

Provision	Section in License Agreement ("LA") / Multi-Restaurant Development Agreement ("MDA")	Summary
u. Dispute resolution by arbitration or mediation	LA §XXVI. MDA §§XXI., XXII	LA and MDA – Except for certain claims, all disputes must be arbitrated in Atlanta, Georgia
v. Choice of forum	LA §§XXV.B. MDA §§XXI., XXII	LA and MDA – Subject to applicable state laws, arbitration must be in Atlanta, Georgia and litigation must be in the state of our then current principal place of business
w. Choice of law	LA §XXV.A. MDA §XXI.A.	LA and MDA – Subject to applicable state laws, Georgia law applies except (i) the law of state in which the Restaurant or a majority of the development area is located shall govern confidentiality, nondisclosure and non-compete provisions contained in the Agreement and its Attachments, and (ii) to the extent governed by the Lanham Act or the American Arbitration Act

ITEM 18
PUBLIC FIGURES

We do not use any public figure in our name or symbols or to endorse or recommend our business to prospective licensees.

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.

Factual Basis and Material Assumptions

You should consider the following factual basis and material assumptions in reviewing this Item 19:

1. As of December 31, 2017, we had 877 open and operating licensed Restaurants. Of these 877 Restaurants, 736 of these Restaurants were owned and operated by third party licensees that are not owned or controlled by our principal shareholders or our affiliates (the “**Licensee-Owned Restaurants**”). The data utilized in Item 19 are based solely on the operating results of the 672 Licensee-Owned Restaurants that were open and operating during the entire 53-week period ending on December 31, 2017 (the “**Measured Restaurants**”). We did not include in the analysis (i) 141 Restaurants that were owned or controlled by our principal shareholders or our

affiliates and (ii) 64 Licensee-Owned Restaurants that were not open and operating for such entire 53-week period. During the 53-week period ending on December 31, 2017, four Restaurants closed which were excluded from the Measured Restaurants, but no Restaurant closed during its first 12 months of operation. All of the Measured Restaurants are free-standing Restaurants that offer substantially the same products and services as are currently utilized in all of the licensed Restaurants. If you have specific questions regarding any Restaurant you may contact any of the licensees listed in *Exhibit D-1*.

2. For purposes of this Item 19, the term “**Gross Revenue**” means all revenues received by a Restaurant as payment for all sales generated through the Restaurant, whether such payment is in cash, by exchange or for credit (and, if for credit, regardless of collection), including revenues received from the operation of vending machines or other mechanical devices, less any revenues taxes collected and transmitted to appropriate taxing authorities.
3. For purposes of this Item 19, the term “**EBITDA**” shall mean Gross Revenue less cost of goods sold, labor costs (excepting officer salaries), and all other operating expenses (excepting interest, taxes, depreciation and amortization).
4. This Item 19 was prepared utilizing data we received in the periodic sales reports provided to us by our licensees and through daily polling of Point of Sale (POS) data. We have not independently verified any of the data provided to us, but our licensees pay our licensing fees based on such reports. Additionally, we cannot verify that the information we receive from our licensees is prepared uniformly or that our licensees properly allocate costs to a particular category.
5. The cost and expense information in this Item 19 pertains only to the cost of goods sold, labor costs, and other operating expenses experienced by the Measured Restaurants for the period of December 26, 2016 to December 31, 2017. You may experience capitalized or other balance sheet expenditures that are not included in this cost and expense information. Costs and expenses in the operation of a Restaurant will vary from licensee to licensee and from location to location and will depend on seasonal, local and other factors, like the licensee’s efficiency in the utilization of products, the cost of transportation, and the fluctuation in market prices for food and other products.
6. Labor costs will vary from location to location and will depend on local factors, including (without limitation) local minimum wage laws and local labor market conditions. Also, with respect to labor costs, because you will need a certain number of employees to open and operate a Restaurant regardless of its gross revenues, Restaurants that have lower than average gross revenues probably will experience higher than average labor costs as a percentage of gross revenues.
7. Except where otherwise specifically indicated, this Item 19 utilizes data for the 53-week period beginning on December 26, 2016 and ending on December 31, 2017. The financial performance representation is an historical representation about the franchise system’s Restaurants.

Financial Performance Representations

Table 1 below contains an analysis of gross revenues and certain operating costs and expenses (cost of

goods sold, labor costs and other operating expenses) of the Measured Restaurants for the 53-week period ending December 31, 2017. Table 1 is not a profit and loss statement. In Table 1 below, the Restaurants were divided into four categories based on the amount of gross revenues which are classified as: Top Quartile, Second Quartile, Third Quartile and Bottom Quartile. The average gross revenues and average operating costs and expenses for each of the categories was calculated by adding the gross revenues or certain operating costs and expenses, as applicable, of all Measured Restaurants within each quartile and dividing by the total number of Measured Restaurants within such quartile. The average gross revenues and costs and expenses in each quartile were then compared to the average gross revenues in such quartile and expressed as a percentage. Labor costs in Table 1 do not include officer's salaries and benefits for any Measured Restaurant that captures or recognizes that expense.

TABLE 1: Analysis of Gross Revenues and Operating Costs

	Top 25%		Second 25%		Third 25%		Bottom 25%	
	YTD		YTD		YTD		YTD	
	\$	%	\$	%	\$	%	\$	%
GROSS REVENUE	\$2,768,448	100%	\$2,167,574	100%	\$1,788,963	100%	\$1,268,550	100%
COST OF SALES								
CHICKEN	431,878	15.6%	331,639	15.3%	270,133	15.1%	192,820	15.2%
PRODUCE	47,064	1.7%	36,849	1.7%	32,201	1.8%	22,834	1.8%
OTHER FOOD	274,076	9.9%	216,757	10.0%	178,896	10.0%	130,661	10.3%
PAPER AND PLASTIC SUPPLIES	66,443	2.4%	54,189	2.5%	42,935	2.4%	30,445	2.4%
BEVERAGES GENERAL	88,590	3.2%	71,530	3.3%	60,825	3.4%	46,936	3.7%
BREAD PRODUCTS	35,990	1.3%	28,178	1.3%	23,257	1.3%	16,491	1.3%
SUB TOTAL FOOD	\$944,041	34.1%	\$739,143	34.1%	\$608,247	34.0%	\$440,187	34.7%
CUSTOMER CONTROLLED- FOOD	11,074	0.4%	6,503	0.3%	5,367	0.3%	3,806	0.3%
CUST. CONTROLLED - PAPER	24,916	0.9%	19,508	0.9%	16,101	0.9%	12,686	1.0%
OIL & SHORTENING	24,916	0.9%	21,676	1.0%	19,679	1.1%	15,223	1.2%
TRANSPORTATION-IN	5,537	0.2%	4,335	0.2%	3,578	0.2%	2,537	0.2%
COST OF GOODS SOLD	\$1,010,484	36.5%	\$791,165	36.5%	\$652,971	36.5%	\$474,438	37.4%
LABOR	\$645,048	23.3%	\$552,731	25.5%	\$461,552	25.8%	\$370,417	29.2%
GROSS PROFIT	\$1,112,916	40.2%	\$823,678	38.0%	\$674,439	37.7%	\$423,696	33.4%
OTHER OPERATING EXPENSES								
TELEPHONE AND UTILITIES	52,601	1.9%	47,687	2.2%	44,724	2.5%	39,325	3.1%
PROFESSIONAL FEES	35,990	1.3%	23,843	1.1%	25,045	1.4%	15,223	1.2%
ADVERTISING EXPENSES	102,433	3.7%	82,368	3.8%	67,981	3.8%	49,473	3.9%
OTHER OPERATING EXPENSES	235,318	8.5%	177,741	8.2%	132,383	7.4%	120,512	9.5%
ROYALTIES	166,107	6.0%	127,887	5.9%	105,549	5.9%	72,307	5.7%
RENT AND OCCUPANCY EXP.	182,718	6.6%	156,065	7.2%	153,851	8.6%	138,272	10.9%
TOTAL OTHER OPERATING EXPENSES	\$775,165	28.0%	\$615,591	28.4%	\$529,533	29.6%	\$435,113	34.3%
TOTAL EXPENSES	\$2,430,697	87.8%	\$1,959,487	90.4%	\$1,644,057	91.9%	\$1,279,967	100.9%
EBITDA FROM OPERATIONS	\$337,751	12.2%	\$208,087	9.6%	\$144,906	8.1%	-\$11,417	-0.9%

Notes to Table 1:

1. The following table discloses the number and percentage of Measured Restaurants in each quartile above the average EBITDA disclosed in Table 1 for each quartile and the median EBITDA for each quartile:

Quartile	Restaurant Count	Average EBITDA from Operations	# of Restaurants in Quartile Above Average EBITDA for Quartile	% of Restaurants in Quartile Above Average EBITDA for Quartile	Median EBITDA from Operations
Top Quartile	168	\$337,751	77	46%	\$323,904
Second Quartile	168	\$208,087	82	49%	\$205,928
Third Quartile	168	\$144,906	79	47%	\$125,289
Bottom Quartile	168	(\$11,417)	87	52%	(\$6,490)

Table 2 below provides summary data for the Measured Restaurants in each quartile and overall.

TABLE 2
Summary of Gross Revenues of Measured Restaurants

Quartile	Rest-aurant Count	Minimum Gross Revenues	Maximum Gross Revenues	Average Gross Revenues	# of Rest-aurants Above Average Gross Revenues	% of Rest-aurants Above Average Gross Revenues	Median Gross Revenues
TOTAL SYSTEM	672	\$479,932	\$4,265,290	\$1,998,384	316	47%	\$1,970,733
Top Quartile	168	\$2,376,911	\$4,265,290	\$2,768,448	63	38%	\$2,628,674
Second Quartile	168	\$1,970,947	\$2,372,935	\$2,167,574	89	53%	\$2,179,825
Third Quartile	168	\$1,580,956	\$1,970,519	\$1,788,963	85	51%	\$1,789,472
Bottom Quartile	168	\$479,932	\$1,577,679	\$1,268,550	104	62%	\$1,333,838

Table 3 below shows the average annual gross revenues of Licensee-Owned Restaurants open and operating for each of the 2011 through 2017 fiscal years.

TABLE 3

Average Annual Gross Revenues of Licensee-Owned Restaurants By Year ^(1, 2, 3)

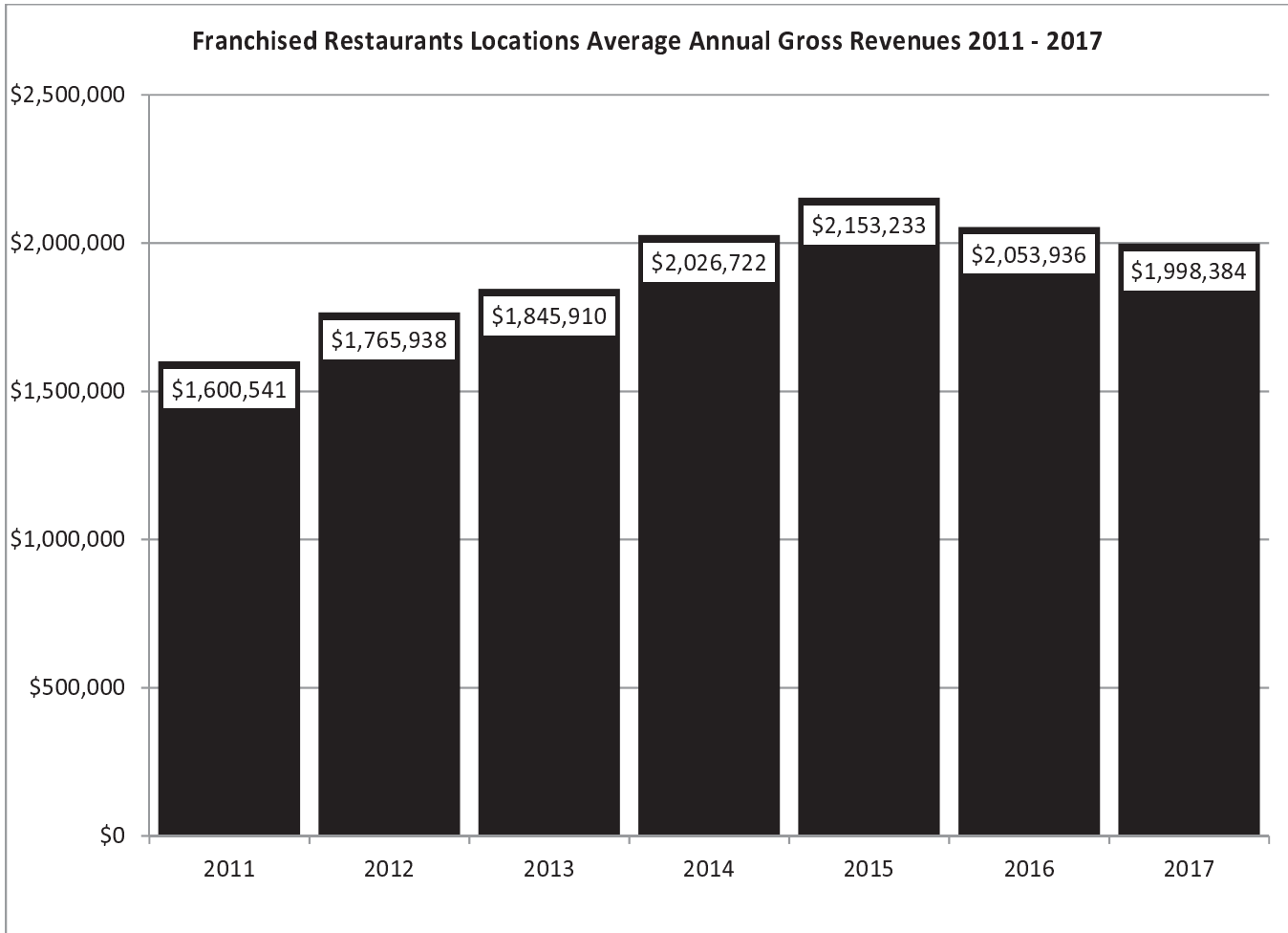


TABLE 4
Summary of Table 3 with Number and Percentage of Licensee-Owned Restaurants (1, 2, 3)

Year	Restaurant Count	Average Annual Gross Revenues	Number of Restaurants With Revenue Above Average Annual Gross Revenues	Percentage of Restaurants With Revenue Above Average Annual Gross Revenues	Median Annual Gross Revenues
2011	417	\$1,600,541	203	49%	\$1,580,943
2012	440	\$1,765,938	208	47%	\$1,733,788
2013	464	\$1,845,910	222	48%	\$1,819,649
2014	494	\$2,026,722	232	47%	\$1,980,855
2015	542	\$2,153,233	255	47%	\$2,126,845
2016	595	\$2,053,936	292	49%	\$2,045,624
2017	672	\$1,998,384	316	47%	\$1,970,733

Notes to Table 3 and Table 4

1. The Fiscal Year average is the actual average of the Measured Restaurants open and operating for the following fiscal years:

Fiscal Year	Period Beginning On	Period Ending On
Fiscal Year 2017	December 26, 2016	December 31, 2017
Fiscal Year 2016	December 28, 2015	December 25, 2016
Fiscal Year 2015	December 29, 2014	December 27, 2015
Fiscal Year 2014	December 30, 2013	December 28, 2014
Fiscal Year 2013	December 31, 2012	December 29, 2013
Fiscal Year 2012	December 26, 2011	December 30, 2012
Fiscal Year 2011	December 27, 2010	December 25, 2011

2. Fiscal Year 2017 and Fiscal Year 2012 include 53 weeks and all other years include 52 weeks.
3. The data included in this Table 4 is based solely on the operating results of the Licensee-Owned Restaurants that were open and operating during the entire applicable fiscal year.

Additional Information Regarding Item 19

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

Revenues, costs, and profits for a Restaurant can vary considerably due to a variety of factors, such as the length of time the Restaurant has been open; the Restaurant's location and the demographics of the population around the Restaurant; competition from other restaurants in the market; traffic flow, accessibility and visibility; economic conditions in the Restaurant's market; advertising and promotional activities; the business abilities and efforts of the management of the Restaurant; changes in eating habits and preferences; local, regional, and national economic conditions; and other factors. In addition, the acquisition of sites is highly competitive with other restaurant chains and retail businesses for suitable sites for the development of a Restaurant.

You are urged to make your own independent investigation and evaluation of the potential performance of your Restaurant and to consult with appropriate financial, business and legal advisors in connection with the information provided.

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

Other than the preceding financial performance representation, ZFL does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Amy C. Pritchett, 1040 Founder's Boulevard, Suite 100, Athens, Georgia 30606, (706) 353-8107, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

For purposes of each of the following tables, we have listed each Outlet operated by Zax, our affiliate, as a Company-owned Outlet and not as a Franchised Outlet. We do not operate any Outlets.

Table No. 1
Systemwide Outlet Summary
For Years 2015 to 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	546	598	+52
	2016	598	679	+81
	2017	679	736	+57
Company-Owned	2015	112	128	+16
	2016	128	137	+9
	2017	137	141	+4
Total Outlets	2015	658	726	+68
	2016	726	816	+90
	2017	816	877	+61