 420-0088	Glenn Smith
MN041	Maplewood/White Bear	2303 White Bear Avenue North, Maplewood, MN 55109	(651) 773-3222	John & Ann Gutteter
MN046	Marshall/College	1113 East College Drive, Suite 2, Marshall, MN 56258	(507) 532-0033	Joel Urban
MN065	Minneapolis/East Lake	4644 East Lake Street, Minneapolis, MN 55406	(612) 729-1500	John & Ann Gutteter
MN085	Monticello/Highway 25 S	508 Highway 25 South, Monticello, MN 55362	(763) 295-7700	Joel Meyer
MN013	Moorhead/8th Street	2509 8th Street South, Suite 500, Moorhead, MN 56560	(218) 236-5200	Lynn Synhorst
MN098	New Brighton/Silver Lake	2051 Silver Lake Road NW, New Brighton, MN 55112	(651) 636-3038	Mitch Turgeon
MN008	New Ulm/S Broadway	1612 South Broadway Street, New Ulm, MN 56073	(507) 359-3939	Jim & Pam Wolfe
MN075	North Branch/St. Croix Trail	5466 St. Croix Trail, North Branch, MN 55056	(651) 674-0707	Kevin Knoop
MN094	North Oaks/Village Center	119 Village Center Drive, Suite B, North Oaks, MN 55127	(651) 426-1310	Todd & Kimberly Jeffers
MN051	Northfield/Jefferson	2014 Jefferson Road, Suite A, Northfield, MN 55057	(507) 663-7272	Brian & Sharon Parrish
MN089	Oakdale/10th Street N	7017 10th Street North, Oakdale, MN 55128	(651) 730-7272	Jim & Mary Bolles
MN033	Owatonna/Bridge	641 West Bridge Street, Owatonna, MN 55060	(507) 455-3700	Mike Cooper
MN039	Plymouth/County Road 24	16605 County Road 24, Plymouth, MN 55447	(763) 551-1411	Joseph & Kathleen Jenniges
MN068	Plymouth/Nathan Lane	4345 Nathan Lane North, Plymouth, MN 55442	(763) 551-4960	Glenn Smith
MN077	Ramsey/St. Francis	14050 Saint Francis Boulevard, Ramsey, MN 55303	(763) 323-7272	Joseph & Kathleen Jenniges
MN047	Red Wing/Tyler Road S	172 Tyler Road South, Red Wing, MN 55066	(651) 385-7877	Jim & Mary Bolles
MN067	Richfield/W 66th Street	2922 West 66th Street, Richfield, MN 55423	(612) 465-8704	Jim & Pam Wolfe
MN059	Robbinsdale/36th Avenue N	5101 36th Avenue North, Robbinsdale, MN 55422	(763) 522-6690	Glenn Smith
MN007	Rochester/Crossroads	410 Crossroads Drive SW, Rochester, MN 55902	(507) 536-0630	Lisa & Kirk Thomas
MN005	Rochester/Highway 52 N	3932 Highway 52 North, Suite 6, Rochester, MN 55901	(507) 285-4996	Lisa & Kirk Thomas
MN042	Roseville/Lexington	1763 Lexington Avenue North, Roseville, MN 55113	(651) 489-2212	Cha Thao
MN080	Sauk Rapids/Benton	300 North Benton Drive, Sauk Rapids, MN 56379	(320) 258-7272	Joel Meyer
MN009	Savage/County Road 42	8200 West County Road 42, Suite 200, Savage, MN 55378	(952) 226-3400	Jim & Pam Wolfe
MN017	Shakopee/Vierling Drive E	1106 Vierling Drive East, Shakopee, MN 55379	(952) 445-8118	Jim & Pam Wolfe
MN057	Spring Park/Shoreline Drive	4677 Shoreline Drive, Spring Park, MN 55384	(952) 471-7212	Erik & Lisa Olson
MN063	St. Anthony Village/39th Ave	2700 39th Avenue NE, Suite 114, St. Anthony Village, MN 55421	(612) 788-2646	Jason Drometer
MN010	St. Cloud/15th Avenue S	30 15th Avenue South, St. Cloud, MN 56301	(320) 203-7272	Joel Meyer
MN026	St. Louis Park/Highway 7	7924 Highway 7, St. Louis Park, MN 55426	(952) 979-3333	Arthur & Susan May
MN096	St. Paul/Clarence	1157 Clarence Street, St. Paul, MN 55106	(651) 774-7777	Ron & Ryan Van Dyke



Store ID	Store Name	Store Address	Telephone	Primary Owner
MN027	St. Paul/Ford	2042 Ford Parkway, St. Paul, MN 55116	(651) 488-6500	John & Ann Gutteter
MN060	Stillwater/Market Drive	1754 Market Drive, Suite 300, Stillwater, MN 55082	(651) 439-1222	Kevin Knoop
MN031	Vadnais Heights/County Road	965 County Road E East, Vadnais Heights, MN 55127	(651) 482-7700	Terrance Tarras
MN069	Waconia/Oak	1309 Oak Avenue, Waconia, MN 55387	(952) 442-9919	Erik & Lisa Olson
MN044	West St. Paul/Robert	2047 Robert Street South, West St. Paul, MN 55118	(651) 450-7272	Brian & Sharon Parrish
MN014	White Bear Lake/County Rd E	2699 County Road East East, White Bear Lake, MN 55110	(651) 762-0200	John & Ann Gutteter
MN006	Willmar/1st Street S	2323 1st Street South, Willmar, MN 56201	(320) 235-7272	Mark & Leigh Miller
MN066	Winona/Frontenac	945 Frontenac Drive, Winona, MN 55987	(507) 454-7272	Lisa & Kirk Thomas
MN037	Woodbury/Currell	7455 Currell Boulevard, Woodbury, MN 55125	(651) 735-4244	Jim & Mary Bolles
<b>MISSOURI</b>				
MO014	Belton/E North Avenue	1320 E North Avenue, Belton, MO 64012	(816) 322-3600	Chris & Julie Copp
MO035	Blue Springs/N 7 Highway	2118 North 7 Highway, Blue Springs, MO 64014	(816) 220-7222	Evan & Marty Evans
MO006	Blue Springs/S 7th Highway	2406 South 7th Highway, Blue Springs, MO 64014	(816) 220-7900	Evan & Marty Evans
MO015	Cape Girardeau/William	2510 William Street, Cape Girardeau, MO 63703	(573) 339-7272	Joe Rice
MO005	Columbia/Broadway	3103 West Broadway, Columbia, MO 65203	(573) 447-0700	David & Jeanne Burgess
MO038	Florissant/N. Lindbergh	8192 North Lindbergh Boulevard, Florissant, MO 63031	(314) 972-7272	Daniel & Dhari Metzger
MO053	Harrisonville/Commercial	662 South Commercial Street, Harrisonville, MO 64701	(816) 884-5005	Paul & Katie Cox
MO045	Independence/23rd	1531 E 23rd Street S, Suite B, Independence, MO 64055	(816) 252-4500	Don & Tanya Cavanaugh
MO013	Independence/Dakota	824 North Dakota Drive, Independence, MO 64056	(816) 257-9966	Evan & Marty Evans
MO012	Jefferson City/Missouri Blvd	1803 Missouri Boulevard, Suite F, Jefferson City, MO 65109	(573) 632-8700	David & Jeanne Burgess
MO048	Joplin/7th Street	2313 West 7th Street, Joplin, MO 64801	(417) 623-7770	Robert Dickerson
MO018	Joplin/East 32nd	2640 East 32nd Street, Joplin, MO 64804	(417) 624-5555	Robert Dickerson
MO051	Kansas City/Broadway	3600 Broadway Street, Kansas City, MO 64111	(816) 531-8100	Don & Tanya Cavanaugh
MO019	Kansas City/Chatham	6320 North Chatham Avenue, Kansas City, MO 64151	(816) 746-4010	Tony Hulen
MO008	Kansas City/Chouteau	4319 North Chouteau Trafficway, Kansas City, MO 64117	(816) 452-9800	Evan & Marty Evans
MO011	Kansas City/State Line	7713 State Line Road, Kansas City, MO 64114	(816) 363-3335	Gary McCrite
MO046	Lee's Summit/Langsford	1745 East Langsford Road, Lee's Summit, MO 64063	(816) 524-4848	John & Jeanne Kyte
MO009	Lee's Summit/SW Ward	443 SW Ward Road, Lee's Summit, MO 64081	(816) 524-2744	Dave & Pat McMurray
MO055	Liberty/State Route 291	820 South State Route 291, Suite A, Liberty, MO 64068	(816) 415-0505	Chris & Julie Copp
MO024	Neosho/S. Neosho	1037 South Neosho Boulevard, Neosho, MO 64850	(417) 451-1117	Robert Dickerson
MO040	Nixa/Mt. Vernon	552 West Mt. Vernon, Nixa, MO 65714	(417) 724-1212	Christopher & Kristine Smith

Store ID	Store Name	Store Address	Telephone	Primary Owner
MO017	O'Fallon/Highway K	3027 Highway K, O'Fallon, MO 63368	(636) 379-7272	David Gardiner
MO029	Ozark/W State Highway J	1653 West State Highway J, Ozark, MO 65721	(417) 581-7272	Christopher & Kristine Smith
MO031	Republic/Independence	1212 East Independence Street, Republic, MO 65738	(417) 732-8600	Christopher & Kristine Smith
MO044	Rolla/Bishop	201 South Bishop Avenue, Suite D, Rolla, MO 65401	(573) 364-7123	John Straus
MO042	Saint Peters/Mid Rivers	571 Mid Rivers Mall Road, Saint Peters, MO 63376	(636) 397-8888	Kurt & Robin Mueller
MO041	Sedalia/W Broadway Boulevard	3040 West Broadway Boulevard, Sedalia, MO 65301	(660) 827-5551	Chris & Julie Copp
MO025	Sikeston/N Main	331 North Main Street, Sikeston, MO 63801	(573) 471-9992	Joe Rice
MO032	Springfield/Battlefield	3250 East Battlefield Road, Springfield, MO 65804	(417) 881-9772	Doug Wilks
MO001	Springfield/N Kansas Ex	2456 North Kansas Expressway, Springfield, MO 65803	(417) 831-0313	Christopher & Kristine Smith
MO003	Springfield/S Campbell	4035 South Campbell Avenue, Springfield, MO 65807	(417) 823-9282	Christopher & Kristine Smith
MO002	Springfield/S Glenstone	500 South Glenstone Avenue, Springfield, MO 65802	(417) 831-4342	Doug Wilks
MO047	St. Charles/Zumbehl	2013 Zumbehl Road, St. Charles, MO 63303	(636) 724-3030	Robert Everett
MO004	St. Joseph/N Belt	2115 North Belt Highway, St. Joseph, MO 64506	(816) 671-1400	David & Jeanne Burgess
MO016	St. Louis/Telegraph	5559 Telegraph Road, St. Louis, MO 63129	(314) 487-8700	Gretchen Noeth
MO043	St. Robert/St. Robert Boulevard	151 Saint Robert Boulevard, St. Robert, MO 65584	(573) 336-7776	John Straus
MO034	Warrensburg/Culton Street	218B East Culton Street, Warrensburg, MO 64093	(660) 262-4211	Chris & Julie Copp
MO033	Webb City/S Madison	1715 South Madison, Webb City, MO 64870	(417) 673-0707	Robert Dickerson
MO021	Wildwood/Taylor	2428 Taylor Road, Suite 3, Wildwood, MO 63040	(636) 458-7600	John & Theresa Belaska
<b>MONTANA</b>				
MT015	Belgrade/Madison	104 West Madison Avenue, Belgrade, MT 59714	(406) 388-8100	Tim & Tami Montee
MT001	Billings/Grand	1212 Grand Avenue, 16A, Billings, MT 59102	(406) 248-7272	DiAnn & Gary Broderius
MT009	Billings/Main	603 Main Street, Billings, MT 59105	(406) 245-5959	DiAnn & Gary Broderius
MT003	Bozeman/Oak	1735 Oak Street, Suite A & B, Bozeman, MT 59715	(406) 587-8008	Tim & Tami Montee
MT004	Butte/Amherst	2119 Amherst Avenue, Butte, MT 59701	(406) 723-5050	Mark & Susanne Dauenhauer
MT008	Great Falls/10th Avenue S	2815 10th Avenue South, Great Falls, MT 59405	(406) 761-7272	Kimberley McConville
MT007	Hamilton/N 1st Street	701 North 1st Street, Hamilton, MT 59840	(406) 375-0600	Dennis & Sharon Hedding
MT010	Helena/N Sanders	511 North Sanders Street, Helena, MT 59601	(406) 449-7272	Mark & Susanne Dauenhauer
MT014	Helena/Partridge Place	1151 Partridge Place, Helena, MT 59602	(406) 442-1975	Mark & Susanne Dauenhauer
MT005	Kalispell/E Center	238 East Center Street, Kalispell, MT 59901	(406) 257-8787	Mike & Tracy Wilkonski
MT013	Missoula/S 3rd Street West	1801 South 3rd Street West, Missoula, MT 59801	(406) 541-6190	Dennis & Sharon Hedding
MT011	Missoula/S Russel	3800 South Russell Street, Suite 14D, Missoula, MT 59803	(406) 541-0500	Dennis & Sharon Hedding

Store ID	Store Name	Store Address	Telephone	Primary Owner
<b>NEBRASKA</b>				
NE007	Bellevue/Galvin Road S	701 Galvin Road South, Suite 101, Bellevue, NE 68005	(402) 293-8710	Tony & Miriam Beck
NE024	Bellevue/Samson	2903 Samson Way, Suite 102, Bellevue, NE 68123	(402) 932-0888	Tony & Miriam Beck
NE002	Columbus/23rd St	3921 23rd Street, Columbus, NE 68601	(402) 564-7272	Larry & Kathy Hodge
NE013	Fremont/N Bell	1740 North Bell Street, Fremont, NE 68025	(402) 721-0077	Tony & Miriam Beck
NE005	Grand Island/Wilmar Avenue	206 Wilmar Avenue, Grand Island, NE 68803	(308) 384-4533	Larry & Kathy Hodge
NE020	Kearney/W 42nd St	230 West 42nd Street, Kearney, NE 68845	(308) 698-0120	Larry & Kathy Hodge
NE011	La Vista/S 83rd St	7885 South 83rd Street, La Vista, NE 68128	(402) 339-5400	Erik & Kris Olson
NE026	Lincoln/Cornhusker	2662 Cornhusker Highway, Lincoln, NE 68521	(402) 467-1147	Janet Guenzel
NE006	Lincoln/Old Cheney Road	3900 Old Cheney Road, Lincoln, NE 68516	(402) 466-7711	Janet Guenzel
NE003	Lincoln/S 70th St	4500 South 70th Street, Suite 106, Lincoln, NE 68516	(402) 484-7272	Janet Guenzel
NE018	Norfolk/South 25th	701 South 25th Street, Suite 800, Norfolk, NE 68701	(402) 844-3300	Robert & Amy Brown
NE019	North Platte/North Jeffers	114 North Jeffers Street, North Platte, NE 69101	(308) 532-5400	Roy & Mitchell Wagner
NE016	Omaha/L Street	5104 L Street, Omaha, NE 68117	(402) 731-7272	Tony & Miriam Beck
NE009	Omaha/N 156th St	2071 North 156th Street, Omaha, NE 68116	(402) 493-9797	Tony & Miriam Beck
NE004	Omaha/N 90th St	5405 North 90th Street, Omaha, NE 68134	(402) 571-7272	Erik & Kris Olson
NE014	Omaha/W Center	17714 West Center Road, Omaha, NE 68130	(402) 334-7700	Erik & Kris Olson
NE012	Omaha/Weir	15330 Weir Street, Omaha, NE 68137	(402) 861-9000	Tony & Miriam Beck
NE025	Omaha/West Center	12005 West Center Road, 96, Omaha, NE 68144	(402) 333-0880	Roy & Mitchell Wagner
NE010	Scottsbluff/Avenue B	2801 Avenue B, Suite 5, Scottsbluff, NE 69361	(308) 635-7755	Dan Marshall
<b>NEVADA</b>				
NV001	Carson City/Highway 50 E	1894 US Highway 50 East, Suite 5, Carson City, NV 89701	(775) 884-0275	Richard & Evelyn Banfield
NV007	Carson City/S Carson	4314 South Carson Street, Carson City, NV 89701	(775) 841-7272	Richard & Evelyn Banfield
NV004	Elko/Mountain City Highway	2560 Mountain City Highway, Elko, NV 89801	(775) 738-3800	Jason & Amy Peterson
NV031	Fallon/Williams Street	1525 Williams Street, Suite F, Fallon, NV 89406	(775) 423-4042	Robert & Deanna Niles
NV029	Fernley/Highway 95A	1380 US Highway 95A North, Suite 10, Fernley, NV 89408	(775) 575-5200	David Kette
NV016	Gardnerville/Highway 395	1363 US Highway 395 N, Suite 10, Gardnerville, NV 89410	(775) 782-8545	Richard & Evelyn Banfield
NV011	Henderson/College Drive	565 College Drive, Suite C, Henderson, NV 89015	(702) 558-7373	Matthew Archiga
NV033	Las Vegas/Tropicana	10180 West Tropicana, Suite 133, Las Vegas, NV 89147	(702) 641-6100	David & Kari Kojima
NV015	Las Vegas/W Craig	4900 West Craig Road, Suite 4, Las Vegas, NV 89130	(702) 656-9669	Mervin & Phyllis Freeman
NV018	Pahrump/Frontage	141 South Frontage Road, Suite A, Pahrump, NV 89048	(775) 751-9292	Jack & Janet Lewis

Store ID	Store Name	Store Address	Telephone	Primary Owner
NV020	Reno/Lemmon	155 Lemmon Drive, Reno, NV 89506	(775) 677-1900	David Kette
NV003	Reno/N McCarran	10490 N McCarran Boulevard, Suite 102, Reno, NV 89503	(775) 746-5559	Paul & Heidi Moore
NV002	Reno/Virginia	8175 South Virginia Street, Suite 850, Reno, NV 89511	(775) 853-7272	Ronald & Barb Thoreson
NV009	Reno/W Moana	940 West Moana Lane, Suite 108, Reno, NV 89509	(775) 826-8767	Gary & Jenny Sanchez
NV030	Spanish Springs/Pyramid	9744 Pyramid Highway, Spanish Springs, NV 89441	(775) 424-6406	Ronald & Barb Thoreson
NV005	Sparks/N McCarran	2955 North McCarran Boulevard, Suite 103, Sparks, NV 89431	(775) 331-7500	Michael & Ann Doucette
NV017	Sparks/Vista Boulevard	2868 Vista Boulevard, Suite 102, Sparks, NV 89434	(775) 358-2022	Ron & Tia Bushee
<b>NEW MEXICO</b>				
NM027	Albuquerque/Golf Course Road	8631 Golf Course Road NW, Suite A, Albuquerque, NM 87114	(505) 792-1967	Thomas & Margaret Johnson
NM001	Albuquerque/Montgomery	12611 Montgomery Boulevard NE, Albuquerque, NM 87111	(505) 299-6200	CJ & Shawna Ciddio
NM022	Albuquerque/Wyoming	8104 Wyoming Boulevard NE, Suite E, Albuquerque, NM 87113	(505) 822-8866	CJ & Shawna Ciddio
NM008	Carlsbad/N. Canal	1095 North Canal Street, Carlsbad, NM 88220	(575) 885-9300	Laurel & Anita Kae Kuensting
NM028	Clovis/North Prince	3900 North Prince Street, Suite B, Clovis, NM 88101	(575) 763-7272	Oma Creighton
NM005	Farmington/East Main Street	3554 East Main Street, Suite F, Farmington, NM 87402	(505) 326-6700	Dean Pecotte
NM013	Hobbs/Turner Street	2208 North Turner Street, Hobbs, NM 88240	(575) 392-9300	Laurel & Anita Kae Kuensting
NM009	Las Cruces/Walton	540 Walton Boulevard, Suite F, Las Cruces, NM 88001	(575) 523-9600	Scott & Stephanie Kuensting
NM010	Los Alamos/Arkansas	3801 Arkansas Avenue, Suite B, Los Alamos, NM 87544	(505) 661-7171	Wesley & Dolores Burk
NM026	Portales/South Avenue C	421 South Avenue C, Suite 10, Portales, NM 88130	(575) 226-7272	Oma Creighton
NM007	Roswell/S Main	1100 South Main Street, Suite A, Roswell, NM 88203	(575) 622-9300	Laurel & Anita Kae Kuensting
NM006	Santa Fe/St. Frances	3005 South St. Frances Drive, Santa Fe, NM 87505	(505) 984-0099	John Perea
<b>NORTH CAROLINA</b>				
NC004	Apex/Williams Street	756 West Williams Street, Apex, NC 27502	(919) 249-4949	Keith Bristol
NC002	Cary/SE Cary Parkway	161 SE Cary Parkway, Cary, NC 27511	(919) 249-4949	Keith Bristol
NC001	Cary/SW Cary Parkway	3639 SW Cary Parkway, Cary, NC 27513	(919) 462-6364	Keith Bristol
NC009	Greensboro/Battleground	4016 Battleground Avenue, Suite B, Greensboro, NC 27410	(336) 369-7272	Keith Bristol
NC034	Hickory/29th Avenue Drive	1509 29th Avenue Drive NE, Hickory, NC 28601	(828) 256-3430	Mark & Sharon Slaughenhaupt
NC035	Raleigh/Oberlin Road	1028 Oberlin Road, Raleigh, NC 27605	(919) 322-0344	Michael & Max Gill
NC033	Wake Forest/Retail	11721 Retail Drive, 105, Wake Forest, NC 27587	(919) 554-9977	Michael & Max Gill
NC018	Wilmington/Carolina Beach	5954 Carolina Beach Road, Suite 180, Wilmington, NC 28412	(910) 791-0110	Ryan & Stephanie Humphrey
NC006	Wilmington/Military	1319 Military Cutoff Road, Suite B, Wilmington, NC 28405	(910) 256-7050	Peter & Sandy Werling
NC005	Wilmington/South College	2804 South College Avenue, Suite 103, Wilmington, NC 28412	(910) 799-9997	Peter & Sandy Werling

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NC019	Winston Salem/Peace Haven	1981 North Peace Haven Road, Winston Salem, NC 27106	(336) 659-2699	Gordon Butler
<b>NORTH DAKOTA</b>				
ND011	Bismarck/Mapleton Avenue	1427 Mapleton Avenue, Bismarck, ND 58503	(701) 323-7272	Gary & Digi Nunley
ND004	Bismarck/S Washington	209 South Washington Street, Bismarck, ND 58504	(701) 255-7272	Gary & Digi Nunley
ND006	Dickinson/15th Street W	456 15th Street West, Dickinson, ND 58601	(701) 483-7272	Larry Dockter
ND009	Fargo/15th Avenue	4501 15th Avenue South, Suite 111, Fargo, ND 58103	(701) 365-8282	Lynn Synhorst
ND005	Fargo/Broadway	1461 Broadway North, Fargo, ND 58102	(701) 293-7272	Lynn Synhorst
ND001	Fargo/University	2434 University Drive South, Fargo, ND 58103	(701) 232-7200	Lynn Synhorst
ND010	Grand Forks/32nd Avenue S	2475 32nd Avenue South, Grand Forks, ND 58201	(701) 738-0370	Thomas & Dawn Stoe
ND003	Grand Forks/Gateway	2750 Gateway Drive, Suite H, Grand Forks, ND 58203	(701) 780-0900	Thomas & Dawn Stoe
ND007	Jamestown/1st Avenue S	725 1st Avenue South, Jamestown, ND 58401	(701) 252-8282	Gary & Digi Nunley
ND008	Mandan/W Main	209 West Main Street, Mandan, ND 58554	(701) 667-7272	Gary & Digi Nunley
ND002	Minot/S Broadway	1605 South Broadway, Minot, ND 58701	(701) 838-7700	John & Kathy Hebert
<b>OHIO</b>				
OH005	Beavercreek/North Fairfield	1195 North Fairfield Road, Beavercreek, OH 45432	(937) 427-7500	Michael & Jewel Bousman
OH002	Centerville/S Main	832 South Main Street, Centerville, OH 45458	(937) 435-7130	Michael & Jewel Bousman
OH010	Columbus/Morse	4778 Morse Road, Columbus, OH 43230	(614) 475-2500	Robert & Annette Vogel
OH048	Dublin/Perimeter Loop	6704 Perimeter Loop, Dublin, OH 43017	(614) 791-7000	Robert & Annette Vogel
OH056	Fairborn/S Maple Avenue	1894 South Maple Avenue, Fairborn, OH 45324	(937) 482-4060	Don & Cathy Tuma
OH068	Fairfield/Pleasant Avenue	5245 Pleasant Avenue, Fairfield, OH 45014	(513) 889-1252	Robert & Shelly Zielinski
OH020	Fremont/West State	1228 West State Street, Fremont, OH 43420	(419) 332-7272	Mike Wing
OH013	Kettering/Wilmington Pike	4052 Wilmington Pike, Kettering, OH 45440	(937) 299-7272	Charles G & Charles M Pagnard
OH069	Maineville/S State Route 48	6647 South State Route 48, Maineville, OH 45039	(513) 583-8500	Charles G & Charles M Pagnard
OH001	Moraine/Springboro Pk	5662 Springboro Pike, Moraine, OH 45449	(937) 395-0408	Edward & Traci Elliott
OH012	Powell/Owenfield	8715 Owenfield Drive, Powell, OH 43065	(740) 549-2990	Robert & Annette Vogel
OH014	Springboro/Main	662 North Main Street, Springboro, OH 45066	(937) 748-0700	Charles G & Charles M Pagnard
OH040	Springfield/N Bechtle	1930 North Bechtle Avenue, Springfield, OH 45504	(937) 629-0000	Paul Andorfer
OH003	Troy/West Main (Wal-Mart)	1801 West Main Street, Troy, OH 45373	(937) 339-9339	Randy White
<b>OKLAHOMA</b>				
OK012	Bartlesville/Frank Phillips	3535 E Frank Phillips Boulevard, Bartlesville, OK 74006	(918) 333-6565	Fran & Ron Holloway
OK009	Bethany/Rockwell Avenue	3030 North Rockwell Avenue, Bethany, OK 73008	(405) 787-7907	Dennis & Susan Blackwood

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OK006	Broken Arrow/Houston	2000 West Houston Street, Broken Arrow, OK 74012	(918) 251-7272	Fran & Ron Holloway
OK002	Edmond/Danforth	2000 West Danforth Road, Suite 116, Edmond, OK 73003	(405) 844-3100	Eric Walter
OK017	Enid/South Van Buren	204 South Van Buren Street, Enid, OK 73703	(580) 237-1037	Michael & Kathy Flach
OK013	Midwest City/North Douglas	101 North Douglas Boulevard, Suite Z, Midwest City, OK 73130	(405) 455-3000	Eric Walter
OK014	Muskogee/North York	746 North York Street, Muskogee, OK 74403	(918) 686-7272	Jeff & Jolene Morrow
OK008	Norman/Interstate Drive	1354 North Interstate Drive, Norman, OK 73072	(405) 364-5000	Dennis & Vicki Peterson
OK003	Oklahoma City/SW 119th	815 SW 119th Street, Oklahoma City, OK 73170	(405) 378-0116	Dennis & Vicki Peterson
OK010	Oklahoma City/West Hefner	7755 West Hefner Road, Suite A, Oklahoma City, OK 73162	(405) 720-7272	Gerry & Lea Ann Adkins
OK004	Owasso/N 129th E Avenue	8509 North 129th East Avenue, Owasso, OK 74055	(918) 376-9090	Daniel Ketchum
OK011	Tulsa/East 51st	6147 East 51st Street, Tulsa, OK 74135	(918) 628-7600	David & Alan Kessock
OK007	Tulsa/Memorial Drive	11081 South Memorial Drive, Tulsa, OK 74133	(918) 369-6800	David & Alan Kessock
OK015	Yukon/West Vandament	618 West Vandament Avenue, Suite 102, Yukon, OK 73099	(405) 265-4141	Dennis & Susan Blackwood
<b>OREGON</b>				
OR019	Albany/9th Avenue	1004 9th Avenue SE, Albany, OR 97322	(541) 928-2400	Mark & Beth Hamlin
OR086	Aloha/SW TV Highway	20443 SW TV Highway, Aloha, OR 97006	(503) 591-1888	Ron & Linda Matthews
OR096	Ashland/Siskiyou	1401 Siskiyou Boulevard, Ashland, OR 97520	(541) 482-5000	Kip Irving
OR032	Astoria/Marine	889 Marine Drive, Astoria, OR 97103	(503) 325-4063	Dennis Newman
OR080	Baker City/Campbell	1850 Campbell Street, Baker City, OR 97814	(541) 523-4335	Jim & Shari Mashek
OR005	Beaverton/SW Murray	6111 SW Murray Boulevard, Beaverton, OR 97008	(503) 641-6614	Jon & Carol Willie
OR034	Beaverton/SW Teal	14641 SW Teal Boulevard, Beaverton, OR 97007	(503) 590-7272	Ron & Linda Matthews
OR014	Bend/NE Revere	211 NE Revere Avenue, Suite 2, Bend, OR 97701	(541) 389-7272	Kevin & Krista Lauinger
OR095	Bend/S Highway 97	61160 South Highway 97, Suite E, Bend, OR 97702	(541) 382-6767	Kevin & Krista Lauinger
OR009	Canby/SE 1st Avenue	1401 SE 1st Avenue, Suite 3, Canby, OR 97013	(503) 266-5118	Kelly Guthrie
OR093	Central Point/E Pine	129 East Pine Street, Central Point, OR 97502	(541) 664-4000	Troy & Karen Irving
OR076	Clackamas/SE Sunnyside	12290 SE Sunnyside Road, Clackamas, OR 97015	(503) 658-7272	Jon & Carol Willie
OR016	Coos Bay/E Ingersoll	88 East Ingersoll Street, Coos Bay, OR 97420	(541) 269-9700	Larry Hudson
OR020	Corvallis/NW Circle Boulevard	960 NW Circle Boulevard, Corvallis, OR 97330	(541) 754-4000	Paul & Annie Nelson
OR087	Cottage Grove/Gateway	154 Gateway Boulevard, Suite 8, Cottage Grove, OR 97424	(541) 942-0892	Debby Klein
OR114	Dallas/Ellendale	244 East Ellendale Avenue, Suite 103, Dallas, OR 97338	(503) 623-9900	Richard & Leah Ann Parken
OR109	Damascus/SE Highway 212	19960 SE Highway 212, Damascus, OR 97015	(503) 669-7272	Jon & Carol Willie
OR123	Eugene/Coburg Road	1580 Coburg Road, Eugene, OR 97401	(541) 686-6615	Larry & Kathy Hodge

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OR099	Eugene/River Road	2740 River Road, Eugene, OR 97404	(541) 689-5774	Richard Johnson
OR101	Eugene/W 11th Avenue	2911 West 11th Avenue, Eugene, OR 97402	(541) 431-6882	Larry & Kathy Hodge
OR018	Florence/12th Street	1737 12th Street, Florence, OR 97439	(541) 997-7272	Cindy Macioroski
OR022	Forest Grove/Pacific	3330 Pacific Avenue, Forest Grove, OR 97116	(503) 357-2108	Phil & Gary Hammond
OR026	Grants Pass/NE 7th	1011 NE 7th Street, Grants Pass, OR 97526	(541) 476-1106	Jim & Stormy Miller
OR110	Grants Pass/Rogue	263 Rogue River Highway, Grants Pass, OR 97527	(541) 956-9988	Jim & Stormy Miller
OR008	Gresham/NE Division	64 NE Division Street, Gresham, OR 97030	(503) 661-4282	Mike & Cindy Phillips
OR046	Hermiston/SE 2nd Street	315 SE 2nd Street, Hermiston, OR 97838	(541) 567-6000	Bob & Ann Hulden
OR090	Hillsboro/NE Arrington	1591 NE Arrington Road, Hillsboro, OR 97124	(503) 693-7272	Mike & Cindy Phillips
OR028	Hillsboro/NW 185th	2087 NW 185th Avenue, Hillsboro, OR 97124	(503) 690-4333	Mike & Cindy Phillips
OR052	Hillsboro/TV Highway	2605 SE TV Highway, Unit #B, Hillsboro, OR 97123	(503) 648-7272	Mike & Cindy Phillips
OR078	Hood River/12th St	1765 12th Street, Hood River, OR 97031	(541) 386-7131	Darrin & Debbie Lingel
OR021	Junction City/Ivy	1710 Ivy Street, Junction City, OR 97448	(541) 998-8682	Richard Johnson
OR107	Keizer/River Road N	5093 River Road North, Keizer, OR 97303	(503) 393-7272	Chris & Julie Copp
OR104	Klamath Falls/Campus	2621 Campus Drive, Klamath Falls, OR 97601	(541) 851-9000	Kelly & Carla Wilson
OR061	Klamath Falls/S 6th Street	3140 South 6th Street, Klamath Falls, OR 97603	(541) 882-8000	Kelly & Carla Wilson
OR048	La Grande/Adams	1703 Adams Avenue, La Grande, OR 97850	(541) 963-7272	Bob & Ann Hulden
OR036	Lake Oswego/Boones Ferry Rd	15630 SW Boones Ferry Road, Lake Oswego, OR 97035	(503) 636-1785	Casey & Nancy Collins
OR106	Lebanon/S Santiam Highway	2500 South Santiam Highway, Suite B, Lebanon, OR 97355	(541) 259-6900	Jon & Lynn Baker
OR012	Lincoln City/NW Highway 101	2401 NW Highway 101, Lincoln City, OR 97367	(541) 994-5560	Justin Alford
OR120	Madras/SW Highway 97	1112 SW Highway 97, Madras, OR 97741	(541) 475-1555	Jeff & Cheryl Long
OR057	McMinnville/Highway 99 W	470 NE Highway 99 West, McMinnville, OR 97128	(503) 472-2536	Craig & Barb Cameron
OR050	Medford/Biddle	1120 Biddle Road, Medford, OR 97504	(541) 773-4111	Troy & Karen Irving
OR051	Medford/Stewart	709 West Stewart Avenue, Medford, OR 97501	(541) 858-9000	Troy & Karen Irving
OR073	Milton Freewater/Columbia	137 South Columbia Street, Milton Freewater, OR 97862	(541) 938-7272	Terry & Sharon Harrison
OR007	Milwaukie/SE 42nd	10604 SE 42nd, Milwaukie, OR 97222	(503) 653-1794	Jon & Carol Willie
OR116	Milwaukie/Webster	14862 SE Webster Road, Milwaukie, OR 97267	(503) 794-0999	Scott & Colleen Foelker
OR119	Molalla/West Main	1585 West Main Street, Suite E, Molalla, OR 97038	(503) 829-7275	Jerry & Pat Kenney
OR122	Monmouth/Clay Street	609 Clay Street East, Monmouth, OR 97361	(503) 838-4111	Richard & Leah Ann Parken
OR030	Newberg/N Main	200 North Main Street, Newberg, OR 97132	(503) 538-2536	Doug & Cindy Storey
OR066	Newport/N Coast Highway	514 North Coast Highway, Newport, OR 97365	(541) 265-8009	Justin Alford

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OR017	North Bend/Newmark	1932 Newmark Street, North Bend, OR 97459	(541) 756-0447	Larry Hudson
OR031	Oak Grove/SE Concord	3630 SE Concord Road, Portland, OR 97267	(503) 652-1146	Scott & Colleen Foelker
OR079	Ontario/SW 4th Avenue	425 SW 4th Avenue, Ontario, OR 97914	(541) 889-2300	Ross & Marilyn Cutler
OR047	Oregon City/Warner Milne	358 Warner Milne Road, Suite 109, Oregon City, OR 97045	(503) 655-7272	Scott & Colleen Foelker
OR049	Pendleton/SW Emigrant	613 SW Emigrant Avenue, Pendleton, OR 97801	(541) 276-7272	Bob & Ann Hulden
OR025	Portland/4010 NE Fremont	4010 NE Fremont Street, Portland, OR 97212	(503) 281-6833	Chris & Julie Copp
OR013	Portland/7121 NE Fremont	7121 NE Fremont Street, Portland, OR 97213	(503) 287-5520	Chris & Julie Copp
OR039	Portland/Hawthorne	4115 SE Hawthorne Boulevard, Portland, OR 97214	(503) 233-0174	Jon & Carol Willie
OR029	Portland/N Lombard	5336 North Lombard Street, Portland, OR 97203	(503) 283-3411	Jon & Carol Willie
OR027	Portland/N Rosa Parks	2004 North Rosa Parks Way, Portland, OR 97217	(503) 289-3193	Jeb Christensen
OR108	Portland/NE 15th	3523 NE 15th Avenue, Portland, OR 97212	(503) 249-1666	Chris & Julie Copp
OR040	Portland/NE Halsey	11635 NE Halsey Street, Portland, OR 97220	(503) 253-7800	Lori Murphy
OR033	Portland/NW Cornell	12595 NW Cornell Road, Suite D, Portland, OR 97229	(503) 672-7272	Doug & Cindy Storey
OR056	Portland/SE 122nd	2609 SE 122nd Avenue, Portland, OR 97236	(503) 761-7272	Lori Murphy
OR091	Portland/SE 82nd	3335 SE 82nd Avenue, Portland, OR 97266	(503) 774-7272	Lori Murphy
OR058	Portland/SE Milwaukie	6545 SE Milwaukie Avenue, Portland, OR 97202	(503) 238-8765	Jon & Carol Willie
OR037	Portland/SE Stark	18012 SE Stark Street, Portland, OR 97233	(503) 666-7272	Mike & Cindy Phillips
OR045	Portland/SE Woodstock	4411 SE Woodstock Boulevard, Suite D, Portland, OR 97206	(503) 777-1613	Craig & Barb Cameron
OR111	Prineville/NE 3rd	1300 NE 3rd Street, Prineville, OR 97754	(541) 447-5999	Jeff & Cheryl Long
OR015	Redmond/SW Highland	955 SW Highland Avenue, Redmond, OR 97756	(541) 548-7272	Kevin & Krista Lauinger
OR059	Roseburg/Carnes	4677 Carnes Road, Roseburg, OR 97470	(541) 679-3194	Debby Klein
OR053	Roseburg/NE Garden Valley	250 NE Garden Valley Boulevard, Suite 21, Roseburg, OR 97470	(541) 673-1861	Debby Klein
OR094	Salem/3260 Lancaster Dr NE	3260 Lancaster Drive NE, Salem, OR 97305	(503) 589-7272	Chris & Julie Copp
OR074	Salem/478 Lancaster	478 Lancaster Drive NE, Salem, OR 97301	(503) 378-7272	Chris & Julie Copp
OR072	Salem/Commercial St SE	4985 Commercial Street SE, Salem, OR 97302	(503) 371-4777	Bill Christiansen
OR113	Salem/Wallace	1124 Wallace Road NW, Suite 120, Salem, OR 97304	(503) 485-0777	Chris & Julie Copp
OR117	Sandy/SE 362nd Drive	16605 SE 362nd Drive, Sandy, OR 97055	(503) 668-6900	Mike & Cindy Phillips
OR121	Scappoose/S Columbia	51507 South Columbia River Highway, Scappoose, OR 97056	(503) 543-3780	Craig & Barb Cameron
OR024	Seaside/S Roosevelt	507 South Roosevelt Drive, Suite 7, Seaside, OR 97138	(503) 738-0601	David & Robin Bair
OR103	Sherwood/SW Langer	16180 SW Langer Drive, Sherwood, OR 97140	(503) 625-7878	Jerry & Pat Kenney
OR118	Silverton/McLaine	701 McLaine Street, Suite B, Silverton, OR 97381	(503) 873-2501	Jerry & Pat Kenney



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OR092	Springfield/Main	5727 Main Street, Springfield, OR 97478	(541) 744-2475	Larry & Kathy Hodge
OR102	Springfield/Olympic	1810 Olympic Street, Springfield, OR 97477	(541) 741-8886	Larry & Kathy Hodge
OR006	St Helens/Columbia River	58731 Columbia River Highway, St. Helens, OR 97051	(503) 397-3121	Craig & Barb Cameron
OR115	Stayton/N 1st	1754 North 1st Avenue, Stayton, OR 97383	(503) 767-7272	Chris & Julie Copp
OR054	Sutherlin/W Central	1280 West Central Avenue, Sutherlin, OR 97479	(541) 459-1249	Debby Klein
OR011	The Dalles/W 6th	1323 West 6th Street, The Dalles, OR 97058	(541) 296-1141	Darrin & Debbie Lingel
OR023	Tigard/SW Pacific Highway	13295 SW Pacific Highway, Tigard, OR 97223	(503) 639-1015	Eric Collins
OR010	Tillamook/Hadley	2140 Hadley Road North, Tillamook, OR 97141	(503) 842-4112	Keith & Peggy Horton
OR003	Tualatin/SW Boones Ferry	19407 SW Boones Ferry Road, Tualatin, OR 97062	(503) 692-7272	Jerry & Pat Kenney
OR100	West Linn/8th Avenue	2000 8th Avenue, West Linn, OR 97068	(503) 635-8224	Jamie & Dina Snook
OR105	White City/Crater Lake Hwy	7413 Crater Lake Highway, White City, OR 97503	(541) 830-4000	Troy & Karen Irving
OR069	Wilsonville/SW Wilsonville	8269 SW Wilsonville Road, Suite E, Wilsonville, OR 97070	(503) 682-1793	Doug & Cindy Storey
OR098	Wood Village/NE 242nd	731 NE 242nd Avenue, Wood Village, OR 97060	(503) 666-3650	Mike & Cindy Phillips
OR042	Woodburn/N Pacific Highway	1503 North Pacific Highway, Woodburn, OR 97071	(503) 982-4532	Shannon Walls
<b>SOUTH CAROLINA</b>				
SC008	Charleston/Avondale	2 Avondale Avenue, Unit A, Charleston, SC 29407	(843) 789-3336	George Sarkis
SC004	Charleston/Folly	923 Folly Road, Charleston, SC 29412	(843) 573-7358	George Sarkis
SC003	Goose Creek/St. James	216 St. James Avenue, Suite E, Goose Creek, SC 29445	(843) 576-4133	George Sarkis
SC013	Greenville/Pelham Road	3935 Pelham Road, Suite H, Greenville, SC 29615	(864) 288-4441	Phillip & Maria Wilson
SC006	Mt Pleasant/Johnnie Dodds Blvd	1107 Johnnie Dodds Boulevard, Mt. Pleasant, SC 29464	(843) 971-6242	George Sarkis
SC012	Rock Hill/Celanese Road	2738 Celanese Road, Rock Hill, SC 29732	(803) 327-1023	Robin Bales
SC014	Taylors/Wade Hampton	6015 Wade Hampton Boulevard, Unit #18, Taylors, SC 29687	(864) 848-0006	Phillip & Maria Wilson
<b>SOUTH DAKOTA</b>				
SD011	Aberdeen/6th Avenue	1225 6th Avenue SE, Suite 1, Aberdeen, SD 57401	(605) 725-7272	Joel Urban
SD009	Brookings/6th Street	1810 6th Street, Brookings, SD 57006	(605) 697-7000	Duane & Janet Jones
SD007	Mitchell/N Main	1801 North Main Street, Mitchell, SD 57301	(605) 996-3000	Tom Henderson
SD013	Pierre/West Sioux	319 West Sioux Avenue, 500, Pierre, SD 57501	(605) 224-4226	Dan & Jackie Slocum
SD001	Rapid City/E North Street	606 East North Street, Rapid City, SD 57701	(605) 341-3252	Douglas Christensen
SD006	Rapid City/Mountain View	741 Mountain View Road, Suite 3, Rapid City, SD 57702	(605) 341-7979	Douglas Christensen
SD008	Sioux Falls/2101 41st St	2101 West 41st Street, Suite 28, Sioux Falls, SD 57105	(605) 339-4772	Tom Henderson
SD005	Sioux Falls/6725 41st Street	6725 West 41st Street, Sioux Falls, SD 57106	(605) 362-4664	Tom Henderson

Store ID	Store Name	Store Address	Telephone	Primary Owner
SD012	Sioux Falls/Minnesota	608 South Minnesota Avenue, Sioux Falls, SD 57104	(605) 332-7272	Tom Henderson
SD003	Sioux Falls/S Sycamore	1608 South Sycamore Avenue, Sioux Falls, SD 57110	(605) 335-7272	Tom Henderson
SD002	Spearfish/W Jackson	310 West Jackson Boulevard, Spearfish, SD 57783	(605) 642-3663	Brent Tipton
SD004	Watertown/9th Avenue SE	917 9th Avenue SE, Watertown, SD 57201	(605) 886-7000	Joel Urban
<b>TENNESSEE</b>				
TN012	Bellevue/Highway 100	8120 Highway 100, Bellevue, TN 37221	(615) 673-1313	Dave Myers
TN033	Brentwood/Moores	8113 Moores Lane, Suite 2200, Brentwood, TN 37027	(615) 309-0262	Dave Myers
TN040	Chattanooga/East Brainerd	8142 East Brainerd Road, Suite 100, Chattanooga, TN 37421	(423) 521-8787	Earl (Tom) Thompson
TN006	Clarksville/Ft Campbell	1571 Fort Campbell Boulevard, Clarksville, TN 37042	(931) 552-2210	Dave Myers
TN005	Clarksville/Madison Road	1960 Madison Road, Clarksville, TN 37043	(931) 905-0515	Dave Myers
TN010	Clarksville/Wilma Rudolph	2277 Wilma Rudolph Road, Suite A1, Clarksville, TN 37040	(931) 551-4599	Dave Myers
TN039	Cleveland/Stuart	120 Stuart Road NE, Cleveland, TN 37312	(423) 472-5258	William Baldwin
TN027	Columbia/Trotwood	1300 Trotwood Avenue, Suite 11, Columbia, TN 38401	(931) 223-6069	Dave Myers
TN018	Cookeville/Jefferson	770 South Jefferson Avenue, Cookeville, TN 38501	(931) 520-7272	Dave Myers
TN019	Franklin/Del Rio Pike	109 Del Rio Pike, Suite 101, Franklin, TN 37064	(615) 599-9980	Dave Myers
TN021	Germantown/Farmington	7781 Farmington Boulevard, Germantown, TN 38138	(901) 757-6142	Parry Robson
TN015	Goodlettsville/Northcreek	117 Northcreek Boulevard, Goodlettsville, TN 37072	(615) 859-1711	Dave Myers
TN007	Hendersonville/Main	386 West Main Street, Suite 106, Hendersonville, TN 37075	(615) 264-0707	Dave Myers
TN031	Hixson/Highway 153	5721 Highway 153, Suite 101, Hixson, TN 37343	(423) 877-4777	Earl (Tom) Thompson
TN026	Johnson City/North Roan	2244 North Roan Street, Suite 102, Johnson City, TN 37601	(423) 262-0221	Harry & Terry Olson
TN008	Knoxville/Broadway	5214 North Broadway, Knoxville, TN 37918	(865) 688-5902	John Stalker
TN017	Knoxville/Brooklawn	133 Brooklawn Street, Knoxville, TN 37934	(865) 966-8467	John Stalker
TN003	Knoxville/Chapman Highway	4409 Chapman Highway, Suite U, Knoxville, TN 37920	(865) 573-8500	John Stalker
TN002	Knoxville/Clinton Highway	6631 Clinton Highway, Knoxville, TN 37912	(865) 947-2516	John Stalker
TN025	Knoxville/Kingston	4801 Kingston Pike, Knoxville, TN 37919	(865) 909-9920	John Stalker
TN029	Knoxville/Middlebrook Pike	9205 Middlebrook Pike, Knoxville, TN 37931	(865) 200-4277	John Stalker
TN023	Lakeland/US Highway 64	8950 US Highway 64, Suite 102, Lakeland, TN 38002	(901) 380-8034	Parry Robson
TN020	Lebanon/West Main	1416 West Main Street, Lebanon, TN 37087	(615) 444-9211	Dave Myers
TN032	Maryville/US Highway 411	2602 US Highway 411 South, Suite 100, Maryville, TN 37801	(865) 982-2525	John Stalker
TN016	McMinnville/Northgate	241 Northgate Drive, McMinnville, TN 37110	(931) 474-7272	Dave Myers
TN004	Murfreesboro/Memorial	2445 Memorial Boulevard, Suite B, Murfreesboro, TN 37129	(615) 895-5335	Dave Myers

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TN024	Murfreesboro/Rutherford	1722 South Rutherford Boulevard, Suite E, Murfreesboro, TN 37130	(615) 893-0009	Dave Myers
TN009	Murfreesboro/Old Ft Pkwy	2706 Old Fort Parkway, Murfreesboro, TN 37128	(615) 867-6588	Dave Myers
TN013	Nashville/Murfreesboro	2510 Murfreesboro Pike, Suite 5, Nashville, TN 37217	(615) 732-0373	Dave Myers
TN030	Oak Ridge/Oak Ridge Turnpike	1133 Oak Ridge Turnpike, Suite C, Oak Ridge, TN 37830	(865) 425-9919	John Stalker
TN038	Seymour/Chapman	11516 Chapman Highway, Seymour, TN 37865	(865) 773-0301	John Stalker
TN011	Spring Hill/Main Street	4826 Main Street, Suite 6, Spring Hill, TN 37174	(615) 591-5353	Dave Myers
<b>TEXAS</b>				
TX067	Allen/Bethany Drive	1208 East Bethany Drive, Suite 6, Allen, TX 75002	(214) 383-1808	Terry & Joyce Kung
TX125	Allen/West McDermott	1008 West McDermott Drive, Suite 400, Allen, TX 75013	(214) 383-0033	Timothy & Christine Hogan
TX050	Amarillo/Bell Street	6032 Bell Street, Amarillo, TX 79109	(806) 352-3822	Conrad & Susan Renner
TX105	Amarillo/Western	1740 South Western Street, Amarillo, TX 79106	(806) 367-5110	Rocky & Sabrina Gafford
TX119	Arlington/Bowen	4130 South Bowen Road, Suite 104, Arlington, TX 76016	(817) 472-4242	Chris & Elizabeth Tye
TX015	Austin/Mo Pac	12407 N Mo Pac Expressway, Suite 150-B, Austin, TX 78758	(512) 491-9200	Doug Miller
TX068	Austin/Ranch Road	12129 Ranch Road 620 North, Bldg A, Suite 100, Austin, TX 78750	(512) 257-7272	Doug Miller
TX117	Austin/Research	12856 North Research Boulevard, Austin, TX 78750	(512) 335-0770	Doug Miller
TX014	Austin/Slaughter	2110 Slaughter Lane West, Suite 176, Austin, TX 78748	(512) 282-8000	Doug Miller
TX126	Austin/William Cannon Road	4404 West William Cannon Road, Suite O, Austin, TX 78749	(512) 891-7272	Sherry Peterson
TX112	Bastrop/Highway 71	696 Highway 71 West, 5A, Bastrop, TX 78602	(512) 581-0808	Brett & Barbara Augsburg
TX093	Brownsville/Boca Chica	2921 Boca Chica Boulevard, Suite 23A, Brownsville, TX 78521	(956) 546-0200	Raul Torres
TX032	Bryan/Villa Maria Road	725 East Villa Maria Road, Suite 300, Bryan, TX 77802	(979) 775-2253	Ned Turnbull
TX083	Carrollton/Rosemeade	1000 West Rosemeade Parkway, Suite 120, Carrollton, TX 75007	(972) 939-7272	Scott & Erica Shelby
TX027	Cedar Hill/Uptown Boulevard	642 Uptown Boulevard, Cedar Hill, TX 75104	(972) 293-1717	John O'Kief
TX020	Cedar Park/Whitestone	180 East Whitestone Boulevard, Suite 164, Cedar Park, TX 78613	(512) 259-0770	Doug Miller
TX075	Coppell/Sandy Lake	612 East Sandy Lake Road, Suite 120, Coppell, TX 75019	(972) 393-7272	David Simmons
TX078	Corpus Christi/Saratoga	5017 Saratoga Boulevard, Suite 125, Corpus Christi, TX 78413	(361) 992-7272	Ron Miller
TX122	Corpus Christi/South Padre	10241 South Padre Island Drive, Suite 133, Corpus Christi, TX 78418	(361) 937-7272	Robert Westrup
TX107	Corpus Christi/Weber Road	4020 Weber Road, Corpus Christi, TX 78411	(361) 808-7272	Ron Miller
TX155	Cypress/Louetta	13125 Louetta Road, Cypress, TX 77429	(832) 559-8214	Jason Marlar
TX124	Dallas/Audelia	13350 Audelia Road, Suite 100, Dallas, TX 75243	(972) 792-9999	Brian Watson
TX116	Dallas/Midway	18110 Midway Road, Suite 101, Dallas, TX 75287	(972) 267-7272	Eric Prosser
TX123	Dallas/Plano Road	8550 Plano Road, Suite 101, Dallas, TX 75238	(214) 341-7272	Brian Watson

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TX064	Denton/Teasley	5017 Teasley Lane, Suite 135, Denton, TX 76210	(940) 382-7272	Troy & Debra Edgell
TX111	Denton/University	1105 East University Drive, Denton, TX 76209	(940) 380-7272	Troy & Debra Edgell
TX052	Frisco/FM 423	12398 FM 423, Suite 1500, Frisco, TX 75034	(972) 334-9400	James & Julie Moore
TX004	Frisco/Legacy	4150 Legacy Drive, Suite 416, Frisco, TX 75034	(214) 705-8447	John Beck
TX058	Ft. Worth/Longhorn	1201 Longhorn Road, Suite 145, Fort Worth, TX 76179	(817) 847-9995	Alan & Denise Barnett
TX159	Ft. Worth/Sycamore School	3651 Sycamore School Road, Suite 100, Ft. Worth, TX 76133	(817) 294-7272	Jack & Amy Durfey
TX106	Garland/Arapaho	3015 Arapaho Road, Suite 200, Garland, TX 75044	(214) 703-3388	Inderpal Singh
TX143	Garland/Broadway	3035 Broadway Boulevard, Garland, TX 75041	(214) 703-9200	Brian Watson
TX074	Georgetown/Williams Drive	3316 Williams Drive, Suite 105, Georgetown, TX 78628	(512) 868-3200	Doug Miller
TX018	Grapevine/Hall Johnson	2350 Hall Johnson Road, Grapevine, TX 76051	(817) 416-7474	Greg & Connie Metzler
TX060	Greenville/Wesley Street	8110 Wesley Street, Suite 170, Greenville, TX 75402	(903) 454-4455	Brian Watson
TX076	Harker Heights	300 East FM 2410, Suite 106, Harker Heights, TX 76548	(254) 699-7272	William & Kimberly Whigham
TX091	Harlingen/77 Sunshine Strip	920 South 77 Sunshine Strip, Harlingen, TX 78550	(956) 423-7272	Raul Torres
TX048	Keller/Alta Vista	12345 Alta Vista Road, Suite 101, Keller, TX 76244	(817) 337-0045	Randy & Jana Liles
TX023	Killeen/Lowes Boulevard	1200 Lowes Boulevard, Suite 114, Killeen, TX 76542	(254) 554-7272	William & Kimberly Whigham
TX042	Kyle/S FM 1626	5401 South FM 1626, Suite 120, Kyle, TX 78640	(512) 268-1682	Doug Miller
TX069	Lakeway/Ranch Road	2303 Ranch Road 620 South, Lakeway, TX 78734	(512) 906-0098	Michael & Bridget Bertram
TX041	Leander/N US Highway 183	651 North US Highway 183, Suite 225, Leander, TX 78641	(512) 260-9936	Doug Miller
TX017	Longview/NW Loop 281	1753 NW Loop 281, Longview, TX 75604	(903) 759-8000	Eugene & Denise Hill
TX062	Lubbock/82nd	6318 82nd Street, Lubbock, TX 79424	(806) 698-0022	Tim & Maria Branagan
TX063	Lubbock/Frankford	421 Frankford Avenue, Suite B, Lubbock, TX 79416	(806) 796-0600	Tim & Maria Branagan
TX061	Lubbock/Indiana	8205 Indiana Avenue, Lubbock, TX 79423	(806) 792-2200	Tim & Maria Branagan
TX025	Mansfield/Debbie Lane	1211 East Debbie Lane, Suite 105, Mansfield, TX 76063	(817) 453-1414	Ken Wilkinson
TX118	Marble Falls/Highway 281	1008 Highway 281, #105, Marble Falls, TX 78654	(830) 693-9500	Doug Miller
TX094	McAllen/10th Street	5202 North 10th Street, McAllen, TX 78504	(956) 631-7272	Raul Torres
TX095	McAllen/Pecan	3732 Pecan Boulevard, Suite 5, McAllen, TX 78501	(956) 668-7300	Raul Torres
TX121	McKinney/South Hardin	3201 South Hardin Boulevard, Suite 200, McKinney, TX 75070	(214) 491-1930	Gary Fromm
TX081	McKinney/West Virginia	6710 West Virginia Parkway, Suite 210, McKinney, TX 75071	(214) 544-7878	David Simmons
TX134	Mesquite/East Cartwright	820 East Cartwright Road, Suite 128, Mesquite, TX 75149	(972) 329-7272	Joe & Renae Borgerding
TX044	Midland/Briarwood	4416 Briarwood Avenue, Suite 113, Midland, TX 79707	(432) 699-7272	Tim & Maria Branagan
TX008	N. Richland Hills/Davis	8536 Davis Boulevard, Suite 200, North Richland Hills, TX 76180	(817) 427-5700	Greg & Connie Metzler

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TX055	Nacogdoches/North Street	4909 North Street, Suite 207, Nacogdoches, TX 75965	(936) 552-7900	Eugene & Denise Hill
TX051	New Braunfels/Walnut Avenue	606 South Walnut Avenue, Suite 400, New Braunfels, TX 78130	(830) 625-8888	Jason & Robyn Ragsdale
TX033	Paris/Lamar Avenue	2705 Lamar Avenue, Paris, TX 75460	(903) 785-0036	Matt & Cindy Terry
TX130	Pflugerville/Dessau Road	16123 Dessau Road, Pflugerville, TX 78660	(512) 251-7230	Doug Miller
TX065	Plano/Parker Road	3909 West Parker Road, Suite 102, Plano, TX 75023	(972) 612-7272	Eric Prosser
TX089	Richardson/Custer	3501 Custer Parkway, Suite 111, Richardson, TX 75080	(469) 330-7272	John Beck
TX085	RichaRoadson/North Coit	900 North Coit Road, Suite 2701, Richardson, TX 75080	(972) 792-7272	John DeMattia
TX136	Rockwall/Ridge Road	2435 Ridge Road, Suite 111, Rockwall, TX 75087	(214) 771-4444	Brian Watson
TX021	Round Rock/E Palm	1700 East Palm Valley Boulevard, Suite 570, Round Rock, TX 78664	(512) 341-2700	Doug Miller
TX082	Round Rock/O'Conner	7399 O'Conner Drive, Round Rock, TX 78681	(512) 733-7800	Doug Miller
TX162	Rowlett/Rowlett Road	5000 Rowlett Road, Suite 104, Rowlett, TX 75088	(214) 227-5559	Brian Watson
TX053	San Antonio/Bandera	11600 Bandera Road, Suite 116, San Antonio, TX 78250	(210) 628-4009	Richard Brozek
TX047	San Antonio/Culebra	10650 Culebra Road, Suite 130, San Antonio, TX 78251	(210) 681-7544	Richard Brozek
TX070	San Antonio/De Zavala Road	5238 De Zavala Road, Suite 118, San Antonio, TX 78249	(210) 558-0408	Dale & Melody Bond
TX109	San Antonio/Hildebrand	447 West Hildebrand, Suite 105, San Antonio, TX 78212	(210) 734-7272	Linda Moad
TX101	San Antonio/Military	1115 SW Military Drive, Suite 103, San Antonio, TX 78221	(210) 924-7272	Jerry Torres
TX057	San Antonio/N Loop 1604	1160 North Loop 1604 West, Suite 107, San Antonio, TX 78248	(210) 493-2300	Jerry Torres
TX046	San Antonio/Potranco	10722 Potranco Road, Suite 106, San Antonio, TX 78251	(210) 680-7272	Rip Patel
TX108	San Antonio/US Highway 281	20281 US Highway 281, Suite 108, San Antonio, TX 78258	(210) 545-7272	Linda Moad
TX072	Seguin/Court	1346 East Court Street, Seguin, TX 78155	(830) 379-7272	Jason & Robyn Ragsdale
TX151	Sugar Land/South Highway 6	11609 South Highway 6, Sugar Land, TX 77498	(281) 494-0747	Trent & Elizabeth Thomas
TX009	Temple/S 31st Street	2668 South 31st Street, Suite E, Temple, TX 76504	(254) 778-6600	William & Kimberly Whigham
TX016	Texarkana/Richmond Road	3421 Richmond Road, Texarkana, TX 75503	(903) 832-5251	Lindsay Jones
TX001	Tyler/Broadway	6878 South Broadway Avenue, Tyler, TX 75703	(903) 939-2828	Max & Deloris Williams
TX039	Tyler/Troup Highway	1847 Troup Highway, Suite A, Tyler, TX 75701	(903) 592-3100	Max & Deloris Williams
TX129	Waco/Hewitt	208 Hewitt Drive, Waco, TX 76712	(254) 772-7272	Joseph & Veronica Logan
TX006	Watauga/Denton	8420 Denton Highway, Suite 111, Watauga, TX 76148	(817) 503-8309	Jeff Fosdick
TX066	Wichita Falls/Airport Drive	2314 Airport Drive, Suite 200, Wichita Falls, TX 76306	(940) 855-5050	Douglas & Lesia Billing
TX007	Wichita Falls/Fairway Blvd	3701 Fairway Boulevard, Suite 124, Wichita Falls, TX 76310	(940) 767-7272	Douglas & Lesia Billing
TX043	Wylie/West FM 544	901 West FM 544, Suite 200, Wylie, TX 75098	(972) 429-0333	Russell & Patti Newton

Store ID	Store Name	Store Address	Telephone	Primary Owner
<b>UTAH</b>				
UT029	Bountiful/2000 S	85 East 2200 South, Bountiful, UT 84010	(801) 294-7272	Lamont & Kathie Theall
UT012	Brigham City/N Main	285 North Main Street, Brigham City, UT 84302	(435) 723-7272	Todd & Jana Cordner
UT017	Cedar City/200 N	70 East 200 North, Suite 1, Cedar City, UT 84720	(435) 586-7100	Kay & Leslie Memmott
UT025	Centerville/N Main	388 North Main Street, Centerville, UT 84014	(801) 294-2555	David & Charlotte Day
UT051	Clinton/North 2000 West	1952 North 2000 West, Suite C, Clinton, UT 84015	(801) 525-2233	Casey & Jennifer Kauer
UT026	Cottonwood Heights/E 70th	1933 East 70th South, Cottonwood Heights, UT 84121	(801) 733-7272	Vaughn & Jared McDougal
UT034	Draper/12300 S	408 East 12300 South, Draper, UT 84020	(801) 501-9900	Tim & Kathy Robison
UT024	Heber City/N Main	509 North Main Street, Heber City, UT 84032	(435) 657-1300	Darrin & Jennifer Caldwell
UT048	Herriman/West 13400	5532 West 13400 South, Herriman, UT 84096	(801) 254-7676	Vaughn & Jared McDougal
UT047	Highland/West 11000	5435 West 11000 North, Suite 13, Highland, UT 84003	(801) 756-4321	Tim & Kathy Robison
UT010	Holladay/2300 E	3932 South 2300 East, Holladay, UT 84124	(801) 273-1300	Kyle McPhee
UT035	Hurricane/W State	535 West State Street, Hurricane, UT 84737	(435) 635-7272	John & Jennifer Chapman
UT015	Layton/S Fairfield	78 South Fairfield Road, Layton, UT 84041	(801) 444-9000	Lamont & Kathie Theall
UT052	Layton/West Antelope	765 West Antelope Drive, Suite C, Layton, UT 84041	(801) 773-2828	Lamont & Kathie Theall
UT020	Lehi/E Main	770 East Main Street, Suite C, Lehi, UT 84043	(801) 766-9900	Lamont & Kathie Theall
UT006	Logan/N Main	618 North Main Street, Logan, UT 84321	(435) 755-0808	Jeremy Claflin
UT039	Magna/3500 S	8045 West 3500 South, Magna, UT 84044	(801) 250-6000	Greg & Sharon Arnoldus
UT014	Murray/5300 S	659 West 5300 South, Murray, UT 84123	(801) 263-8600	Kevin Hutchison
UT038	North Ogden/N Washington	2641 North Washington Boulevard, North Ogden, UT 84414	(801) 786-8686	Todd & Jana Cordner
UT040	Ogden/Washington	1145 Washington Boulevard, Suite 1, Ogden, UT 84404	(801) 334-7272	Robert Duree
UT019	Orem/W Center Street	190 West Center Street, Orem, UT 84057	(801) 229-1600	David & Donna Ferguson
UT045	Payson/West 800	1138 West 800 South, Payson, UT 84651	(801) 465-4177	Brian & Shellie Dea
UT030	Pleasant Grove/W State	981 West State Road, Suite 130, Pleasant Grove, UT 84062	(801) 796-5800	Lamont & Kathie Theall
UT044	Providence/N Highway 165	2 North Highway 165, Suite 101, Providence, UT 84332	(435) 752-2030	Jeremy Claflin
UT036	Provo/S University	979 South University Avenue, Suite 6, Provo, UT 84601	(801) 374-6500	David & Donna Ferguson
UT033	Richfield/S Highway 89	1116 South US Highway 89, Richfield, UT 84701	(435) 896-8400	Robert & Melissa Thomas
UT027	Riverton/12600 S	1821 West 12600 South, Riverton, UT 84065	(801) 446-1000	Vaughn & Jared McDougal
UT002	Roy/1900 W	5633 South 1900 West, Roy, UT 84067	(801) 776-9000	Casey & Jennifer Kauer
UT050	Salt Lake City/3300 South	150 East 3300 South, Salt Lake City, UT 84115	(801) 485-7272	Gary Petersen
UT053	Salt Lake City/700 North	1645 West 700 North, Suite L, Salt Lake City, UT 84116	(801) 359-7272	Vaughn & Jared McDougal

Store ID	Store Name	Store Address	Telephone	Primary Owner
UT005	Sandy/Union Sq	9413 Union Square, Sandy, UT 84070	(801) 576-6616	Vaughn & Jared McDougal
UT001	SLC/2100 S	2286 East 2100 South, Salt Lake City, UT 84109	(801) 583-7272	Matt Theall
UT031	SLC/700 E	302 South 700 East, Salt Lake City, UT 84102	(801) 531-7272	Danielle Anderson
UT007	SLC/900 E	5692 South 900 East, Unit 8, Salt Lake City, UT 84121	(801) 281-0090	Greg & Sharon Arnoldus
UT008	South Ogden/36th Street	323 36th Street, South Ogden, UT 84405	(801) 393-7272	Greg & Denise Dumas
UT011	South Ogden/Harrison	5695 Harrison Boulevard, South Ogden, UT 84403	(801) 479-8833	Greg & Denise Dumas
UT003	Spanish Fork/800 E	790 North 800 East, Spanish Fork, UT 84660	(801) 798-6767	Travis Theall
UT054	Springville/400South	655 East 400 South, Suite E, Springville, UT 84663	(801) 491-0789	Tim & Kathy Robison
UT004	St. George/S River	720 South River Road, Suite A-100, St. George, UT 84790	(435) 652-3500	Steve & Nelda Kissinger
UT042	St. George/W Sunset	1006 West Sunset Boulevard, St. George, UT 84770	(435) 656-1221	Steve & Nelda Kissinger
UT023	Syracuse/W Antelope Dr	2052 West Antelope Drive, Suite B-2, Syracuse, UT 84075	(801) 776-2233	Casey & Jennifer Kauer
UT021	Tooele/N Main	1341 North Main, Tooele, UT 84074	(435) 833-9800	Brittany & David Zinn
UT049	Vernal/Highway 40	1820 West Highway 40, Vernal, UT 84078	(435) 781-1400	Darrin & Jennifer Caldwell
UT043	West Jordan/4800 W	7759 South 4800 West, West Jordan, UT 84084	(801) 280-7272	Vaughn & Jared McDougal
UT013	West Jordan/9000 S	2688 West 9000 South, West Jordan, UT 84088	(801) 566-6667	Vaughn & Jared McDougal
UT032	West Jordan/S Redwood	6898 South Redwood Road, West Jordan, UT 84084	(801) 255-0800	Vaughn & Jared McDougal
UT016	West Valley/3500 S	3525 West 3500 South, West Valley, UT 84119	(801) 955-1890	Brian & Shellie Dea
UT009	West Valley/4000 W	4578 South 4000 West, West Valley, UT 84120	(801) 966-8000	Vaughn & Jared McDougal
<b>VIRGINIA</b>				
VA001	Virginia Beach/Buckner Blvd	3545 Buckner Boulevard, Virginia Beach, VA 23453	(757) 471-7272	Jason Moore
<b>WASHINGTON</b>				
WA174	Aberdeen/Wishkah	1143 East Wishkah Street, Suite C, Aberdeen, WA 98520	(360) 538-7210	Don Bocksch
WA140	Anacortes/Commercial	1710 Commercial Avenue, Anacortes, WA 98221	(360) 299-2299	Jeff & Penelope D'Angelo
WA097	Arlington/169th Place NE	3411 169th Place NE, Suite H, Arlington, WA 98223	(360) 651-1969	Tom Lovelace
WA178	Arlington/204th Street	7705 204th Street, Suite 103, Arlington, WA 98223	(360) 435-2003	Tom Lovelace
WA168	Auburn/A Street	4435 A Street, Suite B, Auburn, WA 98002	(253) 876-9900	Roger & Donna Dougherty
WA047	Auburn/M Street NE	721 M Street NE, Suite 107, Auburn, WA 98002	(253) 939-7163	Candice Nienau
WA008	Battle Ground/W Main	720 West Main Street, Suite 101, Battle Ground, WA 98604	(360) 687-2808	Craig & Barb Cameron
WA175	Belfair/State Highway 3	23781 State Highway 3, Suite 105, Belfair, WA 98528	(360) 275-2220	William Gibson
WA128	Bellevue/140th Avenue NE	1915 140th Avenue NE, Suite D-2B, Bellevue, WA 98005	(425) 401-9777	Greg Barber
WA049	Bellevue/145th Place	1500 145th Place SE, Suite 4, Bellevue, WA 98007	(425) 643-7272	Ralph Etter

Store ID	Store Name	Store Address	Telephone	Primary Owner
WA129	Bellingham/Bakerview	1233 West Bakerview, Bellingham, WA 98226	(360) 715-3794	Tom Lovelace
WA024	Bellingham/James	2400 James Street, Bellingham, WA 98225	(360) 671-6393	Tom Lovelace
WA040	Bellingham/Lakeway	1312 Lakeway Drive, Bellingham, WA 98229	(360) 715-1117	Tom Lovelace
WA106	Bonney Lake/214th Avenue E	9805 214th Avenue East, Bonney Lake, WA 98391	(253) 891-8752	Todd & Kelly Mulvahill
WA029	Bothell/Bothell Everett	22833 Bothell Everett Highway, Suite 145, Bothell, WA 98021	(425) 806-7272	Mark & Dorothy Klingensmith
WA082	Bremerton/Kitsap	3404 Kitsap Way, Bremerton, WA 98312	(360) 377-7272	Brad & Jennifer Langford
WA100	Bremerton/Wheaton	4213 Wheaton Way, Bremerton, WA 98310	(360) 478-7272	Brad & Jennifer Langford
WA110	Burien/1st Avenue S	15858 1st Avenue South, Suite 105, Burien, WA 98148	(206) 248-7272	Greg Barber
WA136	Burlington/S Burlington	1034 South Burlington Boulevard, Burlington, WA 98233	(360) 707-2902	Tom Lovelace
WA023	Camas/SE 8th Avenue	2406 SE 8th Avenue, Camas, WA 98607	(360) 834-6907	Jim Lovelace
WA041	Centralia/Harrison	1105 Harrison Avenue, Centralia, WA 98531	(360) 807-0133	Jim Lovelace
WA153	Cheney/2nd Street	1808 2nd Street, Cheney, WA 99004	(509) 235-9093	Tony & Cathy Longworth
WA093	Clarkston/Maple	606 Maple Street, Clarkston, WA 99403	(509) 758-7272	Sabrina Gedrose
WA183	College Place/Meadowbrook	1605 SE Meadowbrook Boulevard, College Place, WA 99324	(509) 522-1515	Terry & Sharon Harrison
WA169	Colville/Ponderosa	128 Ponderosa Road, Colville, WA 99114	(509) 684-7662	Jeff & Pat Perry
WA120	Covington/SE 272nd Street	16783 SE 272nd Street, Suite B, Covington, WA 98042	(253) 630-2234	Candice Nienau
WA085	Des Moines/Pacific Highway S	27031 Pacific Highway South, Des Moines, WA 98198	(253) 946-2706	Tim Bayley
WA172	Duvall/Big Rock	26304 NE Big Rock Road, Suite 103, Duvall, WA 98019	(425) 844-1370	Ralph Etter
WA124	East Wenatchee/Grant	505 B Grant Road, East Wenatchee, WA 98802	(509) 886-7272	Richard & Sharon McDonald
WA144	Edmonds/Highway 99	23632 Highway 99, Suite A1, Edmonds, WA 98026	(425) 771-7272	Tom Lovelace
WA127	Ellensburg/W Tacoma	205 West Tacoma, Ellensburg, WA 98926	(509) 962-9282	Andy & Lisa Jager
WA170	Enumclaw/Roosevelt Avenue E	250 Roosevelt Avenue East, Enumclaw, WA 98022	(360) 802-2100	Tim Bayley
WA190	Everett/134th Place	5714 134th Place SE, A-4, Everett, WA 98208	(425) 357-0777	Mark & Dorothy Klingensmith
WA108	Everett/19th Avenue SE	11014 19th Avenue SE, Suite 16, Everett, WA 98208	(425) 379-9092	Tom Lovelace
WA070	Everett/Evergreen	4923 Evergreen Way, Everett, WA 98203	(425) 252-5661	Tom Lovelace
WA188	Everett/W Casino Road	510 West Casino, Suite G, Everett, WA 98204	(425) 290-5605	Tom Lovelace
WA051	Federal Way/SW 336th St	2154 SW 336th Street, Federal Way, WA 98023	(253) 838-9447	Derek Glaze
WA143	Ferndale/Labounty	1730 Labounty Road, Ferndale, WA 98248	(360) 380-3311	Tom Lovelace
WA163	Gig Harbor/Point Fosdick	5114 Point Fosdick Drive, Gig Harbor, WA 98335	(253) 858-0772	Todd & Kelly Mulvahill
WA182	Graham/Meridian	22205 Meridian Avenue East, Suite 105, Graham, WA 98338	(253) 262-3340	Candace Whiteford
WA048	Issaquah/NW Gilman	755 NW Gilman Boulevard, Suite C, Issaquah, WA 98027	(425) 392-6560	Ralph Etter



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WA003	Kennewick/W Kennewick	2624 West Kennewick Avenue, Suite, Kennewick, WA 99336	(509) 736-3900	Bob Williams
WA052	Kent/108th Avenue SE	20528 108th Avenue SE, Kent, WA 98031	(253) 859-3591	Candice Nienau
WA019	Kent/Kent Kangley	10429 SE Kent Kangley Road, Kent, WA 98030	(253) 854-3509	Tim Bayley
WA155	Kingston/NE Highway 104	8202 NE State Highway 104, Suite B101, Kingston, WA 98346	(360) 297-0072	William Gibson
WA139	Kirkland/124th	11312 NE 124th Street, Kirkland, WA 98034	(425) 825-7272	Mark & Dorothy Klingensmith
WA152	Lacey/Marvin Road NE	1401 Marvin Road NE, Suite 104, Lacey, WA 98516	(360) 455-4240	Don Bocksch
WA125	Lacey/Yelm Highway SE	4820 Yelm Highway SE, Suite D, Lacey, WA 98503	(360) 456-7272	Don Bocksch
WA111	Lake Forest Pk/Bothell Way	17171 Bothell Way, Lake Forest Park, WA 98155	(206) 440-7272	Tom Lovelace
WA098	Lake Stevens/Highway 9	725 Highway 9, Suite 203, Lake Stevens, WA 98258	(425) 397-7272	Ralph Etter
WA090	Lakewood/100th Street SW	5700 100th Street SW, Suite 410, Lakewood, WA 98499	(253) 581-7272	Todd & Kelly Mulvahill
WA094	Liberty Lake/N Liberty Lake	1334 North Liberty Lake Road, Liberty Lake, WA 99019	(509) 926-7272	Bill & G'Nell DeLack
WA004	Longview/30th Avenue	2103 30th Avenue, Longview, WA 98632	(360) 578-9963	Dennis Newman
WA154	Longview/Washington	945 Washington Way, Longview, WA 98632	(360) 577-0696	Dennis Newman
WA121	Lynden/Guide Meridian	8146 Guide Meridian, Suite B5, Lynden, WA 98264	(360) 354-5600	Tom Lovelace
WA009	Lynnwood/60th Avenue W	19410 60th Avenue West, Suite B, Lynnwood, WA 98036	(425) 670-2778	Tom Lovelace
WA072	Lynnwood/Mukilteo Speedway	12721 Mukilteo Speedway, Lynnwood, WA 98087	(425) 353-0734	Tony & Kristen McNulty
WA080	Maple Valley/Kent-Kangley	23880 SE Kent Kangley Road, Maple Valley, WA 98038	(425) 413-7272	Tim Bayley
WA095	Marysville/State Avenue	1262 F State Avenue, Marysville, WA 98270	(360) 651-7272	Mark & Dorothy Klingensmith
WA025	Mill Creek/164th St SE	914 164th Street SE, Mill Creek, WA 98012	(425) 742-5070	Mark & Dorothy Klingensmith
WA131	Milton/E Meridian	900 Meridian East, Suite 24, Milton, WA 98354	(253) 942-7272	Tim Bayley
WA010	Monroe/SR 2	19995 State Route 2, Monroe, WA 98272	(360) 805-9085	Tony & Kristen McNulty
WA166	Moses Lake/3rd Avenue	210 East 3rd Avenue, Suite D, Moses Lake, WA 98837	(509) 765-2802	Shannon Seaford
WA086	Mountlake Terrace/44th Avenue	21005 44th Avenue West, Suite 105, Mountlake Terrace, WA 98043	(425) 775-7277	James & Sandra Taylor
WA117	Mt. Vernon/W College	1320 East College Way, Mt. Vernon, WA 98273	(360) 848-0134	Tom Lovelace
WA156	Newcastle/Coal Creek Pkwy SE	6945 Coal Creek Parkway SE, Suite A10, Newcastle, WA 98059	(425) 643-9310	Ralph Etter
WA157	North Bend/SW Mt. Si	456 SW Mt. Si Boulevard, Suite C4, North Bend, WA 98045	(425) 888-8300	Brad & Jennifer Langford
WA011	Oak Harbor/Sw Bowmer	1100 SW Bowmer Street, B101, Oak Harbor, WA 98277	(360) 675-5505	Josh & Mishal Rowley
WA130	Olympia/Cooper Point SW	400 Cooper Point Road SW, Suite 9, Olympia, WA 98502	(360) 943-4800	Glenn Sutt
WA088	Olympia/Pacific Avenue SE	3726 Pacific Avenue SE, Olympia, WA 98501	(360) 491-1025	Glenn Sutt
WA137	Omak/Omache	705B Omache Drive, Omak, WA 98841	(509) 826-0246	Beth Mueller
WA177	Orting/Whitesell	215 Whitesell Street NW, Suite C101, Orting, WA 98360	(360) 893-4040	Candace Whiteford

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WA096	Parkland/Pacific Avenue S	13720 Pacific Avenue South, Parkland, WA 98444	(253) 535-3257	Candace Whiteford
WA081	Pasco/W Court	1804 West Court Street, Pasco, WA 99301	(509) 544-2188	Bert Franks
WA112	Port Angeles/Front Street	1405 East Front Street, Port Angeles, WA 98362	(360) 457-7760	Karen House
WA087	Port Orchard/Olney Street SE	1468 Olney Street SE, Suite 105, Port Orchard, WA 98366	(360) 876-7272	Brad & Jennifer Langford
WA179	Port Townsend/Sims Way	1220 Sims Way, Port Townsend, WA 98368	(360) 385-2080	William Gibson
WA165	Poulsbo/7th Avenue NE	19494 7th Avenue NE, Poulsbo, WA 98370	(360) 779-9160	William Gibson
WA126	Pullman/S Grand	1475 South Grand Avenue, Pullman, WA 99163	(509) 334-9733	Tim & Lee Ann Berg
WA084	Puyallup/Canyon	11012 Canyon Road East, Suite 7, Puyallup, WA 98373	(253) 536-9444	Candace Whiteford
WA122	Puyallup/Meridian E	17520 Meridian East, Suite B, Puyallup, WA 98373	(253) 770-7461	Candace Whiteford
WA160	Puyallup/River	711 River Road, Puyallup, WA 98371	(253) 864-7272	Tim Bayley
WA146	Puyallup/S Meridian	4423 South Meridian Street, Puyallup, WA 98373	(253) 435-1938	Candace Whiteford
WA186	Redmond/Novelty Hill	23515 NE Novelty Hill Road, Suite 205, Redmond, WA 98053	(425) 836-5800	Ralph Etter
WA012	Redmond/Redmond Way	17181 Redmond Way, Suite 800, Redmond, WA 98052	(425) 883-2700	Ralph Etter
WA028	Renton/140th Avenue	17324 140th Avenue SE, Renton, WA 98058	(425) 228-9307	Cheryl Peterson
WA099	Renton/NE 4th Street	4350 NE 4th Street, Suite C, Renton, WA 98059	(425) 255-7272	Tim Bayley
WA123	Renton/Renton Center Way	365 Renton Center Way SW, Suite B, Renton, WA 98055	(425) 271-7272	Tim Bayley
WA107	Richland/Jadwin	1332 Jadwin Avenue, Richland, WA 99352	(509) 943-5002	Bert Franks
WA016	Sammamish/228th Avenue NE	709 228th Avenue NE, Sammamish, WA 98074	(425) 868-1672	Ralph Etter
WA145	Seattle/16th Avenue SW	11202 16th Avenue SW, Seattle, WA 98146	(206) 988-4111	Greg Barber
WA119	Seattle/23rd Avenue S	306 23rd Avenue South, Seattle, WA 98144	(206) 325-7272	Tom Lovelace
WA133	Seattle/42nd Avenue SW	4730 42nd Avenue SW, Seattle, WA 98116	(206) 932-8880	James & Sandra Taylor
WA158	Seattle/Holman Road NW	9743 Holman Road NW, Seattle, WA 98117	(206) 783-7272	Tom Lovelace
WA075	Seattle/NE 127th Street	3000 NE 127th Street, Seattle, WA 98125	(206) 306-7272	Brad & Jennifer Langford
WA171	Sedro Woolley/N Township	108 North Township Street, Sedro Woolley, WA 98284	(360) 856-5805	Tom Lovelace
WA113	Selah/S 1st Street	205 South 1st Street, Selah, WA 98942	(509) 697-7300	Don Copp
WA091	Sequim/W Washington	680 West Washington Street, Suite E103, Sequim, WA 98382	(360) 683-8102	William Gibson
WA173	Shelton/Wallace-Kneeland	301 East Wallace-Kneeland Boulevard, Suite 244, Shelton, WA 98584	(360) 427-6400	Glenn Sutt
WA147	SilveRoadale/Bucklin Hill Road	2220 Bucklin Hill Road, Suite 102, Silverdale, WA 98383	(360) 337-7590	Brad & Jennifer Langford
WA050	Snohomish/13th Street	1207 13th Street, Snohomish, WA 98290	(360) 568-7272	Ralph Etter
WA109	Spanaway/Mountain Highway E	22225 Mountain Highway East, Suite D, Spanaway, WA 98387	(253) 846-6588	Todd & Kelly Mulvahill
WA149	Spokane/12126 N Division	12126 North Division Street, Spokane, WA 99218	(509) 465-0911	Jeff & Pat Perry

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WA089	Spokane/13514 E Sprague	13514 East Sprague Avenue, Spokane, WA 99216	(509) 924-7272	Tony & Cathy Longworth
WA014	Spokane/29th Avenue	2522 East 29th Avenue, Suite 5, Spokane, WA 99223	(509) 535-5885	Don & Tanya Cavanaugh
WA005	Spokane/3402 N Division	3402 North Division Street, Spokane, WA 99207	(509) 327-7272	Patrick McCabe
WA101	Spokane/9122 E Sprague	9122 East Sprague Avenue, Spokane, WA 99206	(509) 922-3222	Tony & Cathy Longworth
WA142	Spokane/E Francis	1530 East Francis Avenue, Spokane, WA 99208	(509) 489-7272	Don & Tanya Cavanaugh
WA114	Spokane/E Trent	8901 East Trent, Suite 110, Spokane, WA 99212	(509) 922-6699	Patrick McCabe
WA092	Spokane/N Newport Highway	9502 North Newport Highway, Spokane, WA 99218	(509) 465-1322	Jeff & Pat Perry
WA116	Spokane/S Grand	1308 South Grand Boulevard, Spokane, WA 99202	(509) 744-9972	Tony & Cathy Longworth
WA115	Spokane/W Northwest Blvd	2418 West Northwest Boulevard, Spokane, WA 99205	(509) 325-2717	Bill & G'Nell DeLack
WA007	Spokane/W Rowan	1624 West Rowan Avenue, Spokane, WA 99205	(509) 328-7272	Rich Lightfoot
WA159	Stanwood/92nd Avenue	26910 92nd Avenue NW, Suite C9, Stanwood, WA 98292	(360) 629-3826	Tom Lovelace
WA184	Sumner/Valley Avenue	1201 Valley Avenue, Suite 107, Sumner, WA 98390	(253) 826-0112	Roger & Donna Dougherty
WA148	Sunnyside/E Lincoln	2695 East Lincoln, Sunnyside, WA 98944	(509) 839-3333	Don Copp
WA150	Tacoma/3833 Pacific	3833 Pacific Avenue, Tacoma, WA 98408	(253) 471-1168	Todd & Kelly Mulvahill
WA118	Tacoma/8225 Pacific	8225 Pacific Avenue, Tacoma, WA 98408	(253) 474-7272	Todd & Kelly Mulvahill
WA083	Tacoma/N Pearl	2315 North Pearl Street, Suite A4, Tacoma, WA 98407	(253) 756-6780	Candace Whiteford
WA138	Tacoma/Union	1201 South Union Avenue, Suite 4, Tacoma, WA 98405	(253) 272-1000	Candace Whiteford
WA180	Toppenish/Chestnut	211 South Chestnut Street, Toppenish, WA 98948	(509) 865-4020	Don Copp
WA167	Tumwater/Trosper	555 Trosper Road, Suite 105, Tumwater, WA 98501	(360) 528-4444	Don Bocksch
WA141	University Place/Bridgeport	3828 Bridgeport Way, University Place, WA 98466	(253) 564-7474	Todd & Kelly Mulvahill
WA042	Vancouver/10917 NE 4th Plain	10917 NE 4th Plain, Vancouver, WA 98662	(360) 892-0633	Jim Lovelace
WA027	Vancouver/14201 SE Mill Plain	14201 SE Mill Plain Boulevard, Vancouver, WA 98684	(360) 254-7099	Jim Lovelace
WA020	Vancouver/2714 E 4th Plain	2714 East Fourth Plain, Vancouver, WA 98661	(360) 694-2535	Jim Lovelace
WA021	Vancouver/6605 E Mill Plain	6605 East Mill Plain Boulevard, Suite E, Vancouver, WA 98661	(360) 695-9733	Jim Lovelace
WA022	Vancouver/NE Highway 99	10501 NE Highway 99, Vancouver, WA 98686	(360) 576-5176	Jim Lovelace
WA181	Vancouver/NE WaRoad Road	8611 NE Ward Road, Suite 113, Vancouver, WA 98682	(360) 567-2661	Jim Lovelace
WA176	Vancouver/SE 192nd	3415 SE 192nd Avenue, Vancouver, WA 98683	(360) 896-0833	Jim Lovelace
WA134	Vancouver/Tenney	800 Tenney Road, Vancouver, WA 98685	(360) 576-9670	Jim Lovelace
WA104	Walla Walla/Isaacs	1707 Isaacs Avenue, Walla Walla, WA 99362	(509) 525-5222	Terry & Sharon Harrison
WA105	Wenatchee/5th Street	212 5th Street, Wenatchee, WA 98801	(509) 664-7272	Richard & Sharon McDonald
WA103	Woodinville/NE Woodinville	14182 NE Woodinville Duvall Road, Woodinville, WA 98072	(425) 485-6695	Mark & Dorothy Klingensmith

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WA187	Woodland/Pacific Avenue	1999 Pacific Avenue, Suite C, Woodland, WA 98674	(360) 225-6427	Tom Lovelace
WA189	Yakima/Summitview	1515 Summitview Avenue, Suite 2, Yakima, WA 98902	(509) 573-9000	Don Copp
WA185	Yakima/Terrace Heights	4040 Terrace Heights Drive, Suite 110, Yakima, WA 98901	(509) 453-4545	Don Copp
WA102	Yakima/Tieton	4900 Tieton Drive, Yakima, WA 98902	(509) 972-0090	Don Copp
WA015	Yakima/W Nob Hill	64 West Nob Hill Boulevard, Yakima, WA 98901	(509) 248-2922	Don Copp
WA162	Yelm/Yelm Avenue E	1201 Yelm Avenue East, Suite 200, Yelm, WA 98597	(360) 400-0999	Don Bocksch
<b>WISCONSIN</b>				
WI015	Appleton/E Calumet	2700 East Calumet Street, Appleton, WI 54915	(920) 739-7676	Dan Brackett
WI004	Appleton/E Northland	420 East Northland Avenue, Appleton, WI 54911	(920) 739-7500	Dan Brackett
WI038	Baraboo/Highway 12	906 Highway 12, Suite 103, Baraboo, WI 53913	(608) 356-7282	Joel Meyer
WI058	Beaver Dam/Frances	106 Frances Lane, Beaver Dam, WI 53916	(920) 887-7700	Jack & Debra Truesdell
WI037	Beloit/Milwaukee Road	2787 Milwaukee Road, Beloit, WI 53511	(608) 362-2253	Jim Agate
WI092	Brookfield/Calhoun Road	2205 North Calhoun Road, Suite 11, Brookfield, WI 53005	(262) 786-7272	Terri & Marvin Wagner
WI079	Burlington/Teut Road	1448 South Teut Road, Burlington, WI 53105	(262) 767-7272	Deborah Homan
WI051	Chippewa Falls/Prairie	337 East Prairie View Road, Chippewa Falls, WI 54729	(715) 738-1165	Larry & Kathy Hodge
WI032	De Pere/Main	1025 Main Avenue, De Pere, WI 54115	(920) 336-7272	Bret & Krista Crosby
WI060	De Pere/Swan	565 Swan Road, De Pere, WI 54115	(920) 330-0202	Bret & Krista Crosby
WI074	Delavan/Geneva Street	1741 East Geneva Street, Suite 400, Delavan, WI 53115	(262) 740-7200	Scott & Patricia Cashion
WI003	Eau Claire/Bracket	2123 Bracket Avenue, Eau Claire, WI 54701	(715) 835-3009	Larry & Kathy Hodge
WI031	Fitchburg/Cahill Main	2980 Cahill Main, Suite 109, Fitchburg, WI 53711	(608) 268-4444	Joel Meyer
WI085	Fond Du Lac/Main Street	186 North Main Street, Fond Du Lac, WI 54935	(920) 906-5050	Jeff & Kristen Passow
WI045	Franklin/S 27th Street	6509 South 27th Street, Franklin, WI 53132	(414) 761-7272	Mike Niver
WI059	Ft. Atkinson/Madison	1513 Madison Avenue, Fort Atkinson, WI 53538	(920) 563-7272	Ryan Strohm
WI042	Grafton/Wisconsin	1965 Wisconsin Avenue, Suite 102, Grafton, WI 53024	(262) 377-5585	Benjamin Henneberry
WI035	Green Bay/Main	2235 Main Street, Green Bay, WI 54302	(920) 465-7272	Bret & Krista Crosby
WI010	Green Bay/W Mason	1487 West Mason, Green Bay, WI 54303	(920) 497-0202	Bret & Krista Crosby
WI046	Hales Corners/S 108th	5770 South 108th Street, Hales Corners, WI 53130	(414) 425-2222	Ryan Strohm
WI081	Hartford/Sumner Street	1595 East Sumner Street, Suite 102, Hartford, WI 53027	(262) 397-8600	Jeff & Kristen Passow
WI087	Hartland/Village Square	3138 Village Square Drive, Hartland, WI 53029	(262) 369-5700	Matthew & Christine Dawson
WI077	Howard/Lineville	2300 Lineville Road, Suite 105, Howard, WI 54313	(920) 434-7272	Bret & Krista Crosby
WI024	Hudson/Carmichael	109 Carmichael Road, Hudson, WI 54016	(715) 377-1111	Kevin Knoop

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WI050	Janesville/Humes Road	2261 Humes Road, Janesville, WI 53545	(608) 743-2800	Ryan Strohm
WI072	Janesville/W Court Street	2200 West Court Street, Janesville, WI 53548	(608) 314-8730	Scott & Elise Blasing
WI080	Kenosha/18th Street	2324 18th Street, Kenosha, WI 53140	(262) 551-7200	Deborah Homan
WI084	Kimberly/Washington Street	237 North Washington Street, Kimberly, WI 54136	(920) 788-9200	Dan Brackett
WI011	La Crosse/Jackson	1820 Jackson Street, La Crosse, WI 54601	(608) 793-1000	Lisa & Kirk Thomas
WI008	Madison/Cottage Grove	4664 Cottage Grove Road, Madison, WI 53716	(608) 222-0600	Scott & Elise Blasing
WI094	Madison/Raymond	6718 Raymond Road, Madison, WI 53719	(608) 442-7272	Joel Meyer
WI005	Manitowoc/S 30th Street	1100 South 30th Street, Manitowoc, WI 54220	(920) 686-1599	Larry Hudson
WI089	Marinette/Marinette Avenue	1607 Marinette Avenue, Suite B, Marinette, WI 54143	(715) 330-5424	Dale & Matthew Behnke
WI021	Menomonee Falls/Cnty Ln Road	N 95 W18391 County Line Road, Menomonee Falls, WI 53051	(262) 250-1700	Shawn Kreilkamp
WI091	Menomonee Falls/Pilgrim	W156N5530 Pilgrim Road, Suite C, Menomonee Falls, WI 53051	(262) 252-7272	Jeff & Kristen Passow
WI012	Menomonie/9th Street	1506 9th Street, Menomonie, WI 54751	(715) 233-1380	Larry & Kathy Hodge
WI090	Mequon/West Mequon	1330 West Mequon Road, Mequon, WI 53092	(262) 241-5700	Carla Schmit
WI006	Middleton/N Gammon	1015 North Gammon Road, Middleton, WI 53562	(608) 824-0600	Joel Meyer
WI075	Milwaukee/S 60th Street	3027 South 60th Street, Milwaukee, WI 53219	(414) 327-8750	Mike Niver
WI095	Minocqua/Plaza	9832 Plaza Drive, Suite 7, Minocqua, WI 54548	(715) 358-5678	James Ravnkar
WI065	Monona/E Broadway	115 East Broadway, Monona, WI 53716	(608) 663-9655	Scott & Elise Blasing
WI064	Monroe/8th Street	122 8th Street, Monroe, WI 53566	(608) 325-7272	Joel Meyer
WI067	Mukwonago/E Wolf Run Wal-Mart	250 East Wolf Run, Mukwonago, WI 53149	(262) 363-7600	Matthew & Christine Dawson
WI043	Muskego/Janesville	S74W17025 Janesville Road, Muskego, WI 53150	(414) 422-9957	Kevin Bickett
WI033	Neenah/Winneconne	808 Winneconne Avenue, Neenah, WI 54956	(920) 720-7500	Dan Brackett
WI013	New Berlin/S Moorland	3830 South Moorland Avenue, New Berlin, WI 53151	(262) 787-0577	Kevin Bickett
WI070	New Richmond/W Richmond Wal-Mart	250 West Richmond Way, New Richmond, WI 54017	(715) 246-9760	Terrance Tarras
WI036	Oconomowoc/Wisconsin	528 East Wisconsin Avenue, Oconomowoc, WI 53066	(262) 560-0800	Matthew & Christine Dawson
WI001	Onalaska/Crossing Meadow	1220 Crossing Meadows Drive, Onalaska, WI 54650	(608) 779-5505	Lisa & Kirk Thomas
WI086	Oshkosh/Murdock Avenue	220 West Murdock Avenue, Suite 3, Oshkosh, WI 54901	(920) 233-5656	Jeff & Kim Gropp
WI016	Oshkosh/Westowne	2314 Westowne Avenue, Oshkosh, WI 54904	(920) 233-7272	Jeff & Kim Gropp
WI040	Pewaukee/Silvernail Road	2177 Silvernail Road, Pewaukee, WI 53072	(262) 650-0600	Benjamin Henneberry
WI069	Platteville/McGregor	160 McGregor Plaza, Platteville, WI 53818	(608) 348-5959	Mary, Paula & Brent Sheckler
WI068	Plymouth/N Highland	58 North Highland Avenue, Plymouth, WI 53073	(920) 893-6900	Edward Detwiler

Store ID	Store Name	Store Address	Telephone	Primary Owner
WI052	Portage/New Pinery Road	2936 New Pinery Road, Portage, WI 53901	(608) 745-4200	Joel Meyer
WI057	Prairie du Chien/Marquette	936 South Marquette Road, Prairie du Chien, WI 53821	(608) 326-1919	Mary, Paula & Brent Sheckler
WI066	Racine/Douglas	5121 Douglas Avenue, Racine, WI 53402	(262) 752-7272	Deborah Homan
WI014	Racine/W Washington	5201 West Washington, Suite F, Racine, WI 53406	(262) 632-7764	Deborah Homan
WI019	Rhineland/Lincoln	2195 Lincoln Street, Rhineland, WI 54501	(715) 362-4550	Larry & Kathy Hodge
WI062	Saukville/E Green Bay	620 East Green Bay Avenue, Saukville, WI 53080	(262) 268-1700	Michael & Renee Schmit
WI020	Sheboygan/Calumet	2229 Calumet Drive, Sheboygan, WI 53083	(920) 208-7050	Edward Detwiler
WI063	St. Croix Falls/Glacier Wal-Mart	2212 Glacier Drive, St. Croix Falls, WI 54024	(715) 483-2882	Terrance Tarras
WI025	St. Francis/S Whitnall	4698 South Whitnall Avenue, St. Francis, WI 53235	(414) 481-7272	Mike Niver
WI002	Stevens Point/Main	3409 Main Street, Stevens Point, WI 54481	(715) 343-0860	Larry & Kathy Hodge
WI048	Stoughton/Jackson	2360A Jackson Street, Stoughton, WI 53589	(608) 873-1111	Scott & Elise Blasing
WI041	Sturgeon Bay/Egg Harbor	1009 Egg Harbor Road, Suite 109A, Sturgeon Bay, WI 54235	(920) 746-9900	Deborah Homan
WI018	Sun Prairie/McCoy	2099 McCoy Road, Sun Prairie, WI 53590	(608) 825-7272	Scott & Elise Blasing
WI028	Superior/Tower	2433 Tower Avenue, Superior, WI 54880	(715) 395-2485	Paul & Jodi Christensen
WI047	Sussex/Main Street	N65W24838 Main Street, Sussex, WI 53089	(262) 246-4949	Shawn Kreilkamp
WI088	Two Rivers/Washington	1803 Washington Street, Suite 102, Two Rivers, WI 54241	(920) 793-4444	Larry Hudson
WI073	Verona/N Edge Trail	1021 North Edge Trail, Verona, WI 53593	(608) 848-7000	Joel Meyer
WI022	Watertown/S Church	632 South Church Street, Watertown, WI 53094	(920) 206-8888	Matthew & Christine Dawson
WI026	Waukesha/E Moreland	2110 East Moreland Boulevard, Waukesha, WI 53186	(262) 513-8700	Benjamin Henneberry
WI076	Waunakee/S Century Avenue	219 South Century Avenue, Waunakee, WI 53597	(608) 850-9135	Joel Meyer
WI078	Wausau/Stewart	1800 Stewart Avenue, Suite 700, Wausau, WI 54401	(715) 843-4000	Larry & Kathy Hodge
WI054	Wauwatosa/W Bluemound	7630 West Bluemound Road, Wauwatosa, WI 53213	(414) 476-7200	Mike Niver
WI034	West Bend/S Main	815 South Main Street, West Bend, WI 53095	(262) 306-0229	Carla Schmit
WI029	Weston/Schofield	2408 Schofield Avenue, Weston, WI 54476	(715) 355-2653	Larry & Kathy Hodge
WI009	Wisconsin Rapids/8th Street S	4551 8th Street South, Wisconsin Rapids, WI 54494	(715) 424-1444	Larry & Kathy Hodge
<b>WYOMING</b>				
WY002	Casper/S Montana	201 South Montana, Casper, WY 82601	(307) 237-7272	Dorian & Julie Fox
WY006	Cheyenne/E Pershing	3201 East Pershing Boulevard, Cheyenne, WY 82001	(307) 634-7676	Carol & Dan Schwartz
WY007	Cody/17th Street	1901 17th Street, Cody, WY 82414	(307) 587-6601	Darrin & Amy Whalen
WY005	Evanston/Front	132 Front Street, Evanston, WY 82930	(307) 789-2299	Roland Park
WY003	Gillette/S Douglas Highway	2126 South Douglas Highway, Gillette, WY 82718	(307) 686-7272	Ted Brewer

Store ID	Store Name	Store Address	Telephone	Primary Owner
WY008	Laramie/Grand Avenue	2111 East Grand Avenue, Laramie, WY 82070	(307) 745-7676	Carol & Dan Schwartz
WY009	Riverton/Federal Boulevard	1010 North Federal Boulevard, Suite B, Riverton, WY 82501	(307) 856-8253	Steven & Michele Johnson
WY010	Rock Springs/Dewar	1571 Dewar Drive, Suite A, Rock Springs, WY 82901	(307) 382-7722	Brady, Vicki, and Lee Hixson
WY004	Sheridan/Coffeen	1115 Coffeen Avenue, Sheridan, WY 82801	(307) 673-7272	Ted Brewer

The following is a list of the name, city and state where the outlet is to be located, telephone number and email address of every franchisee who has a signed Franchise Agreement but has not yet opened an outlet.

City	State	Franchisee	Telephone	Email
Cabot	AR	Edwin Ellem	(501) 286-9120	tedellem@att.net
Harrison	AR	John Straus	(417) 889-7168	jpstraus@sbcglobal.net
Maumelle	AR	Gloria & John Rand	(501) 851-2218	gloria@gloriarandrealty.com
Little Rock	AR	Jerry & Linda Bradley	(501) 225-4644	b.bradley99@comcast.net
Queen Creek	AZ	Matt & Shauna Russell	(509) 860-3234	matt.papamurphy@yahoo.com
Tucson	AZ	Ken Everson, Jr.	(360) 416-0442	azpapamurphy@yahoo.com
Tucson	AZ	Ken Everson, Jr.	(360) 416-0442	azpapamurphy@yahoo.com
Bullhead City	AZ	Bruce & Sue Schneider	(360) 263-6562	papamurphyslakehavasus@hotmail.com
Glendale	AZ	Larry & Linda Bauman	(503) 702-5582	lbauman16@comcast.net
Tucson	AZ	Robin & Steve Williams	(520) 219-3968	Papa.robin@hotmail.com
Scottsdale	AZ	Tiffany Banks	(520)374-2166	tiffanyestelle@msn.com
Mesa	AZ	Ron & Bobbi Mapes	(503) 254-3403	rbpizzas@gmail.com
Linda	CA	Kamal Kahlon	(530)751-2355	kkahlon2002@yahoo.com
Lathrop	CA	John Warren	(209) 986-0004	jpwarren@sbcglobal.net
Stockton	CA	Devinder & Sukhjeavan Dhesi	(530) 682-7991	ddhesi@yahoo.com
Tracy	CA	Rajvans (Harry) Halait	(209) 839-9681	h2sh2@yahoo.com
Sacramento	CA	Amarpreet & Gurdeep Bains	(360) 909-2655	mra2266@yahoo.com
Rio Linda	CA	Greg & Janis Clark	(916)995-6497	gregclark1@msn.com
Sacramento	CA	Nasib Aujla	(916) 727-5125	nasib_aujla@yahoo.com
Longmont	CO	Matt & Joanne Collins	(303) 954-9657	matte@papamurphys.com
Broomfield	CO	Brad & Sandra Carlson	(303)651-7272	pizzaencounters@yahoo.com
Naples	FL	Craig Braun	(239) 393-6312	craigbuilds@aol.com

City	State	Franchisee	Telephone	Email
Jacksonville	FL	Geoffrey & Natale Blackwell	(904) 553-8511	blackwell491@bellsouth.net
Gulf Breeze	FL	Michael McMahon	(850) 454-9359	patric.2125@hotmail.com
Crestview	FL	Michael McMahon	(850) 454-9359	patric.2125@hotmail.com
Burley	ID	Ryan & Ameer Bybee	(208) 308-5555	ryanb.pm@gmail.com
Mount Vernon	IL	Jeff & Lauralynn Cima	(618) 993-8452	cvlions@hotmail.com
Carmel	IN	Joe & Brenda Stevens	(317)535-0786	pmsteve2010@hotmail.com
Overland Park	KS	Richard Moritz	(913) 593-6574	richardmoritz@gmail.com
Louisville	KY	Jerry Best	(502) 412-4281	jerrybest@insightbb.com
Lexington	KY	Chris Mazzoni	(906) 396-1116	cmazz17@yahoo.com
Lexington	KY	Chris Mazzoni	(906) 396-1116	cmazz17@yahoo.com
Georgetown	KY	Chris Mazzoni	(906) 396-1116	cmazz17@yahoo.com
Henderson	KY	Toby & Heather Wolfe	(812) 305-0813	tandhwolfe@wowway.com
Plymouth	MN	Glenn Smith	(612)221-3466	smithwmglenn@yahoo.com
Minnetonka	MN	Jim & Pam Wolfe	(612)743-2242	eflowinc@integraonline.com
Duluth	MN	Paul & Jodi Christensen	(218)940-1484	whopapa@msn.com
West Plains	MO	John Straus	(417) 889-7168	jpstraus@sbcglobal.net
Lebanon	MO	John Straus	(417) 889-7168	jpstraus@sbcglobal.net
W. Springfield	MO	John Straus	(417) 889-7168	jpstraus@sbcglobal.net
Ballwin	MO	Denise & Donald Miller	(636) 399-0002	denisemiller1@sbcglobal.net
Washington	MO	Dave & Heather Hinson	(314) 570-6234	heather.hinson@att.net
Wilmington	NC	Peter & Sandy Werling	(910) 297-6898	pgwerl@hotmail.com
Ashville	NC	Angela Buchanan and Tim Forester	(828) 432-5003	angie@submasters.com
Asheville	NC	Angela Buchanan and Tim Forester	(828) 432-5003	angie@submasters.com
Asheville	NC	Angela Buchanan and Tim Forester	(828) 432-5003	angie@submasters.com
Charlotte	NC	Robin & Jody Bales	(206) 391-7104	papabales@yahoo.com
Las Vegas	NV	Steven & Ilene Rands	(702) 876-1820	stevendrands@gmail.com
North Las Vegas	NV	Michael Carver	(702) 547-5675	lovenorthpole@aol.com
Winnemucca	NV	Greg Munroe	(775) 722-7024	desertdinks@yahoo.com
Portland	OR	Jon & Carol Willie	(503)522-7555	papajonsinc@aol.com
San Antonio	RX	Gerardo (Jerry) Torres	(210) 509-4929	alamoqualitypizza@gmail.com
San Antonio	RX	Gerardo (Jerry) Torres	(210) 509-4929	alamoqualitypizza@gmail.com



City	State	Franchisee	Telephone	Email
Fort Mill	SC	Robin & Jody Bales	(206) 391-7104	papabales@yahoo.com
Ooltewah	TN	Earl (Tom) Thompson	(931) 261-0838	evht3@citolink.net
Plano	TX	John Beck	(214) 244-7304	jbeck@josartim.com
Dallas	TX	John Beck	(214) 244-7304	jbeck@josartim.com
Odessa	TX	Tim & Maria Branagan	(806) 792-2200	tabranagan@yahoo.com
San Antonio	TX	Linda Moad	(210) 705-3088	lmoad@satx.rr.com
Houston	TX	Don & Leah Huff	(281) 213-3410	don.huff@ymail.com
Schertz	TX	Jason & Robyn Ragsdale	(830) 626-3799	rragsdale1@satx.rr.com
Plano	TX	Timothy & Christine Hogan	(972) 310-2480	forgedventures@hotmail.com
Longview	TX	Eugene & Denise Hill	(903) 738-7441	genehill@suddenlink.net
Katy	TX	Don & Leah Huff	(281) 213-3410	don.huff@ymail.com
Humble	TX	"Toby" May & Marla May	(281) 852-7144	itmay3@yahoo.com
Spring	TX	Tiffany & Walter Cervin	(281) 660-8724	tcervin@yahoo.com
Houston	TX	Tiffany & Walter Cervin	(281) 660-8724	tcervin@yahoo.com
Kingwood	TX	Tiffany & Walter Cervin	(281) 660-8724	tcervin@yahoo.com
Fort Worth	TX	Alan & Denise Barnett	(817) 427-3512	lmppapa@att.net
Cypress	TX	Jason Marlar	(713) 471-1236	jason.marlar77@gmail.com
Cypress	TX	Jason Marlar	(713) 471-1236	jason.marlar77@gmail.com
Houston	TX	Trent & Elizabeth Thomas	(281) 346-0212	tthomas728@aol.com
Sugar Land	TX	Trent & Elizabeth Thomas	(281) 346-0212	tthomas728@aol.com
Burleson	TX	Mike & Sharron Mabry and Gina Bodnar	(817) 295-1055	mabryventure@att.net
Farmington	UT	Travis Theall	(801) 643-7047	theallevans@hotmail.com
Sandy	UT	Jared McDougal	(801) 597-0809	justbakeit@hotmail.com
Oak Creek	WI	Greg & Lynette Oman	(414) 425-0187	greg_oman@att.net
River Falls	WI	Kevin Knoop	(651) 308-5572	k2home@hotmail.com
Milwaukee	WI	Shan & Rashelle Mason	(414) 807-4222	shanmason@wi.rr.com

The following is a list of the name and last known home or business address and telephone number of every franchisee who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during fiscal year 2011 or who has not communicated with us within ten weeks of the date of this Disclosure Document:

Store ID	Store Name	Address	Telephone	Franchisee	Terminated
AR019	Bryant/Reynolds	3121 N Reynolds, Bryant, AR 72022	(501) 626-0009	Jeff Francis	12/16/11
AZ030	Tucson/Valencia	1710 W Valencia Road, Suite 160, Tucson, AZ 85746	(520) 624-7350	Erik Mazur	03/20/11
CA125	Santa Maria	2316 South Broadway, Santa Maria, CA 93454	(805) 929-6626	Blair & Judy Naber	02/09/11
CA180	Lemoore/Lemoore	1060 North Lemoore Avenue. Lemoore, CA 93245	-	Al Currier	08/08/11
IA045	Keokuk/Main Street	1121 Main Street, Keokuk, IA 52632	(641) 919-9075	David Granneman	06/13/11
IL027	Machesney Park/W Lane Rd	1558 West Lane Road, Machesney Park, IL 61115	-	Arch Smith	05/15/11
IN011	Indianapolis/E 79th St	9850 East 79th Street, Indianapolis, IN 46256	(317) 416-7272	Todd Gritten	03/20/11
IN057	Greensburg/Freeland	405 E. Freeland Road, Greensburg, IN 47240	(317)535-0786	Joe & Brenda Stevens	02/21/11
KY014	Crescent Springs/Clock Twr Wy	590 Clock Tower Way, Crescent Springs, KY 41017	(859) 431-8410	Bradley & Tonya Jones	08/02/11
MO007	Lees Summit	809 NE Woods Chapel Road, Lees Summit, MO 64064	(816)536-7272	Joseph & Monica Bushaw	09/12/11
MO010	Kansas City/N Oak Tfwy	10215 North Oak Trafficway, Kansas City, MO 64155	(816) 746-4010	Adam Baker	03/03/11
MO022	Liberty	820 South 291 Highway, Liberty, MO 64068	(816) 746-4010	Adam Baker	03/23/11
MO030	Columbia/Grindstone	1305 Grindstone Parkway, Suite 109, Columbia, MO 65201	(573)636-7360	David & Jeanne Burgess	06/04/11
NC008	Durham/West NC Hwy 54	1125 West NC Hwy 54, Suite 805, Durham, NC 27707	(919) 412-2930	Kim Earnhardt	07/16/11
NC021	Charlotte/Rea	9815 Rea Road., Suite G, Charlotte, NC 28277	(651)365-0430	Kip & Debbie Kilen	07/08/11
OH035	Marysville/Colemans Cr	425 Colemans Crossing Boulevard, Marysville, OH 43040	(715)441-9434	Thomas & Susan Gray	12/18/11
OH051	Marion/McMahan	138 McMahan, Marion, OH 43302	(715)441-9434	Thomas & Susan Gray	12/11/11
OK005	Oklahoma City/ Penn Place	9230 North Pennsylvania Place, Oklahoma City, OK 73120	(701) 324-4061	Kathy & Michael Flach	09/23/11
TX024	Bonham/N Hwy 121	2007 North Highway 121, Bonham, TX 75418	(903) 784-2051	Matt & Cindy Terry	08/27/11
TX092	San Benito	408 S Sam Houston Blvd, Suite 102, San Benito, TX 78586	(956) 465-6067	Raul Torres	10/03/11
AZ046	Outlet not opened	Tucson, AZ	(520) 529-2730	Anthony Moore	07/19/11
AZ060	Outlet not opened	Glendale, AZ	(253) 495-7677	Michael Gould	10/20/11
AZ061	Outlet not opened	Fountain Hills, AZ	(480) 837-2799	Charles Hutton	11/08/11
CA259	Outlet not opened	Stockton, CA	(916) 434-8381	Doug & Mary Vona	03/30/11
CO088	Outlet not opened	Evergreen, CO	(303) 471-4251	Scott & Cindy Trude	07/03/11
FL013	Outlet not opened	Ft. Myers, FL	(239) 393-6312	Craig Braun	07/12/11
FL014	Outlet not opened	Ft. Myers, FL	(239) 393-6312	Craig Braun	07/12/11

Store ID	Store Name	Address	Telephone	Franchisee	Terminated
FL015	Outlet not opened	Naples, FL	(239) 393-6312	Craig Braun	07/12/11
KS042	Outlet not opened	Mission, KS	(913) 687-8607	Matthew Sterling	02/21/11
MN095	Outlet not opened	White Bear Lake, MN	(651) 762-7832	John & Ann Gutteter	03/07/11
NC020	Outlet not opened	Monroe, NC	(651) 365-0430	Kip & Debbie Kilen	07/12/11
NC022	Outlet not opened	Charlotte, NC	(651) 365-0430	Kip & Debbie Kilen	07/12/11
NC023	Outlet not opened	Hutersville, NC	(651) 365-0430	Kip & Debbie Kilen	07/12/11
NC024	Outlet not opened	Mooresville, NC	(651) 365-0430	Kip & Debbie Kilen	07/12/11
OK016	Outlet not opened	Claremore, OK	(918) 376-2604	Steve & Gina Grinter	03/23/11
TX079	Outlet not opened	Flower Mound, TX	(360) 833-0759	Tom Carman	03/16/11
TX080	Outlet not opened	Flower Mound, TX	(360) 833-0759	Tom Carman	03/16/11
TX102	Outlet not opened	Rowlett, TX	(225) 235-9037	Terry & Joyce Kung	02/15/11
TX114	Outlet not opened	Beaumont, TX	(225) 938-3038	Sandra Anderson	03/28/11
TX115	Outlet not opened	Rowlett, TX	(214) 385-0492	James Petrie	03/29/11
TX120	Outlet not opened	Highland Village, TX	(541) 643-2799	Ken & Joan Stull	07/29/11
TX158	Outlet not opened	Dallas, TX	(214) 515-0661	Julio & Becky Rose-Castaner	05/09/11
WI093	Outlet not opened	Glendale, WI	(262) 334-1694	Jeffery & Kristen Passow	02/15/11

The following is a list of the name and last known home or business address and telephone number of every franchisee who has transferred a store during fiscal year 2011:

Store ID	Store Name	Address	Telephone	Franchisee	Transferred
AK003	Juneau/Mendenhall Mall Rd	9108 Mendenhall Mall Road, Juneau, AK 99801	907-355-5079	Russ McDonald	01/01/12
AK005	Anchorage/Abbott	2286 Abbott Road, Anchorage, AK 99507	907-355-5079	Russ McDonald	09/01/11
CA118	Sacto/Rush River	7485 Rush River Drive, Sacramento, CA 95831	916-247-5288	Sandeep & Kirpal Chatha	02/22/11
CA128	Hanford/11th Ave	375 North 11th Avenue, Hanford, CA 93230	559-583-8448	David Andrew	03/31/11
CA143	Sacto/Gerber	8118 Gerber Road, Sacramento, CA 95828	916-923-0744	Dilvinder & Manvinder Samra	09/27/11
CA146	Alamo/Danville	3000 Danville Blvd, Alamo, CA 94507	925-254-6438	Paul Wong	11/15/11
CO076	Loveland/Eisenhower	986 E Eisenhower Blvd, Loveland, CO 80537	970-231-2048	John & Leslee Sobraske	11/22/11
IN041	Marion/S Western	3101 South Western Avenue, Marion, IN 46953	765-748-1036	Blaine & Janet Ellis	08/15/11
MN045	Long Lake/W Wayzata Blvd	2073 West Wayzata Blvd, Long Lake, MN 55356	952-368-7225	Tom & Carrie Christensen	11/29/11
MN052	Bemidji/Paul Bunyan Drive	512 Paul Bunyan Drive NW, Bemidji, MN 56601	218-766-3033	Edward Detwiler	12/13/11

Store ID	Store Name	Address	Telephone	Franchisee	Transferred
MN057	Spring Park/Shoreline Drive	4677 Shoreline Drive, Spring Park, MN 55384	952-368-7225	Tom & Carrie Christensen	11/29/11
MN069	Waconia/Oak	1309 Oak Avenue, Suite 118, Waconia, MN 55387	952-368-7225	Tom & Carrie Christensen	11/29/11
MN071	Arden Hills/Lexington	3781 Lexington Avenue North, Arden Hills, MN 55126	651-351-0779	Jeff & Barbara Jezorski	11/29/11
MN094	North Oaks/Village Center	119 Village Center Drive, Suite B, North Oaks, MN 55127	651-351-0779	Jeff & Barbara Jezorski	11/29/11
MO006	Blue Springs/SE 7th St	2406 SE 7th Street, Blue Springs, MO 64014	816-719-7689	Charles & Elizabeth Neff	09/27/11
MO008	Kansas City/Chouteau	4319 North Chouteau Trafficway, Kansas City, MO 64117	816-719-7689	Charles & Elizabeth Neff	09/27/11
MO013	Independence/Dakota	824 North Dakota Drive, Independence, MO 64056	816-719-7689	Charles & Elizabeth Neff	09/27/11
MO035	Blue Springs/N 7 Highway	2118 North 7 Highway, Blue Springs, MO 64014	816-719-7689	Charles & Elizabeth Neff	09/27/11
NE006	Lincoln/Old Cheney Rd	3900 Old Cheney Road, Lincoln, NE 68516	707-845-4420	Larry & Kathy Hodge	10/04/11
NE026	Lincoln/Cornhusker	2662 Cornhusker Highway, Suite 7C, Lincoln, NE 68521	707-845-4420	Larry & Kathy Hodge	10/04/11
OK013	Midwest City/N. Douglas	101 N. Douglas Blvd, Suite Z, Midwest City, OK 73130	405-703-0871	Dennis, Vicki & Warren Peterson	04/05/11
OR114	Dallas/Ellendale	244 East Ellendale Avenue, Dallas, OR 97338	503-807-3471	Chris Copp	03/22/11
OR122	Monmouth/Clay St	609 Clay Street East, Monmouth, OR 97361	503-807-3471	Chris Copp	03/22/11
TX004	Frisco/Legacy	4150 Legacy Drive, Frisco, TX 75034	831-234-0373	Thomas D. Dickson	07/19/11
TX027	Cedar Hill/Uptown Blvd	642 Uptown Boulevard, Cedar Hill, TX 75104	214-206-7760	Tim & Michell Anglemyer	11/15/11
TX044	Midland/Briarwood Ave	4416 Briarwood Avenue, Midland, TX 79707	432-689-3633	Paul & Adrienne Valencia	03/22/11
TX047	San Antonio/Culebra	10650 Culebra Rd, Suite 130, San Antonio, TX 78251	214-213-9037	Rip Patel	03/15/11
TX053	San Antonio/Bandera Rd	11600 Bandera Road #116, San Antonio, TX 78250	214-213-9037	Rip Patel	03/15/11
TX060	Greenville/Wesley St	8110 Wesley Street, Suite 170, Greenville, TX 75402	903-491-6625	Matt & Cindy Terry	07/05/11
TX070	San Antonio/De Zavala	5238 De Zavala Road, San Antonio, TX 78249	210-509-4929	Jerry Torres	01/18/11
TX083	Carrollton/Rosemeade	1000 W Rosemeade Pkwy, Suite 120, Carrollton, TX 75007	360-687-8847	Scott Mukensnabl	08/02/11
UT008	South Ogden/36th St	323 36th Street, South Ogden, UT 84405	801-232-3787	Kyle McPhee	03/22/11
UT026	Cottonwood Heights/E 70th	1933 East 70th South, Cottonwood Heights, UT 84121	801-523-8247	Tim & Kathy Robison	03/15/11
UT047	Highland/5435 W 11000 North	5435 W 11000 North, Suite 13, Highland, UT 84003	801-597-0248	Vaughn & Jared McDougal	03/15/11
WI046	Hales Corners/S 108th	5770 South 108th Street, Hales Corner, WI 53130	414-333-2169	Mike Niver	04/26/11
WI074	Delavan/E Geneva St	1741 East Geneva Street, Delavan, WI 53115	920-723-9372	Ryan Strohm	07/26/11
WI081	Hartford/Sumner St	1595 E Sumner Street, Suite 102, Hartford, WI 53027	920-723-9372	Ryan Strohm	01/04/11
WI085	Fond du Lac/N Main St	186 North Main Street, Fond du Lac, WI 54935	218-766-3033	Edward Detwiler	11/22/11
WI095	Minocqua/Plaza	9832 Plaza Drive, Suite 7, Minocqua, WI 54548	218-766-3033	Edward Detwiler	12/13/11

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT C**

**FINANCIAL STATEMENTS**

Report of Independent Auditors and  
Consolidated Financial Statements  
(with supplemental schedule) for

**Papa Murphy's Holdings, Inc.  
and Subsidiaries**

January 2, 2012 and January 3, 2011

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**REPORT OF INDEPENDENT AUDITORS**

To the Shareholders  
Papa Murphy's Holdings, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Papa Murphy's Holdings, Inc. (a Delaware corporation) and Subsidiaries (the Company) as of January 2, 2012 and January 3, 2011 and the related statements of operations, comprehensive income (loss), shareholder's equity, and cash flows for the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Papa Murphy's Holdings, Inc. and Subsidiaries as of January 2, 2012 and January 3, 2011 and the results of their operations and cash flows for the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedule on page 35 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

MOSS ADAMS LLP

Portland, Oregon  
March 19, 2012



**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

	<u>52 Week Period Ended January 2, 2012</u>	<u>35 Week Period Ended January 3, 2011</u>
<b>REVENUES</b>		
Franchise royalties	\$ 33,687,223	\$ 20,481,638
Franchise and development fees	2,398,101	2,029,436
Company-owned restaurant sales	15,618,852	9,222,903
Lease income	<u>217,779</u>	<u>152,196</u>
Total revenue	51,921,955	31,886,173
<b>COSTS AND EXPENSES</b>		
Restaurant expenses		
Cost of food and packaging	6,087,726	3,475,831
Compensation and benefits	4,710,476	2,971,735
Advertising and related costs	1,514,373	922,213
Occupancy	1,101,843	863,095
Other operating expenses	<u>1,748,917</u>	<u>1,026,662</u>
Total company-owned restaurant expenses	15,163,335	9,259,536
Selling, general, and administrative	17,964,191	10,475,171
Transition and restructuring costs	1,821,362	-
Depreciation and amortization	5,820,574	3,599,211
Accretion of long-term liabilities	37,082	43,413
Gain on settlement of liabilities	(58,192)	(33,230)
Loss on disposal of property and equipment	<u>262,729</u>	<u>119,326</u>
Total costs and expenses	<u>41,011,081</u>	<u>23,463,427</u>
Operating income	<u>10,910,874</u>	<u>8,422,746</u>
Interest expense	10,410,204	7,372,294
Interest income	(183,079)	(180,211)
Other expense	<u>100,028</u>	<u>1,977</u>
<b>INCOME BEFORE (PROVISION FOR) BENEFIT FROM INCOME TAXES</b>		
	583,721	1,228,686
(Provision for) benefit from income taxes	<u>(589,093)</u>	<u>356,960</u>
<b>NET INCOME (LOSS)</b>	<u>(5,372)</u>	<u>1,585,646</u>
Foreign currency translation adjustment (loss) gain	<u>(26,611)</u>	<u>24,758</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<u>\$ (31,983)</u>	<u>\$ 1,610,404</u>

See accompanying notes.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

ASSETS		
	January 2, 2012	January 3, 2011
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,838,555	\$ 4,729,128
Restricted cash	-	6,928,070
Trade receivables, net	1,165,222	1,079,328
Income tax receivable	105,717	-
Other receivables	1,032,196	1,178,653
Inventories	257,541	208,524
Prepaid expenses and other current assets	1,101,966	1,162,884
Current deferred tax asset	1,146,477	1,725,004
	<u>9,647,674</u>	<u>17,011,591</u>
Property and equipment, net	9,169,158	7,661,985
Notes receivable, net	1,377,902	1,903,830
Goodwill	85,976,167	81,949,289
Intangible assets, net	142,120,794	145,342,663
Other assets	104,925	52,376
	<u>248,396,620</u>	<u>253,921,734</u>
<b>TOTAL ASSETS</b>	<b>\$ 248,396,620</b>	<b>\$ 253,921,734</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 2,500,619	\$ 2,001,162
Accrued compensation and related costs	2,925,259	481,620
Other accrued expenses	3,147,590	2,373,282
Franchise system funds	1,220,925	1,653,404
Unearned franchise and development fees	1,213,440	1,645,367
Income taxes payable	-	74,526
Deferred consideration payable	-	6,928,070
Current portion of long-term debt	675,078	2,517,917
	<u>11,682,911</u>	<u>17,675,348</u>
Total current liabilities	<u>11,682,911</u>	<u>17,675,348</u>
Long-term debt, net of current portion	89,551,382	90,080,083
Unearned franchise and development fees	1,239,764	890,261
Deferred tax liability	41,151,853	41,282,004
Other long-term liabilities	1,701,054	812,933
	<u>145,326,964</u>	<u>150,740,629</u>
Total liabilities	<u>145,326,964</u>	<u>150,740,629</u>
<b>SHAREHOLDERS' EQUITY</b>		
Cumulative redeemable participating preferred stock, \$36.6823 share price; liquidation preference equals stated value	115,706,080	108,555,687
Common stock, \$0.01 par value	19,044	18,984
Additional paid-in capital	884,880	808,512
Stock subscription receivable	(547,949)	-
Accumulated other comprehensive income (loss)	(1,853)	24,758
Accumulated deficit	(12,990,546)	(6,226,836)
	<u>103,069,656</u>	<u>103,181,105</u>
Total shareholders' equity	<u>103,069,656</u>	<u>103,181,105</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 248,396,620</b>	<b>\$ 253,921,734</b>

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**

	Cumulative Redeemable Preferred Stock		Common Stock		Additional Paid-in Capital	Stock Subscription Receivable	Accumulated Deficit**	Accumulated Other Comprehensive Income (loss)	Total
	Shares	Amount	Shares	Amount					
BALANCE, May 5, 2010	2,844,498	\$ 104,342,745	1,849,752	\$ 18,498	\$ 787,809	\$ -	\$ -	\$ 101,576,596	
Common stock awards	-	-	54,000	540	22,999	-	-	23,539	
Common stock repurchases	-	-	(5,392)	(54)	(2,296)	-	-	(2,350)	
Preferred stock redemptions	(711)	(27,084)	-	-	-	-	-	(27,084)	
Accretion of preferred stock dividends	-	4,240,026	-	-	-	-	(4,240,026)	-	
Net income	-	-	-	-	-	-	1,585,646	1,585,646	
Adjustment for foreign currency translation	-	-	-	-	-	-	24,758	24,758	
BALANCE, January 3, 2011	2,843,787	108,555,687	1,898,360	18,984	808,512	-	(6,226,836)	103,181,105	
Common stock awards	-	-	142,438	1,424	68,935	-	-	70,359	
Common stock repurchases	-	-	(136,353)	(1,364)	(58,073)	-	(54,924)	(114,361)	
Preferred stock issuances	18,959	695,460	-	-	-	-	-	695,460	
Preferred stock redemptions	(7,580)	(295,177)	-	-	-	-	-	(295,177)	
Note receivable issued to fund the purchase of stock	-	-	-	-	-	(547,949)	-	(547,949)	
Stock based compensation expense	-	46,696	-	-	65,506	-	-	112,202	
Accretion of preferred stock dividends	-	6,703,414	-	-	-	-	(6,703,414)	-	
Net loss	-	-	-	-	-	-	(5,372)	(5,372)	
Adjustment for foreign currency translation	-	-	-	-	-	-	(26,611)	(26,611)	
BALANCE, January 2, 2012	2,855,166	\$ 115,706,080	1,904,445	\$ 19,044	\$ 884,880	\$ (547,949)	\$ (1,853)	\$ 103,069,656	

\*\* The balance as of May 5, 2010 represents acquisition transaction costs expensed as incurred, prior to May 5, 2010 acquisition date (see Note 1).

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

	52 Week Period Ended <u>January 2, 2012</u>	35 Week Period Ended <u>January 3, 2011</u>
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (5,372)	\$ 1,585,646
Adjustments to reconcile net income (loss) to net cash		
Depreciation and amortization	5,820,574	3,599,211
Loss on disposal of property and equipment	262,729	119,326
Accretion of long-term liabilities	37,082	43,413
Gain on settlement of liabilities	(58,192)	(33,230)
Bad debt expense	26,000	36,496
Interest rate cap financing derivatives	117,169	157,972
Stock incentive awards	112,202	-
Amortization of deferred finance charges	829,696	505,402
Change in operating assets and liabilities		
Trade and other receivables	42,172	(430,170)
Inventories	50,065	(13,773)
Prepaid expenses and other current assets	138,924	(395,699)
Unearned franchise and development fees	(81,859)	(488,060)
Accounts payable	500,000	1,112,197
Accrued expenses	2,443,639	(376,256)
Other assets and liabilities	1,240,521	451,597
Deferred taxes	448,376	(282,660)
Net cash from operating activities	<u>11,923,726</u>	<u>5,591,412</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(2,192,635)	(2,396,164)
Acquisition of restaurants, less cash acquired	(7,176,943)	(767,000)
Proceeds from sales of property and equipment	34,507	150,896
Issuance of notes receivable	(89,000)	-
Payments received on notes receivable	589,803	1,570,525
Loan fees incurred	-	(32,202)
Payment of deferred consideration	(7,347,388)	-
Other investing activities	-	(554,738)
Net cash from investing activities	<u>(16,181,656)</u>	<u>(2,028,683)</u>

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

	52 Week Period Ended <u>January 2, 2012</u>	35 Week Period Ended <u>January 3, 2011</u>
<b>FINANCING ACTIVITIES</b>		
Payments on long-term debt	\$ (6,721,540)	\$ (1,152,000)
Payments on equity bridge line	-	(24,000,000)
Advances on revolver	6,000,000	-
Payments on revolver	(1,650,000)	-
Collection of equity subscription receivables	-	16,781,749
Sale of preferred stock	81,995	-
Sale of common stock	135,875	23,539
Redemptions of common stock	(114,361)	(2,350)
Redemptions of preferred stock	(295,177)	(27,084)
	<u>(2,563,208)</u>	<u>(8,376,146)</u>
Net cash from financing activities		
Effect of exchange rate fluctuations on cash	<u>2,495</u>	<u>3,045</u>
Net decrease in cash	(6,818,643)	(4,810,372)
CASH AND CASH EQUIVALENTS, beginning of period	<u>11,657,198</u>	<u>16,467,570</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 4,838,555</u>	<u>\$ 11,657,198</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the period for interest	<u>\$ 9,699,209</u>	<u>\$ 6,708,920</u>
Cash paid during the period for income taxes	<u>\$ 173,168</u>	<u>\$ 110,102</u>
<b>NONCASH SUPPLEMENTAL DISCLOSURES OF INVESTING AND FINANCING ACTIVITIES</b>		
Preferred dividends accreted, not yet paid	<u>\$ 6,686,288</u>	<u>\$ 4,239,023</u>
Issuance of subscription receivable for preferred and common stock	<u>\$ 547,949</u>	<u>\$ -</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH PAID FOR THE ACQUISITION OF RESTAURANTS, LESS CASH ACQUIRED</b>		
Inventories	\$ 99,082	\$ -
Prepaid expenses and other current assets	179,687	-
Property and equipment	1,731,174	319,000
Intangible assets	1,140,122	45,000
Goodwill	4,026,878	403,000
	<u>\$ 7,176,943</u>	<u>\$ 767,000</u>
Net assets acquired		

See accompanying notes.

## PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 1 – Description of Business and Organization

**Description of business** – Papa Murphy's Holdings, Inc., together with its Subsidiaries (the Company), licenses the right to operate "Take and Bake" pizza franchises and to use the Papa Murphy's trademarks, trade names, program and systems and provides training for franchisees. As of January 2, 2012, the Company had 1,301 restaurants: 1,232 domestic franchised restaurants, 51 company-owned domestic restaurants, and 18 franchised restaurants in Canada. The Company's operations are currently located in 37 states and two Canadian provinces.

Substantially all revenues are derived from retail sales of pizza and other food and beverage products to the general public by Company-owned restaurants, franchise royalties, and the sale of franchise and development rights.

**Organization** – Effective May 5, 2010 (acquisition date), the Company, through its newly formed wholly-owned subsidiary Papa Murphy's Merger Co., acquired 100% of the outstanding stock of PMI Holdings, Inc. Following the acquisition, PMI Holdings continued as the surviving entity. The purpose of the acquisition was to recapitalize the Company and to provide an exit strategy for the previous owners. The acquisition date fair value of the total consideration transferred was \$158,680,486, which consisted of the following:

	Consideration Transferred to Prior Owners
Cash	\$ 145,903,065
Common and preferred equity interests	5,177,421
Deferred consideration	7,600,000
	<u>\$ 158,680,486</u>

Common and preferred equity interests were issued to members of management in lieu of cash. The deferred consideration related to \$7,600,000 in cash the Company deposited in an escrow account with an independent paying agent pursuant to the terms of the Agreement and Plan of Merger, which amount was equal to the aggregate amount payable to the former PMI Holdings, Inc. stockholders one year from the acquisition date, net of any amounts payable under the Agreement and Plan of Merger. On May 12, 2011 deferred consideration of \$7,347,388 was paid to all former PMI Holdings, Inc. stockholders.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1 - Description of Business and Organization (continued)**

The funding of the consideration transferred to the prior owners was through the issuance of new debt and third-party capital contributions. Simultaneous to the transaction, the Company refinanced \$30,877,912 in term debt. Debt and equity issuances for the consideration transferred and refinancing were as follows:

Preferred & common equity interest (see Note 12)	\$ 105,149,053
Senior secured term loan (see Note 8)	73,600,000
Senior secured revolving credit facility (see Note 8)	1,750,000
Senior subordinated note (see Note 8)	18,400,000
Equity bridge line (see Note 8)	<u>24,000,000</u>
Equity and debt issuances	222,899,053
Less cash, subscription and notes receivable contributed to the Company at its formation (see Notes 1 and 7)	24,750,000
Less capitalized loan fees (see Note 6 and 8)	5,018,199
Less transaction costs expensed as incurred	3,572,456
Less refinanced term debt	<u>30,877,912</u>
Net transaction funding	<u><u>\$ 158,680,486</u></u>

The transaction was accounted for as a business combination in accordance with generally accepted accounting principles (GAAP), which requires the basis of the assets acquired and liabilities assumed to be recorded at their respective fair values at the acquisition date with certain exceptions. The fair value determination of assets and liabilities recorded are those of management. For the valuation of fixed and intangible assets, management utilized the services of independent appraisers to assist them in determining fair value.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1 – Description of Business and Organization (continued)**

The following summarizes the estimated fair values of the assets acquired and liabilities assumed at the acquisition date:

Cash and cash equivalents	\$ 1,649,320
Trade receivables	916,177
Other receivables	921,109
Inventories	203,116
Prepaid expenses and other current assets	642,656
Deferred tax asset	1,372,567
Fixed assets	6,494,337
Notes receivable	2,456,414
Intangible assets	143,055,200
Other assets	<u>51,872</u>
<b>Total identifiable assets</b>	<b>157,762,768</b>
Accounts payable	888,814
Accrued compensations and related costs	857,877
Other accrued expenses	1,237,510
Franchise system funds	1,852,468
Unearned franchise and development fees	3,022,980
Income taxes payable	141,966
Deferred tax liability	41,212,227
Refinanced term debt	30,877,912
Asset retirement obligations	<u>536,817</u>
<b>Total identifiable liabilities</b>	<b>80,628,571</b>
<b>Net identifiable assets acquired</b>	<b>77,134,197</b>
<b>Goodwill</b>	<u><b>81,546,289</b></u>
<b>Net assets acquired</b>	<u><u><b>\$ 158,680,486</b></u></u>

The above estimated fair values of assets acquired and liabilities assumed are based on the information that was available as of the acquisition date to estimate the fair value of assets acquired and liabilities assumed. Of the \$143,055,200 of acquired intangible assets, \$87,000,000 was assigned to the Company's trademarks and trade names and is deemed to have an indefinite life. Of the remaining amount, \$56,000,000 has been assigned to franchise relationships with a weighted average useful life of approximately 16 years, and \$55,200 to other intangible assets with a weighted average useful life of six years.

The goodwill recognized is primarily attributed to the additional growth potential of the Company's franchise system and the assembled workforce of the Company. For income tax purposes, \$7,840,800 of the goodwill is expected to be deductible.



**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1 – Description of Business and Organization (continued)**

The deferred tax assets of \$1,372,567 are related primarily to unearned franchise and development fees, asset retirement obligations, and lease reserves of the Company and its subsidiaries. The deferred tax liabilities of \$41,212,227 relate primarily to the difference between the book basis and tax basis of identifiable intangible assets.

**Note 2 – Summary of Significant Accounting Policies**

**Principles of consolidation** – The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

The Company's international operations use the local currency as its functional currency. Assets and liabilities are translated at exchange rates in effect at the balance sheet date. Equity accounts are translated at their historical rates. Income and expense accounts are translated using monthly average exchange rates. Resulting translation adjustments are included as a component of accumulated other comprehensive income (loss).

**Fiscal year** – To match its operating cycle, the Company uses a 52 or 53 week fiscal year, ending on the Monday nearest to December 31. Fiscal year 2011 was a 52 week year and 2010 was a 53 week year. However, as a result of the acquisition described in Note 1, the period ended January 3, 2011 included just 35 weeks.

**Use of estimates** – Preparing financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the Company's consolidated financial statements and accompanying notes. Actual results may differ from those estimates.

**Cash and cash equivalents** – The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Company maintains cash and cash equivalent balances with financial institutions that periodically exceed federally insured limits. The Company also holds limited funds, to the extent necessary, on deposit outside the United States. The Company makes such investments with high credit quality entities, and has not incurred any losses related to these balances. Management believes its credit risk to be minimal. The restricted cash on the Company's consolidated balance sheet as of January 3, 2011 was to fund the payment of deferred consideration related to the acquisition described in Note 1, and was held in escrow pursuant to the merger agreement.

## **PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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#### **Note 2 – Summary of Significant Accounting Policies (continued)**

**Trade and other receivables** – Trade receivables consist primarily of amounts due from franchisees for continuing fees that are collected weekly and are stated net of an allowance for doubtful accounts at the amount management expects to collect. The Company recognizes interest on past due balances as income when paid. Management reviews the receivables on a periodic basis and determines the appropriate amount of allowance through an evaluation of specific accounts, considering historical losses and existing economic conditions where relevant. As of January 2, 2012 and January 3, 2011, the Company had recorded an allowance for doubtful accounts of \$35,132 and \$37,716, respectively. The concentration of credit risk is mitigated, in part, by the large number of franchisees and the short-term nature of the franchise receivables. Other receivables consist primarily of vendor contributions to the franchise system funds managed by the Company, subleased retail rents, and miscellaneous non-royalty receivables from franchisees.

**Equity subscription receivables** – On occasion the Company grants equity subscription receivables to equity investors. These equity subscription receivables are typically recorded as a component of stockholders' equity unless the receivable is collected in full prior to the release of the Company's audited financial statements, in which case they are recorded as a current asset. As of January 2, 2012, the Company had \$547,949 in outstanding equity subscription receivables. As of January 3, 2011, the Company had no equity subscription receivables outstanding. As part of the organization of the Company described in Note 1, the Company granted equity subscription receivables to several equity investors. These equity subscription receivables were classified as a current asset as payment for the equity subscription receivables was collected by the Company on July 15, 2010.

**Inventories** – Inventories consist principally of food products and packaging supplies, plus a limited amount of restaurant equipment and fixtures for use in Company-owned restaurants. Inventories are valued at the lower of cost or net realizable value, determined under the first-in, first-out method.

**Property and equipment** – Property, equipment and leasehold improvements are stated at estimated fair market value for assets acquired during the acquisition and at cost for subsequent purchases. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Leasehold improvements are amortized using the straight-line method over the shorter of the useful lives of the assets or the related lease term, including renewal options.

**Goodwill and other intangible assets** – From time to time, the Company acquires restaurants from franchisees. Goodwill from these acquisitions represents the excess of cost over the fair value of assets acquired, including identifiable intangible assets and liabilities assumed. Goodwill is not amortized and is assigned to reporting units for purposes of impairment testing.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

Goodwill and intangible assets determined to have an indefinite life are not amortized, but are tested for impairment annually, or more often if an event occurs or circumstances change that indicate impairments might exist. The Company early adopted the provision of Accounting Standards Update (ASU) 2011-08, effective January 2, 2012, which enables the Company to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that is more likely than not the fair value of a reporting unit is less than its carrying amount. Management evaluates the remaining useful life of intangible assets not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If it is determined that the asset has a finite useful life, the asset is amortized prospectively over its estimated remaining useful life. Management has selected the beginning of the Company's fourth quarter as the date on which to perform the ongoing annual impairment tests.

Intangible assets with finite lives are amortized over the estimated useful lives on a straight-line basis and tested for impairment together with long-lived assets as noted below. See Note 6 for further information on intangible assets.

**Impairment of long-lived assets** – Long-lived assets, such as property and equipment, are reviewed for impairment annually, or more often if an event occurs or circumstances change that indicate the remaining estimated useful life may warrant revision or that the carrying amount of an asset may not be recoverable. Some of the events or changes in circumstances that would trigger an impairment review include, but are not limited to, significant under-performance relative to expected and/or historical results (such as two years of comparable restaurant sales decrease or two years of negative operating cash flows), significant negative industry or economic trends, or knowledge of transactions involving the sale of similar property at amounts below the carrying value.

Assets are grouped for recognition and measurement of impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets, which is typically an individual restaurant. If the carrying amount of an asset group exceeds the estimated, undiscounted future cash flows expected to be generated by the asset, then an impairment charge is recognized to the extent the carrying amount exceeds the asset's fair value. In determining fair value, management considers current results, trends, future prospects, and other economic factors.

## **PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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#### **Note 2 – Summary of Significant Accounting Policies (continued)**

**Asset Retirement Obligations (ARO)** – AROs are primarily associated with leasehold improvements which, at the end of a lease, the Company is obligated to remove in order to comply with the lease agreement. At the inception of a lease with such conditions, the Company records an ARO liability and a corresponding capital asset in an amount equal to the estimated fair value of the obligation. Fair value is estimated based on a number of assumptions requiring management's judgment, including restaurant closing costs, cost inflation rates, and discount rates in effect at the time the lease is signed. Over time the obligation is accreted to its projected future value and upon satisfaction of the ARO conditions, any difference between the recorded ARO liability and the actual retirement costs incurred is recognized as an operating gain or loss in the consolidated statement of operations and comprehensive income (loss). As of January 2, 2012 and January 3, 2011, the Company has recorded an ARO liability of \$666,353 and \$527,311, respectively, as a component of other long-term liabilities.

**Derivative instruments and hedging activity** – Interest rate movements create a degree of risk to the Company's operations by affecting the amount of its interest payments and the value of its floating rate debt. From time to time, the Company uses interest rate cap agreements to manage its exposure to interest rate changes (see Note 8). All derivatives are measured at fair value and recorded in the balance sheet. Gains or losses resulting from changes in the fair value of derivatives are recognized in current earnings as a component of interest expense. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

**Revenue recognition** – Franchise royalties, which are based on a percentage of franchise restaurant sales, and retail sales from Company-owned restaurants, are recognized as revenues when payment is tendered at the time of sale. Franchise and development fees are recognized upon the opening of a restaurant, which is when the Company has performed its obligations related to such fees. Successive fees and transfer fees are recognized when a replacement franchise agreement becomes effective and are included in franchise and development fees. Consideration for franchise and development fees received in advanced of when earned is included as unearned franchise and development fees in the consolidated balance sheets. Revenues from sub-lease agreements (lease income) are recognized in the period earned, which coincides with the period the expense is due to the master leaseholder.

The Company commenced a system-wide gift card program in 2010 and recognizes income from gift cards when the gift card is redeemed by a guest. If at any time the likelihood of a gift card being redeemed by a guest is determined to be remote (gift card breakage), the value of the unredeemed gift cards are recognized and the Company has committed to contribute any such breakage to the Advertising and Development Fund (see Note 10), which has no impact on the gross profit of the Company. The Company determines the gift card breakage rate based upon historical redemption patterns and has not recognized any breakage to date.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

**Franchise system funds and advertising** – The Company expenses advertising costs in the period incurred and collected amounts from franchisees and vendors are recorded as a reduction of selling, general, and administrative expenses in the consolidated statement of operations and comprehensive income (loss). Amounts received from franchisees, vendors and from time to time other sources, for advertising and other specific purposes outlined in their agreements must be expended for the franchise system; the company recognizes no gross profit on these funds. As such, these franchise system funds, which includes the Advertising and Development Fund balance, are held as a current liability until expended on the consolidated balance sheets of the company. The Company is not required to hold the funds in a separate bank account but consolidates all amounts received with its unrestricted cash balance. For further information on advertising expenditures, see Note 10.

**Restaurant pre-opening costs** – Pre-opening costs, including wages, benefits and travel for the training and opening teams, food and other restaurant operating costs, are expensed as incurred prior to a restaurant opening for business.

**Transition and restructuring costs** – During 2011 the Company restructured the Development function and hired a new President who transitioned into the Chief Executive Officer (CEO) role with the prior CEO remaining on as Chairman of the Company. Costs incurred as a result of the restructuring and transition activities included severance, retention, recruitment, legal, relocation, and stock awards compensation and totaled \$1,821,362 during the year ended January 2, 2012.

**Rent expense** – The Company recognizes rent expense on a straight-line basis over the expected life of the lease term. Certain of the Company's lease agreements provide for scheduled rent increases during the lease term or for rental payments commencing at a date other than the date of initial occupancy. The Company includes any rent escalations, construction period or other rent holidays in its determination of straight-line rent expense. Therefore, rent expense for new locations is charged to expense beginning when the Company has the right to control the use of the property, which is typically before rent payments are due under the lease. The difference between the rent expense and rent paid is recorded as deferred rent in the consolidated balance sheets. Landlord allowances used to fund non-structural building improvements are also recorded in deferred rent and amortized as reductions of rent expense over the term of the lease.

The Company accrues a loss provision for the fair value of lease termination costs when it closes a retail location. Fair value is estimated based on the net present value of the contractual, minimum rent obligations, reduced by sublease rental income that could be reasonably obtained from the property, using a credit-adjusted, risk-free interest rate at the time of closure. Certain other costs are also included in the loss reserve. Management reviews these estimates at least annually and adjusts the accrual as necessary. The initial charge and any subsequent adjustment to the accrual are included in occupancy costs on the consolidated statement of operations and comprehensive income (loss).

**Comprehensive income (loss)** – The elements of comprehensive income (loss), including foreign currency translation adjustments and unrealized gains and losses on certain investments in debt and equity securities, are reported in shareholders' equity.

## **PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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#### **Note 2 – Summary of Significant Accounting Policies (continued)**

**Income taxes** – The Company accounts for income taxes using the asset and liability approach. This requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and the tax basis of assets and liabilities at the applicable tax rates. A valuation allowance is recorded against deferred tax assets if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The determination of the Company's provision for income taxes requires significant expertise, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The impact of uncertain tax positions would be recorded in the consolidated financial statements only after determining a more-likely-than-not probability that the uncertain tax positions would withstand challenge, if any, from taxing authorities. As facts and circumstances change, management reassesses these probabilities and would record any changes in the financial statements as appropriate. The Company accounts for uncertainty in income taxes in accordance with the current accounting guidance, which sets out the framework by which such judgments are to be made. As of January 2, 2012 and January 3, 2011, the Company recognized no uncertain tax positions or any accrued interest and penalties associated with uncertain tax positions.

**Share-based compensation** – The Company accounts for compensation related to shared-based awards to employees by recognizing that portion of the grant date fair market value that exceeds the purchase price and is ultimately expected to vest, as an expense over the requisite service period, typically the vesting period, utilizing the straight-line attribution method.

**Fair value of financial instruments** – The Company estimates the fair value of its financial instruments in accordance with required accounting standards. The carrying amount of cash and cash equivalents, accounts and notes receivable, accounts payable, the revolving line of credit, and the term debt all approximate fair value at January 2, 2012 and January 3, 2011.

**Fair value measurements** – The Company measures the fair value for all financial and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis, respectively. The Company's measurement of nonfinancial items includes the following areas:

- Nonfinancial long-lived assets, such as property and equipment, measured at fair value for impairment assessment
- Intangible assets, including goodwill and intangible assets, measured at fair value for impairment assessment

The nonfinancial assets and liabilities are recognized at fair value subsequent to initial recognition when they are deemed to be other-than-temporarily impaired. There were no material nonfinancial assets and liabilities deemed other-than-temporarily impaired and measured at fair value on a nonrecurring basis for the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 2 – Summary of Significant Accounting Policies (continued)**

The Company has established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The Company has determined that it does not have financial assets or liabilities that fall into the Level 1 category, which values assets at the quoted prices in active markets for the same identical assets. The Company has determined its interest rate caps fall into the Level 2 category, which values assets using inputs other than quoted prices that are observable for the asset either directly or indirectly. The Company had no assets or liabilities where Level 3 valuation techniques were used and there were no assets and liabilities measured at fair value on a non-recurring basis.

**Recent accounting pronouncements** – In September 2011, the Financial Accounting Standards Board (FASB) issued ASU No. 2011-08, *Testing Goodwill for Impairment*. ASU 2011-08 simplifies how entities test goodwill for impairment and permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. The effective date of this guidance is for fiscal years beginning after December 15, 2011 and early adoption is permitted. The Company chose to early adopt this guidance. The adoption of this guidance did not have an impact on the Company's consolidated financial position, results of operations, or cash flows.

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (ASC Topic 220) — Presentation of Comprehensive Income*. ASC 220 requires an entity to present the individual components of comprehensive income and total comprehensive income together with net income either in a combined statement of comprehensive income or in a separate statement of comprehensive income immediately following the statement of net income. The amendments in this update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income, nor does it affect how earnings per share is calculated or presented. The effective date of this guidance is for fiscal years beginning after December 15, 2012 and early adoption is permitted. The Company chose to early adopt this guidance. The amendments in this ASU have been applied retrospectively. The adoption of this guidance did not have any impact on the Company's consolidated financial position, results of operations, or cash flows.

**Reclassifications** – Certain account reclassifications have been made to the consolidated financial statements of the prior year in order to conform with the current year presentation. These reclassifications have no effect on previously reported net income.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 3 – Acquisition**

On December 19, 2011, the Company acquired for cash all the assets of 19 franchised restaurants plus the property and equipment from one closed restaurant for total purchase consideration of \$7,188,043, including deferred consideration paid on January 4, 2012 of \$120,045. The funding of consideration transferred to the prior owners was through cash and advances on the Company's Senior secured revolving credit facility. The purpose of the acquisition was to expand the company-owned restaurant base in select markets and provide additional opportunity to grow earnings. The Company incurred transaction costs of \$59,091 which were recognized as other expenses in the statement of operations and comprehensive income (loss).

The transaction was accounted for as a business combination in accordance with GAAP, which requires the basis of the assets acquired and liabilities assumed to be recorded at their respective fair values at the acquisition date with certain exceptions. The purchase price was allocated based on the fair value of assets acquired as determined by management based on the fair values of similar assets, as summarized below:

Cash and cash equivalents	\$ 11,100
Inventories	99,082
Prepaid expenses and other current assets	179,687
Property and equipment	1,731,174
Reacquired franchise rights	<u>1,140,122</u>
Total identifiable assets acquired	3,161,165
Goodwill	<u>4,026,878</u>
Net assets acquired	<u><u>\$ 7,188,043</u></u>

Goodwill of \$4,026,878 was recognized due to the purchase price exceeding the fair value of the net assets acquired, all of which is expected to be deductible for income tax purposes.



**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 3 - Acquisition (continued)**

The amounts of the acquired stores' revenue and earnings included in the Company's consolidated statement of operations and comprehensive income (loss) for the 52 week period ended January 2, 2012, and the revenue and earnings of the acquired stores had the acquisition date been January 3, 2011 and May 5, 2010, are as follows:

	Revenue	Earnings
Actual		
December 19, 2011 - January 2, 2012	<u>\$ 469,947</u>	<u>\$ 7,616</u>
Pro forma		
January 3, 2011 - January 1, 2012	<u>\$ 10,900,159</u>	<u>\$ 304,757</u>
May 5, 2010 - January 2, 2011	<u>\$ 6,978,839</u>	<u>\$ 209,901</u>

**Note 4 - Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets are comprised of the following:

	January 2, 2012	January 3, 2011
Prepaid expenses	\$ 971,797	\$ 1,027,851
Financing derivatives (see Note 8)	5,859	123,028
Other	<u>124,310</u>	<u>12,005</u>
	<u>\$ 1,101,966</u>	<u>\$ 1,162,884</u>

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 5 – Property and Equipment**

Property and equipment is comprised of the following:

	January 2, 2012	January 3, 2011
Leasehold improvements	\$ 2,970,232	\$ 2,382,588
Restaurant equipment and fixtures	3,416,612	1,458,946
Office furniture and other equipment	5,684,455	4,744,874
Vehicles	177,954	-
Construction in progress	51,435	377,916
	<u>12,300,688</u>	<u>8,964,324</u>
Accumulated depreciation	<u>(3,131,530)</u>	<u>(1,302,339)</u>
Property and equipment, net	<u>\$ 9,169,158</u>	<u>\$ 7,661,985</u>

Depreciation expense for the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011 was \$2,293,980 and \$1,298,475, respectively.

**Note 6 – Intangible Assets**

Intangible assets at January 2, 2012 consisted of the following:

	January 2, 2012			Weighted Average Amortization Period
	Gross Carrying Amount	Accumulated Amortization	Net	
Intangible assets subject to amortization				
Franchise relationships	\$ 55,998,100	\$ (5,788,465)	\$ 50,209,635	16.0
Deferred financing fees	5,050,401	(1,335,098)	3,715,303	3.0
Reacquired franchise rights	1,140,121	-	1,140,121	4.1
Other	94,600	(38,865)	55,735	6.0
Net intangible assets subject to amortization	<u>\$ 62,283,222</u>	<u>\$ (7,162,428)</u>	55,120,794	14.7
Intangible assets not subject to amortization				
Trade name and trademarks			<u>87,000,000</u>	
Total intangible assets, net			<u>\$ 142,120,794</u>	

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 6 - Intangible Assets (continued)**

Intangible assets at January 3, 2011 consisted of the following:

	January 3, 2011			Weighted Average Amortization Period
	Gross Carrying Amount	Accumulated Amortization	Net	
Intangible assets subject to amortization				
Franchise relationships	\$ 56,000,000	\$ (2,288,462)	\$ 53,711,538	16.0
Deferred financing fees	5,050,401	(505,402)	4,544,999	3.0
Other	98,400	(12,274)	86,126	6.0
	<u>\$ 61,148,801</u>	<u>\$ (2,806,138)</u>	58,342,663	14.9
Net intangible assets subject to amortization				
			<u>87,000,000</u>	
Intangible assets not subject to amortization				
Trade name and trademarks			<u>87,000,000</u>	
Total intangible assets, net			<u>\$ 145,342,663</u>	

Reacquired franchise rights were recorded as part of the Company's acquisition discussed in Note 2. Amortization expense, including amortization of deferred finance fees, for the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011 was \$4,356,290 and \$2,806,138, respectively. The estimated future amortization expense of amortizable intangible assets as of January 2, 2012, is as follows:

Fiscal 2012	\$ 4,750,745
Fiscal 2013	4,817,187
Fiscal 2014	4,872,196
Fiscal 2015	4,236,154
Fiscal 2016	3,650,677
Thereafter	32,793,835
	<u>\$ 55,120,794</u>

The trade name and trademarks are intangibles determined to have indefinite lives and are not subject to amortization.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 7 – Notes Receivable**

Notes receivable consists of the following:

	January 2, 2012	January 3, 2011
Notes issued on sale of Company-owned restaurants maturing from 2011 to 2014, bearing variable interest at the Company's effective interest rate plus 1.5% (11.8% and 11.6% at January 2, 2012 and January 3, 2011, respectively). Monthly payment terms range from interest only to fixed principal plus interest. Collateralized by restaurant assets.	\$ 4,664	\$ 434,626
Note issued on the sale of Company-owned restaurants maturing in 2014, denominated in Canadian dollars, bearing variable interest at the Company's effective rate plus 1.5% (11.8% and 11.6% at January 2, 2012 and January 3, 2011, respectively). Monthly payment terms of interest only through 2011 with interest and principal due monthly thereafter. Collateralized by restaurant assets.	881,279	1,003,200
Note issued on sale of Company-owned stores maturing in 2016 and bearing an interest rate of 9.0%. Monthly payments of interest only were due through August 2011; with monthly payments of principal and interest of \$10,213 due through maturity. Collateralized by restaurant assets.	487,955	492,000
Uncollateralized notes issued to employees, maturing in 2012, bearing interest between 0.0% and 0.3%.	30,000	-
	1,403,898	1,929,826
Less allowance for notes receivable	(25,996)	(25,996)
Notes receivable, net	<u>\$ 1,377,902</u>	<u>\$ 1,903,830</u>

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 8 – Financing Arrangements**

**Equity bridge line** – The Company is a Qualified Borrower on a related party's 365 day renewable credit commitment for up to \$24,000,000, used for short-term bridge financing, such as used for the May 5, 2010 acquisition described in Note 1, which expires in October 2012. All borrowings under the bridge line are at the discretion of the related party, are due in 90 days, and have an annual interest cost ranging from 3.49% to 4.00%. The bridge line is collateralized by a first priority security interest in the assets of the related party, as well as other remedies from the Company and contains restrictive covenants, warranties and other items that are deemed customary. There were no borrowings under the bridge line as of January 2, 2012 or January 3, 2011.

**Senior secured credit agreement** – The Company is a party to a credit agreement which expires on May 5, 2015, which includes a revolving credit facility for \$7,000,000 and a term loan for \$73,600,000. The credit agreement also allows for the issuance of letters of credit up to the maximum of \$1,000,000, in the ordinary course of business. The credit agreement is collateralized by the Company's assets and contains covenants that require the Company to maintain certain restrictive financial ratios and balances.

Borrowings under the credit agreement bear interest at a base rate plus an applicable margin of 7.00%. The base rate is the greater of (a) 3.00% per annum, (b) the one-month adjusted LIBOR rate plus 1.00%, or (c) a rate per annum equal to the greater of the prime rate in effect on such day or Federal Funds Effective Rate plus 0.50%. The interest rate under the base rate at January 2, 2012 and January 3, 2011 was 10.25%. The Company may elect to have some or all of the obligations under the credit agreement bear interest at a LIBOR rate fixed for periods from one to six months, which election must be renewed as each interest period ends, or the rate reverts to the base rate. Obligations under the LIBOR option bear interest at the greater of 2.00% or the three-month LIBOR rate, plus a margin of 8.00%. The interest rate under the LIBOR option rate at January 2, 2012 and January 3, 2011 was 10.00%. The Company must also pay an unused commitment fee at an annualized rate of 0.50% on the unused commitment of the revolving credit facility plus an annual fee of \$100,000.

Accrued interest under the credit agreement is paid monthly in arrears for borrowings at the base rate. Accrued interest for borrowings at the LIBOR rate is paid at the end of each interest period, or every three months, whichever is less. With a maturity date of over one year from January 2, 2012, balances outstanding under the credit agreement are classified as non-current on the consolidated balance sheets, except for the mandatory, minimum term loan payments of \$168,770 due at the end of each quarter in 2012, 2013, and 2014 (reduced from \$184,000 in 2011), plus additional mandatory prepayments under specific conditions outlined in the credit agreement. As of January 2, 2012 and January 3, 2011, the Company owed additional mandatory prepayments of \$0 and \$1,781,917, respectively.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 8 – Financing Arrangements (continued)**

In addition to the mandatory payments, the Company has the option to prepay the term loan obligations with appropriate notice and payment of a prepayment penalty. The prepayment penalty is based on a schedule from the date of the agreement (May 5, 2010) as follows: 5.00% of the outstanding principal balance if prepaid in the second year; 3.00% of the outstanding principal balance if prepaid in the third year; 1.00% of the principal balance if prepaid in the fourth year; and no prepayment penalty if prepaid subsequent to the fourth anniversary date of the senior credit agreement. Notwithstanding the foregoing, the prepayment premium is not required on prepayments up to the following limits, if paid for with cash generated from internal operations:

	<u>Permitted Annual Prepayments</u>
May 5, 2011 through May 4, 2012	\$ 5,725,399
May 5, 2012 through May 4, 2013	6,250,000
May 5, 2013 through May 4, 2014	7,500,000
May 5, 2014 through May 4, 2015	<u>46,851,061</u>
	<u>\$ 66,326,460</u>

Any prepayments are applied ratably to future mandatory minimum term loan payments, reducing the future minimum required payments. In conjunction with the issuance of notes under the senior secured credit agreement, the senior note holders were granted a one-time option to purchase up to 10.00% of the face value of the senior debt as of May 5, 2010 in the Company's equity. This option was exercised with the purchase of \$1,500,000 in preferred and common stock as of the acquisition date on May 5, 2010.

**Senior subordinated note** – The Company has a subordinated note, which matures on May 5, 2016. The interest rate on the note is 13.00%. Interest accrued is paid quarterly in arrears with principal due at maturity. Quarterly, the Company has the option to convert accrued interest of up to 1.00% per annum to a paid-in-kind (PIK) note at each quarterly payment by increasing the aggregate outstanding principal amount of the note by such amount. Any such PIK promissory note carries the same terms as the original senior subordinated note. As of January 2, 2012 and January 3, 2011, the amount outstanding on the senior subordinated note was \$18,400,000. The senior subordinated note contains covenants that require the Company to maintain certain restrictive financial ratios and balances.

In accordance with the senior subordinated note agreement, the Company has the option to prepay the outstanding subordinated debt balance with appropriate notice. The prepayment penalty is based on the following schedule from date of the agreement (May 5, 2010) as follows: 8.00% of the outstanding principal balance if prepaid in the first year; 6.00% of the outstanding principal balance if prepaid in the second year; and no prepayment penalty if prepaid subsequent to the second anniversary date of the senior subordinated note agreement.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 8 – Financing Arrangements (continued)**

In conjunction with the issuance of the subordinated note, the senior subordinated note holders were granted the option to purchase up to 15.00% of the face value of the senior subordinated debt as of May 5, 2010 in the Company's equity. This option was exercised with the purchase of \$2,760,000 in preferred and common stock as of the acquisition date on May 5, 2010.

**Outstanding long-term debt** – Amounts drawn and outstanding on senior long-term debt are as follows:

	January 2, 2012	January 3, 2011
Senior revolving line of credit	\$ 5,500,000	\$ 1,150,000
Senior secured term loan	66,326,460	73,048,000
Subordinated term loan	<u>18,400,000</u>	<u>18,400,000</u>
Total long-term debt	90,226,460	92,598,000
Less current portion	<u>(675,078)</u>	<u>(2,517,917)</u>
Total long-term debt, net of current portion	<u>\$ 89,551,382</u>	<u>\$ 90,080,083</u>

Maturities on senior long-term debt consist of the following:

Fiscal years 2012	\$ 675,078
2013	675,078
2014	675,078
2015	69,801,226
2016	<u>18,400,000</u>
	<u>\$ 90,226,460</u>

**Deferred debt issuance costs** – In conjunction with obtaining the credit agreement and senior subordinated note agreement, the Company incurred \$5,050,401 in financing costs which are being amortized on an effective interest rate basis over the life of the obligations. As of January 2, 2012, \$3,715,303 remained of deferred finance charges. Amortization of these charges is expected to be \$924,351, \$1,029,881, \$1,147,547, \$543,072, and \$70,452 for fiscal years ended 2012 through 2016, respectively. Deferred finance charges are recorded as part of intangible assets on the consolidated balance sheets.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 8 – Financing Arrangements (continued)**

**Interest rate caps** - The Company has two interest rate cap agreements with a third party that effectively caps the variable rate interest component of the Company's senior secured credit agreement at 11.00%. The interest rate cap agreements have a notional amount of \$40,000,000 and terminate on June 30, 2013. Under the agreement, the Company makes payments at the variable rate as determined by the credit agreement on the notional balance. In return, the Company receives the difference between the LIBOR rate as previously defined and 3.00%. During the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011, the Company recognized \$117,169 and \$157,972, respectively, of expense on these derivative instruments as part of a fair value adjustment which expense has been recorded as a component of interest expense on the consolidated statement of operations and comprehensive income (loss). As of January 2, 2012 and January 3, 2011 the fair value of the interest rate caps was \$5,859 and \$123,028, respectively, and is recorded as a component of prepaid and other current assets on the consolidated balance sheet.

**Note 9 – Other Accrued Expenses**

Other accrued expenses are comprised of the following:

	January 2, 2012	January 3, 2011
Gift cards and certificates payable	\$ 2,066,160	\$ 980,850
Accrued interest	271,187	473,451
Non-income taxes payable	134,016	-
Lease loss reserves	14,031	31,372
Other	662,196	887,609
	<u>\$ 3,147,590</u>	<u>\$ 2,373,282</u>

**Note 10 – Advertising**

Franchise restaurants and Company-owned restaurants contribute advertising fees to an Advertising and Development Fund (ADF) managed for the United States and Canada separately by the Company. Under the Company's franchise agreements, the contributions received may be spent on marketing personnel, creative efforts, and media support in the manner deemed most appropriate by the Company. In addition, contributions are made by vendors to the ADF to support the advertising, marketing and related efforts of the Company. These fees and contributions to the ADF result in no gross profit recognized by the Company.



**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 10 - Advertising (continued)**

To the extent that contributions received exceed advertising and promotional expenditures, the excess contributions are accounted for as a deferred liability and are included in franchise system funds in the consolidated balance sheets. Amounts received and deferred as a liability were \$839,446 and \$776,371 as of January 2, 2012 and January 3, 2011, respectively and is recorded as a component of franchise system funds on the consolidated balance sheet.

Fees and expenses of the domestic ADF were as follows:

	52 Week Period Ended <u>January 2, 2012</u>	35 Week Period Ended <u>January 3, 2011</u>
Advertising fees from franchisees	\$ 9,164,762	\$ 5,557,886
Advertising fees from Company-owned stores	287,007	92,990
Vendor contributions	3,802,952	2,330,470
Other contributions	<u>845,568</u>	<u>300,758</u>
Total ADF receipts	14,100,289	8,282,104
Production and research	5,891,867	3,144,563
Media support	3,714,365	1,648,723
Print plan support	167,252	223,228
Other ADF costs	<u>4,272,479</u>	<u>2,518,980</u>
Total ADF expenditures	<u>14,045,963</u>	<u>7,535,494</u>
Costs under receipts	<u>\$ 54,326</u>	<u>\$ 746,610</u>

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 11 – Income Taxes**

The components of the provision for (benefit from) income taxes are as follows:

	January 2, 2012	January 3, 2011
	<u>                    </u>	<u>                    </u>
Current:		
Federal	\$ 29,852	\$ (134,526)
State	110,865	60,226
	<u>                    </u>	<u>                    </u>
	140,717	(74,300)
Deferred:		
Federal	(20,496)	(260,767)
State	468,872	(21,893)
	<u>                    </u>	<u>                    </u>
	448,376	(282,660)
	<u>                    </u>	<u>                    </u>
Total provision for (benefit from) income taxes	<u>\$ 589,093</u>	<u>\$ (356,960)</u>

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 11 – Income Taxes (continued)**

The current and noncurrent components of the net deferred tax assets (liabilities) were as follows:

	January 2, 2012	January 3, 2011
	<u>                    </u>	<u>                    </u>
Net current deferred income tax asset:		
Assets:		
Unearned franchise and development fees	\$ 483,024	\$ 633,477
Allowance for notes receivable	121,010	120,144
Advertising, convention, and development fund balance	204,842	286,594
Net operating loss	-	959,923
Compensation accruals	282,483	2,394
Gift certificate accruals	43,727	-
Other	<u>15,047</u>	<u>32,317</u>
Total current deferred tax assets	<u>1,150,133</u>	<u>2,034,849</u>
Liabilities		
Other	<u>(3,656)</u>	<u>(309,845)</u>
Net current deferred income tax asset	<u>\$ 1,146,477</u>	<u>\$ 1,725,004</u>
Net noncurrent deferred income tax liability		
Assets:		
Asset retirement obligation	\$ 125,797	\$ 134,151
Deferred rent	106,068	105,265
Net operating loss	<u>1,459,324</u>	<u>160,120</u>
	1,691,189	399,536
Valuation allowance	<u>-</u>	<u>(91,176)</u>
Total noncurrent deferred tax assets	1,691,189	308,360
Liabilities:		
Fixed, goodwill, and intangible asset basis differences	(42,825,304)	(41,604,055)
Other	<u>(17,738)</u>	<u>13,691</u>
Net noncurrent deferred income tax liability	<u>\$ (41,151,853)</u>	<u>\$ (41,282,004)</u>

## PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 11 - Income Taxes (continued)

At January 2, 2012 the Company had federal and state net operating loss carryforwards of \$3,874,412 and \$2,761,582, respectively. At January 3, 2011 the Company had federal and state net operating loss carryforwards of \$2,823,304 and \$1,666,886, respectively.

Tax benefits for federal and state net operating loss carryforwards are recorded as an asset to the extent that management assesses the utilization of such assets to be "more likely than not"; otherwise, a valuation allowance is required to be recorded. The Company has reviewed state net operating loss carryforwards generated prior to the May 5, 2010 acquisition date and has determined that those credits that are viable post acquisition are more likely than not to be utilized prior to their expiration date. The Company has also concluded that Federal net operating losses and those state net operating losses generated post acquisition are also more likely than not to be utilized before their expiration date. Consequently, no valuation allowance has been recorded for net operating loss carryforwards. The Company will continue to evaluate the need for a valuation allowance in the future. Changes in estimated future taxable income and other underlying factors may lead to adjustments to the valuation allowance in the future.

The January 2, 2012 federal and state net operating losses begin to expire in 2030 and 2015, respectively.

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate is as follows:

	January 2, 2012	January 3, 2011
Federal Statutory Rate	34.0%	34.0%
State taxes, net	15.5%	2.9%
Deferred state rate change	50.2%	-81.0%
Other	1.4%	15.0%
Effective Tax Rate	<u>101.1%</u>	<u>-29.1%</u>

The Company's effective tax rate differs from the federal statutory rate primarily from a net reduction in the state tax rate used to value its deferred tax liability.

#### Note 12 - Shareholders' Equity

**Authorized, issued, and outstanding** - The Company is authorized to issue 4,000,000 shares of redeemable, participating, preferred stock (Preferred Shares). There were 2,855,166 and 2,843,787 shares issued and outstanding at January 2, 2012 and January 3, 2011, respectively. The Company is authorized to issue 3,000,000 shares of common stock. There were 1,904,445 and 1,898,360 shares issued and outstanding at January 2, 2012 and January 3, 2011, respectively.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 12 – Shareholders' Equity (continued)**

**Preferred Shares** – The Company's Preferred Shares have a cumulative preferred dividend of 6.00% a year. These shares were issued at \$36.6823 a share. The holders of the Preferred Shares may elect, by a majority, to redeem the shares at a price of \$36.6823 a share. Upon such an election, all holders of Preferred Shares shall be deemed to have elected a pro-rata amount of their shares redeemed. Upon liquidation of the Company, the holders of the Preferred Shares are entitled to receive \$36.6823 per share plus accreted dividends before any distribution may be made to the holders of common stock. In addition, the Preferred Shares participate in 20% of all remaining earnings if distributed to common stockholders. The Company accreted dividends of \$6,703,414 and \$4,240,026 for the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011, respectively.

The holders of redeemable preferred shares are entitled to elect one member of the Board of Directors. The common shareholders are entitled to elect the remaining members of the Board of Directors and vote on all matters submitted for a vote to the shareholders.

**Management Incentive Plan** – The Board of Directors approved the 2010 Amended Management Incentive Plan (the Plan) which reserves 361,957 common shares, of which 330,108 and 330,282 are issued to eligible employees as of January 2, 2012 and January 3, 2011, respectively. The plan covers the following types of awards: Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, and Unrestricted Stock Awards. During the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011, the Company sold 132,000 and 54,000 shares of restricted common stock at an average of \$0.4986 and \$0.4359 per share, respectively. The restricted common stock is subject to both time and performance vesting provisions. In addition, during the 52 week period ended January 2, 2012, the Company sold 10,438 shares of unrestricted common stock at an average price of \$0.4359.

**Stock repurchases** – Pursuant to the terms of the Plan, the Company repurchased 136,353 shares of management incentive common stock and unrestricted common stock at an average cost of \$0.8387 per share during the 52 week period ended January 2, 2012, as surrendered by the 2010 plan participants. During the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011, the Company repurchased 7,580 and 711 shares of preferred stock at an average of \$38.94 and \$38.09, respectively. Pursuant to the terms of the Plan, the Company repurchased 5,392 shares of management incentive common stock and unrestricted common stock at an average cost of \$0.4359 per share during the 35 week period ended January 3, 2011, as surrendered by the 2010 plan participants upon their separation from the Company.

**Share based compensation** – During the 52 week period ended January 2, 2012, the Company sold 120,438 shares of unrestricted and restricted common stock and 18,959 preferred shares at an amount less than the respective stock's fair value. The difference between the sale price and the fair value of stock sold was \$112,202 for the 52 week period ended January 2, 2012. This difference was recorded as share based compensation expense and is recorded as a component of selling, general, and administrative on the consolidated statement of operations and comprehensive income (loss).

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 13 – Commitments and Contingencies**

**Operating lease commitments** – The Company leases facilities and various office equipment under non-cancelable operating leases, which expire through March 2016. Lease terms for its restaurant units are generally for five years with renewal options, and generally require the Company to pay a proportionate share of real estate taxes, insurance, common area, and other operating costs.

The Company has entered into various operating leases that it has subleased to franchisees. These operating leases have minimum base rent terms and contingent rent terms if individual franchise restaurant sales exceed certain levels.

Future minimum payments under the non-cancelable operating leases, excluding contingent rent obligations, were as follows:

	Total Lease Commitments	Sublease Income	Net Lease Commitments
Fiscal 2012	\$ 2,371,471	\$ 113,494	\$ 2,257,977
Fiscal 2013	1,918,295	99,994	1,818,301
Fiscal 2014	1,406,080	66,154	1,339,926
Fiscal 2015	1,131,005	36,269	1,094,736
Fiscal 2016	225,413	2,315	223,098
Thereafter	335,048	-	335,048
	<u>\$ 7,387,312</u>	<u>\$ 318,226</u>	<u>\$ 7,069,086</u>

Rent expense for the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011, was \$1,604,675 and \$1,331,506, respectively.

**Lease guarantees** – The Company is the guarantor for operating leases of 20 restaurant locations, including five which the Company is subleasing, that have terms expiring on various dates from September 2012 to January 2016 and have a potential amount of future rental payments of approximately \$994,014 as of January 2, 2012. The obligation from these leases will generally continue to decrease over time as the leases expire. As of January 2, 2012, the Company has not recorded a liability for any other guarantees as the Company does not believe it is probable it would be required to perform under the outstanding guarantees. The applicable franchisees continue to have primary liability for these operating leases.

**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 13 – Commitments and Contingencies (continued)**

Future commitments as of January 3, 2011 under these leases are as follows:

Fiscal 2012	\$ 521,984
Fiscal 2013	325,213
Fiscal 2014	108,233
Fiscal 2015	36,269
Fiscal 2016	<u>2,315</u>
	<u>\$ 994,014</u>

**Advisory services and monitoring agreement** – The Company is currently party to an advisory services and monitoring agreement with a related party. In accordance with the terms of the agreement, the Company pays the related party for ongoing advisory and monitoring services such as management consulting, financial analysis, and other related services. As compensation, the Company has agreed to pay an annual fee of \$500,000 in four equal quarterly installments plus direct expenses incurred. The agreement calls for no minimum level of services to be provided and fees paid to the related party can be deferred at the discretion of the related party or required by the credit agreement. In the event of a change of control, the Company will be required to pay the related party an amount not to exceed \$1,500,000 based on the discounted value of the remaining payments to be paid according to the terms of the agreement. The expiration of the agreement is December 31, 2020 and can be canceled by the related party at any time.

**Legal proceedings** – The Company is subject to routine legal proceedings, claims, and litigation in the ordinary course of its business. Defending lawsuits requires significant management attention and financial resources and the outcome of any litigation is inherently uncertain. The Company does not, however, currently expect that the costs to resolve these routine matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flows.

**Note 14 – Retirement Plans**

The Company has a defined contribution benefit plan, qualified under Section 401(k) of the Internal Revenue Code, covering all eligible employees. Plan participants may receive up to a 3.00% matching contribution, up to the limits established by the plan and by the Internal Revenue Service and are vested based on years of service. Prior to January 3, 2011, the matching contribution was up to 4.00%. The Company contributed \$257,308 and \$208,308 for the 52 week period ended January 2, 2012 and 35 week period ended January 3, 2011, respectively.

## **PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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#### **Note 15 – Subsequent Events**

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are issued.

On February 21, 2012, the Company entered into a Master Franchise Agreement (MFA) with a third party (Master Franchisee) to license the rights to develop Papa Murphy's franchise system in Canada. The Master Franchisee is the same entity which the Company has an outstanding Note Receivable for \$881,279 as of January 2, 2012, as discussed in Note 7. The MFA includes a revenue sharing arrangement for royalties and initial fees and the Master Franchisee will be responsible for all development, operations, and marketing in Canada. Concurrent with the signing of the MFA, all existing Canadian franchise agreements were assigned to the Master Franchisee.

The Company has evaluated subsequent events through March 19, 2012, which is the date the consolidated financial statements were issued.



**SUPPLEMENTAL INFORMATION**

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**PAPA MURPHY'S HOLDINGS, INC. AND SUBSIDIARIES**  
**PRO-FORMA CONSOLIDATED ANNUAL STATEMENT OF INCOME AT JANUARY 3, 2011**

	<u>Year Ended January 3, 2011</u>
<b>REVENUES</b>	
Franchise royalties	\$ 31,677,357
Franchise and development fees	2,654,936
Company-owned restaurant sales	14,266,642
Rental income	<u>280,333</u>
Total revenue	48,879,268
<b>COSTS AND EXPENSES</b>	
Restaurant expenses	
Cost of food and packaging	5,319,913
Compensation and benefits	4,517,046
Advertising and related costs	1,230,826
Occupancy	1,421,169
Other operating expenses	<u>1,588,708</u>
Total company-owned restaurant expenses	14,077,662
Selling, general, and administrative	15,346,365
Depreciation and amortization	5,398,817
Accretion of long-term liabilities	66,160
Gain on settlement of liabilities	(42,809)
Loss on disposal of property and equipment	<u>251,220</u>
Total costs and expenses	<u>35,097,415</u>
Operating income	<u>13,781,853</u>
Interest expense	11,058,441
Interest income	(258,931)
Other (income) expense	<u>2,517</u>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	2,979,826
Provision for income taxes	<u>(1,098,066)</u>
<b>NET INCOME</b>	<u><u>\$ 1,881,760</u></u>

The above pro-forma consolidated statement of income has been presented as if the May 5, 2010 acquisition described in Note 1 was consummated on the first day of the Company's fiscal year (December 29, 2009). Pro-forma adjustments have been made for amortization, depreciation, interest expense, provision for income taxes, management advisory fees, and the gain on settlement of liabilities to present an annual consolidated income statement as if the acquisition occurred on December 29, 2009.

# Consolidated Balance Sheets

## Papa Murphy's Holdings & Subsidiaries

As of March 5, 2012

(Unaudited)

Cash	\$4,171,056
Trade receivables, net	1,063,170
Income tax receivable	70,175
Other receivables	876,606
Inventories	428,893
Prepaid expenses & other current assets	896,389
Deferred tax asset, current	1,146,688
	-----
<b>Total Current Assets</b>	<b>8,652,977</b>
Property and equipment, net	8,885,205
Notes receivable, net	1,380,626
Goodwill	85,976,167
Trade name & trademarks	87,000,000
Franchise relationships, net	49,605,179
Other intangibles, net	4,706,314
Other assets	118,588
	-----
<b>TOTAL ASSETS</b>	<b>246,325,056</b>
	=====
Accounts payable	1,538,924
Accrued compensation and related costs	2,676,665
Other accrued expenses	3,079,648
Franchise system funds	1,036,335
Unearned franchise and development fees	1,276,142
Current portion of debt	675,078
	-----
<b>Total Current Liabilities</b>	<b>10,282,792</b>
Revolving Line of credit	4,000,000
Term loan, non-current portion	65,651,382
Mezzanine subordinated note	18,400,000
Unearned franchise and development fees	1,430,179
Deferred tax liability, non-current	41,337,473
Other noncurrent liabilities	1,678,562
	-----
<b>Total Liabilities</b>	<b>142,780,388</b>
Preferred stock	115,706,080
Common stock - par value	19,044
Additional paid in capital - common	884,880
Subscriptions receivable	(547,949)
Accumulated deficit	(1,605,610)
Dividends earned	(10,943,439)
Cumulative translation adjustment	31,662
	-----
<b>Total Equity</b>	<b>103,544,668</b>
	-----
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>246,325,056</b>
	=====

# Consolidated Income Statement

## Papa Murphy's Holdings & Subsidiaries

For The Two Period(s) Ending March 5, 2012

	(Unaudited)
Franchise royalties	\$6,440,455
Franchise and development fees	250,000
Company-owned restaurant sales	5,114,657
Lease income	39,553
	-
<b>Total Revenues</b>	<b>11,844,665</b>
Costs of food and packaging	1,905,246
Compensation and benefits	1,304,687
Advertising and related costs	471,399
Occupancy	317,078
Other operating expenses	557,766
	-
<b>Total Restaurant Expenses</b>	<b>4,556,176</b>
Selling, general, and administrative	3,678,761
Depreciation & amortization	1,092,463
Accretion of long term liabilities	288
Loss on disposal of property and equipment	27,194
	-
<b>Total Operating Expenses</b>	<b>9,354,882</b>
	-
<b>Operating Income</b>	<b>2,489,783</b>
Interest expense	1,837,533
Interest income	(18,211)
Other expense	28,090
	-
<b>Total Other (Income) / Expense</b>	<b>1,847,412</b>

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT D**

**FORM OF FRANCHISE AGREEMENT**

**Papa Murphy’s International LLC  
Franchise Agreement  
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**Attachments:**

Attachment A:	Franchised Location and Required Opening Date
Attachment B:	Owner Agreement and Guaranty for all Entity Franchise Owners
Attachment C:	Addendum to Lease
Attachment D:	Nondisclosure Agreement
Attachment E:	Successive Addendum



## FRANCHISE AGREEMENT

This Franchise Agreement (“**Agreement**”) is entered into and effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (“**Effective Date**”) between **Papa Murphy’s International LLC**, a Delaware limited liability company, located at 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662 (“**we**” “**us**” or “**our**”), and the person(s) listed as the Franchise Owner on the signature block of this Agreement (“**Franchise Owner**,” “**you**” or “**yours**”).

**WHEREAS**, we have developed a unique system for establishing and operating pizza stores under the service mark “Papa Murphy’s<sup>®</sup>” and other related marks; and

**WHEREAS**, we grant franchises for the operation of Papa Murphy’s Take „N“ Bake Pizza stores to qualified candidates who are willing to adhere to our Methods of Operation and quality standards; and

**WHEREAS**, you desire to operate a Papa Murphy’s Take „N“ Bake Pizza store in compliance with our Methods of Operation and quality standards.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

### 1. DEFINITIONS

1.1 “Franchised Business” means all business conducted at, through, or in relation to your Papa Murphy’s Take „N“ Bake Pizza store.

1.2 “Internet” means any of one or more local or global interactive communications media that is now available, or that may become available, and includes websites, domain names, social media, and any other existing or future form of electronic communication or commerce. Unless the context otherwise indicates, Internet includes methods of accessing limited access electronic networks, such as Intranets, Extranets, and wide area networks.

1.3 “Manual” means our confidential: (i) manual or manuals, and (ii) any Intranet, Extranet, or password protected portion of an Internet site, and (iii) any embodiment of the Methods of Operation, including notices of new standards and techniques, and (iv) any amendments, supplements, derivative works, and replacements, whether embodied in electronic or other media.

1.4 “Marks” means our trade names, trademarks, service marks, logos, décor, trade dress, layout, and commercial symbols, and similar and related words or symbols, now or in the future associated with us, you, the Methods of Operation or the Franchised Business, whether or not they are registered, including, but not limited to, “Papa Murphy’s<sup>®</sup>,” “Papa Murphy’s Take „N“ Bake<sup>®</sup>” and “Papa Murphy’s Take „N“ Bake Pizza<sup>®</sup>.”

1.5 “Methods of Operation” means, collectively, our valuable know-how, information, trade secrets, methods, Manual, standards, designs, usage of the Marks, copyrighted works, products and service sources and specifications, proprietary software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the Franchised Business, as modified by us at any time. All such modifications become our property.

1.6 “Multi-Area Marketing Programs” means regional, national, or international programs designed to increase business or generate awareness and brand recognition for us and the franchise system; including multi-area customer, regional customer, national customer, commercial customer, Internet, social media, event, yellow pages, directory, affinity, vendor, stored value cards, gift cards, and any other program offered or produced, and co-branding programs.

1.7 “Net Sales” means the gross amount, whether in money or other form of consideration, earned or received by you from any source in connection with the operation of the Franchised Business or with any similar or related activity, whether on or off your business premises, and whether for goods, services or promotions, excluding only sales tax receipts that you must by law collect from customers and that you actually pay to the government, and any customer refunds paid. If you participate in certain online marketing programs in which a third party vendor accepts payment on your behalf in exchange for the sale of discount coupons, you must report Net Sales from such activity at the earlier of (a) the day a coupon is used to pay for goods or services from your Franchised Business, or (b) within 180 days of the day you receive cash payment from the third party vendor.

1.8 “Transfer” means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the Franchised Business, substantial assets of the Franchised Business, of this Agreement or any interest in the legal entity, which owns the Franchised Business, including any change or series of changes in the percentage of the franchise owner entity which is owned, directly or indirectly, by any principal owner which results in any addition or deletion of any person or entity.

## 2. GRANT OF FRANCHISE; TRAINING

### 2.1 Grant of Franchise and Customer Solicitation Limitations.

(a) If this is the Initial Franchise Agreement, we grant to you a non-exclusive license to operate the Franchised Business at a specific location, using the Marks and Methods of Operation for ten years from the Commencement Date of this Agreement, unless terminated earlier under this Agreement. The “**Commencement Date**” shall be the first date the franchise premises opens for business. This grant is for your operation of one Papa Murphy’s Take „N” Bake Pizza store at the location identified in **Attachment A** if such location has been identified at the time of execution of this Agreement. If the location has not been identified at the time of execution of this Agreement, the general location in which the Franchised Business may be located is identified in **Attachment A**. At or before the time the lease for the franchise premises is signed, the specific address will be added to **Attachment A**. You must obtain our prior written approval for the site of the franchise premises.

(b) If this is a Successive Franchise Agreement, we grant to you a non-exclusive license to operate the Franchised Business at its current location, using the Marks and Methods of Operation for five years from the expiration date of your prior Franchise Agreement, unless terminated earlier under this Agreement.

(c) You may not relocate the Franchised Business without our prior written approval as set forth in Section 3.9 of this Agreement.

(d) If you are a legal entity, each of your owners must sign the Owner Agreement and Guaranty for All Entity Franchise Owners in the form attached as **Attachment B**.

(e) You may not do business, solicit customers, or place advertisements by means, or using electronic or other media (including the Internet), that primarily reach persons outside your regional advertising (or local cooperative, if applicable) area, except with our prior written consent or by following the requirements of the Manual.

2.2 Reservation of Rights. You will not receive an exclusive territory or any protected area and we expressly reserve the following rights:

(a) We may establish company-owned or franchised operations using our Methods of Operation, trade names or trademarks, including one or more of the Marks, that will compete with you, at any location we select;

(b) We may offer and sell food products or other products, including products ready for immediate consumption, under the Marks or any other marks, through retail food stores, convenience stores, hotel shops, kiosks, theatres, malls, airports, gas stations, college campuses, or other non-traditional venues, at other retail locations, at special events or through any other channels of distribution, including other restaurants, mail order, catalog sales, over the Internet, and retail or government/military channels. The Internet is a channel of distribution reserved exclusively to us, and you may not independently market on the Internet, establish or operate your own website, accept online orders through any website or other form of e-commerce other than a website operated by us or conduct any other form of e-commerce. You may, however, utilize social media sites and other forms of electronic communication to promote your Franchised Business provided that such sites or other forms of electronic communication are utilized according to our standards and specifications for the use of social media or other forms of electronic communication;

(c) We may purchase or be purchased by, or merge or combine with, competing businesses wherever located, including a chain of company-owned or franchised locations that competes directly with your Franchised Business;

(d) We may offer franchises in the future, and have done so in the past, on terms we deem appropriate, including terms that differ from this Agreement; and

(e) We may conduct Multi-Area Marketing Programs anywhere. We reserve the right to determine all policies and practices related to Multi-Area Marketing Programs, including the right to set maximum resale prices to the extent permitted by law.

### 2.3 Initial Training and Test Period.

(a) If this is your first Franchised Business, you or, if you are a legal entity, your designated owner, will work in an existing Papa Murphy's store for approximately 30 hours within 30 days of the Effective Date of this Agreement, as a mutual test period ("**Phase 1**"). Phase 1 shall expire upon the earlier of the completion of the 30 hours or the expiration of the 30-day period, whichever occurs first. You will not be paid or insured, and will be subject to this Agreement, including but not limited to provisions related to indemnity, confidentiality, and noncompetition.

(b) You or we may decide for any reason to terminate this Agreement at any time during Phase 1. If you terminate this Agreement during Phase 1, we will return the Initial Franchise Fee subject to compliance with this Section 2.3, less \$5,000. If we terminate this Agreement during Phase 1, we will return the entire Initial Franchise Fee.

(c) If this is your first Franchised Business pursuant to a transfer agreement, and you terminate during Phase 1, we will return the Transfer Fee (as defined in Section 7.1(a)), less \$5,000. If the Transfer Fee is less than \$5,000, we will retain the entire fee. If this is your first Franchised Business pursuant to a transfer agreement, and we terminate during Phase 1, we will return the entire Transfer Fee.

(d) In the event either party is going to terminate pursuant to this Section, notice must be received during or within five days after Phase 1 and must be delivered in accordance with Section 9.1.

(e) In the case of termination by either party, you will be bound by, and must confirm before receiving your refund, your post-termination obligations, including but not limited to confidentiality, noncompetition, indemnity and mutual releases. You must also sign a Termination and Mutual Release Agreement releasing us from all claims.

(f) We will provide Phase 2 of the mandatory training program in a designated certified training store. Phase 3 of the mandatory training program will be held at our corporate headquarters in Vancouver, Washington. This training course will cover the operation of a Papa Murphy's Take „N“ Bake Pizza store, including financial controls, marketing techniques, service methods, deployment of labor, and maintenance of quality standards. Phase 4 of the mandatory training program will be held either at our corporate headquarters or at a certified training site as designated by us. You will be responsible for travel, accommodations, meals and other expenses for all training.

(g) If you do not successfully complete Phase 2, Phase 3 or Phase 4 of the training program, we may terminate this Agreement and we will retain your Initial Franchise Fee.

(h) All stores must be managed by a trained owner or a Certified Manager ("**Certified Manager**"). A Certified Manager is a manager or other employee who has received in-store training from the franchise owner in accordance with the In-Store Training Workbook and has successfully completed the Papa Murphy's Basic Manager's Class. Basic Manager's Classes are offered by us at no additional expense to you, but you will be responsible for paying

all costs associated with the manager or other employee's attendance as well as all wages and benefits of the manager or other employee earned during the Basic Manager's Class.

(i) You must successfully complete the mandatory training program no later than four weeks before opening for business. You must successfully complete each phase of the mandatory training program or we may revoke this Agreement and retain the Initial Franchise Fee.

2.4 Additional Training. You and your manager must complete to our satisfaction any additional or advanced training or attend any regional meetings we may at any time require. You will be responsible for the cost of any additional training on the PMI Enterprise Solution. All other training will be provided at no cost to you, other than any necessary travel, accommodations, meals, and other expenses which will be at your sole cost and expense.

2.5 Duty to Maintain Computer Skills. You must at all times have sufficient computer skills to operate your computer, understand how to utilize the software, and access email, the Internet, and our database management and Intranet system. If we determine that you require additional computer training, we will advise you in writing regarding the nature of the additional training required, and you will have 90 days to complete such training at a local computer training school at your expense. We reserve the right to designate the computer training school which you must attend. At the end of the training program, you must show us a certificate acceptable to us to prove that you passed the training course.

2.6 Franchise Advisory Board. A Franchise Advisory Board ("FAB") has been formed and shall be utilized by us to gather input and advice from the franchise community on key initiatives and business issues. The FAB serves in an advisory capacity only. Members of the FAB shall be franchise owners elected by the franchise community or appointed by us. The purpose of the FAB shall be to encourage open communication and cooperation between us and our franchise owners. We may, as we deem necessary, create ad hoc committees to provide insight and advice on particular topics.

### 3. **SITE SELECTION, PLANS AND CONSTRUCTION**

3.1 Site Selection Area. The site selection area ("**Site Selection Area**") designated by us is described in **Attachment A**. Unless otherwise approved by us, you must obtain a site for your Franchised Business ("**Franchised Location**") within the Site Selection Area. You will not have any exclusive rights to the Site Selection Area.

#### 3.2 Site Selection.

(a) You assume all cost, liability, expense and responsibility for locating, presenting for our prior review, securing and developing a site for the Franchised Business within the Site Selection Area. In fulfilling your responsibility, you may consult with real estate and other professionals identified by us. Our evaluation of a prospective site and the providing of assistance in the selection of a site does not mean that we represent, promise, warranty or guarantee that a Franchised Business operated at that site will be profitable or otherwise successful. You also assume all cost, liability, expense and responsibility for constructing and

equipping the Franchised Business at the Franchised Location. You may not make any binding commitment to a prospective vendor or landlord with respect to a site for the Franchised Business until the site is reviewed, evaluated, and approved in accordance with this Section 3.2.

(b) Prior to securing a site for the Franchised Business by lease or purchase, you, with our site selection assistance, must locate a site that is approved by us.

(i) You must submit to us, in writing, in the form we specify, a description of the proposed site. You will complete a Site Submission Package as detailed in the Manual at least 20 days prior to executing your lease. This package will contain information that you prepare about your proposed site, proposed economics of the deal and other relevant information about your trade area. The Site Submission Package must be submitted with such other information and materials as we may reasonably require, including a letter of intent or other evidence satisfactory to us that confirms your favorable prospects for obtaining the proposed site and the landlord's willingness to sign the Addendum to Lease attached to this Agreement as **Attachment C**. We will review and approve your proposed site based on this and other information in our sole and absolute discretion.

(ii) We will have 20 days after receipt of the Site Submission Package and additional information and materials to approve or disapprove the proposed site as the location for the Franchised Business. No site may be used for the location of the Franchised Business unless it is first reviewed, evaluated, and approved in writing by us, and any objections are resolved by you to our satisfaction. If within 20 days after submission of the Site Submission Package, we have not advised you in writing that the proposed site is disapproved, the proposed site will be deemed approved by us for you to use.

(iii) After a site for the Franchised Business is approved by us and acquired by you, the site shall be described as the Franchised Location in **Attachment A**.

3.3 Our Approval of a Lease or Purchase Agreement. If you purchase the Franchised Location, you must submit a copy of the proposed contract of sale to us for our review 20 days prior to your signing the contract and you must furnish to us a copy of the contract of sale within 10 days after the contract is signed by all parties. If you lease the Franchised Location, you must submit a copy of the proposed lease to us for our review 20 days prior to signing the lease and you must furnish to us a copy of the lease within 10 days after the lease is signed by all parties. Any lease for a Franchised Location must include an Addendum to the Lease between you and the landlord in substantially the form attached as **Attachment C**. We will have 10 days after receipt of the proposed lease or the proposed contract of sale to review and evaluate the contract or the lease and outline required revisions.

3.4 Permits and Licenses. You are responsible for obtaining all zoning classifications, permits, variances, certificates of occupancy and clearances, that may be required by state or local laws, ordinances or regulations or that may be necessary as a result of any

restrictive covenants relating to the Franchised Location. Prior to beginning construction of the Franchised Business, you must (i) obtain all permits including, but not limited to, health code permits and building permits, licenses and certifications required for the lawful construction or remodeling and operation of the Franchised Business, and (ii) certify in writing to us that the insurance coverage specified in Section 8.2 is in full force and effect and that all required approvals, clearances, permits and certifications have been obtained. You must provide to us copies of your insurance policies or certificates of insurance and copies of all such approvals, clearances, permits and certifications prior to beginning construction of the Franchised Business. You must also provide us with a copy of your certificate of occupancy prior to opening the Franchised Business.

3.5 Design Plan for Your Franchised Location. We will loan you a copy of our standards and specifications for the construction of your Franchised Business, including interior and exterior design, layout, floor plans, signs, color, décor, equipment and fixtures and such design and permit guidance as we or our affiliate deems appropriate and you must construct your Franchised Location in accordance with our standards and specifications. Our design and permit guidance may include but not be limited to layout analyses, a preliminary design meeting for the layout of the Franchised Business site approved by us, layout design plans for the Franchised Location approved by us, and guidance with the permit process. You are solely responsible for all expenses incurred for permitting, construction, and architectural and engineering requirements to construct and open your Franchised Business.

3.6 Construction of Your Franchised Location.

(a) We will provide you with the design and pre-construction assistance described above. You must independently obtain stamped plans from a licensed architect or engineer and any additional architectural, engineering and design services you deem necessary for the construction of your Franchised Business at your own expense from an architectural, engineering or design firm approved by us.

(b) Any adaptations to the design plans for the Franchised Location provided by us must be at your sole expense and are subject to our approval. If we determine that your modified plans do not satisfy our architectural or design standards and specifications for a Franchised Business or are not consistent with the best interests of the Papa Murphy's brand, we may deny you permission to use such plans, and in this event will advise you of any objections within 15 days of receiving your modified plans.

(c) If we fail to advise you of an objection to the plans within this time period, you may use your modified plans. If we object to your modified plans, we will provide you with a detailed list of changes necessary to make your modified plans acceptable.

(d) We must, upon your resubmission of the plans with such changes, notify you within 10 days of receiving the resubmitted plans whether the plans are acceptable. If we conclude your changes are not acceptable, we must notify you of our objections as described above, and you must resubmit your modified plans in accordance with the procedures described above until we approve your modified plans. If we do not notify you of any objection within the time period described above, you may use the resubmitted plans.

(e) You acknowledge that our providing the design plans to you and/or accepting your modified design plans does not constitute a representation, warranty, or guarantee, express or implied, by us that your modified plans are free of architectural or design errors or that they comply with applicable legal requirements (including the requirements of the Americans With Disabilities Act) and we shall have no liability to you or any other party because of your use of the modified plans.

3.7 Timing for Construction. Once your modified plans have been approved and you have signed a lease or completed the purchase of the Franchised Location, you must start and diligently pursue construction or remodeling (as applicable) of the Franchised Business. You will be considered to have started construction at the time when any site work is initiated by or on behalf of you at the Franchised Location. Site work includes, but is not limited to, any site work commenced for the construction of a stand-alone building, removing prior tenant improvements, construction of interior walls, and installation of your tenant improvements. During the time of construction or remodeling, you must provide us with periodic reports regarding the progress of the construction or remodeling as we reasonably request. In addition, we may make any on-site inspections as we may deem necessary to evaluate your progress. If during any inspections, we identify instances where your construction or remodeling is inconsistent with, or does not meet, our standards, we will notify you in writing of the deficiencies, and you must correct the deficiencies prior to opening. You must notify us of the scheduled date you intend to complete construction or remodeling no later than 30 days prior to that date. Within a reasonable time after the date of completion of construction or remodeling, we may, at our option, conduct an inspection of the completed Franchised Business. You acknowledge and agree that you will not open the Franchised Business for business without our written authorization and that our written authorization to open will be conditioned upon your strict compliance with this Agreement.

3.8 Timing for Opening the Franchised Business. You acknowledge that time is of the essence. Subject to your compliance with the conditions contained herein, you must open the Franchised Business and commence operations within 12 months after the Effective Date (“**Required Opening Date**”) set forth in **Attachment A**, unless you obtain our written permission to extend the Required Opening Date. So long as you have been continuously and diligently pursuing opening the Franchised Business, an extension will not be unreasonably withheld. If this Agreement is signed as part of an Area Development Agreement, the Required Opening Date shall be the date required in the Area Development Agreement. If you fail to comply with the requirements identified in Section 3.7 above, we will have the right to prohibit you from opening the Franchised Business.

### 3.9 Relocation of Franchised Location.

(a) You may not relocate the Franchised Business without our prior written consent. This Agreement does not grant you the right or license to operate the Franchised Business from any location except the Franchised Location or to use the Methods of Operation or the Marks to offer or sell any products, merchandise or services through any channel of distribution except the Franchised Business or as specified in the Manual.



(b) If you are unable to continue the operation of the Franchised Business at the Franchised Location because of a force majeure event, casualty, or condemnation, you may request, in writing, our approval to relocate the Franchised Business to another location in the Site Selection Area. Any other request to relocate the Franchised Business shall also be subject to our written approval. If we decide to grant you the right to relocate the Franchised Business, you must comply with the site selection and construction procedures described in this Section 3 with respect to the new Franchised Location.

#### 4. FEES AND OTHER FINANCIAL AND MARKETING REQUIREMENTS

4.1 Franchise Fees. You will pay us the applicable amount set forth below, plus, if due and payable, all applicable federal, state or municipal taxes, as a non-recurring franchise fee upon signing this Agreement. The franchise fee will be paid by means of check, money order or wire transfer. The franchise fee is fully earned upon payment and is nonrefundable.

(a) If this is your first franchise, you will pay us a nonrefundable Initial Franchise Fee (“**Initial Franchise Fee**”) upon the signing of this Agreement of \$25,000.

(b) If you are an existing franchise owner and the franchise is being purchased by the same legal entity or principal owner, you will pay us a nonrefundable Subsequent Franchise Fee (“**Subsequent Franchise Fee**”) upon the signing of this Agreement of \$15,000.

(c) If you have signed an Area Development Agreement and paid the Area Development Fee, you will pay us a nonrefundable Subsequent Franchise Fee of \$10,000 at the time set forth in the Area Development Agreement.

4.2 Royalty and Services Fee. Beginning on the Commencement Date, you will pay to us a continuing royalty and services fee equal to 5 percent of your Net Sales (“**Royalty Fee**”), which will be reported and paid to us as provided in this Agreement.

#### 4.3 Advertising Fee and Advertising Requirements.

(a) You will pay us an advertising fee of up to 2 percent of your Net Sales (“**Advertising and Development Fee**”) that will be placed in an advertising and development fund (“**ADF**”). The Advertising and Development Fee will be paid in the same manner and at the same time as the Royalty Fee. We reserve the right to place the Advertising and Development Fees in a separate bank account administered by us or an affiliate but are not required to do so. We will use the ADF for marketing research and development, local franchise owner group advertising or marketing, public relations, local, regional, national, Internet, or international advertising or marketing, development and maintenance of any Internet or e-commerce programs, stored value card programs, gift card programs, point-of-purchase programs, administration of advertising or marketing (including reasonable salaries, accounting, collection, quality assurance, legal and other costs), related expenses, and any media or agency costs. We make no promise or guarantee that advertising expenditures will be proportionate to contributions or provide direct benefit, or any benefit, to you or any other franchise owner. We have the sole right to decide on how to spend the Advertising and Development Fees, and have no fiduciary duty with regard to the ADF. Upon request, we will provide you with an unaudited annual summary report of Advertising and Development Fees and expenditures.

(b) We will administer the ADF and direct all advertising programs with sole decision-making authority over the creative concepts, materials, endorsements, placement, and allocation of overhead expenses. We will have the sole right to enforce the obligations to pay Advertising and Development Fees but we have no obligation to do so. Neither you nor any other of our franchise owners will be deemed a third party beneficiary with respect to the Advertising and Development Fees or ADF or have any right to enforce any obligation to pay Advertising and Development Fees.

(c) We may develop mandatory or voluntary special discount or free coupon programs and other Multi-Area Marketing Programs. You must follow our advertising guidelines and purchase and use advertising material that we may designate. You must place our franchise sales brochures that we provide at our cost in your store if we so request. You must participate in the Multi-Area Marketing Programs that we specify and we may specify maximum resale prices in connection with such programs. For example, you must participate in periodic national or international promotions, and purchase related marketing kits at your cost. If you participate in a voluntary program, you will follow all provisions of the program. If you elect to be excluded from a voluntary program, we may advise consumers, by advertising, sales solicitation or otherwise, that you are not a participant.

(d) You may not use any advertising, marketing, promotional materials, or advertising vendors that have not been provided by us or approved by us in writing. You may not embark upon advertising in any media or location without our written approval of the media. If within ten days after submission, we have not advised you in writing that the material is approved, the material will be deemed disapproved by us for you to use.

(e) We may, at our discretion, require that all or a portion of your Local Marketing Expense or advertising cooperative contribution be paid into the ADF. In the event that we require you to pay all or a portion of your Local Marketing Expense or advertising cooperative contribution into the ADF, such amounts will be credited toward the minimum Local Marketing Expense.

#### 4.4 Local Marketing.

(a) You must spend each month a minimum of the greater of \$2,000 or 5 percent of your Net Sales on local marketing (“**Local Marketing Expense**”). You will use only franchisor-approved advertising, marketing and promotional materials. You will report and document your Local Marketing Expense to us at such times and in such manner as we specify, including by electronic means.

(b) You must spend through us or at our direction up to \$30,000 on advertising, including local marketing, prior to and during your first 180 days of operation, in accordance with our marketing program. In addition, you must obtain professional public relations help and advice, in accordance with our Manual.

(c) You must adhere to, participate in, and follow our marketing programs and guidance, including local store marketing activities, displays, signage, customer loyalty, gift

certificates, stored value cards, or gift cards, online ordering and advertising in accordance with our Manual.

#### 4.5 Multi-Area Marketing and Cooperative Advertising.

(a) You must participate in Multi-Area Marketing Programs. Such programs will allow us or others to solicit or sell to customers anywhere, and may require your cooperation (including refraining from certain channels of marketing and distribution), participation (including payment of commissions or referral fees or accepting gift cards and stored value cards sold by us or other franchise owners), and adherence to maximum retail pricing to the extent permitted by law. We reserve the right to issue mandatory policies to coordinate such Multi-Area Marketing Programs. All such programs are our proprietary trade secrets. For example, you must participate in periodic national promotions, and in connection with such promotions purchase related marketing kits at your cost.

(b) We may designate local or regional advertising coverage areas to develop cooperative local or regional advertising and promotional programs. You must participate in and contribute your share to the cooperative advertising and promotional programs in your advertising coverage area.

(c) Your contributions to cooperative advertising or promotional programs will be credited toward the minimum Local Marketing Expense. Any such cooperatives will establish the procedures for contribution payments. You may be required to belong to and contribute a minimum of 3 percent of Net Sales to a maximum of 5 percent of Net Sales to any cooperative to which you are assigned. The minimum may be reduced by the cooperative if your Franchised Location does not receive full benefit of the cooperative's advertising. We may designate the coverage area and method and timing of payment; and may form, change, merge or dissolve cooperatives; and may approve or disapprove any outside agencies, articles, bylaws, other governing documents, and all activities and advertising; of any such cooperative; and may specify maximum resale prices to the extent permitted by law. All cooperatives will report to us in the manner required by, and follow all requirements of, this Agreement.

#### 4.6 Manner of Payment and Reports.

(a) On Tuesday of each week, or such other time that we specify, you will deliver an itemized report of your Net Sales for the prior week just ended (or other period), and other statistics we specify, on such form and in the manner, including electronically, that we prescribe. Upon request, you will provide us with all hard copies and access to electronic reports that we prescribe, including a list of prices and products sold. We reserve the right to electronically poll your computer system at any time and to use the data we obtain from such polling for any legal purpose.

(b) On or before Monday of each week, or such other time that we specify, you must make all payments to us by any method we specify, including electronic funds transfer or the Internet, for the sales week ending on the preceding Monday. We currently require you to sign an Automated Clearinghouse ("ACH") Authorization allowing us to automatically deduct payments or any other amounts you owe to us from your franchise bank account. The ACH

Authorization also authorizes us to withdraw or deposit amounts resulting from gift card or stored value card activations or redemptions, orders placed on our website, and any other amounts that may become due to you into your franchise bank account. We will not require you to deposit all your revenue into an account that we control, or from which withdrawals may be made only with our consent. You must make funds available to us for withdrawal by electronic transfer no later than the due date for payment. If you have not reported the Net Sales to us for any reporting period as required, then we shall be authorized, at our option, to debit your account in an amount equal to (a) the fees transferred from your account for the last reporting period for which a report of the Net Sales was provided from you as required hereunder; or (b) the amount due based on information retrieved from our approved computer system. Upon receipt of your report of Net Sales, the amount due will be reconciled with the amount withdrawn.

(c) You will not set off any claim for damages or money due to you from us against any payments to be paid by you to us under this Agreement or any related agreement between the parties. No endorsement or statement will be effective as an acknowledgment of payment in full. We will have the right to accept any payment and to recover the balance due or to pursue any other remedy available to us.

(d) Interest of 1.5 percent per month (18 percent per annum), or the maximum allowed by law if less, will be added to any sums to be paid under this Agreement that remain unpaid after the date due. If we are unable to withdraw funds from your franchise bank account because you have insufficient funds in the account, you have closed the account, or you have placed or caused a “stop payment” instruction on the account for any reason, we have the right to charge you a non-sufficient funds fee (“NSF Fee”) of \$35. In addition, you must reimburse us for any non-sufficient funds fees that we incur.

#### 4.7 Records.

(a) You will keep full, complete, and accurate books, records, and accounts for your Franchised Business, in accordance with generally accepted accounting principles and all requirements of the law, and in the form and manner prescribed below or as we may prescribe from time to time.

(b) You will submit to us, on a form approved by us and in the manner prescribed by us, no later than 30 days after the close of our fiscal month, a profit and loss statement, including a year-to-date summary, and, if available, balance sheet for that month. You will also submit to us, on a form and manner approved by us, no later than 90 days after the close of our fiscal year, a profit and loss statement and balance sheet prepared in accordance with generally accepted accounting principles for the full 12 months of each fiscal year.

(c) You will maintain and submit to us such other reports and information as we may reasonably require from time to time, in the form and manner prescribed by us.

(d) You will maintain and preserve, for no less than the current fiscal year and the seven immediate past fiscal years, all books, tax returns, accounting records, and supporting documents relating to your Franchised Business, including but not limited to:

(i) daily cash reports;

- (ii) cash receipts journal and general ledger;
- (iii) cash disbursements journal and weekly payroll register;
- (iv) monthly bank statements, daily deposit slips, and canceled checks;
- (v) business tax returns, and individual tax returns for each person with an ownership interest in the business;
- (vi) dated cash register tapes, detailed and summary;
- (vii) monthly and annual profit and loss statements and balance sheets;
- (viii) such other records and information as we may request from time to time; and
- (ix) all records that you are required to keep by law.

(e) You hereby grant us the right to obtain and inspect all records of all suppliers, distributors, and other third parties who supply you with food and paper products, supplies, equipment, and other materials, and you hereby authorize your suppliers, distributors, and third parties to provide us with those records upon our request.

4.8 Audits. In addition to those rights granted to us herein, from the Effective Date of this Agreement until three years after the end of the term of this Agreement, we or our representatives shall have the right to examine your original books, records, and supporting documents, wherever they are located, at reasonable times, and to perform, with or without notice to you, such tests, analyses, and inspections as we deem appropriate to verify your sales and your compliance with any other terms of the Franchise Agreement. Upon our request and at your sole expense, you will send copies of these books, records, and documents to us or our representatives. If we determine that your actual Net Sales are higher than those you have reported to us, you will immediately pay all sums owed to us, the ADF, and your advertising cooperative, plus interest at 1.5 percent per month (18 percent per annum) or the highest permissible rate. We will bear the cost of the audit, unless you (1) understate Net Sales by 2 percent or more for any reported time period, (2) fail or refuse to furnish required reports or supporting records on a timely basis for two or more consecutive reporting periods, (3) fail or refuse to make the books and records available for an audit after receiving reasonable, advanced notice from us, or (4) otherwise fail or refuse to cooperate with the audit or requests made by us or our representatives, in which case you will reimburse us for the audit cost, including travel, accommodations, meals, salaries, and other expenses of the inspecting or audit personnel, plus pay us interest at 1.5 percent per month (18 percent per annum) or the highest permissible rate. Any payments made pursuant to this Section will be without prejudice to any other remedies that we may have under this Agreement or by law, including but not limited to the right to terminate this Agreement, without opportunity to cure, in the case of intentional underreporting of Net Sales, regardless of the amount involved.

4.9 Application of Payments; Setoff; Security Interest. We may apply any payment from you to any past due indebtedness you owe to us or to our affiliates, whether from fee

payments, purchases, late payment charges, or for any other reason. We may set off from any amount due you, any amount past due us or our affiliates or any designated cooperative. You hereby grant us a security interest in all of your business assets, including furniture, fixtures, equipment, and inventory, to secure any amounts due us. You hereby authorize us to file a standard UCC-1 financing statement, or its equivalent for the applicable state, to record our security interest.

4.10 Vendor and Supplier Payments. We may receive payments from vendors or suppliers. All payments received shall be placed into the ADF or a fund established for the benefit of the franchise system.

4.11 Bookkeeping and Payroll Services. We require you to retain an approved bookkeeping and payroll service for the first year of operation of the Franchised Business. We will have access to and specify requirements and forms of all information and reports generated by the service.

4.12 Third Party Programs. In the Manual, we may require at your expense, participation in certain third party vendor programs. We may require payment directly to a third party provider or reimbursement to us for our payment thereto.

## 5. **YOUR DUTIES**

5.1 Time to Complete Training and Commence Operation. You will complete to our satisfaction the mandatory training program and commence full and continuous operation of the Franchised Business by the Required Opening Date as set forth on **Attachment A**. You must comply with the provisions of this Agreement, including, without limitation, those regarding site location and premises development before opening.

5.2 Permits, Licenses, and Laws. You will obtain all local permits and licenses necessary to operate the Franchised Business before you begin operation. You must comply with all civil and criminal laws, ordinances, rules, regulations, and orders of public authorities relating to the maintenance and operation of the Franchised Business, including but not limited to those relating to health, safety, sanitation, employment, immigration, taxation, privacy, and environmental regulation.

5.3 Uniformity and Image. Your adherence to the Methods of Operation and proper use of the Marks is essential to maintaining a uniform image and high standards of the Franchised Business. In order to maintain uniform standards of quality, appearance, and marketing, you must conform to our Mark usage standards and specifications, including signage and marketing.

5.4 Specifications and Standards. We may set standards or specifications, including but not limited to menus, fixtures, equipment, interior décor, inventory, food preparation, Methods of Operation, Multi-Area Marketing Programs, trade dress, signs, systems, forms, policies and procedures, and other goods and services, including our determinations relating to quality, value, and appearance of products, services and premises, which you must follow. We may change the standards and specifications from time to time and you agree to implement any

such changes as if they were part of the standards and specifications at the time you signed this Agreement. You must purchase all such goods and services, from sources and suppliers that have been approved or designated by us. We do not profit from the sale of mandatory goods and services to you. You must participate in and cooperate with promotional programs, and follow our and our suppliers' guidelines. Your supply sources must conform to our requirements. You will repair or replace equipment with equipment that meets our specifications.

5.5 Operations. You will operate the Franchised Business in accordance with the Methods of Operation and Manual, as amended by us from time to time. We have the right to prescribe additions to, deletions from or revisions of the Manual (the "Supplements to the Manual"), all of which will be considered a part of the Manual. All references to the Manual in this Agreement will include the Supplements to the Manual. Supplements to the Manual will become binding on you as if originally set forth in the Manual, upon being delivered to you. The Manual and any Supplements to the Manual are material in that they will affect the operation of the Franchised Business, but they will not conflict with or materially alter your rights and obligations under this Agreement.

5.6 Right of Entry and Inspection. We or our authorized agents or representatives, with or without prior notice to you, may enter the Franchised Location during normal business hours and inspect the operations of the Franchised Business and to select materials, ingredients, products, supplies, paper goods, uniforms, fixtures, furnishings, signs, equipment, and any other item for evaluation, in order to ensure that these items conform to our operating standards. We may photograph or electronically record any part of the Franchised Business, whether or not you are present. Without any liability to you, we may remove any materials that we, in our judgment, determine to be illegal, unsafe, not in conformity with our operating standards, or in violation of this Agreement. If we find any condition in your Franchised Business that we consider to be hazardous, unsafe, unhealthy, unclean, unsanitary, or in material disrepair, then we have the right to require you to immediately close your Franchised Business and to take such actions as we deem necessary to remedy the condition. You will be solely responsible for the costs and damages incurred in connection with complying with this Section.

5.7 Uniforms. You will wear and you will provide and cause your employees to wear our required uniforms and comply with the standard uniform policy set forth in the Manual.

5.8 Upgrade, Refurbish and Replacement. You will upgrade, refurbish and replace the Franchised Location, fixtures, and equipment to conform to the then-current Manual and Methods of Operation as required by us. We may require you to invest up to \$30,000 ("**Upgrade Investment**"), cumulatively, to upgrade and replace the Franchised Location, fixtures, and equipment during the initial term of this Agreement. You understand, acknowledge and agree that any general maintenance and repair expenses incurred by you in operating the Franchised Business shall not be considered part of your required Upgrade Investment.

5.9 Computer and Communication Systems.

(a) You must acquire, maintain and upgrade point-of-sale, computer, information processing and communication systems, accounting, cash control, labor management, and inventory control systems, including all applicable hardware, software, and

hosting services and Internet and other network access providers, email address, and website vendors and/or services, as we may prescribe in the Manual, as amended periodically. You must comply with any separate software or other license agreement that we or our designee uses in connection with providing these services. You must utilize our required software, point-of-sale, proprietary database management and Intranet system, when available, as the exclusive means of tracking and maintaining customer, vendor, and related information, and for such other purposes as prescribed by us periodically in the Manual. We reserve the right to require you to submit weekly or other reports electronically. You must comply with all policies adopted and revised by us regarding the use of email, use of social media by you and your employees or agents, and use of all other forms of electronic communication and electronic commerce. You must maintain three telephone lines and one business-class high speed Internet access circuit, or more, as required by us. You must access your email account regularly and at least once each day. We or our agents may enter your business, physically or electronically, and have access to the PMI Enterprise Solution and the data within it, along with any records, examine or audit your business, at any reasonable time without notice.

(b) Computer systems are vulnerable in varying degrees to hardware and software failures, configuration-related problems, computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders (“**E-Problems**”). We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems and you waive any and all claims you may have against us as the direct or indirect result of E-Problems.

5.10 Approved Products. Because the reputation of the Marks and the Franchised Business depends on a uniform high quality of products and services, you may sell only approved products and services, from specified or approved vendors. You will sell, serve or distribute all products and services we require. You must maintain, at all times, a sufficient supply of products to meet customer demand. If you want to purchase any product of an unapproved brand or from an unapproved supplier, you will notify us, and will pay us a processing fee and a reasonable testing fee as determined by us. We will, within a reasonable time, determine whether the unapproved brand or unapproved supplier has performance characteristics, quality, appearance, reliability and other relevant characteristics similar to the product brands and suppliers then approved by us. If so, our approval will not be unreasonably withheld, unless we develop a specified vendor program for specific products or services, in which case you will use our specified vendor. You recognize that specified vendor programs may lower your or our costs or improve quality control. You must obtain our written approval of your supply sources before their use. We may require your suppliers to sign a nondisclosure agreement and an indemnity agreement to guarantee our level of quality, and produce sufficient samples or access to their facilities to allow us to test the samples at your expense.

5.11 Personal Participation. You understand, acknowledge and agree that your personal supervision, participation, and example are essential to the success of the Franchised Business. Except as we may agree in writing, for good cause, you, or your designated operating partner if the Franchise Owner is a legal entity, must participate personally in the Franchised Business. If you own more than one Franchised Business, you must actively participate in the management and operation of each of the Franchised Businesses owned by you. In addition, we



may impose a requirement that includes but is not limited to requiring Certified Managers at each location and providing equity ownership or similar incentives, to store operating personnel as a condition to granting you additional franchises. These specific requirements will become part of your Agreement.

#### 5.12 Other Operating Standards.

(a) You will operate the Franchised Business in a clean, orderly and respectable manner in strict compliance with this Agreement and the Manual. Unless otherwise approved by us, the Franchised Location will be used only as a Papa Murphy's Franchised Business. You will only use signs, fixtures, equipment, materials, food products, other products, inventory, décor, plans, and services that conform to our specifications to conduct the Franchised Business. You will participate in gift, stored value and loyalty card programs, accept credit cards and apply to accept and accept electronic benefit transfer cards and food stamps in compliance with the Manual.

(b) You will not allow the Franchised Business to be used for any unauthorized or illegal purpose.

(c) You will conform to all standards and procedures we establish to ensure a uniformity and consistency of operation.

(d) You will not install or use any vending machines, televisions, juke boxes, games or musical devices on the Franchised Location without our prior written approval.

(e) You will offer for sale all required menu items.

(f) You will not sell, serve or dispense any products, services or activities other than those we specifically approve in writing.

(g) You will maintain the Franchised Location, equipment and furnishings in good repair, attractive appearance, and sound operating condition in compliance with the Manual. At our request, you will make necessary repairs to the Franchised Location to comply with our operating standards. You will complete all repairs and changes within a reasonable time after notice from us. You will not make any change in the layout and décor of the Franchised Location without our prior written approval. In addition, you must comply with any requirement we may impose to upgrade, refurbish and replace the Franchised Location, fixtures, and equipment to conform to the then-current Manual and Methods of Operation as required by us.

(h) You will pay all business debts and expenses when due, including taxes and government obligations, and you will comply with all contracts with third parties.

#### 5.13 Marks and Internet.

(a) You will conduct and diligently promote the Franchised Business under the name Papa Murphy's Take „N“ Bake Pizza, or other Marks we specify, throughout the term

of this Agreement and any applicable Interim Period as defined in Section 6.6. You will follow our directions for use of the Marks.

(b) Although you must use the Marks as your trade name, in the manner that we specify, you must also have a separate business name. You may not use the Marks or any similar marks or words in your business name.

(c) You must obtain our prior written approval for any use of any item of printed, audio, visual, Internet, electronic media, or multimedia material of any kind bearing any of the Marks, unless we supplied the item. You must follow our trademark and copyright usage directions. You will indicate to third parties that your business is “independently owned and operated” and that we own the Marks and you use them under license.

(d) You must convey to us for nominal consideration any new developments or additional rights you acquire in using the Marks, Methods of Operation, and Manual. We may change the Marks, Manual, or Methods of Operation.

(e) Any licenses, permits, official documents, bank accounts or other accounts will be in your separate business name, and if they refer to the Marks, will state that your use of the Marks is limited by this Agreement.

(f) You must notify us immediately if there is any infringement or challenge to your use of the Marks. We are not obligated to protect your right to use the Marks and may direct you not to use the Marks. We will reimburse you only for tangible costs of new signage and stationery that we require as a result of changed Marks.

(g) You agree that we own the Marks and all goodwill associated with the Marks and you will not contest our ownership of the Marks.

(h) You must not sublicense our Marks. You have no rights in the Marks other than those explicitly granted by this Agreement. You further agree that any unauthorized, injurious or prejudicial use of the Marks during the term of or after the expiration or the earlier termination of this Agreement shall constitute an incurable default causing irreparable harm subject to injunctive relief.

(i) You hereby permanently and irrevocably assign to us any and all rights and interests (including intellectual property rights and interests) to any and all of the following which is developed by you, or on your behalf, if developed in whole or in part in connection with your Franchised Business or Franchised Store: all products or services; all variations, modifications and/or improvements on products or services; your means, manner and style of offering and selling products and services; management techniques or protocols you may develop (or have developed on your behalf); all sales, marketing, advertising and promotional programs, campaigns or materials developed by you or on your behalf; and, all other intellectual property developed by you or on behalf of your Franchised Business.

(j) You may not independently have a site or market on the Internet, or use any domain name, address, locator, link, metatag, or search technique, with words or symbols the same as or similar to the Marks. You may not have any Internet presence outside our website or

as we specify, except for such social media sites that comply with our social media policies and requirements as set forth in the Manual. We retain the sole right to market on the Internet, including all use of websites, domain names, URL's, linking, advertising, and co-branding arrangements. You will provide us content for our Internet marketing. We also retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, metatags, and in connection with linking, advertising, co-branding, social media, and other arrangements. We retain the right to approve any linking or other use of our website. You may not establish a presence on or market using the Internet except as we may specify, or with our prior written consent. We intend that any franchise owner website approved by us be accessed only through our home page. You may not engage in text marketing or marketing using any other form of electronic communication via cell phone, smart phone, or other personal digital assistant without our express permission and ensuring that such marketing complies with our policies and requirements set forth in the Manual. All Internet marketing and websites, and forms of electronic communication are a part of Multi-Area Marketing Programs, and must be coordinated through us and approved by us.

#### 5.14 Manual and Methods of Operation.

(a) We will lend you the confidential Manual for the initial franchise owner training session and if you satisfactorily complete training, for the term of the Agreement and any applicable Interim Period. If you lose the Manual or require a replacement upon expiration of the term, you will pay a fee of \$1,000. All Manuals must be returned upon termination.

(b) The Marks, Manual and Methods of Operations are our sole and exclusive property. Nothing in this Agreement or any other agreement gives you or others any right in them. We own all copyrights to the Manual, advertising material, menus and any other marketing and promotional materials produced by us, and other works of authorship related to the Methods of Operation, and to the Franchised Business.

(c) We may change or modify any part of the Manual and the Methods of Operation. You will accept and comply with all changes and modifications. You will bear all costs and expenses that may be necessary because of such changes or modifications.

(d) Changes in the Manual and the Methods of Operation may include but will not be limited to required use of new or modified Marks, expansion of existing services, introduction of new services or programs, compliance with new techniques, standards, specifications and procedures and other developments of the Method of Operation.

#### 5.15 Confidential Information.

(a) You agree that the Methods of Operation include valuable know-how, information, trade secrets, methods, Manual, standards, designs, usage of the Marks, copyrighted works, products and service sources and specifications, proprietary software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the Franchised Business, as modified by us at any time. You agree not to communicate or divulge the contents

of our Manual or any other information related to the Methods of Operation to any person or entity except those we authorize in writing.

(b) You must keep the Methods of Operation and Manual confidential, and not disclose them other than to your employees and only to the extent necessary for those employees to perform authorized duties. You will not at any time copy, duplicate, record or otherwise reproduce any material that is set forth in the Methods of Operation and Manual or other proprietary materials. You must follow our security procedures, which include the execution of approved nondisclosure agreements by you and all of your managers. Unauthorized use of the Manual and the Methods of Operation will constitute a breach of this Agreement and infringement of our proprietary rights, including trade secrets and copyrights.

#### 5.16 Covenants Not to Compete.

(a) During the term of this Agreement, and any applicable Interim Period as defined in Section 6.6 or any extension, neither you, your immediate family and household members, nor persons associated with you, including owners, managers, assistant managers, or agents involved in the operation of the Franchised Business, will participate directly or indirectly or serve in any capacity in any business engaged in the wholesale or retail sale of take-and-bake pizza or services or other products or services competitive with those offered by the Franchised Business.

(b) For a period of two years after the transfer, assignment, expiration or termination of this Agreement, for any reason, neither you, your immediate family and household members, nor persons associated with you, including owners, managers, assistant managers, or agents involved in the operation of the Franchised Business, will participate directly or indirectly or serve in any capacity in a competitive business including but not limited to any business engaged in the wholesale or retail sale of take-and-bake pizza or services or other products or services competitive with those offered by the Franchised Business. This post-termination covenant applies within a 25-mile radius of the Franchised Location, and of the premises of any other Papa Murphy's location. If anyone successfully contests the validity or enforceability of this section in its present form predicated upon the duration or area of coverage, this provision will not be deemed invalid or unenforceable, but will instead be deemed modified, so as to be valid and enforceable, to provide coverage for the maximum duration that any court of competent jurisdiction will deem reasonable, necessary and equitable.

(c) This covenant not to compete is given in part in consideration for training and access to our trade secrets, which, if used in a competitive business, would give you or others an unfair advantage.

(d) At our request, we may require you to obtain the execution of covenants similar to those contained in this Section from all officers, directors, managers, and holders of a beneficial interest in five percent (5%) or more of the securities issued by you, and of any legal entity directly or indirectly controlling you, if you are a corporation; from all members if you are a limited liability company; and from all general partners if you are a partnership. Each covenant shall be in a form approved by us, and shall identify us as a third party beneficiary with the independent right to enforce the covenant.

5.17 Notice of Court or Government Action. You will notify us in writing within 15 days of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or government instrumentality, or of any other action of any kind, which may adversely affect your operation of or the financial condition of the Franchised Business.

5.18 Compliance with Anti-Terrorism Laws. You and your owners must comply with and/or assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you and each of your owners certify, represent and warrant that none of your or their property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that you and each of your owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(a) You and each of your owners certify that none of you or them, your or their employees, or anyone associated with you or each of your owners is listed in the Annex to Executive Order 13224 (which can be accessed at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>). You and each of your owners agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

(b) You and each of your owners certifies that you have no knowledge or information that, if generally known, would result in you, your owners, your or their employees, or anyone associated with you or each of your owners being listed in the Annex to Executive Order 13224.

(c) You are solely responsible for determining what actions you must take to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in this Agreement pertain to your obligations under this Section 5.18(a) through (e).

(d) Any misrepresentation under this Section 5.18 or any violation of the Anti-Terrorism Laws by you, your owners, agents, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or any of our affiliates.

(e) “**Anti-Terrorism Laws**” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control and any government agency outside the U.S.) addressing or in any way relating to terrorist acts and/or acts of war.

5.19 Franchise Convention. Your attendance at each convention is strongly encouraged. You will pay your cost for travel, accommodations, meals and other expenses.

## 6. CONTINUATION OF ABILITY TO OPERATE, TERMINATION AND STEP-IN RIGHTS

6.1 Continuing to Operate Beyond this Agreement. This Agreement grants you the right to operate using our Methods of Operation and our Marks for ten years, unless terminated earlier under this Agreement. In order for you to continue to operate beyond the ten-year term, you must enter into a new Franchise Agreement and a Successive Addendum in the form attached hereto as **Attachment E**, the terms of which may vary substantially from this Agreement. The term of any Franchise Agreement successive to your initial Franchise Agreement (“**Successive Franchise Agreement**”) will be for five years. In order to receive a Successive Franchise Agreement, the following must occur:

(a) You are not in default under this Agreement or any other agreements between you and us or our affiliates or a third party that relates to the franchise in any way.

(b) You must submit a written request to continue operating to us not sooner than 12 months before the end of the term and not later than 6 months before the end of the term.

(c) At least 60 days before the expiration date, you must execute the Successive Franchise Agreement and Successive Addendum which may vary in material respects from this Agreement.

(d) Your ability to continue to operate is contingent on satisfactory performance of this Agreement and any other agreements with us, and our approval of your current location and lease.

(e) At least 60 days before the expiration date, you must pay us a \$7,500 fee for our costs incurred in connection with issuing a Successive Franchise Agreement and continuing your right to operate the Franchised Business.

(f) You will remodel the Franchised Location, fixtures, and equipment to conform to the then-current Manual and Methods of Operation as required by us. A remodel is defined as an investment of greater than \$30,000, cumulatively, except in the case of damaged or broken equipment or as required by health department or other legal requirements. The remodeling requirements will be generally consistent with those required of other franchises of the same age, condition, and geographic region as your franchise.

(g) You must execute a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us. This general release will apply only to the Franchised Business which is the subject of the Successive Franchise Agreement.

(h) At least 60 days before the expiration date, you or your designated manager will attend and successfully complete any training program we prescribe. This will be done at your expense, including travel, meals, accommodations, and other expenses and our then-current training fee, if any.

(i) If we decide not to continue your franchise rights to operate the Franchised Business, we will give you written notice of our intent not to continue within 60 days after receiving your written request to continue operating. We may extend the term of the franchise for a limited period in order to satisfy this notice requirement, or any other notice requirement under applicable law.

6.2 Termination by You. You may terminate this Agreement if you are in compliance with the terms of this Agreement and if we substantially breach any material provision of this Agreement and fail to cure or reasonably begin to cure that breach within 60 days after receipt of written notice specifying the breach. Termination will be effective ten days after you deliver to us written notice of termination for our failure to cure (or begin to cure) within the allowed period. You will be bound by and must confirm in writing all of your post-termination obligations thereafter, including confidentiality, noncompetition, indemnity, mutual releases, and our option to purchase your business assets. You must close the Franchised Business at the Franchised Location before your termination can be effective.

6.3 Termination by Us. We may terminate this Agreement and any other related agreements between the parties for “good cause” if you default under the terms of this Agreement and do not cure the default within the applicable cure period provided below, unless this Agreement specifies that no cure period shall apply. Termination will occur immediately upon delivery to you of our written declaration of termination for failure to cure within the allowed time frame.

(a) Thirty-Day Cure Period. Without limitation we may terminate this Agreement if you default under the terms of this Agreement and do not cure the default within 30 days after receipt of our written notice to cure, if you:

(i) Fail to begin full and continuous operation of the Franchised Business within 12 months after the Effective Date of signing this Agreement; or

(ii) Breach or violate this Agreement, or any other agreement between you and us or our affiliates, except as otherwise set forth herein; or

(iii) Fail to operate in accordance with the Methods of Operation.

(b) Ten-Day Cure Period. We may terminate this Agreement if you fail to pay any amounts required to be paid under this Agreement and do not cure the default within ten days after receipt of our written notice to cure. We may also terminate this Agreement if you close your account or place or cause a “stop payment” instruction with your bank that restricts our ability to electronically withdraw amounts required to be paid to us or our affiliates from your franchise bank account and you fail to open a new account or remove such “stop payment” instruction within ten days after receipt of our written notice to cure.

(c) Twenty-Four Hour Cure Period. We may give you 24 hours” written notice to cure any default under this Agreement that creates an unsafe, unhealthy, unclean, or unsanitary condition at the Franchised Location or in connection with any product sold or delivered to consumers by the Franchised Business. We may terminate this Agreement if you fail to cure any such defaults within the 24-hour cure period. In addition, if you have not cured a

default within the 24-hour cure period, we have the right to enter your Franchised Business and cause the conditions therein to be corrected without being guilty of or liable for trespass or tort, at your expense, and without prejudice to any other rights or remedies that we may have available to us, including the right to terminate this Agreement.

(d) Immediate Termination. We may immediately terminate this Agreement and any other agreements between the parties without other cause, and without giving you an opportunity to cure, if you:

(i) Fail to continuously actively operate the Franchised Business for two consecutive days or for any shorter period after which it is reasonable under the facts and circumstances to conclude that you do not intend to continue the Franchised Business, unless you close the Franchised Business for a purpose we approve or because of casualty or government order. “Actively operate” means to be open for business and offering all required menu items for sale; or

(ii) Fail to comply with the same obligation under this Agreement on two or more occasions within any 6 consecutive month period, or three or more occasions within any 36 consecutive month period, whether or not you correct any of the above failures after we deliver written notice to you; or

(iii) Make or have made any material misrepresentation or misstatement in connection with your franchise application or with respect to ownership of the Franchised Business; or

(iv) Are convicted of or plead guilty to a felony, a crime involving moral turpitude, or any other crime or offense that we believe is injurious or prejudicial to the Papa Murphy’s franchise system, our Marks, or our goodwill, or if we have proof that you have committed such a felony, crime, or offense; or

(v) Operate the Franchised Business in a way that creates an imminent danger to public health or safety in our discretion; or

(vi) Make any misrepresentation under Section 5.18 or commit any violation of Anti-Terrorism Laws, or your owners, agents or employees make any misrepresentation under Section 5.18 or commit any violation of Anti-Terrorism Laws; or

(vii) Become insolvent or make a general assignment for the benefit of creditors; or if you file a petition in bankruptcy or such a petition is filed against you and not opposed by you; or if you are adjudicated as bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian of any part of your business or assets is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law is instituted by or against you; or if your real or personal property shall be sold at levy thereupon by any sheriff, marshal, or constable; or



(viii) Intentionally underreport Net Sales, falsify financial data, or commit any other act of fraud in connection with our relationship or this Agreement; or

(ix) Fail to comply with any civil or criminal law, ordinance, rule, regulation, or order of public authorities relating to the maintenance or operation of the Franchised Business, including but not limited to those relating to health, safety, sanitation, taxation, employment, immigration, and environmental regulation; or

(x) Allow your lease to terminate or expire; or

(xi) Permit the use of the Franchised Business for any illegal or unauthorized purpose, including but not limited to substitution of products under our trademarks; or

(xii) Undertake or engage, or your owners or employees undertake or engage, in any activity that we deem to be materially detrimental, injurious or prejudicial to the value or reputation of the Marks, the System or the Papa Murphy's brand; or

(xiii) Have an interest, or a legal entity in which you are an owner has an interest, in any other development agreement, franchise agreement or other agreement with us and that agreement is terminated by us due to any default.

6.4 Effect of Termination. Upon any termination or expiration of this Agreement, you will immediately:

(a) Return to us all copies of the Manual, all items displaying any Marks and all copyrighted and proprietary items;

(b) Authorize telephone, Internet, email, electronic network, directory and listing entities to transfer all numbers, addresses, domain names, locators, directories, listings and customer lists to us or our designee;

(c) Cease doing business under any of the Marks, cancel any assumed or fictitious business name registration that includes any of the Marks, assign all domain names and Internet directory listings that contain the Marks to us, and refrain from identifying yourself as our franchise owner;

(d) Allow us or our representatives access to the Franchised Business and your computer systems to verify and secure your compliance with your obligations;

(e) Allow us to make a final inspection and audit of your computer system, books, records and accounts;

(f) Abide by the provisions of noncompetition, confidentiality, indemnification, dispute resolution and venue, and all other provisions that expressly or by their nature survive the termination or expiration of this Agreement;

(g) Pay us all amounts you owe us and pay us royalties and other ongoing fees, as though you are still an active franchise owner, for the longer of: (i) so long as you continue to use the Marks or Methods of Operation; or (ii) so long as you or your successor or assignee remains in a competitive business, unless we have approved the assignment in accordance with this Agreement;

(h) At our option, perform any or all of the following:

(i) Remove all franchise-related equipment, furnishings, décor, signage, trade dress and inventory from the Franchised Location;

(ii) Upon termination, sell the equipment, furnishings, and inventory to us (or such of the same as we may determine), at the depreciated book value (straight-line depreciation over five years) for equipment and furnishings and at your invoice cost for inventory. We will not be liable for payment to you for intangibles, including goodwill and may set off any amounts owed to us by you;

(iii) Upon expiration, sell the equipment, furnishings, and inventory to us (or such of the same as we may determine), at fair market value. We will not be liable for payment to you for intangibles, including goodwill and may set off any amounts owed to us by you; and

(iv) Assign to us the lease of the Franchised Location.

#### 6.5 Our Step-In Rights.

(a) In order to prevent any significant interruption of the operation of the Franchised Business that could cause significant harm to the Franchised Business, you grant us the right to operate the Franchised Business in your place for a period up to 90 days. Causes for interruption include but are not limited to our determination that you are absent or incapacitated because of disability, death or abandonment of the Franchised Business; or creditors have begun proceedings that are likely to result in seizing of significant business assets or closing the Franchised Business. After an initial 30-day evaluation period, we will either operate the Franchised Business for an additional 60-day period of time or return it to you. At the end of 90 days, we will return the Franchised Business to you provided the cause for interruption has been remedied.

(b) You will receive the Net Sales generated by our operation of the Franchised Business provided that we will pay from Net Sales all expenses, debts and liabilities we incur during our operation of the Franchised Business including our personnel and administrative costs, and we also will retain 15 percent of Net Sales to cover our direct and indirect expenses, including our general and administrative and our reasonable legal and accounting costs. In addition, we will have the option, but not the obligation, to pay for you any

claims owed by you to any creditor, landlord, or employee of the Franchised Business and you will reimburse us upon demand.

(c) We will have no obligation to retain any of your employees, or to honor any contractual employment commitments you previously made.

(d) Upon our exercise of these rights, you agree to hold us harmless for all acts, omissions, damages, or liabilities arising during operation.

(e) Our operation of the Franchised Business will not operate as an assignment to us of any lease or sublease of franchise property.

6.6 Interim Period. If you do not sign the Successive Franchise Agreement and Successive Addendum prior to the expiration of this Agreement but you continue to accept the benefits of this Agreement after the expiration of this Agreement, then, at our option, this Agreement may be treated either as:

(a) expired as of the date of expiration with you operating without a franchise in violation of our rights; or

(b) continued on a month-to-month basis (“**Interim Period**”) until one party provides the other with written notice of such party’s intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the event of termination of the Interim Period, all of your obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

## 7. **TRANSFER**

### 7.1 Sale or Assignment by You.

(a) Transfer. You will not make a Transfer or make any lease or sublease of any property you are leasing in connection with the Franchised Business, without our prior written consent, which will not be unreasonably withheld, provided all prerequisites to transfer are met. Any attempted Transfer of any interest in the Franchised Business without our prior written consent will be a default under the terms of this Agreement and will be void. The following conditions must be met before a Transfer will be approved:

(i) You must submit a written request to Transfer at least 14 days prior to the close of the Transfer; and

(ii) You must submit a fully-executed and complete copy of the purchase agreement; and

(iii) The transferee must assume all of your obligations in connection with the Franchised Business; and

- (iv) You must prove that you have paid all of your debts; and
- (v) You must not be in default under this Agreement or any agreement between you and us or our affiliates or a third party that relates to the franchise in any way; and
- (vi) The transferee must pay for any required training and successfully complete the training then required of new franchise owners; and
- (vii) In the event a majority or controlling interest in the Franchised Business is transferred, you or the transferee must pay us a transfer fee (“**Transfer Fee**”). This Transfer Fee is subject to refund pursuant to Section 2.3(c). The Transfer Fee shall be calculated as follows:
  - (1) If it is the transferee’s first Franchised Business, the Transfer Fee will be \$25,000 less \$2,500 times the number of full years remaining on the initial term of this Agreement. In the event the transfer occurs during the term of a Successive Franchise Agreement, the Transfer Fee will be \$25,000 less \$2,500 times the number of full years remaining on the Successive Franchise Agreement, but in no event less than \$12,500.
  - (2) If the transferee is an existing franchise owner and the Franchised Business is being purchased by the exact same person, ownership group or business entity, the Transfer Fee will be \$15,000 less \$1,500 times the number of full years remaining on the initial term of this Agreement. In the event the transfer occurs during the term of a Successive Franchise Agreement, the Transfer Fee will be \$15,000 less \$1,500 times the number of full years remaining on the Successive Franchise Agreement, but in no event less than \$7,500; and
- (viii) The transferee must execute all of the documents we then require of new or continuing franchise owners including a new franchise agreement with terms that may vary materially from this Agreement, but that are the same generally as those required of other new and continuing franchise owners; and
- (ix) The transferee must meet our subjective and objective standards, for new or continuing franchise owners; and
- (x) The Franchised Location, fixtures, and equipment will be remodeled to conform to the then-current Manual and Methods of Operation as reasonably required by us. A remodel is defined as an investment of greater than \$30,000, cumulatively, except in the case of damaged or broken equipment or as required by health department or other legal requirements. The remodeling requirements will be generally consistent with those required of other franchises of the same age, condition, and geographic region as your franchise; and

(xi) You and your owners must execute a general release in favor of us, to the extent permitted by law. This general release will apply only to the Franchised Business which is the subject of the Transfer; and

(xii) You must obtain and submit to us satisfactory evidence of transfer and/or consent of lenders, lessors, and governmental authorities for all material permits, approvals, and licenses.

(b) Right of First Refusal. If you determine to sell or transfer an interest in this Agreement or the Franchised Business or a controlling ownership interest in the entity holding the Franchised Business, we may elect to purchase the interest for the price and on the terms and conditions contained in the offer upon the following conditions:

(i) Within seven days after receipt of a bona fide offer acceptable to you to Transfer all or part of this Agreement or the Franchised Business, you will notify us of the offer in writing, enclosing a signed copy of the offer. To be a valid bona fide offer, the proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price.

(ii) We will then have access to all of your books and records in order to evaluate this offer, including but not limited to your business financial statements and tax returns.

(iii) We may then purchase the same assets or interest that is the subject of the offer to Transfer at the price and on the same terms and conditions as offered to you. We may substitute cash for any other form of consideration contained in the offer and, at our option, may pay the entire purchase price at closing. We may exercise this right to purchase, by notifying you in writing within 21 days after receiving your notice.

(iv) We will close the Transfer by the later of 30 days after our notice to you of exercise of this right, or the time for closing contained in the original offer.

(v) If we do not exercise our right to purchase within the time set forth in the previous section, you may Transfer the subject interest to a third party, but not at a lower price or on more favorable terms than disclosed to us in writing. Such Transfer is subject to our prior written approval and other conditions specified in this Agreement. If you do not Transfer the subject interest to the transferee on the same terms offered to us, then you must again extend the right of first refusal to us in the manner described above, before another desired Transfer.

(c) You may not grant a subfranchise.

(d) Notwithstanding the preceding section, you may transfer your rights and obligations under this Agreement to a corporation, limited liability company, trust, family limited partnership, or other entity in which you own one hundred percent (100%) of the outstanding stock or membership interest, provided:

- (i) You provide notice to us as to your intent to transfer;
  - (ii) You remain on the Agreement as a party and the entity is added as a co-party;
  - (iii) You or your operational partner or Certified Manager approved by us continues to devote full-time and best efforts to manage the daily operations of the Franchised Business;
  - (iv) The entity's activities are confined exclusively to operating the Franchised Business;
  - (v) The entity assumes joint and several liability with you; and
  - (vi) Each owner must sign an Owner Agreement and Guaranty in the form attached as **Attachment B**.
- (e) If you are a legal entity, your share certificates or other evidence of ownership will bear the following legend, printed legibly and conspicuously:

**THE TRANSFER OF THIS INSTRUMENT IS SUBJECT TO THE TERMS AND CONDITIONS OF A FRANCHISE AGREEMENT WITH PAPA MURPHY'S INTERNATIONAL LLC. REFERENCE IS MADE TO THE FRANCHISE AGREEMENT AND TO ITS RESTRICTIVE PROVISIONS. NO TRANSFER WILL DIMINISH OR MINIMIZE YOUR OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.**

## 7.2 Your Death or Disability.

(a) If you or a majority owner of the legal entity holding the franchise dies or becomes incapacitated, the heirs, beneficiaries or legal representatives of the individual, will within 180 days either:

- (i) Apply to us for the right to continue to operate the Franchised Business for the duration of the term of this Agreement. The right to continue will be granted upon the fulfillment of all the general Transfer conditions (except that no Transfer Fee will be required); or
- (ii) Transfer your interest according to the general Transfer conditions.

(b) If we reject your application to continue to operate, the 180 days within which to Transfer will be computed from the date of rejection.

## 8. **INDEMNITY, INSURANCE, CONDEMNATION AND CASUALTY**

8.1 Indemnification. **You and each owner of the Franchised Business will protect, indemnify, defend, and hold us and our officers, directors, employees, members, managers,**

**affiliates and agents harmless against all claims, demands, actions, causes of action, losses, damages, costs, suits, judgments, investigations, formal or informal inquiry, debts, losses, fines, assessments, taxes, liens, legal fees and disbursements, penalties, expenses, and liabilities (collectively “Liabilities”) of any kind or nature arising directly or indirectly out of or in connection with the Franchised Business, any actions you take or representations you make, or your breach of this Agreement. However, you are not required to indemnify us from any Liabilities to the proportionate extent resulting from our breach of this Agreement or other wrongs we commit.**

8.2 Insurance. You must, upon Commencement Date of this Agreement, purchase and at all times maintain in full force and effect:

(a) Insurance policies, in such amounts and on such terms, as prescribed by the Manual, issued by an insurance company acceptable to us at all times during the term of this Agreement. Insurance coverage must include, but is not limited to, comprehensive general liability, combined single limit, automobile, bodily injury and all-risk property damage insurance and all other occurrences against claims of any person, employee, customer, agent or otherwise in an amount per occurrence of not less than such amount set forth in the Manual and adjusted by us periodically in our sole discretion. Insurance coverage must also include, unemployment and workers compensation insurance and any other additional insurance required by the terms of any lease or lender for the Franchised Business. Insurance policies must insure you, us, our affiliates, and our and our affiliates' respective officers, directors, shareholders, managers, members and all other parties designated by us, as additional named insureds against any liability which may accrue against them because of the ownership, maintenance or operation by you of the Franchised Business. The policies must also stipulate that we shall receive a 30-day prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against us. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance (collectively, “**Certificates of Insurance**”) acceptable to us, including original endorsements effecting the coverage required by this Section, shall be furnished to us together with proof of payment within ten days of issuance thereof.

(b) You must also furnish us with certificates and endorsements evidencing such insurance coverage within ten days after each of the following events: (i) at all policy renewal periods, no less often than annually, and (ii) at all instances of any change to, addition to, or replacement of any insurance. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

(c) All certificates and endorsements are subject to approval by us. We reserve the right to require complete, certified copies of all required insurance policies at any time in our sole discretion. In the event you fail to obtain the required insurance and to keep the same in full force and effect, we may, but shall not be obligated to, purchase insurance on your behalf from an insurance carrier of our choice, and you must reimburse us for the full cost of such insurance, along with a reasonable service charge to compensate us for the time and effort expended to secure such insurance, within five days of the date we deliver an invoice detailing such costs and expenses to you. Notwithstanding the foregoing, your failure to obtain insurance constitutes a material breach of this Agreement entitling us to terminate this Agreement or

exercise any or a combination of the other default remedies set forth in Section 6 of this Agreement.

(d) You must also procure and pay for all other insurance required by state or federal law.

(e) We reserve the right to modify minimum insurance requirements or the types of coverage required at any time in our sole discretion by updating the Manual.

(f) All public liability and property damage policies shall contain a provision that we, although named as an additional insured, shall nevertheless be entitled to recover under such policies on any loss occasioned by us or our shareholders, members, directors, managers, employees or agents.

(g) All liability insurance policies procured and maintained by you in connection with the Franchised Business will require the insurance company to provide and pay for attorneys to defend any legal actions, lawsuits or claims brought against you, us, our affiliates and our and our affiliates' respective officers, directors, managers, shareholders, members, agents, employees, and all other entities or individuals designated by Franchisor as additional insureds.

(h) You will notify us immediately in writing of any event that could materially affect you or the Franchised Business, and no later than the date on which you notify your insurance carrier.

(i) We make no representation or warranty that compliance with these insurance requirements will insure you against all insurable risks or losses.

(j) Your compliance with insurance requirements will not relieve you of your liability under the indemnification provisions of this Agreement.

## 9. NOTICE AND MISCELLANEOUS

### 9.1 Notices.

(a) All notices sent by one party to the other must be in writing and must be hand-delivered, sent by registered or certified mail, return receipt requested, or overnight courier; or transmitted by facsimile or sent via other electronic means, if the sender can verify receipt (with a confirmation copy mailed within three business days). They will be addressed to you at your last known business address, or at any other address you designate in writing. They will be addressed to us at the following address unless and until a different address has been designated by us in writing:



Papa Murphy's International LLC  
Attention: Legal Department  
8000 NE Parkway Drive  
Suite 350  
Vancouver, WA 98662  
Fax: (360) 260-0500

(b) Any notice is considered given and received, when delivered, if hand-delivered; if sent by facsimile, or electronic means in which receipt can be verified, on the next business day after sent; if mailed, on the third business day following the mailing; and one business day after placement with a reputable air courier service, requesting delivery on the most expedited basis available.

9.2 Relationship of Parties. This Agreement does not constitute Franchise Owner as an agent, legal representative, joint venturer, partner, employee, or servant of us or our parent, subsidiary, and affiliated entities for any purpose whatsoever; and it is deemed understood between the parties hereto that Franchise Owner shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation on behalf of us, our parent, subsidiary, and affiliated entities or to create any obligation, express or implied, on behalf of us, our parent, subsidiary, and affiliated entities. The parties agree that this Agreement does not create a fiduciary relationship between us, our parent, subsidiary and affiliated entities and Franchise Owner.

9.3 Non-Waiver of Rights. Our waiver of any particular right will not affect or impair our rights as to any subsequent exercise of that right of the same or a different kind; nor will any delay, forbearance or omission by us to execute any rights affect or impair our rights as to any future exercise of those rights. No failure of us to exercise any power or right reserved hereunder, or to insist upon strict compliance by Franchise Owner with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of our right to demand strict compliance with the terms hereof. Waiver by us of any particular default by Franchise Owner shall not affect or impair our rights in respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance, or omission by us to exercise any power or rights arising out of any breach or default by Franchise Owner or any of the terms, provisions, or covenants hereof affect or impair our rights, nor shall such constitute a waiver by us of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by us of the payments due under this Agreement shall not be deemed to be a waiver by us of any preceding breach by Franchise Owner of any terms, covenants, or conditions of this Agreement. We may waive or modify any obligation of other franchise owners under agreements similar to this Agreement, and no such waiver or modification shall obligate us to grant a similar waiver or modification to Franchise Owner. Acceptance by us of payments due under this Agreement from any other person or entity shall be deemed acceptance from such person or entity as an agent of Franchise Owner and not as recognition of such person or entity as an assignee of or successor to Franchise Owner.

9.4 Risk of Operations. You recognize the uncertainties of the Franchised Business, and therefore acknowledge that, except as set forth in this Agreement, no representations or

agreements have been made regarding the success, sales potential, or profitability of the Franchised Business or the suitability of any location.

9.5 Severability. If any part of this Agreement, for any reason, is declared invalid by an arbitrator or court, the declaration will not affect the validity of any remaining portion, or the validity of that portion under laws of another jurisdiction, if applicable. The remaining portion will remain in force and effect as if this Agreement was executed with the invalid portion eliminated or curtailed.

9.6 Interpretation and Execution.

(a) This Agreement is made in the State of Washington, and shall be governed by and interpreted and construed in accordance with the laws of that State without regard to conflict of laws principals, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.). This choice of laws will not affect the scope of state franchise, business opportunity or related laws, and nothing in this Agreement will be considered to extend the scope of application of the Washington Franchise Investment Protection Act, Washington Business Opportunity Fraud Act or similar law to you if you are not a resident of the State of Washington or otherwise entitled by statute to seek the protection of such laws.

(b) Any use of the word “including,” or synonymous terms, followed by one or more examples does not in any way limit the antecedent word or phrase.

(c) This Agreement and the documents referred to herein shall be the entire, full and complete agreement between us and Franchise Owner concerning the subject matter hereof, and shall supersede all prior agreements, and there are no other representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise. No amendment, change, or variance from this Agreement shall be binding on either party unless executed in writing by our authorized representatives.

(d) Titles of articles and sections are used for convenience of reference only and are not part of the text, nor are they to be construed as limiting or affecting the construction of the provisions.

(e) All references in this Agreement to the singular shall include the plural where applicable, and all references to the masculine shall include the feminine and vice versa.

(f) No right or remedy of ours in this Agreement is exclusive of any other right or remedy herein, or of any right or remedy provided or permitted by law or equity, but each shall be cumulative of every other right or remedy of ours. You agree that any claim that you may have against us, whether or not arising under this Agreement, shall not constitute a defense to our enforcement of any term of this Agreement.

(g) The parties agree to acknowledge, sign and deliver all further documents, instruments or assurances and to perform all further acts or deeds as may be reasonably required to carry out this Agreement. You agree and hereby appoint us as your attorney-in-fact, which

appointment is coupled with an interest and is irrevocable, where required to effect the purposes of this provision.

(h) The provisions of this Agreement which by their terms or by reasonable implication require performance by you after assignment, expiration or termination, remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to noncompetition, intellectual property protection, confidentiality and indemnity. This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties.

9.7 Modification. This Agreement may be modified only by mutual consent of the parties in writing and signed by an authorized person from each of the parties.

9.8 Representations and Warranties by Franchise Owner. You warrant that you have received a complete copy of this Agreement, our franchise disclosure document and applicable exhibits, and that before signing this Agreement, there was an ample opportunity to review them. **NO STATEMENT WAS MADE, WHETHER ORAL, WRITTEN, OR OTHERWISE, THAT CONTRADICTS THE FRANCHISE DISCLOSURE DOCUMENT OR THIS AGREEMENT.**

9.9 Negotiation and Mediation. This dispute resolution clause applies to claims by and against all parties and their affiliates, successors, owners, members, managers, officers, directors, employees, agents, and representatives, as to claims arising out of or relating to this Agreement or our relationship, except as stated below. The parties will first attempt to resolve any dispute relating to or arising out of this Agreement or our relationship by negotiation. Any dispute subject to negotiation, and not resolved within ten days, must be submitted to nonbinding mediation before commencing further dispute resolution. Mediation will be before a single skilled independent mediator mutually and reasonably agreed on by the parties. The parties will equally bear the costs of mediation. Mediation will be conducted in accordance with the procedures of United States Arbitration and Mediation Service, Inc. (USA&M) at the option of the party initiating mediation or other mediation service agreed to by you and us. The mediation will be conducted in the city in which USA&M has an office nearest our headquarters office at the time the dispute arises, unless otherwise mutually agreed. This dispute resolution clause shall survive the termination or expiration of this Agreement. This clause shall not apply to prevent the immediate filing of any suit to recover Royalty Fees or Advertising and Development Fees owed under this Agreement, or any suit seeking preliminary or permanent injunctive relief, specific performance, or other equitable relief, or any action at law for damage to our property interests or in equity to enjoin any harm to our goodwill, Marks, or our intangible property.

9.10 Waiver of Rights. THE PARTIES HERETO AND EACH OF THEM KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS:

(a) The parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT THAT ANY MAY HAVE TO TRIAL BY JURY.

(b) The parties hereto and each of them EXPRESSLY WAIVE(S) ANY CLAIM FOR PUNITIVE, MULTIPLE, CONSEQUENTIAL AND/OR EXEMPLARY DAMAGES, except that we shall be free to bring an action for willful trademark infringement

and, if successful, to receive an award of multiple damages as permitted by law. The parties further agree that if this waiver is unenforceable under applicable law, then any recovery by any party in any forum shall not exceed two times actual damages, except for an award of multiple damages to us for willful trademark infringement.

(c) No party shall initiate or participate in any class action litigation claim against any other party bound hereby.

#### 9.11 Injunction, Enforcement, Costs and Venue.

(a) Either party may seek to obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement.

(b) You must pay all our damages, expenses, audit, investigation and experts' costs, collection costs, attorneys' fees, and interest on the unpaid balances as permitted by law, resulting from your default under this Agreement or from the indemnification provisions of this Agreement.

(c) In specific consideration for the use of the Marks, the exclusive venue and forum of dispute resolution will be in the applicable federal or state court for the judicial district in which Papa Murphy's International LLC has its principal place of business at the time the action is commenced. The parties waive all issues of personal jurisdiction or venue for the purpose of enforcing this Section.

(d) Any and all claims and actions arising out of or relating to this agreement, the relationship of the parties, or Franchise Owner's operation of the unit, brought in any forum by any party hereto against the other, must be commenced within two (2) years after the discovery of the facts giving rise to such claim or action, or such claim or action shall be barred, except for claims relating to the financial obligations of Franchise Owner.

9.12 Attorneys' Fees. In any litigation or other mandatory dispute resolution, the prevailing party, if any, shall be entitled to an award of its damages, expenses, audit, investigation and experts' costs, collection costs, attorneys' fees, and interest on the unpaid balances as permitted by law.

9.13 Binding Effect. This Agreement benefits and is binding upon the respective heirs, executors, administrators, successors, and assigns of the parties, but subject to the requirements of this Agreement regarding our permission for your Transfer.

9.14 Independent Investigation. THE PROSPECT OF SUCCESS OF THE BUSINESS VENTURE UNDERTAKEN BY FRANCHISE OWNER BY VIRTUE OF THIS AGREEMENT IS SPECULATIVE AND DEPENDS TO A MATERIAL EXTENT UPON FRANCHISE OWNER'S CAPABILITY AS AN INDEPENDENT BUSINESS PERSON AND FRANCHISEE, AS WELL AS OTHER FACTORS. WE MAKE NO REPRESENTATIONS OR WARRANTIES AS TO THE POTENTIAL SUCCESS OF THE BUSINESS VENTURE UNDERTAKEN BY FRANCHISE OWNER HEREBY. FRANCHISE OWNER REPRESENTS AND WARRANTS THAT IT HAS ENTERED INTO THIS AGREEMENT

AFTER MAKING INDEPENDENT INVESTIGATIONS OF OUR BUSINESS, AND NOT IN RELIANCE UPON ANY REPRESENTATION BY US AS TO SALES OR PROFITS WHICH FRANCHISE OWNER IN PARTICULAR MIGHT BE EXPECTED TO REALIZE. FRANCHISE OWNER FURTHER REPRESENTS AND WARRANTS THAT WE AND OUR REPRESENTATIVES, EMPLOYEES OR AGENTS HAVE MADE NO REPRESENTATIONS TO INDUCE FRANCHISE OWNER TO ACQUIRE THIS FRANCHISE AND EXECUTE THIS AGREEMENT WHICH ARE NOT EXPRESSLY SET FORTH HEREIN OR IN THE DISCLOSURE MATERIALS PROVIDED TO FRANCHISE OWNER PRIOR TO ENTERING INTO THIS AGREEMENT.

9.15 Our Acceptance. This Agreement will be binding upon you at the time you, and each of your owners, signs it and delivers it to us. This Agreement will not be binding upon us until we accept it in writing by one of our principal officers.

9.16 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

9.17 Time of Essence. You agree and acknowledge that time is of the essence with regard to your obligations hereunder and that all of your obligations are material to us and this Agreement.

10. **FRANCHISE OWNER INFORMATION.** The following information must be completed by the Franchise Owner:

10.1 Managing Owner. The following individual is designated as the individual responsible for the operations and management of the Franchised Business: \_\_\_\_\_

10.2 Statement of Ownership. Franchise Owner's form of ownership is (check one):

**Individual(s)**

If an individual, provide the name, address and percentage ownership of each individual Franchise Owner and indicate whether each such person will be active in the business: \_\_\_\_\_

**Legal Entity** (check one and complete (a) through (d) below):

Corporation

Limited Liability Company

Partnership

Other (indicate): \_\_\_\_\_

If a legal entity, attach a copy of the articles of incorporation, certificate of formation or similar document and provide the following information:

- (a) State of incorporation or organization: \_\_\_\_\_
- (b) Date of incorporation or organization: \_\_\_\_\_
- (c) Name, address and percentage ownership of each owner, member or partner and indicate whether each such person will be active in the business: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- (d) Provide the address where Franchise Owner's financial records and corporate, partnership or company records, as applicable, are maintained. (Franchised Business will be deemed to be the address unless otherwise stated below): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**If you have more than one signatory, all are jointly and severally bound to this Agreement. Owners of entity franchise owners must each also sign the Owner Agreement and Guaranty attached as Attachment B.**

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date written below.

**PAPA MURPHY’S INTERNATIONAL LLC**

By: \_\_\_\_\_  
Victoria T. Blackwell  
Senior Vice President and General Counsel  
Date: \_\_\_\_\_

**FRANCHISE OWNER:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**  
(Note: use these blocks if you marked in  
Section 10.2 of the Franchise Agreement that  
you are an individual or a partnership but the  
partnership is not a separate legal entity)

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **CERTIFICATION OF FRANCHISE OWNER**

Describe all promises and representations made by any of our representatives to you that are not expressly contained in the Franchise Agreement or the Franchise Disclosure Document, but that influenced your decision to sign the Franchise Agreement.

*If the answer is “NONE,” please write “NONE.”*

Your completion of this page is a material inducement for us to grant a franchise to you. If you fail to complete and sign this page, we will not execute the Franchise Agreement or we may void the Franchise Agreement if it already has been executed.

The undersigned hereby certifies that the information provided above is true, that the undersigned had an opportunity to obtain the advice of an attorney, and that the undersigned has executed this Certification.

**[SIGNATURES ON FOLLOWING PAGE]**



IN WITNESS WHEREOF, the Franchise Owner has signed this Agreement as of the date written below.

**FRANCHISE OWNER:**

Sign here if you are taking the franchise as an **INDIVIDUAL(S)**

(Note: use these blocks if you marked in Section 10.2 of the Franchise Agreement that you are an individual or a partnership but the partnership is not a separate legal entity)

Sign here if you are taking the franchise as a **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ATTACHMENT A**  
**FRANCHISED LOCATION AND REQUIRED OPENING DATE**

[This information to be completed by us upon full execution of the Franchise Agreement.]	
<b>Franchise Fee Paid:</b>	\$ _____
<b>Date Paid:</b>	_____
<b>Required Opening Date (pursuant to Section 3.8):</b>	_____
<b>Commencement Date:</b>	_____
<b>Previous Agreement Expiration Date:</b>	_____

1. **Term:** You shall be permitted to operate the Franchised Business for the following term:

- Ten years from the Commencement Date
- If pursuant to a Successive Addendum, five years from the expiration of the Term of your previous Franchise Agreement
- If pursuant to a Successive Addendum (Remodel), ten years from the expiration of your previous Franchise Agreement or the acceptance by us of the remodel of the Franchised Business, whichever occurs first

2. **Franchised Location:** This Agreement is for the establishment of one Papa Murphy's Franchised Business as set forth in (a) or (b) below. When the exact location for the Franchised Location is determined, this Attachment will be updated by both parties to identify the Franchised Location (pursuant to Section 3 of the Franchise Agreement):

(a) If the Franchised Location is determined upon execution of the Franchise Agreement: \_\_\_\_\_

\_\_\_\_\_

(b) If the Franchised Location is not determined upon execution of the Franchise Agreement, the general Site Selection Area designated is as follows: \_\_\_\_\_

\_\_\_\_\_

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date written below.

**PAPA MURPHY'S INTERNATIONAL LLC**

By: \_\_\_\_\_  
Victoria T. Blackwell  
Senior Vice President and General Counsel  
Date: \_\_\_\_\_

**FRANCHISE OWNER:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**  
(Note: use these blocks if you marked in  
Section 10.2 of the Franchise Agreement that  
you are an individual or a partnership but the  
partnership is not a separate legal entity)

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## ATTACHMENT B

### OWNER AGREEMENT AND GUARANTY FOR ALL ENTITY FRANCHISE OWNERS

As a condition to the granting by Papa Murphy's International LLC ("**Franchisor**," "**we**," "**us**") of a Franchise Agreement ("**Franchise Agreement**") granting certain rights to the entity listed as the Franchise Owner on the signature block of the Franchise Agreement ("**Franchisee**") to develop a Papa Murphy's Take 'N' Bake Pizza store ("**Franchised Business**"), each of the undersigned individuals ("**Owner**" or "**you**" or "**your**") agrees jointly and severally to be bound by the terms and restrictions of this Owner Agreement and Guaranty for All Entity Franchise Owners ("**Agreement**"):

**1. Ownership and Management.** Each of you warrants to us that you, or you and your spouse, if applicable, are the holders of all equity, voting and other interests in the Franchise Owner and all options, warrants and rights to acquire an interest in the Franchise Owner. The Owner, or Owner and spouse, if applicable, who is to be responsible for on-premises operation of the Franchised Business will successfully complete training. For Area Development Agreements, depending on your experience and qualifications, we may impose requirements that include but are not limited to the experience and qualifications of the operating management of your stores. Such requirements may also include but are not limited to you providing equity ownership, or similar incentives, to your operating personnel. These requirements will become part of your Area Development Agreement.

**2. Confidentiality and Noncompetition Agreements.**

(a) In-Term Covenants. Each of you agrees that during the term of the Franchise Agreement, including any applicable Interim Period (as defined in the Franchise Agreement) or extension periods, you, your immediate family or household members, and persons associated with you, including owners, managers, assistant managers, or agents involved in the operation of the Franchised Business, will abide by the in-term noncompetition and confidentiality agreements of the Franchise Agreement.

(b) Post-Term Covenants. Each of you agrees that for a period of two years after the transfer, expiration or termination of the Franchise Agreement for any reason, you, your immediate family or household members, and persons associated with you, including owners, managers, assistant managers, or agents involved in the operation of the Franchised Business will abide by the post-termination covenant not to compete and confidentiality provisions of the Franchise Agreement. This post-term covenant applies within a 25-mile radius from the Franchised Business, and within a 25-mile radius from the premises of any other Papa Murphy's business.

**3. Guaranty.**

(a) Guaranty. Each of you personally and unconditionally guarantee to us the performance of all of the Franchise Owner's obligations under the Franchise Agreement,

including the punctual payment of amounts that the Franchise Owner may now or in the future owe to us or any of our affiliates (including but not limited to interest, and all attorneys' fees, costs and expenses incurred by any of us in collection).

(b) Term of Guaranty. This guaranty and your obligations under it will continue in effect until the earlier of: (i) two years after the Franchise Owner ceases to operate the Franchised Business, or (ii) two years after you cease holding any ownership interest in the Franchise Owner.

(c) Waivers. Each of you waives notice of demand, notice of protest, nonpayment or default, and all other notices to which you may be entitled, except that we will copy you with any notice of termination. You waive any right that you may have to require that an action be brought against the Franchise Owner, and any claims for reimbursement or subrogation that you may have against us as a result of your performance of this Agreement.

**4. Other Certifications, Representations, Warranties and Covenants.** Each of you hereby makes the other certifications, representations, warranties and covenants contemplated by the Franchise Agreement.

**5. Covenant Not To Transfer Interests.** The Franchise Agreement, and your rights and obligations under it, shall remain personal to you. Any proposed transfer by you (regardless of the form of transfer) shall be subject to the same terms and conditions contained in the Franchise Agreement. The term "transfer" shall have the same meaning as in the Franchise Agreement. Each of you agree that you will not at any time, directly or indirectly, voluntarily or involuntarily, make any transfer, unless you first obtain our written approval in compliance with the same transfer provisions of the Franchise Agreement. You will cause all documents evidencing an ownership interest or right to acquire an ownership interest issued by the Franchise Owner to bear a legend indicating that such ownership interest is subject to the restrictions provided for in the Franchise Agreement. You will show us any owners' agreement ten business days before it is signed for us to review and ensure compliance with this Agreement.

**6. Disputes.** Disputes arising out of or relating to this Agreement shall be resolved in the same manner as provided under the Franchise Agreement, including the provisions of the Franchise Agreement pertaining to mediation, venue, applicable law, time periods and limitations that govern any disputes between us and you.

Each of you and your spouse, if your spouse has any direct or indirect interest in the Franchise Owner, have signed this Agreement on the date set forth opposite your signature.

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

## ATTACHMENT C

### ADDENDUM TO LEASE (For Reference Purposes Only)

**THIS ADDENDUM TO LEASE** is made on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_, hereinafter referred to as “**Landlord**,” and \_\_\_\_\_, hereinafter referred to as “**Tenant**.”

#### RECITALS

A. Landlord and Tenant have entered into a certain Lease Agreement dated \_\_\_\_\_, 20\_\_\_\_, and pertaining to the premises located at \_\_\_\_\_ (the “**Lease**”).

B. Landlord acknowledges that Tenant intends to operate a Papa Murphy’s Take „N” Bake Pizza store in the leased premises under a Franchise Agreement (the “**Franchise Agreement**”) with Papa Murphy’s International LLC (“**Franchisor**”).

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

#### AGREEMENT

1. Use of Premises. Notwithstanding anything to the contrary contained in the Lease, Tenant shall have the right to use the premises for any lawful uses provided that such use does not conflict with any existing exclusives granted to other users in the shopping center and provided that the use is not detrimental to the value of the existing shopping center. Landlord also agrees that no other tenant (other than the grocer) will be allowed to sell pizza.

2. Structural Repairs. Landlord shall be responsible for repairs to the roof, structural repairs to the building, concrete slab and any other expenses that would be considered a capital expense under generally accepted accounting principles.

3. Defects. Landlord agrees that Tenant will not be responsible for any cost of correcting defects in design or construction of the building through common area maintenance (CAM) or operating charges.

4. Signage. Landlord agrees to provide Tenant with adequate space on all shopping center identification signs. Tenant is to be allowed to use the standard Papa Murphy's sign package:

- Exterior Signs (one of the following – Specification Sheets available)
  - Illuminated Canister Wall Sign
  - Illuminated Individual Channel Letters flush mounted on Facia

- Illuminated Individual Channel Letters on Aluminum Raceway (painted to blend w/Facia)
- Illuminated Individual Channel Letters on Halo Illuminated Raceway
- Letters – According to the then-current signage specifications.
- "Open" and "Take N Bake" window neon signs
- Professionally prepared window vinyls.

5. Relocation. Landlord agrees there will be no right of relocation by the Landlord for the length of the Lease term to include option period without written consent of Tenant.

6. Condemnation. Tenant shall have the right to seek a separate damage award from the condemning authority that will not diminish the Landlord's award.

7. Entry by Landlord. Landlord agrees not to enter premises during peak business hours from 4:00 p.m. to 8:00 p.m., except in the event of an emergency.

8. Percentage Rent. Landlord agrees there shall be no rent based on a percentage of sales or revenue.

9. Radius Clause. Landlord agrees that there shall be no radius clause whereby Tenant shall be prohibited from opening or operating another Papa Murphy's Take „N' Bake Pizza store.

10. Right to Assign.

10.1 Notwithstanding anything to the contrary contained in the Lease, Tenant may, without the consent of Landlord, sublease the premises or assign the Lease to the Franchisor or to a subsidiary, affiliate or franchisee of Franchisor. Tenant may not sublease the premises or assign the Lease to any other party without the consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. In the event of an assignment or subletting, Tenant shall remain liable for the payment of all rent and the performance of all of Tenant's obligations under the Lease.

10.2 Any demand for increased rent or other payment or modification of the terms of the Lease by Landlord as a condition to the granting of consent, when consent is required, shall be deemed unreasonable. Landlord may withhold consent only if Landlord determines that the quality of the merchandising operation from the premises may be substantially inferior to other operations in the vicinity of the premises. If Landlord fails to respond in writing within fourteen (14) days after a request for consent by Tenant or to set forth Landlord's reasons for denying consent, consent shall be deemed given.

11. Landlord's Waiver of Lien. For valuable consideration, Landlord waives all rights to maintain or enforce a statutory or contractual landlord's lien, security interest, or any



other claim against personal property located on the premises. Landlord hereby agrees that all personal property belonging to Tenant shall not be subject to any claim by Landlord as compensation for any debt, common area maintenance charge, utility bill, or other monetary claim owed to Landlord by Tenant. Landlord's sole recourse for any moneys owed shall be against Tenant.

12. Continuous Operations. Notwithstanding anything to the contrary contained in the Lease, Tenant shall not be required to continuously operate from the premises and the failure to continuously operate shall not be deemed a default under the Lease.

13. Default and Notice Under Lease.

13.1 In the event there is a default by Tenant under the terms of the Lease, or an attempted transfer, Landlord shall give Franchisor written notice of such default or attempted transfer within ten days after Landlord receives knowledge of its occurrence.

13.2 If Landlord gives Tenant a default notice, Landlord must contemporaneously give Franchisor a copy of such notice. Franchisor will have the right but not the obligation to cure the default and notify Landlord whether it intends to cure the default and take an automatic assignment of Tenant's interest as provided in this Agreement. Franchisor will have an additional fifteen (15) days from the expiration of Tenant's cure period in which to cure the default or violation. The Franchise Agreement gives Franchisor the right of written notice, consent, and right of first refusal for any transfer.

13.3 All notices to Franchisor shall be sent by registered or certified mail, postage prepaid or by overnight mail to the following address:

Papa Murphy's International LLC  
8000 NE Parkway Drive, Suite 350  
Vancouver, WA 98662  
Attention: Legal Department

14. Right to Cure - Monetary Defaults. Notwithstanding anything to the contrary contained in the Lease, Tenant shall not be deemed in default under the Lease unless Tenant fails to pay any installments of rent or any other additional charges promptly on the day when they shall become due and payable, and such failure to pay shall continue for a period of ten (10) days after written notice by Landlord.

15. Right to Cure - Non-Monetary Defaults. Notwithstanding anything to the contrary contained in the Lease, Tenant shall not be deemed in default under the Lease unless Tenant fails to promptly keep and perform any affirmative covenants of the Lease strictly in accordance with the terms of the Lease and shall not cure such failure for a period of thirty (30) days after written notice by Landlord of default and demand for performance. Notwithstanding anything to the contrary contained in the Lease, if any default shall occur other than in the payment of money, which cannot with due diligence be cured within a period of thirty (30) days, and Tenant, prior to the expiration of thirty (30) days from and after the giving of the notice,

commences to eliminate the cause of such default and diligently pursues the cure of such default, then Tenant shall not be deemed in default under the Lease.

16. Termination, Transfer, or Expiration of Lease or Franchise Agreement.

16.1 Franchisor may at its option take an assignment of Tenant's interest, by written notice of its exercise of the option sent within fifteen (15) days after the effective date of any termination, transfer or expiration of the Lease or Franchise Agreement. Landlord may rely on Franchisor's written notice of termination, transfer, or expiration of the Franchise Agreement.

16.2 Franchisor may cure any default in the Lease within fifteen (15) days after exercise of its option; and must assume possession within a reasonable time thereafter. Landlord will assist Franchisor in gaining possession of premises. If Franchisor does not elect to take an assignment of the Tenant's interest. Landlord will allow Franchisor to enter the premises to remove all signs and all other removable items containing Franchisor's trademarks, and to make such other modifications (such as repainting) as are reasonably necessary to distinguish the trademarks and trade dress from those of Franchisor.

17. No Recapture of Excess Rent. Notwithstanding anything to the contrary contained in the Lease, Landlord shall not be entitled to any amounts paid by any subtenant or Tenant in excess of the rents provided for in the Lease.

18. Amendments. No amendment or variation of the terms of this Addendum to the Lease shall be valid unless made in writing and signed by the parties hereto.

19. Beneficiary. Landlord and Tenant expressly agree that Franchisor is a third party beneficiary of this Addendum. This Addendum creates no obligations of the Franchisor.

20. Conflict. In the event of any conflict between the terms of the Lease and the terms of this Addendum, the terms of this Addendum shall control.

21. Change in Building Ownership. In the event the Landlord declares bankruptcy or otherwise the ownership of the premises is transferred to someone other than the named Landlord, Tenant shall be assured that the material provisions in the Lease including, but not limited to rent, term, maintenance obligations, use, relocation, and maintenance expenses shall remain consistent with the terms herein.

22. Contractors/Subcontractors. In the event the Landlord requires that certain contractors/subcontractors or maintenance companies be used by the Tenant, the cost for said services shall be consistent with other contractors or maintenance companies of the same trade.

23. Discovery of Hazardous Material. In the event that Tenant's contractor discovers asbestos-containing material or any other hazardous material within the premises, Landlord shall be responsible for the abatement of said hazardous material at its sole cost and expense. In the event that Tenant's opening is delayed as a result of the abatement, the Lease/rent commencement date will be extended one day for every day that construction is held up. For the

purposes of this Addendum, hazardous material shall be defined as that which is considered hazardous material by the National Environment Protection Agency at the time of Lease execution.

24. Non-Structural Changes. Tenant shall be allowed to make non-structural changes to the premises without obtaining Landlord approval providing said changes do not exceed \$25,000 per occurrence or require a building permit.

**IN WITNESS THEREOF:** Landlord and Tenant have signed this Addendum as of the day and year first written.

**LANDLORD:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**TENANT:**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## ATTACHMENT D

### NONDISCLOSURE AGREEMENT

**THIS NONDISCLOSURE AGREEMENT** (“**Agreement**”) governs the disclosure of information by Papa Murphy’s International LLC (“**Company**”) to the person or entity listed as the Franchise Owner(s) on the signature block of this Agreement (“**Recipient**”) as of \_\_\_\_\_, 20\_\_\_\_ (“**Effective Date**”).

1. “**Confidential Information**” means any and all technical and general information provided by Company to recipient, including but not limited to information relating to Company’s franchise system, underlying processes, recipes, mixes, techniques, know-how, ingredients, written documentation, operations manuals, methods of business, business plans, financial information, procurement requirements, purchasing, manufacturing, customer lists, investors, employees, business and contractual relationships, business forecasts, sales and merchandising, marketing plans and information the Company provides regarding third parties.
2. The Recipient agrees that it will hold in strict confidence and not disclose Confidential Information to any third party, except as approved in writing by the Company, and will use the confidential information for no purpose other than evaluating or pursuing a business relationship with the Company. The Recipient shall only permit access to Confidential Information to those of its employees or authorized representatives having a need to know and who have signed confidentiality agreements or are otherwise bound by confidentiality obligations at least as restrictive as those contained herein.
3. The Recipient shall immediately notify the Company in the event of any loss or unauthorized disclosure of any confidential information.
4. The Recipient’s obligations under this Agreement do not apply to Confidential Information that: (a) was in the public domain before it was communicated to the Recipient through no fault of the Recipient; (b) entered the public domain after it was communicated to the Recipient through no fault of the Recipient; or (c) was in the Recipient’s possession free of any obligation of confidence at the time it was communicated to the Recipient.
5. Upon completion of the evaluation by Recipient or upon written request of the Company, the Recipient shall promptly return to the company all documents, notes and other tangible materials representing the Confidential Information and all copies thereof.
6. The recipient recognizes and agrees that nothing contained in this Agreement shall be construed as granting any property rights, by license or otherwise, to any confidential Information disclosed pursuant to this Agreement, or to any invention or any patent, copyright, trademark, or other intellectual property right that has issued or that may issue, based on such Confidential Information. The Recipient shall not make, have made, use or sell for any purpose any product or other item using, incorporating or derived from and Confidential Information.

7. Confidential Information shall not be reproduced in any form except as required to accomplish the intent of this Agreement. Any reproduction of any Confidential Information shall remain the property of the Company and shall contain any and all confidential or proprietary notices or legends which appear on the original, unless otherwise authorized in writing by the Company.
8. This Agreement shall be governed by and constructed in accordance with the laws of the State of Washington without reference to conflict of law principles. Any disputes under this Agreement may be brought in the applicable federal or state court for the judicial district in which Papa Murphy's International has its principal place of business at the time the action is commenced. The parties waive all issues of personal jurisdiction or venue for the purpose of enforcing this Section. This Agreement may not be amended except by a writing signed by both parties hereto.
9. The Recipient agrees that breach of this Agreement will cause Company irreparable harm for which recovery of monetary damages would be inadequate, and that the Company shall be entitled to obtain timely injunctive relief under this Agreement, as well as such further relief as may be granted by a court of competent jurisdiction.
10. If any provision of this Agreement is found by a proper authority to be unenforceable or invalid, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.
11. The recipient will not assign or transfer any rights or obligations under this Agreement without the prior written consent of the Company.
12. All notices or reports permitted or required under this Agreement shall be in writing and shall be delivered by personal delivery, electronic mail, facsimile transmission or by certified or registered mail, return receipt requested, and shall be deemed given upon personal delivery, five days after deposit in the mail, or upon acknowledgement of receipt of electronic transmission. Notices shall be sent to the addresses set forth at the end of this Agreement or such other addresses as either party may specify in writing.

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

**PAPA MURPHY'S INTERNATIONAL LLC**

By: \_\_\_\_\_  
Victoria T. Blackwell  
Senior Vice President and General Counsel  
Date: \_\_\_\_\_

**FRANCHISE OWNER:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**  
(Note: use these blocks if you marked in  
Section 10.2 of the Franchise Agreement that  
you are an individual or a partnership but the  
partnership is not a separate legal entity)

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Legal Entity

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## ATTACHMENT E

### SUCCESSIVE ADDENDUM

This Successive Addendum (“**Addendum**”) is entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between Papa Murphy’s International LLC, a Delaware limited liability company (“**we**”) and the person(s) or entity listed as the Franchise Owner on the signature block of this Agreement (“**you**”).

#### RECITALS

- A. You and we have entered into a Franchise Agreement, dated as of \_\_\_\_\_, \_\_\_\_\_ for the operation of a Papa Murphy’s Take „N“ Bake Pizza store located at \_\_\_\_\_ (the “**Current Franchise Agreement**”).
- B. The term of the Current Franchise Agreement is expiring and you and we are entering into a new franchise agreement (the “**Successive Franchise Agreement**”).
- C. You and we desire to amend the terms of the Successive Franchise Agreement by incorporating the terms of this Addendum into the Successive Franchise Agreement.

#### AGREEMENT

1. Definitions. All terms capitalized but not otherwise defined herein will have the same meanings ascribed to them in the Successive Franchise Agreement.
2. Amendment. Sections 2.3(a)-(g), 2.3(j), 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 4.4(b) and 5.1 of the Successive Franchise Agreement are hereby deleted in their entirety; provided, however, that Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7 and 3.8 shall be reinstated in the event that we grant you the right to relocate the Franchised Business under Section 3.9 of the Successive Franchise Agreement.
3. Successive Franchise Fee. Section 4.1 of the Successive Franchise Agreement is deleted in its entirety and replaced with one of the following based on the version of the expiring Current Franchise Agreement:

- “4.1 Successive Franchise Fee. There is no fee for the Successive Franchise Agreement.”
- 4.1 Successive Franchise Fee. You will pay the sum of \$5,000 plus, if due and payable, all applicable federal, state or municipal taxes, as a non-recurring successive franchise fee (“**Successive Franchise Fee**”) at least 60 days before the expiration date of your prior Franchise Agreement. The Successive Franchise Fee shall be paid by means of check, money order or wire transfer. The Successive Franchise Fee is fully earned upon payment and is nonrefundable.”
- “4.1 Successive Franchise Fee. You shall pay the sum of \$7,500 plus, if due and payable, all applicable federal, state or municipal taxes, as a

non-recurring successive franchise fee (“**Successive Franchise Fee**”) at least 60 days before the expiration date of your prior Franchise Agreement. The Successive Franchise Fee shall be paid by means of check, money order or wire transfer. The Successive Franchise Fee is fully earned upon payment and is nonrefundable.”

4. Continuing to Operate Beyond this Agreement. The opening paragraph of Section 6.1 of the Successive Franchise Agreement is deleted in its entirety and replaced with the following:

“6.1 Continuing to Operate Beyond this Agreement. This Agreement grants you the right to operate using our Methods of Operation and our Marks for five years. In order for you to continue to operate beyond the five-year term, you must enter into a new Franchise Agreement and a Successive Addendum in the form attached hereto as Attachment E, the terms of which may vary substantially from this Agreement. The term of any Franchise Agreement successive to this Agreement (“**Successive Franchise Agreement**”) will be for five years. In order to receive a Successive Franchise Agreement, the following must occur:”

5. Addendum Binding. This Addendum will be binding upon and inure to the benefit of each party and to each party’s respective successors and assigns.

6. No Further Changes. Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Successive Franchise Agreement will remain in full force and effect as originally written and signed.

**[SIGNATURES ON FOLLOWING PAGE]**



IN WITNESS WHEREOF, you and we have duly executed this Addendum as of the date written below.

**PAPA MURPHY’S INTERNATIONAL LLC**

By: \_\_\_\_\_  
Victoria T. Blackwell  
Senior Vice President and General Counsel  
Date: \_\_\_\_\_

**FRANCHISE OWNER:**

Sign here if you are taking the franchise as an **INDIVIDUAL(S)**

(Note: use these blocks if you marked in Section 10.2 of the Franchise Agreement that you are an individual or a partnership but the partnership is not a separate legal entity)

Sign here if you are taking the franchise as a **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
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Date: \_\_\_\_\_

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT E**

**COLLATERAL ASSIGNMENT OF TELEPHONE  
NUMBERS,  
ADDRESSES, LISTINGS AND ASSUMED OR  
FICTITIOUS BUSINESS NAME**

## EXHIBIT E

### COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, ADDRESSES, LISTINGS AND ASSUMED OR FICTITIOUS BUSINESS NAME

This Collateral Assignment of Telephone Numbers, Addresses, Listings and Assumed or Fictitious Business Name (“**Assignment**”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, in accordance with the terms of that certain Franchise Agreement (“**Franchise Agreement**”) between and the person(s) or entity listed as the Franchise Owner on the signature block of this Agreement (“**Franchise Owner**”), and Papa Murphy’s International LLC, a Delaware limited liability company (“**Franchisor**”), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate a Franchised Store located at \_\_\_\_\_ (“**Franchise Business**”).

**FOR VALUE RECEIVED**, Franchise Owner hereby assigns to Franchisor those certain telephone numbers, addresses, domain names, locators, directories, listings, and assumed or fictitious business names (collectively, the “**Numbers, Addresses, Listings and Names**”) associated with Franchisor’s trade and service marks and used from time to time in connection with the operation of the Franchise Business at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone, Internet, email, electronic network, directory, and listing entities with which Franchise Owner has dealt (all such entities are collectively referred to herein as “**Provider Companies**”) to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without renewal or extension), Franchisor shall have the right and is hereby empowered to effectuate the Assignment of the Numbers, Addresses, Listings and Names and, in such event, Franchise Owner shall have no further right, title or interest in the Numbers, Addresses, Listings and Names, and shall remain liable to the Provider Companies for all past due fees owing to the Provider Companies on or before the effective date of the assignment hereunder.

Franchise Owner agrees and acknowledges that as between Franchisor and Franchise Owner, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Numbers, Addresses, Listings, and Names, and Franchise Owner appoints Franchisor as Franchise Owner’s true and lawful attorney-in-fact to direct the Provider Companies to assign the same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchise Owner shall immediately notify the Provider Companies to assign the Numbers, Addresses, Listings, and Names to Franchisor. If Franchise Owner fails to promptly direct the Provider Companies to assign the Numbers, Addresses, Listings, and Names to Franchisor, Franchisor shall direct the Provider Companies to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Provider Companies may accept Franchisor’s written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor’s exclusive rights in and to the Numbers, Addresses, Listings, and Names upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Provider

Companies' receipt of such notice from Franchisor or Franchise Owner. The parties further agree that if the Provider Companies require that the parties execute the Provider Companies' assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchise Owner shall effectuate Franchise Owner's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have signed this Amendment as of the date first above written.

**PAPA MURPHY'S INTERNATIONAL LLC**

By: \_\_\_\_\_  
Victoria T. Blackwell  
Senior Vice President and General Counsel  
Date: \_\_\_\_\_

**FRANCHISE OWNER:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**  
**(Note: use these blocks if you marked in  
Section 10.2 of the Franchise Agreement that  
you are an individual or a partnership but the  
partnership is not a separate legal entity)**

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
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Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT F**

**OPERATIONS MANUAL TABLE OF CONTENTS**

## **EXHIBIT F**

### **OPERATIONS MANUAL TABLE OF CONTENTS**

#### **Table of Contents**

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- Welcome
- Operations Manual - Introduction & Purpose
- Manual Security
- Manual Changes
- History of Papa Murphy's
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- Standard Rules of Operation - Introduction
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- Standard Uniform Policy
- Washing / Drying Shirts and Aprons
- Hours of Operation
- Store Visitation Reporting
- Standardized Portion Control
- Test Items
- Pizza for Resale
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- Private Labeled Product
- Approved Suppliers and Distributors
- Standardized Information Reporting
- Advertising
- Trademark and Logos
- Point of Sale System
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- Market Development Policy and Procedure
- CRM (Customer Relations Management)
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- Handling Guest Complaints
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- Recruiting
- Screening Applications
- Interviewing
- Checking References
- Hiring
- Orientation
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- Performance Appraisals
- Merit Increases
- Employment-At-Will
- Disciplinary Action & Performance Improvement Plan
- Exit Interviews
- Labor Laws
- Child Labor
- Record Keeping
- Occupational Safety and Health Act of 1970 (OSHA)
- Immigration Reform and Control Act of 1986 (IRCA)
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- Retention Tips
- Training Courses

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Accounting Calendar  
Accrual Method of Accounting  
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Bank Deposits  
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Foodborne Illnesses  
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Guest Drops Pizza or Pizza Spills Out of Wrap  
Guest is Waiting Too Long  
Guest Leaves Without Paying  
Guest Receives Wrong Pizza  
Guest Sick or Injured  
Guest Wants a Special Privilege  
Leftover Pizza, Expired Cookie Dough, Salad, Etc.  
Locked Out of Store  
Lost Keys  
Media Shows Up  
Mixer Not Working  
OSHA, Agricultural or Health Department  
Phone-In Order Not Picked Up  
Phones Not Working  
Pipes Break and Flood  
Pizza Did Not Cook Right  
Power Outage  
Product Looks Bad or Spoiled  
Register  
Robbery  
Rude Team Member  
Run Out of Product  
Safe Won't Open  
Selling Dough or Ingredients  
Sink Backs Up  
Small Equipment Problems (Dicer, Thermometer, Knife, Spatula, etc.)  
Someone Asks for Team Member's Home Number  
Someone Asks to Go Into the Back Room  
Team Member Calls In Sick  
Team Member No Shows  
Team Member Theft  
Understaffed  
Walk-In Above 41 degrees

The Operations Manual is only available in electronic format. Page numbers are not applicable.

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT G**

**STATE LAW ADDENDA**

## EXHIBIT G

### STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

The following modifications are to the PAPA MURPHY'S INTERNATIONAL LLC Franchise Disclosure Document, Franchise Agreement and Area Development Agreement and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between the parties listed on the signature page hereto.

#### CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

Neither we, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a, *et seq.*, suspending or expelling these persons from membership in this association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

A provision in a franchise agreement providing for termination upon bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101, *et seq.*).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires application of the law of Washington. This provision may not be enforceable under California law.

Section 31125 of the California Corporation Code requires us to give you a disclosure document, in the form and containing the information as the Commissioner may by rule or order require, before we ask you to consider a proposed material modification of your Franchise Agreement.

The Franchise Agreement restricts venue of mediation of a dispute or claim to a forum outside the state of California. This provision may not be enforceable under California law.

#### HAWAII

A provision in a franchise agreement providing for termination upon bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101, *et seq.*).

Under the Hawaii Franchise Investment Law, a provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of Hawaii or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this law. The Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

The Hawaii Franchise Investment Law prohibits franchisor from requiring franchisees to assent to a release, assignment novation or waiver which relieves any person from liability imposed by Hawaii law. The Franchise Agreement is amended accordingly, to the extent required by Hawaii law.

## ILLINOIS

The Illinois Franchise Disclosure Act prohibits discrimination among franchisees for payments made for Initial Franchise Fees, Royalty Fees, and the purchase of goods or services from the franchisor. Items 5 and 6 of the Disclosure Document are amended accordingly, to the extent required by Illinois law.

Any provision in the Franchise Agreement or the Area Development Agreement that designates jurisdiction or venue in a forum outside the State of Illinois may not be enforceable and is amended to the extent required by Illinois law.

The governing law or choice of law clause described in the Disclosure Document and contained in the Franchise Agreement or the Area Development Agreement is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable.

The Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that Act or any other law of the State of Illinois is void. This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

## MARYLAND

A provision in the Franchise Agreement providing for termination upon bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101, *et seq.*).

Maryland regulations (§ 14-226 Maryland Franchise Registration and Disclosure Law) prohibit a franchisor from requiring a franchisee to sign a general release as a condition of the sale, transfer or renewal of the franchise, said release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law. The Disclosure Document, Franchise Agreement and Area Development Agreement are modified accordingly, to the extent required by Maryland law.



Sections in the Franchise Agreement requiring a franchisee to sue in a state other than Maryland are modified to reflect that a franchisee may file a civil lawsuit in Maryland for violations of the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement restricts venue of mediation of a dispute or claim to a forum outside the state of Maryland. This provision may not be enforceable under Maryland Franchise Registration and Disclosure Law and is amended to the extent required by Maryland law.

Item 17 of the Franchise Disclosure Document and, to the extent required under the Maryland Franchise Registration and Disclosure Law, certain provisions of the Franchise Agreement and the Area Development Agreement are amended.

Any provision in the Franchise Agreement that requires you to disclaim the occurrence of or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

#### MINNESOTA

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require except in certain specific cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.4400J, to the extent required by law, the Disclosure Document and the Franchise Agreement are modified so that franchisor cannot require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Minnesota Rule 2860.4400D prohibits franchisor from requiring a franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of franchisor's primary trade name.

## NEW YORK

Other than the actions disclosed in the Disclosure Document, no person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

(a) Has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, include pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations. If so, disclose the names of the parties, the forum, nature, and current status of the pending action. franchisor may include a summary opinion of counsel concerning the action if the attorney's consent to the use of the summary opinion is included as part of this Disclosure Document.

(b) Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations. If so, disclose the names of the parties, the forum and date of conviction or date judgment was entered; penalty or damages assessed and/or terms of settlement.

(c) Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or is subject to any currently effective order of any national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent. If so, disclose the name of the person; the public agency, association, or exchange, the public agency, association, or exchange; the court, or other forum; a summary of the allegations or facts found by the agency, association, exchange or court; and the date, nature, terms and conditions of the order or decree.

Other than the actions disclosed in the Disclosure Document, franchisor, its affiliate, its predecessor, officers, or general partner during the ten-year period immediately before the date of the Disclosure Document; (a) filed as debtor {or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership

that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership. If so, disclose the name of the person and/or company that was the debtor under the Bankruptcy Code, the date of the action and the material facts.

Provisions in the Disclosure Document or Franchise Agreement requiring the franchisee to execute a general release of claims may not be enforceable under Article 33 of the General Business Law of New York and the regulations issued under it, and are amended accordingly to the extent required by law.

Under Article 33 of the New York State General Business Law, a provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of New York or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this law. The Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

#### NORTH DAKOTA

Under North Dakota law, no modification or change the franchisor makes to the Operations Manual or Method of Operation may materially affect the franchisee's status, rights, or obligations under the Franchise Agreement. Item 9 of the Disclosure Document is amended accordingly to the extent required by law.

Covenants not to compete may be unenforceable in the State of North Dakota. The Franchise Agreement is amended accordingly to the extent required by law.

Provisions in the Disclosure Document or Franchise Agreement requiring franchisees to consent to liquidated damages or termination penalties in the event of termination may be considered unenforceable and are amended to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement providing for resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement requiring franchisee to sign a general release upon renewal of the Franchise Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

## RHODE ISLAND

Under the Rhode Island Franchise Investment Act, a provision in the Franchise Agreement restricting jurisdiction or venue to a form outside of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act. The Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

## VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Papa Murphy's International LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement and/or Area Development Agreement do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or laws of Virginia, that provision may not be enforceable.

## WASHINGTON

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington, in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator, to the extent required by Washington law.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable and are amended to the extent required by law.

Transfer fees are collectible to the extent that they reflect franchisor's reasonable estimated or actual costs in effecting a transfer, to the extent required by Washington law.

## WISCONSIN

With respect to franchise agreements governed by Wisconsin law, the following shall supersede any inconsistent provision:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, nonrenewal or substantial change in the competitive circumstances of a dealership agreement without good cause. The Law further provides that 90 days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The

Disclosure Document and Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions in the Franchise Agreement that are inconsistent with that Law. Wis. Stats. Ch. 135, The Wisconsin Fair Dealership Law. SEC 32.06(3), Wis. Adm. Code.

**[SIGNATURES ON FOLLOWING PAGE]**

**ACKNOWLEDGMENT**

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

**PAPA MURPHY’S INTERNATIONAL LLC**

By: \_\_\_\_\_  
Victoria T. Blackwell  
Senior Vice President and General Counsel  
Date: \_\_\_\_\_

**FRANCHISE OWNER:**

Sign here if you are taking the franchise as an **INDIVIDUAL(S)**

(Note: use these blocks if you marked in Section 10.2 of the Franchise Agreement that you are an individual or a partnership but the partnership is not a separate legal entity)

Sign here if you are taking the franchise as a **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT H**

**FORM OF AREA DEVELOPMENT AGREEMENT**

**PAPA MURPHY'S INTERNATIONAL LLC  
AREA DEVELOPMENT AGREEMENT**

**THE FOLLOWING IS A BINDING CONTRACT FOR EXCLUSIVE DEVELOPMENT RIGHTS FOR PAPA MURPHY'S TAKE 'N' BAKE PIZZA STORES. FEES PAID PURSUANT TO THIS AGREEMENT ARE NONREFUNDABLE AND THIS AGREEMENT IS NON-TERMINABLE AT WILL.**

**DO NOT ENTER INTO THIS AGREEMENT IF YOUR UNDERSTANDING OR EXPECTATION IS OTHERWISE.**

**ACKNOWLEDGED AND AGREED:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_



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## AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (“**Agreement**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_ (“**Effective Date**”) by and between PAPA MURPHY’S INTERNATIONAL LLC, a Delaware limited liability company (“**PMI/we/us**”) and \_\_\_\_\_, a \_\_\_\_\_ (“**you**”), with reference to the following facts:

WHEREAS, you desire to be exclusive store developers of those areas described on **Exhibit A** attached hereto in the \_\_\_\_\_ (“**Development Area**”) and to enter into this Agreement with PMI.

WHEREAS, we have expended time, effort and money to develop Methods of Operation for the production, merchandising and distribution, and promotion of fresh carryout pizza, calzones, pasta, cookie dough and related products (“**Methods of Operation**”). The Methods of Operation employ a recognized design, menu, uniform standards, specifications, procedures of operation, management and inventory control. The system is identified by the marks “Papa Murphy’s,” “Papa Murphy’s Take „N“ Bake” and “Papa Murphy’s Take „N“ Bake Pizza.” We are engaged in the business of granting franchises for the operation of pizza stores under the name Papa Murphy’s and the Methods of Operation.

WHEREAS, we have certain rights, title, interest, and goodwill in and to the service marks and trademarks Papa Murphy’s, Papa Murphy’s Take „N“ Bake, and Papa Murphy’s Take „N“ Bake Pizza, and any other proprietary marks, patents, logo types business décor, trade names and copyrights (“**Trademarks**”), as from time to time indicated by us.

WHEREAS, we have established a reputation, demand, and goodwill for fresh carryout pizza, calzones, pasta, cookie dough and related products under the Trademarks, which signify the high and uniform standards of management, supervision, merchandising, and quality of products sold under the Methods of Operation.

WHEREAS, we desire to expand and develop the Papa Murphy’s system and seek sophisticated and efficient multi-unit franchisees to develop numerous Papa Murphy’s stores within designated areas.

WHEREAS, you desire to build and operate Papa Murphy’s stores and we desire to grant to you the right to build and operate stores in accordance with the terms and upon the conditions contained in this Agreement and our then-current franchise agreement forms.

THEREFORE, for valuable consideration the receipt and sufficiency of which are hereby acknowledged, IT IS AGREED:

### 1. GRANT OF AREA DEVELOPMENT FRANCHISE

We grant to you and you accept the exclusive right during the term of this Agreement, subject to the limitations herein, to develop Papa Murphy’s Take „N“ Bake Pizza stores

("Stores") in the Development Area described in **Exhibit A** annexed to and by this reference made a part of this Agreement. This grant is upon the terms and subject to the conditions of this Agreement and our then-current franchise agreement form ("**Franchise Agreement**"). Stores existing or under contract to be developed prior to the Effective Date shall be excluded from the exclusive Area Development Rights (as defined in Section 3.1) granted to you pursuant to this Agreement. These excluded Stores may be operated by PMI or an independent franchisee.

## 2. **YOUR DEVELOPMENT OBLIGATION**

2.1 Minimum Development Schedule. You agree to construct, equip, open and operate within the Development Area not less than the number of Stores set forth in **Exhibit B**, annexed to and by this reference made a part of this Agreement. This will be done within the quarterly time periods ("**Development Period**") specified in **Exhibit B** ("**Minimum Development Schedule**").

2.2 Force Majeure. If you are unable to meet the Minimum Development Schedule solely as the result of force majeure, including, but not limited to strikes, material shortages, fires, floods, earthquakes, hurricanes, and other acts of God, or by force or law (including, but not limited to any legal disability we have to deliver a Disclosure Document pursuant to Section 6.1 of this Agreement), which result in your inability to construct or operate store(s) in the Development Area, the Development Schedule will be extended by the amount of time during which the force majeure exists.

2.3 You May Exceed Minimum Development Schedule. During the term of this Agreement and subject to the terms and conditions of this Agreement and the then-current Franchise Agreements, you may construct, equip, open and operate more Stores in the Development Area than required in the Minimum Development Schedule. You will execute a separate, then-current Franchise Agreement for each store and pay the appropriate fee.

2.4 Operating Partner. For the entirety of this Agreement, depending on your experience and qualifications, we may impose requirements that include, but are not limited to, the experience and qualifications of the operating management of your stores. These requirements will become part of this Agreement. You must provide us with your Operating Agreement, as amended from time to time, to verify compliance with this provision.

2.5 Organizational Structure. You will have a training system mutually developed with PMI, in accordance with our then-current standards and ultimately approved by PMI in its reasonable discretion. You will have a multi-unit management structure that is developed in accordance with our standards and is approved by us.

2.6 Training. Your operating partner must successfully complete all training required by PMI prior to the opening of the first Store. All supervisory personnel will be certified by PMI and we will have the option to require the training be performed by PMI.

2.7 Convention. Your attendance at all PMI franchise conventions is required.

### 3. DEVELOPMENT AREA

3.1 Granting and Revocation of Area Development Rights. Subject to Section 2 above, during the term of this Agreement PMI will not operate or grant a Store franchise to any other person or entity to operate a Store within the Development Area without your prior written approval. This grant of Area Development Rights (“**Area Development Rights**”) by PMI shall be in force for the term of this Agreement, subject to the terms and limitations herein, provided that you are in compliance with the terms of this Agreement and the Franchise Agreements. Reasons that may cause this right to be revoked include, but are not limited to:

- (a) Failure to maintain the Minimum Development Schedule.
- (b) Failure to maintain good standing with any PMI marketing cooperative in which you own and operate Stores.
- (c) Improper transfer of ownership in an individual Store, or any portion of the Development Area, or this Agreement.

3.2 Store Locations. All sites must be individually approved by PMI before development and all plans for Stores (tenant improvements and signage) must meet then-current PMI standards.

### 4. TERM OF AREA DEVELOPMENT AGREEMENT

4.1 Term. The term of this Agreement (“**Term**”) will continue until \_\_\_\_\_ unless sooner terminated in accordance with the provisions of this Agreement.

4.2 Renewal. Any renewals of this Agreement shall be premised on an agreement between us and you regarding a future development plan for the Development Area. Any agreed upon renewal or extension will be in writing and executed by the parties within 180 days before the expiration of the Term.

4.3 Exercise of Right of Additional Development. When we deliver to you our written notice to undertake additional development in the Development Area, we also will deliver to you a copy of our then-current Franchise Disclosure Document, or its equivalent, as may be required by applicable law (“**Disclosure Document**”) and two copies of our then-current Area Development Agreement. “**Then-current,**” as used in this Agreement and applied to our Disclosure Document, Area Development Agreement and Franchise Agreement, will mean the form we then currently provide to prospective franchisees or area developers. The renewal of this Agreement will reflect your new development obligation consistent with our plan for additional development set forth in our notice to you. Within thirty (30) days after you receive the Disclosure Document and the new Area Development Agreement, but no sooner than immediately after any applicable waiting periods prescribed by law (“**Disclosure Period**”) have passed, you will execute two copies of the new Area Development Agreement described in the Disclosure Document and return them to us. If you have executed and returned the copies and have satisfied the conditions set forth below, we will execute the copies and return one fully executed copy to you.

4.4 Conditions to Exercise of Right of Additional Development. Your right to additional development described above will be subject to your fulfillment of the following conditions precedent:

(a) You will have fully performed all of your obligations and payments under this Agreement and all other agreements between you and us.

(b) You will have demonstrated to us, your financial and operational capacity to perform the additional development obligations set forth in the new Area Development Agreement. In determining if you are financially capable, we will apply the same criteria to you as we apply to prospective area developers at that time.

(c) At the expiration of the Term, you will continue to operate in the Development Area not less than the aggregate number of stores required by the Minimum Development Schedule.

## 5. **DEVELOPMENT AREA FEE**

The Development Area Fee shall be calculated as follows: \$25,000 attributable for the first store and \$5,000 attributable for each additional store to be opened under this Agreement (“**Development Area Fee**”). Concurrently with the execution of this Agreement, you will pay to us in cash or by certified funds the total Development Area Fee of \$\_\_\_\_\_. Said Development Area Fee entitles you to develop and operate \_\_\_\_\_ (\_\_\_\_\_) Stores in the Development Area pursuant to this Agreement. There will be no Initial Franchise Fee for your first Store and the Subsequent Franchise Fee will be reduced by \$5,000 for subsequent Stores. The Subsequent Franchise Fee for each Franchised Store must be paid in full and the fully-executed Franchise Agreement must be received thirty (30) days before the anticipated opening date of the Store. The entire Development Area Fee is non-refundable.

## 6. **SITE SELECTION AND EXECUTION OF INDIVIDUAL FRANCHISE AGREEMENTS**

### 6.1 Site Selection and Execution of Individual Franchise Agreements.

(a) All sites will be approved in conformance with the terms of the applicable Franchise Agreement.

(b) Promptly after approval of any site, we may transmit to you a Disclosure Document and two execution copies of our then-current Franchise Agreement for the approved site as we determine in good faith, in accordance with our then-current policies and standards for similarly situated Stores which shall be subject to the terms hereof. The then-current Franchise Agreement may contain terms which are materially different than the Franchise Agreement in use as of the Effective Date. You acknowledge the change in terms and agree to be bound by all the terms of the then-current Franchise Agreement.

(c) Immediately upon receipt of the Disclosure Document, you will return to us a signed copy of the Receipt of the Disclosure Document. After the passage of any applicable Disclosure Period, you will execute and deliver to us two executed copies of

the Franchise Agreement. The executed Franchise Agreement and the Subsequent Franchise Fee must be received by us thirty (30) days before the anticipated opening date of the Store, but no sooner than immediately after any applicable waiting periods prescribed by law have passed. Promptly upon receipt of these documents, we will execute and return to you one copy of the Franchise Agreement.

(d) Notwithstanding the foregoing, if we are not legally able to deliver a Disclosure Document to you by reason of any lapse or expiration of our applicable state franchise registration, or because we are in the process of amending the registration, or for any reason beyond our reasonable control, we may delay approval of the site for your proposed Store until such time as we are legally able to deliver a Disclosure Document.

6.2 Condition Precedent to Our Obligations. It will be a condition precedent to our obligations, that you will have performed all of your obligations under and following all agreements between you and us.

## 7. ASSIGNABILITY AND SUBFRANCHISING

7.1 Assignability by Us. We may assign this Agreement, or any of our rights and privileges to any other person, firm or corporation without your prior consent; provided that, in respect to any assignment resulting in the subsequent performance by the assignee of our functions, the assignee will expressly assume and agree to perform our obligations.

7.2 No Subfranchising by You. You will not offer, sell, or negotiate the sale of **PAPA MURPHY'S** franchises to any third party, either in your own name or in our name and on our behalf, or otherwise subfranchise, share, divide or partition this Agreement or your right to open and operate Stores. Nothing in this Agreement will be construed as granting you the right to do so.

7.3 Assignability by You. This Agreement is not assignable by you.

7.4 No Right to Encumber Assets. Notwithstanding anything to the contrary in this Agreement, you will not in any event have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in your equity or this Agreement in any manner whatsoever which would result in the loss of voting control of the shareholders, managing members or partners, without our express prior written permission not to be unreasonably withheld. If such security interest would not result in the loss of voting control of the shareholders, managing members or partners, you will provide notification of the security interest to us.

7.5 Individual Franchise Agreements. You will not execute any Franchise Agreement, or construct or equip any Store with the intent to transfer or assign that Franchise Agreement or Store.

## 8. NONCOMPETITION

8.1 In-Term. During the term of this Agreement, neither you nor your owners, shareholders, members, partners, directors, officers, or managers, nor the immediate families or

household members of those persons listed above who have access to or knowledge of our Methods of Operation, will directly or indirectly participate as an owner, shareholder, member, partner, director, officer, manager, employee, consultant, franchisor, franchisee, advisor or agent, or serve in any other capacity in any business engaged in the sale at wholesale or retail of pizza and pasta products or services within the Development Area, within a reasonable distance (not less than 100 miles) of the Development Area, within the immediate market area of any of our other franchisees or of any company Stores we own. We may waive this covenant only in writing.

8.2 Post-Term. This covenant will apply for three (3) years after termination, expiration of this Agreement. You will assure that you and your owners, shareholders, members, partners, directors, officers, managers, and agents, and the immediate families or household members of those persons listed above who have actual knowledge of or access to our Methods of Operation, will not directly or indirectly participate as an owner, shareholder, member, partner, director, officer, manager, employee, consultant, franchisor, franchisee, advisor or agent, or serve in any other capacity in any business engaged directly or indirectly in the offer, sale, or promotion of pizza and pastas.

8.3 Limits and Modification. If, for any reason, any provision set forth in this Agreement is determined to exceed any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. The duration, geographic coverage and scope allowable by law or court of law will apply to this Agreement.

8.4 Confidentiality. You recognize and acknowledge that PMI's trade secrets, confidential or proprietary information including but not limited to the terms of this Agreement or information generally considered confidential by us are valuable, special and unique assets of PMI. You will not, during or after the term of this Agreement, in whole or in part, directly or indirectly, disclose such secrets or confidential or proprietary information to any person, firm, corporation, association or other entity for any reason or purpose but for the benefit of PMI or as necessary to enable you to obtain financing pursuant to the rights and obligations contained herein. This provision shall continue in full force and effect in perpetuity.

## 9. **TERMINATION**

9.1 Termination Pursuant to a Material Breach of this Agreement. We may terminate this Agreement for cause after a reasonable opportunity to cure in case of any material breach by you of this Agreement. Material breach specifically includes, among other things, the following:

(a) Any attempt by you to sell or encumber in whole or in part any or all rights and obligations under this Agreement, in violation of the terms of this Agreement, or without the written consents required by this Agreement.

(b) Your failure to comply with the Minimum Development Schedule within the Development Periods set forth above. You will be given notice and a ninety (90) day period to cure a breach of the Minimum Development Schedule.



(c) Your failure to operate the franchises in accordance with the Methods of Operation.

9.2 Termination by Reason of a Material Breach of Other Agreement. In the event you or an entity controlled by you are in default beyond the applicable notice and cure periods of one or more Franchise Agreements, you shall cease all development activities except for those locations under active construction as of the date you receive the notice of default and we may, at our election, terminate this Agreement, reduce the number of franchises included in this Agreement, or reduce the Development Area of this Agreement.

9.3 Effect of Termination. Upon the expiration of the Term, or upon the prior termination of this Agreement, you will have no further right to construct, equip, own, open or operate additional Stores which are not, at the time of such termination or expiration, the subject of a then existing Franchise Agreement between you and us which is in full force and effect. We then may construct, equip, open, own or operate, or license others to construct, equip, open, own or operate stores in the Development Area, except as provided above and as provided in any Franchise Agreement executed pursuant to this Agreement. Upon termination, any remaining Development Area Fee shall be forfeited.

**10. IF YOU ARE A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY**

10.1 Ownership. If you are a corporation, partnership, or limited liability company, the following is the name and address of each shareholder, partner, or member in you:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST
_____	_____	_____
_____	_____	_____
_____	_____	_____

You acknowledge and understand that there shall be no changes in ownership without PMI's prior written consent.

10.2 Financial Records. The address where your financial records and company records are maintained is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10.3 Officers, Partners and Managers. If you are a corporation, partnership, or limited liability company, set forth below are the names, and addresses and titles of your principal officers, partners, or managers who will be devoting their full time to your Papa Murphy's franchise business:

**NAME**

**ADDRESS**

**TITLE**

_____	_____	_____
_____	_____	_____
_____	_____	_____

10.4 Authorized Signatory. You hereby appoint \_\_\_\_\_ as the authorized signatory for all Franchise Agreements signed pursuant to this Agreement. Any change to the authorized signatory must be delivered to PMI in writing signed by all shareholders, partners, or members, as applicable.

10.5 Notification of Change. You will notify us in writing within ten days of any change in the information set forth in the above subparagraphs. You promptly will provide additional information as we may from time to time request concerning all persons who may have any direct or indirect financial interest in you.

10.6 Guarantee of Performance. If you are a corporation, partnership, or limited liability company, each of the shareholders, partners, or members, as applicable, of you will, by executing this Agreement, fully, unconditionally and irrevocably guarantee your performance of all of your obligations under this Agreement. In addition, upon our request you will cause valid execution of this Agreement, the Franchise Agreement and our standard form of Guarantee.

**11. ENFORCEMENT AND LITIGATION**

11.1 General. You acknowledge that we have appointed and intend to appoint many franchisees on terms and conditions similar to those set forth in this Agreement and the Franchise Agreement. It mutually benefits those franchisees, you and us if the terms and conditions of these franchise agreements are uniformly interpreted. This Agreement is made in the State of Washington, and shall be governed by and interpreted and construed in accordance with the laws of that State without regard to conflict of laws principles, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051, *et seq.*). This choice of laws will not include and does not extend outside of Washington, the scope of application of the Washington franchise or business opportunity laws, including the Washington Franchise Investment Protection Act and the Washington Business Opportunity Fraud Act or similar law to you if you are not a resident of the State of Washington or otherwise entitled by statute to seek the protection of such laws. Any portion of this Agreement that requires enforcement in any other state, and is enforceable under the laws of that state but not of Washington, will be construed and enforced according to the laws of that state. All issues or disagreements relating to this Agreement will be tried, heard, and decided in the applicable federal or state court for the judicial district in which PMI has its principal place of business at the time the action is commenced. The parties waive all issues of personal jurisdiction or venue for the purpose of enforcing this Section. You acknowledge and agree that this location for venue is reasonable and the most beneficial to the needs of and best meets the interest of all of the members of the Papa Murphy's franchise system.

11.2 Enforcement. Either party may seek to obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement. No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy. We may employ legal counsel or incur other expense to collect or enforce your obligations or to defend against any claim, demand, action or proceeding because of your failure to perform your obligations. Legal action may be filed by or against us and that action or the settlement of it may establish your default under this Agreement.

11.3 Prevailing Party. The prevailing party will recover the amount of its reasonable attorney fees and all other expenses it incurs in collecting or enforcing any obligation or in defending against any claim, demand, action or proceeding under this Agreement. These will be set by the arbitrator or court, including costs and attorney fees on appeal from any lawsuit or other suit, or action.

## 12. GENERAL CONDITIONS AND PROVISIONS

12.1 Relationship of You to Us. The parties intend by this Agreement to establish the relationship of franchisor and franchisee. You have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of us for any purpose whatsoever. Neither party is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. You agree that you will not hold yourself out as our agent, employee, partner or co-venturer. All employees hired by or working for you will be your employees and will not, for any purpose, be deemed our employees or subject to our control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party of and from any liability of any nature whatsoever by virtue thereof.

12.2 Your Indemnity. You agree to protect, defend and indemnify us, and all of our direct and indirect parent companies, subsidiaries, affiliates, and the past, present and future shareholders, members, officers, directors, managers, employees, attorneys and designees of each and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person, firm, corporation or other entity or to any property arising out of or in connection with your operation pursuant to this Agreement. We agree to protect, defend and indemnify you, and all of your direct and indirect parent companies, subsidiaries, affiliates, and your and their past, present and future shareholders, members, officers, directors, managers, employees, attorneys and designees and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person, firm, corporation or other entity or to any property arising out of or in connection with our activities pursuant to this Agreement.

12.3 No Consequential Damages For Legal Incapacity. We will not be liable to you for any consequential damages, including but not limited to lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses you incur by reason of

any delay in the delivery of our Disclosure Document caused by legal incapacity during the Term, or other conduct not due to our gross negligence or misfeasance.

12.4 Waiver and Delay. The following will not constitute a waiver of the provisions of this Agreement with respect to any subsequent breach or a waiver by us of our right at any time to require exact and strict compliance with the provisions of this Agreement or of the Franchise Agreements:

(a) Waiver by us of any breach or series of breaches or defaults in your performance;

(b) Our failure, refusal or neglect to exercise any right, power or option given to us under this Agreement or under any Franchise Agreement between us and you; or

(c) Our failure, refusal or neglect to insist upon strict compliance with or performance of your obligations under this Agreement or any other Franchise Agreement between you and us.

This applies to this Agreement and to any Franchise Agreement between the parties whether entered into before, after or contemporaneously with the execution of this Agreement and whether or not related to the Stores.

12.5 Survival of Covenants. The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement, will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

12.6 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of our successors and assigns and will be binding upon and inure to your benefit and your heirs, executors, administrators, successors and assigns, subject to the prohibitions against assignment contained above.

12.7 Joint and Several Liability. If you consist of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us are joint and several.

12.8 Entire Agreement. This Agreement and the attached Exhibits contain all of the terms and conditions agreed upon by the parties concerning the subject matter of this Agreement. No other agreements concerning the subject matter, written or oral, will be deemed to exist or to bind the parties. All prior agreements, understandings and representations, are merged into this Agreement and superseded by it. We each represent that there are no contemporaneous agreements or understandings between the parties relating to the subject matter of this Agreement that are not contained in this Agreement. No officer, employee, or agent of us has any authority to make any representation or promise not contained in this Agreement, the Franchise Agreement or our Disclosure Document for prospective franchisees required by applicable law. We each agree that we have executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed by all of the parties.

12.9 Titles for Convenience. Article and paragraph titles used in this Agreement are for convenience only and will not affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

12.10 Gender. All terms used in any number or gender will extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or paragraph may require.

12.11 Severability. Nothing contained in this Agreement will require the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter will prevail. In such event, the provisions of this Agreement thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any part, article, paragraph, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision will be deemed deleted, and the remaining part of this Agreement will continue in full force and effect.

12.12 Counterparts. This Agreement may be executed in any number of counterparts; each of which will be deemed an original and all of which together will be deemed the same instrument.

12.13 Notices.

(a) All notices required by this Agreement must be in writing and must be hand-delivered, sent by certified or registered mail, postage prepaid and return receipt requested, or reputable overnight courier, or transmitted by facsimile or sent via other electronic means, if the sender can verify receipt (with a confirmation copy mailed within three business days). They will be addressed to you at the following address, or at any other address you designate in writing:

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(b) Notices will be addressed to us at the following address unless and until a different address has been designated by us in writing:

Papa Murphy's International LLC  
Attention: Legal Department  
8000 NE Parkway Drive  
Suite 350  
Vancouver, WA 98662  
Fax: (360) 260-0500

(c) Any notice is considered given and received, when delivered, if hand-delivered; if sent by facsimile, or electronic means in which receipt can be verified, on the next business day after sent; if mailed, on the third business day following the mailing; and one business day after placement with a reputable air courier service, requesting delivery on the most expedited basis available.

12.14 Capacity. You represent and warrant that you have full and legal capacity to enter into this Agreement and into the Franchise Agreements and that they will not violate any provision or restriction in any contractual relationship you or your owners have with any third party.

### 13. **SUBMISSION OF AGREEMENT**

The submission of this Agreement does not constitute an offer and this Agreement will become effective only upon the execution by you and us. THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT WILL HAVE BEEN ACCEPTED AND SIGNED BY OUR CHIEF EXECUTIVE OFFICER. THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNTIL AND UNLESS YOU HAVE BEEN FURNISHED BY US WITH ALL DISCLOSURE DOCUMENTS, IN WRITTEN FORM, AS MAY BE REQUIRED UNDER OR PURSUANT TO APPLICABLE LAW, FOR THE DISCLOSURE PERIOD.

### 14. **INDEPENDENT INVESTIGATION.**

THE PROSPECT OF SUCCESS OF THE BUSINESS VENTURE UNDERTAKEN BY YOU BY VIRTUE OF THIS AGREEMENT IS SPECULATIVE AND DEPENDS TO A MATERIAL EXTENT UPON YOUR CAPABILITY AS AN INDEPENDENT BUSINESS PERSON AND FRANCHISEE, AS WELL AS OTHER FACTORS. WE MAKE NO REPRESENTATIONS OR WARRANTIES AS TO THE POTENTIAL SUCCESS OF THE BUSINESS VENTURE UNDERTAKEN BY YOU. YOU REPRESENT AND WARRANT THAT YOU HAVE ENTERED INTO THIS AGREEMENT AFTER MAKING INDEPENDENT INVESTIGATIONS OF OUR BUSINESS, AND NOT IN RELIANCE UPON ANY REPRESENTATION BY US AS TO SALES OR PROFITS WHICH YOU IN PARTICULAR MIGHT BE EXPECTED TO REALIZE. YOU FURTHER REPRESENT AND WARRANT THAT WE AND OUR REPRESENTATIVES, EMPLOYEES OR AGENTS HAVE MADE NO REPRESENTATIONS TO INDUCE YOU TO ACQUIRE THIS FRANCHISE AND EXECUTE THIS AGREEMENT WHICH ARE NOT EXPRESSLY SET FORTH HEREIN OR IN THE DISCLOSURE DOCUMENT PROVIDED TO YOU PRIOR TO ENTERING INTO THIS AGREEMENT.

### 15. **ACKNOWLEDGMENT**

You, and your shareholders, members and partners, as applicable, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution of this Agreement. You and they have obtained the advice of counsel concerning entering this Agreement. You and they understand the nature of this Agreement and intend to comply with and to be bound by it.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the first date set forth above.

**PAPA MURPHY'S INTERNATIONAL LLC**

By: \_\_\_\_\_  
Ken Calwell, Chief Executive Officer

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

Its: \_\_\_\_\_

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

Its: \_\_\_\_\_

**EXHIBIT A  
DEVELOPMENT AREA**

At the Effective Date of this Agreement, we mutually agree that the counties described in **Exhibit A** fall into the \_\_\_\_\_ DMA. It is also understood that counties may shift from one DMA to another over time but if that occurs, the county will still remain in the Development Area of this Agreement.

You will open \_\_\_\_\_ (\_\_\_\_\_) Stores according to the Development Schedule set forth in **Exhibit B**. The Stores will be placed in the following described area:

**DEVELOPMENT AREA:**

That portion of real property which is currently delineated using the following common descriptors, landmarks and boundaries. In the event such boundaries are altered, the real property described herein shall remain the same. A map delineating the boundaries of the Development Area is attached and is to be considered supplemental to the visual representation of the below description.

**PRE-EXISTING PAPA MURPHY'S STORES:**



**INSERT MAP OF DEVELOPMENT AREA**

**EXHIBIT B  
DEVELOPMENT SCHEDULE**

The Development Period and Term of this Agreement is until \_\_\_\_\_ and will commence on the Effective Date. The Development Schedule by calendar year and quarter is:

Year	Calendar Quarter				Total
	1	2	3	4	
2011					
2012					
2013					
2014					
2015					
<b>Total Stores</b>					

IN WITNESS WHEREOF, the parties have executed this Agreement as of the first date set forth above.

ACCEPTED on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**PAPA MURPHY'S INTERNATIONAL LLC**

By: \_\_\_\_\_  
Ken Calwell, Chief Executive Officer

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

Its: \_\_\_\_\_

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

Its: \_\_\_\_\_

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT I**

**FORM OF MULTIPLE STORE  
COMMITMENT LETTER  
AND  
AMENDMENT TO FRANCHISE AGREEMENTS**

Date

**RE: Multiple Store Commitment**

Dear \_\_\_\_\_:

Thank you for your commitment to develop, open and operate \_\_\_\_\_ Papa Murphy's Take „N“ Bake Pizza Stores (“**Franchised Businesses**”) in the \_\_\_\_\_ designated market area. This multiple store commitment letter (“**Multiple Store Commitment Letter**”) has been prepared to outline your development commitment and to memorialize certain terms and conditions associated with your commitment. Capitalized terms not defined herein have the meanings assigned to them in the Franchise Agreements.

1. You have committed to developing \_\_\_\_\_ Franchised Businesses at the following prospective locations (“**Targets**”):

\_\_\_\_\_  
\_\_\_\_\_

2. You will sign a Franchise Agreement for each Franchised Business. At the time of signing, you agree to deliver the Franchise Fee payment of \$\_\_\_\_\_ to Papa Murphy's International LLC, which represents payment for one Initial Franchise Fee and \_\_\_\_\_ Subsequent Franchise Fees. By signing this Multiple Store Commitment Letter you acknowledge and agree that the Franchise Fees, once paid, are fully earned by Papa Murphy's International LLC and are non-refundable except as set forth in each individual Franchise Agreement.

3. You agree to construct, equip, open and operate one Franchised Business at one of the above-described Targets in accordance with the time frames described in Section 3 of the Franchise Agreement signed for that location.

4. [If more than 2 stores] You agree to construct, equip, open and operate an additional Franchised Business at one of the remaining Targets at least every six months thereafter until all \_\_\_\_\_ Franchised Businesses are open and operating. [If only 2 stores] You agree to construct, equip, open and operate the second Franchised Business at the remaining Target at least six months thereafter.

5. At least one month prior to beginning development of the next Franchised Business to be opened under the terms of this Multiple Store Commitment Letter, you and we will complete Attachment A to the Franchise Agreement designated for that Franchised Business.

6. All \_\_\_\_\_ Targets will be open and operating no later than \_\_\_\_\_ months after the Effective Date of the Franchise Agreements.

7. If you fail to open and continuously operate one or more Franchised Businesses in accordance with the terms of, and in the time frame required by, this Multiple Store Commitment Letter, you agree that you forfeit the right to open all other unopened Franchised Businesses contemplated by this Multiple Store Commitment Letter and that Papa Murphy's International LLC shall be entitled to retain all Initial and Subsequent Franchise Fees without any further obligation to you under this Multiple Store Commitment Letter.

8. All other aspects of the relationship between you and Papa Murphy's International LLC shall be governed by the terms of the individual Franchise Agreement for each Franchised Business. All disputes between the parties shall be resolved in accordance with the terms of each Franchise Agreement. In the case of a conflict between the terms of a Franchise Agreement and this Multiple Store Commitment Letter, the provisions of this Multiple Store Commitment Letter shall prevail.

9. This Multiple Store Commitment Letter may be assigned by Papa Murphy's International LLC at any time without your consent. You may not transfer or assign this Multiple Store Commitment Letter without the advanced written permission of Papa Murphy's International LLC, which may be granted or denied in the sole discretion of Papa Murphy's International LLC.

The terms of this Multiple Store Commitment Letter will be incorporated into each Franchise Agreement by reference in the Amendment to Franchise Agreement that you will sign at the same time you sign each Franchise Agreement. By signing below, you agree to the terms of this Multiple Store Commitment Letter and you acknowledge and agree that the terms of this Multiple Store Commitment Letter will become a part of the terms of the business relationship between you and Papa Murphy's International LLC.

Sincerely,

Victoria T. Blackwell  
General Counsel

We have read the terms of this Multiple Store Commitment Letter and acknowledge and agree to be bound by its terms.

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

## AMENDMENT TO FRANCHISE AGREEMENTS

This Amendment to Franchise Agreements (“**Amendment**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, and amends each of the Franchise Agreements (“**Franchise Agreements**”) entered into pursuant to the Multiple Store Commitment Letter dated \_\_\_\_\_ and attached hereto and by this reference incorporated herein (“**Multiple Store Commitment**”), by and between Papa Murphy’s International LLC (“**Franchisor**”) and the person(s) listed as the Franchise Owner on the signature block of this Agreement (“**Franchise Owner**”). All capitalized terms not defined herein shall have the meanings assigned to them in the Franchise Agreements.

A. WHEREAS, the parties wish to enter into a Multiple Store Commitment to develop \_\_\_\_\_ Papa Murphy’s Take „N“ Bake Pizza stores (“**Franchised Businesses**”) in the \_\_\_\_\_ designated market area at the following prospective locations (the “**Targets**”):

City State – Intersection  
City State – Intersection  
City State – Intersection

B. WHEREAS, the parties agree that Franchise Owner will sign Franchise Agreements for each of the Targets.

C. WHEREAS, the parties agree that the Franchise Agreements for the Targets shall be modified so that Franchise Owner shall commence full and continuous operations according to the following schedule (the “**Development Schedule**”). The Targets may be opened in any order for purposes of compliance with the Development Schedule:

Target 1: 12 months from the Effective Date of the Franchise Agreement  
Target 2: 18 months from the Effective Date of the Franchise Agreement  
Target 3: 24 months from the Effective Date of the Franchise Agreement

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties hereto, the parties agree as follows:

1. Incorporation of Recitals. The foregoing recitals are incorporated into and made a part of this Amendment as if each were specifically recited herein.

2. Franchise Agreements Amended. This Amendment amends the Franchise Agreement for each Target set forth herein.

3. Grant of Franchise; Our Duties; Training. Franchise Owner agrees that it will comply with all of the provisions of Section 2.3 of the Franchise Agreement for Target 1 and that Sections 2.3(a) through (e) will be waived for the \_\_\_\_\_ other Targets. Sections 2.3(f) and 2.3(g) will apply only to the manager of each Franchised Business.

4. Your Duties. The deadline set forth in Section 5.1 of the Franchise Agreements will be amended in accordance with the Development Schedule.

5. Continuation of Ability to Operate, Termination and Step-In Rights. The deadline set forth in Section 6.3(a)(i) of the Franchise Agreements will be amended in accordance with the Development Schedule.

6. Amendment Binding. This Amendment will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

7. No Further Changes. Except as specifically provided in this Amendment, all of the terms, conditions and provisions of the Franchise Agreements will remain in full force and effect as originally written and signed.

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have signed this Amendment as of the date first above written.

**PAPA MURPHY’S INTERNATIONAL LLC**

By: \_\_\_\_\_  
Victoria T. Blackwell  
Senior Vice President and General Counsel  
Date: \_\_\_\_\_

**FRANCHISE OWNER:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**

**(Note: use these blocks if you marked in  
Section 10.2 of the Franchise Agreement that  
you are an individual or a partnership but the  
partnership is not a separate legal entity)**

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT J**

**STATEMENT OF FRANCHISEE**

**EXHIBIT J**

**STATEMENT OF FRANCHISEE**  
**[Note: Dates and Answers Must be Completed in the**  
**Prospective Franchisee's Own Handwriting]**

In order to make sure that no misunderstanding exists between you, the Franchisee, and us, Papa Murphy's International LLC (also called "Papa Murphy's," the "Franchisor" or "we") and to make sure that no violations of law might have occurred, and understanding that we are relying on the statements you make in this document, you assure us as follows:

**Representations.**

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side agreements," options, right of first refusal or otherwise have been made to or with me with respect to any matter (including but not limited to advertising, marketing, site location, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise), nor have I relied in any way on the same, except as expressly set forth in the Franchise Disclosure Document, Franchise Agreement or an attached written Addendum or Amendment signed by me and Papa Murphy's, except as follows: \_\_\_\_\_

\_\_\_\_\_

*(If NONE, you should write NONE in your own handwriting and initial.)*

2. No oral, written, visual or other promises, agreements, commitments, representation, understandings, "side agreements" or otherwise which expanded upon or were inconsistent with the Franchise Disclosure Document or the Franchise Agreement or any attached written Addendum or Amendment signed by me and an officer of Papa Murphy's, were made to me by any person or entity, nor have I relied in any way on same, except as follows: \_\_\_\_\_

\_\_\_\_\_

*(If NONE, you should write NONE in your own handwriting and initial.)*

3. Other than the information presented in the Franchise Disclosure Document, no oral, written, visual or other claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise) which stated or suggested a specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) from Franchised Stores, was made to me by any person or entity, nor have I relied in any way on any such, except as follows: \_\_\_\_\_

\_\_\_\_\_

*(If NONE, you should write NONE in your own handwriting and initial.)*

4. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including but not limited to my obtaining financing, or my fully performing any of my obligations), nor have I relied in any way on same, except as expressly set forth in the Franchise Agreement or any attached written Addendum or Amendment signed by me and Papa Murphy's:

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***(If NONE, you should write NONE in your own handwriting and initial.)***

5. The individuals signing for me constitute all of the officers, partners, shareholders, members, investors, owners, and/or principals. Each of such individuals has reviewed the Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, each attached written Addendum or Amendment, and any personal guaranties.

6. I have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and Papa Murphy's has strongly recommended that I obtain such independent advice. I have also been strongly advised by Papa Murphy's to discuss my proposed purchase of a Franchised Store with any existing Papa Murphy's franchisees prior to signing any binding documents or paying any sums and Papa Murphy's has supplied me with a list of all existing franchisees.

7. I understand that (a) entry into any business venture necessarily involves some unavoidable risk of loss or failure; (b) while the purchase of a franchise may improve the chances for success, the purchase of a Franchised Store or any other franchise is a speculative investment; (c) investment beyond that outlined in the Franchise Disclosure Document may be required to succeed; (d) there exists no guaranty against possible loss or failure in this or any other business; and (e) the most important factors in the success of any Franchised Store, including the one to be operated by me, are my personal business skills, which include marketing, sales, and management, and require sound judgment and extremely hard work.

If there are any matters inconsistent with the statements in this document or if anyone has suggested that you sign this document without all of its statements being true, correct and complete, immediately inform Papa Murphy's Legal Department (Telephone: (360) 260-7272).

You understand and agree that, other than the information presented in the Franchise Disclosure Document, we do not furnish, or authorize our salespersons, brokers or others to furnish any oral or written information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or information from which such items might be ascertained), from franchised or non-franchised units, that no such results can be assured or estimated, and that actual results will vary from unit to unit.

You understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

**PROSPECTIVE FRANCHISEE:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**REVIEWED BY FRANCHISOR:**

By: \_\_\_\_\_  
Title: Victoria T. Blackwell  
Senior Vice President and General Counsel  
Date: \_\_\_\_\_

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT K**

**ACH DEBIT AND CREDIT AUTHORIZATION FORM**

## Procedures for the setup of ACH processing

- Under the franchise agreement, certain franchise fees are required to be paid by ACH. In addition, participation in Papa Murphy's gift card program requires ACH settlement. In order to comply with banking laws, before Papa Murphy's (PMI) can process these ACH transactions, you need to complete the attached ACH authorization form and return in to us.
- Information on the ACH authorization form is needed before we can provide you a Merchant ID (MID), which is necessary to program your credit card terminals or POS systems to process gift cards. Once the completed authorization form is received by PMI Accounting, an MID will be emailed to you at the email address specified on the form.
- The routing number and account number for your account can be found at the bottom of a check as shown below. The routing number is always nine digits. If you don't have checks, your bank can provide you with these numbers upon request. Please make sure to provide the correct routing and account numbers, and write legibly. A voided check does not need to be provided, but may be if you are unsure.



## Franchise fees weekly ACH process

- Weekly net sales and other activity are reported to PMI by noon each Tuesday. Royalties for a given week are withdrawn from your bank account on the Monday of the following week.
- PMI calculates amounts due for royalties, ADF, rent administration (if applicable), and sales taxes (if applicable) based on your weekly net sales. Calculated amounts are added to amounts due under any other agreement with us, such as print, CRM, etc., plus adjustments from any prior week (if any) to determine the total weekly ACH draw.
- This total amount is submitted to PMI's bank on Friday for draw from your account on Monday.
- Concurrent with PMI submitting the ACH transaction to the bank, PMI will send an email notification to the email address provided which will list the total amount by store and how much of it relates to royalties, ADF, sales taxes, CRM, SBP, and Other.
- To update your email address where you would like your ACH notifications sent each week, please send your update request to [ach@papamurphys.com](mailto:ach@papamurphys.com).

## Gift Card program weekly ACH settlement process

- When you sell / activate a gift card, the card balance is loaded by the FDMS system, and you deposit those funds into your account with all other daily receipts in your end of day deposit.
  - Gift card activations represent a "Gift Card Payable" on your books
- When you redeem a gift card, the card balance is reduced by the FDMS system, but the funds are not transferred to your account that same day.
  - Gift card redemptions create a "Gift Card Receivable" on your books
- Every Tuesday, weekly gift card redemptions and activations through the previous day (Monday) are compiled and a net settlement ACH amount by location is submitted to the bank for next day processing (Wednesday). Note: no email or other notice is sent on what the ACH transaction amount is, however:

- The amount to be settled should be easily obtained from your WSR report generated by your POS system, or that you prepare manually, by netting gift card activations and redemptions.
- A location's net receivable/payable amount is also available from the First Data FNet website which you will have access to.
  - You can view transaction and summary reports and bank reconciliation reports with drilldown capability to individual transactions.
  - Prior day activity is available after 10:00 a.m. central time.
  - Gift card data for your location is only retained on the FNet for six months. If you need it for longer than six months, you should save a copy with your own accounting records.
- Do not withdraw the funds associated with gift card activations from your account to avoid any NSF charges. Unsettled amounts due to an NSF will generate a \$25 NSF fee.

## ACH Debit and Credit Authorization Form

The information on this form is confidential and may only be used for the purposes described below. Please complete this form and fax it to 360-326-1679. You may also email it to [ach@papamurphys.com](mailto:ach@papamurphys.com)

This authorization is valid for the franchised locations listed below (list store numbers):


As contemplated by a Franchise Agreement entered into between \_\_\_\_\_ and Papa Murphy’s International LLC (“PMI”), I (we) hereby authorize PMI or its designated representative to initiate entries to the Royalty Account listed below for purposes of paying all franchise fees required to be paid by ACH under the Franchise Agreement(s), and to the Gift Account listed below for purposes of settling all amounts due related to the Papa Murphy’s gift card program. I (we) understand that the transaction amounts will be for a variable amount and hereby expressly waive all pre-notification periods. I (we) authorize PMI to initiate adjustments for any transactions credited or debited in error. I acknowledge that I am subject to a \$25 reject fee if items are returned for any reason by the Gift Account financial institution. The Undersigned hereby certifies that they are duly authorized to execute this form as or on behalf of the respective account holder.

**Royalty Account Information:**

Bank Name	Bank Routing Number (9 digits)
Signature of Authorized Representative	Date
	Bank Account Number

**Gift Account Information:**

Check here to use the same Royalty Account formation above for the Gift Account, or complete below:

Bank Name	Bank Routing Number (9 digits)
Signature of Authorized Representative	Date
	Bank Account Number

This authorization will continue until withdrawn in writing with at least 15 days written notice or other means acceptable to PMI. Revocation of this authorization does not terminate your obligation to pay any amounts due under the Franchise Agreement or other contract for goods or services, but applies only to the method of payment.

The email address to where your Merchant ID required for gift card processing setup will be sent, and also to where weekly notifications will initially be sent as to the amount and details of any debits or credits issued pursuant to this authorization is the following: \_\_\_\_\_



**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT L**

**GUARANTEE OF PERFORMANCE**

**EXHIBIT L**  
**GUARANTEE OF PERFORMANCE**

For value received, Papa Murphy's Holdings, Inc., a Delaware corporation (the "Guarantor"), located at 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662, absolutely and unconditionally guarantees to assume the duties and obligations of Papa Murphy's International LLC, a Delaware limited liability company (the "Franchisor"), located at 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662, under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its April 2012 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This Guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Vancouver, Washington on the 27<sup>th</sup> of March, 2012.

Guarantor:

Papa Murphy's Holdings, Inc.

By: 

\_\_\_\_\_  
Victoria T. Blackwell  
General Counsel and Secretary


**GUARANTEE OF PERFORMANCE**  
**(Virginia)**

For value received, Papa Murphy's Holdings, Inc., a Delaware corporation (the "Guarantor"), located at 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662, absolutely and unconditionally guarantees the performance by Papa Murphy's International LLC, a Delaware limited liability company (the "Franchisor"), located at 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662 of all of the obligations of Franchisor under its franchise registration in the Commonwealth of Virginia, and of its Franchise Agreements executed after April 1, 2012.

This Guarantee continues until all obligations of Franchisor under its franchise registration and franchise agreements are satisfied. The Guarantor is not discharged from liability if a claim by the franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. Notice of default on the part of Franchisor is not waived. This Guarantee is binding on the Guarantor and its successors and assignees.

Papa Murphy's Holdings, Inc. executes this Guarantee at Vancouver, Washington on the 27<sup>th</sup> day of March, 2012.

Papa Murphy's Holdings, Inc.

By:   
Victoria T. Blackwell  
General Counsel and Secretary

**PAPA MURPHY'S INTERNATIONAL LLC**

**EXHIBIT M**

**RECEIPT**

## EXHIBIT M RECEIPT

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

If Papa Murphy's International LLC offers you a franchise, we must provide this Disclosure Document to you 14 days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale or grant.

Iowa, New York, Oklahoma and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Washington require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Papa Murphy's International LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency identified on **Exhibit A**. Papa Murphy's International LLC authorizes the respective state agencies identified on **Exhibit A** to receive service of process for it in the particular state.

The franchisor is Papa Murphy's International LLC and the franchise seller involved in offering and selling the franchise to you is:

<input type="checkbox"/>	Kevin King	<input type="checkbox"/>	David Schauer	<input type="checkbox"/>	Steve Millard	<input type="checkbox"/>	Other: _____
<input type="checkbox"/>	Gail Lawson	<input type="checkbox"/>	Bruce Clute	<input type="checkbox"/>	Harold Kermen		_____
<input type="checkbox"/>	Jim Perkins	<input type="checkbox"/>	Jeff Hood	<input type="checkbox"/>	Mike Norcup		_____
<input type="checkbox"/>	Jennifer Pettit	<input type="checkbox"/>	Mark Levis				_____

The principal address and telephone number of the franchisor and each franchise seller are 8000 N.E. Parkway Drive, Suite 350, Vancouver, Washington 98662, telephone (360) 260-7272.

Issuance Date: April 1, 2012

I received a Papa Murphy's International LLC Disclosure Document with an Issuance Date of April 1, 2012, that included the following Exhibits:

- |  |  |
|--|--|
| <p>A: List of State Administrators and Agents for Service of Process</p> <p>B: List of Franchisees and Certain Former Franchisees</p> <p>C: Financial Statements</p> <p>D: Form of Franchise Agreement</p> <p>E: Collateral Assignment of Telephone Numbers, Addresses, Listings, and Assumed or Fictitious Business Names</p> | <p>F: Operations Manual Table of Contents</p> <p>G: State Law Addenda</p> <p>H: Form of Area Development Agreement</p> <p>I: Form of Multiple Store Commitment Letter and Amendment to Franchise Agreements</p> <p>J: Statement of Franchisee</p> <p>K: ACH Debit and Credit Authorization Form</p> <p>L: Guarantee of Performance</p> <p>M: Receipt</p> |
|--|--|

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Prospective Franchisee

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

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Prospective Franchisee

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

Please sign and date both copies of this receipt, keep one copy (Franchisor Copy) for your records, and mail one copy (Franchisor Copy) to the address listed on the front page of this Disclosure Document or send to Franchise Sales by email to [franchise@papamurphys.com](mailto:franchise@papamurphys.com) or by fax to (360) 449-4003.

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<input type="checkbox"/>	Jim Perkins	<input type="checkbox"/>	Jeff Hood	<input type="checkbox"/>	Mike Norcup		_____
<input type="checkbox"/>	Jennifer Pettit	<input type="checkbox"/>	Mark Levis				_____

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|--|--|

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Prospective Franchisee

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

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Prospective Franchisee

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

Please sign and date both copies of this receipt, keep one copy (Franchisee Copy) for your records, and mail one copy (Franchisor Copy) to the address listed on the front page of this Disclosure Document or send to Franchise Sales by email to [franchise@papamurphys.com](mailto:franchise@papamurphys.com) or by fax to (360) 449-4003.

## Item 23 - Contacts Information

Franchise Sales [[franchise@papamurphys.com](mailto:franchise@papamurphys.com)]

Harold Kermen [[Haroldk@papamurphys.com](mailto:Haroldk@papamurphys.com)]