

## FRANCHISE DISCLOSURE DOCUMENT

Wix Franchise, Inc.  
an Illinois corporation  
1368 Bayshore Drive  
Antioch, Illinois 60002  
(847) 773-0610

[franchise@antiochpizzashop.com](mailto:franchise@antiochpizzashop.com)  
[www.antiochpizzashop.com](http://www.antiochpizzashop.com)



The franchisee will operate a fast-casual restaurant business under the name *Antioch Pizza Shop*™ that features pizza, burgers, sandwiches and desserts.

The total investment necessary to begin operations of an Antioch Pizza Shop Dine-In or Take-Out/Delivery Restaurant franchise ranges from \$218,000 to \$696,500. This includes \$43,500 to \$50,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operations of an Antioch Pizza Shop Express Restaurant franchise ranges from \$101,500 to \$324,000. This includes \$38,500 to \$45,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operations of an Antioch Pizza Shop Food Truck franchise ranges from \$103,500 to \$189,500. This includes \$23,500 to \$30,000 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operations of an Antioch Pizza Shop Multi-Unit Developer business ranges from \$72,000 to \$128,000. This includes \$72,000 to \$128,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Keith Niese at 1368 Bayshore Drive, Antioch, Illinois 60002 and (847) 773-0610

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising such as "*A Consumer's Guide to*

*Buying a Franchise,*” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: March 22, 2023

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

| QUESTION                                                                                 | WHERE TO FIND INFORMATION                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>How much can I earn?</b>                                                              | Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F. |
| <b>How much will I need to invest?</b>                                                   | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.                                                                  |
| <b>Does the franchisor have the financial ability to provide support to my business?</b> | Item 21 or Exhibit A includes financial statements. Review these statements carefully.                                                                                                                                                                    |
| <b>Is the franchise system stable, growing, or shrinking?</b>                            | Item 20 summarizes the recent history of the number of company-owned and franchised outlets.                                                                                                                                                              |
| <b>Will my business be the only Antioch Pizza Shop business in my area?</b>              | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.                                                                                                             |
| <b>Does the franchisor have a troubled legal history?</b>                                | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.                                                                                                                      |
| <b>What's it like to be an Antioch Pizza Shop franchisee?</b>                            | Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.                                                                                                                                           |
| <b>What else should I know?</b>                                                          | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.                                                   |

## **What You Need To Know About Franchising *Generally***

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

### **Some States Require Registration**

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit E.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Illinois. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Illinois than in your own state.
2. **Spousal Liability.** Your spouse may be required to sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make mandatory minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**THE FOLLOWING PROVISIONS APPLY ONLY TO  
TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the 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 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits 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 shall include, but is not limited to:

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants 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 ENFORCEMENT BY THE ATTORNEY GENERAL.**

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
CONSUMER PROTECTION DIVISION  
Attn: Franchise  
525 West Ottawa Street  
Williams Building, 1st Floor  
Lansing, Michigan 48933  
Telephone Number: (517) 335-7567

Note: Notwithstanding paragraph (f) above, we intend to, and you agree that we and you will, enforce fully the provisions of the arbitration section of our agreements. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing the arbitration provisions.

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## Exhibits

- A. Franchise Agreement
- B. Multi-Unit Development Agreement
- C. Operations Manual Table of Contents
- D. Financial Statements
- E. State Franchise Administrators and Agents for Service of Process
- F. Franchisee Lists
- G. Sample Joint Venture Agreement
- H. Express Franchise Addendum to Franchise Agreement
- I. Food Truck Franchise Addendum to Franchise Agreement
- J. State Addenda

## ITEM 1

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

To simplify the language in this Disclosure Document, "Antioch", "we", "our" or "us" means the franchisor, Wix Franchise, Inc. "You" means the person who buys the franchise. If the franchisee is a corporation, partnership, limited liability company or other entity, "you" may also refer to its owners.

#### **The Franchisor**

We are an Illinois corporation that was formed on October 24, 2015. Our principal business address is 1368 Bayshore Drive, Antioch, Illinois 60002. Our agents for service of process are listed on Exhibit E.

We do not have any predecessors or parent companies.

We have one affiliate, Wix Repair, Inc., which sells custom and semi-custom equipment to franchisees. The principal business address of Wix Repair, Inc. is 1368 Bayshore Drive, Antioch, Illinois 60002. Wix Repair, Inc. has never conducted a business of the type that you will operate and has never offered franchises in any line of business. We have no other affiliates which offer franchises in any line of business or provide products and services to our franchisees.

We began offering Antioch Pizza Shop franchises in 2016. We have never operated Antioch Pizza Shops or offered franchises in any other line of business, but our affiliate Wix Pizza, Inc. has operated an Antioch Pizza Shop since 2008 and our affiliate K&L Pizza LLC has operated an Antioch Pizza Shop since March 2020. The original Antioch Pizza Shop has been in operation since 1977. Our affiliate Wix Pizza, Inc. purchased the assets of the business in 2008.

#### **The Franchise Offerings and the Franchise Business**

We offer to qualified candidates the grant of a franchise to operate an Antioch Pizza Shop franchise business featuring pizza and related food products under one of 4 formats: (1) the traditional restaurant location that offers dine in for customers as well as take-out and delivery ("Dine-In Restaurant"), (2) the take-out/ delivery only restaurant that may offer very limited seating ("Take-Out/Delivery Restaurant"), and (3) a small version of the Take-Out/Delivery Restaurant that has a more limited menu ("Express Restaurant"), and (4) the mobile food truck franchise business with a limited menu ("Food Truck"). The Dine-In Restaurant, Take-out/Delivery Restaurant, Express Restaurant and Food Truck or any of them are referred to in this Franchise Disclosure Document as the "Antioch Pizza Shop Business." You must sign our franchise agreement (the "Franchise Agreement"), a copy of which is attached as Exhibit B to this Franchise Disclosure Document. If you will operate an Express franchise, you will also sign an Addendum to the Franchise Agreement for the Express franchise, a copy of which is attached at Exhibit H to this Franchise Disclosure Document. If you will operate a Food Truck franchise, you will also sign an Addendum to the Franchise Agreement for the Food Truck franchise, a copy of which is attached at Exhibit I to this Franchise Disclosure Document.

All of the Antioch Pizza Shop Businesses will operate using our distinctive building designs, decor, color schemes and trade dress and signage; standards, procedures, policies, and techniques described in the operations manual and other written materials; secret food recipes; and advertising, marketing, and promotional programs (the "System") and using the mark Antioch Pizza Shop™, and related names, trademarks, service marks, logos, copyrights, designs, emblems, slogans, and other commercial symbols designated by us for use in connection with the System (the "Marks"). Antioch Pizza Shop Businesses offer and sell pizza, appetizers,

sandwiches, pasta, salads, wings and desserts (with the Express Restaurant and Food Truck offering a more limited menu). At your option, you may also offer beer and wine from your Antioch Pizza Shop Business.

We also allow certain franchisees who meet our criteria to become a Developer. A Developer agrees to establish and operate themselves a minimum of 2 Restaurant franchises in a specified Development Area over an agreed upon period of time. (Food Truck franchises are not included in the development of franchises under a Multi-Unit Development Agreement.) The Multi-Unit Development Agreement is attached to this Franchise Disclosure Document as Exhibit C. The Developer will sign a Franchise Agreement for the first Antioch Pizza Shop Business at the time the Multi-Unit Development Agreement is signed. For each future franchise to be developed, the Developer will sign the then current form of Franchise Agreement that may have different terms than the Franchise Agreement contained in this Franchise Disclosure Document.

### **Competition**

The general market for the goods and services offered by an Antioch Pizza Shop Business is well-developed and highly competitive and is directed at a broad category of consumers. Your Antioch Pizza Shop Business will offer products and services to the general public throughout the year and compete with other fast casual, quick-service, and casual pizza and Italian food dining establishments and restaurants, grocery stores, food service businesses, and other local businesses that sell similar products.

### **Industry-Specific Regulations**

In addition to laws and regulations that apply to businesses generally, you may be subject to regulations relating to the operation of an eating and drinking establishment in your state, city or county, including those governing construction, site location and the sale of food and beverages, as well as public health and safety codes and ordinances and licensing requirements. If you will offer beer and wine, you will need to secure and maintain all required liquor licenses from the state and local governmental authorities.

If you purchase a Food Truck franchise, there may be local permit or licensing requirements for food trucks specifically, and certain municipalities and local governments may have regulations or ordinances which restrict the areas in which food trucks operate, the amount of time food trucks are allowed to park in one location, and the proximity from which you can park from brick-and-mortar restaurants.

You should consult with your own advisors and the government agencies in your state and locality for information on how these and other laws and regulations apply to you and to your Antioch Pizza Shop Business.

## ITEM 2

### **BUSINESS EXPERIENCE**

#### **Karen Wicklein: President**

Karen Wicklein is one of our founders and has been our President since our inception in 2015. Since July 2008, Karen has also been President of our affiliate, Wix Pizza, Inc., which owns and operates an Antioch Pizza Shop in Antioch, Illinois. From July 2019 to the present, Karen has been President of our affiliate K&L Pizza Inc. From September 2021 to the present, Karen has been President of our affiliate Wix Repair Inc. Karen is located in Antioch, Illinois.

#### **Arthur Wicklein: Secretary and Treasurer**

Arthur Wicklein is one of our founders and has been our Secretary and Treasurer since our inception in 2015. Since June 2008, Arthur has also been Secretary and Treasurer of our affiliate, Wix Pizza, Inc., which owns and operates an Antioch Pizza Shop in Antioch, Illinois. From July 2019 to the present, Arthur has been Secretary and Treasurer of our affiliate K&L Pizza Inc. From September 2021 to the present, Arthur has been Secretary and Treasurer of our affiliate Wix Repair Inc. Arthur is located in Antioch, Illinois.

#### **Keith Nieze: Franchise Development Director**

Keith Nieze has been our Franchise Development Director since January 2023. From November 2019 to September 2022, he was an Area Director for Mission BBQ in Kenosha, Wisconsin. From April 2017 to August 2019, he was a General Manager for Portillo's in Greenfield, Wisconsin.

## ITEM 3

### **LITIGATION**

No litigation is required to be disclosed in this Item.

## ITEM 4

### **BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

## ITEM 5

### **INITIAL FEES**

You must pay us an initial fee when you sign the Franchise Agreement. The amount of the fee depends on the type of Antioch Pizza Shop franchises that you are purchasing:

|                              |          |
|------------------------------|----------|
| Dine-In Restaurant           | \$40,000 |
| Take-Out/Delivery Restaurant | \$40,000 |
| Express Restaurant           | \$35,000 |
| Food Truck                   | \$20,000 |

You must pay the entire initial franchise fee in a lump sum when the Franchise Agreement is signed. The entire initial fee is deemed fully earned by us when paid and is nonrefundable.

#### Multi-Unit Development Fee

If you are a Developer, you must sign the Franchise Agreement for your first Antioch Pizza Shop franchise and pay the initial franchise fee for the first franchise to be developed at the same time as you sign the Multi-Unit Development Agreement. In addition, you must pay a non-refundable Development Fee when you sign the Multi-Unit Development Agreement. The Development Fee is the total of the initial franchise fees that will be due for the additional Antioch Pizza Shop Businesses to be developed. The franchise fee for the additional franchises after the first franchise will be discounted by 20%, so the initial franchise fee paid for additional Dine-In Restaurant and Take-Out/Delivery Restaurants developed under a Multi-Unit Development Agreement will be \$32,000, the initial franchise fee for additional Express Restaurants to be developed under a Multi-Unit Development Agreement will be \$28,000.

For example, if you sign a Multi-Unit Development Agreement for 2 Dine-In or Take-Out/Delivery Restaurants, you will pay us \$72,000 when you sign the Multi-Unit Development Agreement. If you sign a Multi-Unit Development Agreement for 5 Dine-In or Take-Out/Delivery Restaurants, you will pay us \$168,000.

When you sign the Franchise Agreement for the additional franchises, a portion of the Development Fee will be applied against the initial franchise fee for the franchise, so no initial franchise fee will be due.

The Development Fee is uniform for all Developers. The Development Fee is not refundable under any circumstances, but it is credited against additional the franchise fees as described above.

#### Pre-Opening Purchases

Before you open the Antioch Pizza Shop Business, you must purchase from our affiliate a minimum of one dough roller or a recommended purchase of two dough rollers. The purchase price will range from \$3,500 to \$10,000.

*The remainder of this page is left blank intentionally.*

## ITEM 6

### OTHER FEES

| Type of Fee                  | Amount                                           | Due Date                                                                                                                                     | Remarks                                                                                                                                                        |
|------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Royalty Fee                  | 5% of gross revenues                             | Monthly on the 7 <sup>th</sup> day of the calendar month; payments commence 30 days after the Antioch Pizza Shop Business opens for business | See Note 1                                                                                                                                                     |
| Marketing Services Fee       | 1% of gross revenues                             | Monthly on the 7 <sup>th</sup> day of the calendar month; payments commence 30 days after the Antioch Pizza Shop Business opens for business | See Note 1                                                                                                                                                     |
| Local Marketing Expenditures | Minimum of 1% of gross revenues                  | Monthly                                                                                                                                      | See Note 2                                                                                                                                                     |
| Additional Training          | \$500 per trainee per day plus travel expenses   | Upon demand                                                                                                                                  | See Note 3                                                                                                                                                     |
| Transfer Fee                 | 75% of the then-applicable initial franchise fee | \$1,000 is due when you request our approval of a transfer and the balance is due at the time of transfer                                    | -----<br><br>-----                                                                                                                                             |
| Renewal Fee                  | 15% of the then-applicable initial franchise fee | 90 days before expiration of your Franchise Agreement                                                                                        | -----                                                                                                                                                          |
| Relocation Fee               | \$5,000                                          | At the time we grant approval for relocation                                                                                                 | Payable if you request approval for relocation of your Antioch Pizza Shop restaurant or if you request a revised protected area for your Food Truck franchise. |

| Type of Fee                           | Amount                                                                                                                                                                     | Due Date                              | Remarks                                                                                                                                                                                                          |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Late Fees                             | The lesser of 10% per annum or the highest rate allowed by applicable law                                                                                                  | As incurred                           | We reserve the right to charge interest on all late payments, regardless of whether we terminate your franchise and/or other agreements                                                                          |
| Attorney's Fees and Costs             | Varies                                                                                                                                                                     | As incurred                           | Payable when we incur expenses in connection with your Antioch Pizza Shop Business and upon your failure to comply with the terms of your agreements                                                             |
| Audit Fee                             | If an audit of your gross revenues shows any deficiency you must pay the Royalty and Marketing Services Fees on the deficient amount plus interest plus our audit expenses | Upon receipt of invoice               | -----                                                                                                                                                                                                            |
| Approval of Suppliers                 | Varies depending upon the supplier, but will range from \$500 to \$2,500                                                                                                   | As incurred                           | This compensates us for our evaluation of suppliers and testing samples                                                                                                                                          |
| Indemnity and Insurance               | Varies depending on your carrier                                                                                                                                           | Before we sign any agreement with you | You must name us as additional insured on your insurance policies; you must maintain all required insurance; we reserve the right to change insurance requirements upon notice.<br><br>See Note 4                |
| Franchise conference registration fee | Undetermined since we have not yet held a franchise conference                                                                                                             | Prior to conference                   | Payable if we hold a conference for franchisees. You are required to attend the conference, and if you fail to do so, the conference fee must still be paid to us. You are responsible for your travel expenses. |

| Type of Fee                 | Amount                                                            | Due Date                                           | Remarks                                                                                                                                                                                                 |
|-----------------------------|-------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Protected Area Infringement | \$1,000 for first violation and \$5,000 for subsequent violations | Upon demand once infringement has been determined. | Payable if you own a Food Truck franchise and the Food Truck physically is parked within the protected territory of another franchisee and offers and sells menu items to customers from that location. |

Unless otherwise noted, all fees are imposed by and are payable to us; except that we may on occasion vary fees for existing franchisees purchasing additional franchises. We may vary the frequency and method of payment. We may require you to pay fees via electronic funds transfer from your bank account, or by check. All fees are uniformly imposed and are non-refundable, unless otherwise noted.

**Notes:**

1. The term "gross revenues" means the entire gross receipts of every kind and nature from all products sold in or from the Antioch Pizza Shop Business or services performed by you including, without limitation, gross receipts from take-out orders, Delivery Services, catering and special events, without reserve or deduction for inability or failure to collect and excluding only the following: (i) the amount of any sales tax levied upon retail sales which is payable to the appropriate governmental authorities (and subsequently actually paid to such authorities); and (ii) refunds (not to exceed 1% of gross revenues) made in good faith to customers in accordance with our policies.
2. You are required to spend at least 1% of gross revenues per month on local advertising during the term of your franchise agreement. See Item 11.
3. We provide training to at no additional charge before you open the Antioch Pizza Shop Business for two (2) persons, provided one of them is your principal owner and the other is a designated restaurant manager. We may charge a fee to provide initial training to additional persons, whether managers or otherwise. Further, we may require you, your manager(s) and other personnel to attend refresher and additional training courses from time to time and you will be responsible for the cost of any materials and expenses incident to such training courses. You will also be responsible for all salaries, travel and living expenses, if any, that you, your manager and other personnel may incur in connection with initial, refresher or additional training.
4. You must fully protect, indemnify, and hold us and our affiliates and associates, licensors, officers, directors, owners, employees, agents, representatives and assignees harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your
5. Antioch Pizza Shop Business (regardless of cause or any concurrent or contributing fault or negligence of us or any breach by you or your failure to comply with the terms and conditions of the Franchise Agreement.

**Multi-Unit Development Agreement.** The Multi-Unit Development Agreement (“MUDA”) spells out the fees which the Developer is obligated to pay to us. The following is a summary of these fees.

| Type of Fee               | Amount                                                                                                                                                                                                                                     | Due Date                 | Remarks                                                                                                                                                                                               |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Indemnification           | Will vary under circumstances                                                                                                                                                                                                              | As incurred              | You have to reimburse us if we are held liable for claims arising from your operation of the development business or incur costs in defending them.                                                   |
| Transfer Fee              | Calculated as the total of 25% of the initial franchise fee currently being charged for a Dine-In or Take-Out Delivery Restaurant for each additional franchise to be developed under the Development Schedule as of the date of transfer. | At the time of transfer. | Payable if you transfer the MUDA to a third party to cover our costs and expenses incurred in connection with the transfer.                                                                           |
| Costs and Attorney's Fees | Will vary under circumstances.                                                                                                                                                                                                             | As incurred              | You must reimburse us for costs and attorneys' fees for enforcement of covenants, for obtaining specific performance of injunctive relief, and if we are successful in an action to enforce the MUDA. |

(1) Unless otherwise noted, all fees are imposed by and payable to us. All fees are non-refundable.

## ITEM 7

### ESTIMATED INITIAL INVESTMENT

#### YOUR ESTIMATED INITIAL INVESTMENT

#### DINE-IN AND TAKEOUT/DELIVERY RESTAURANTS

| Type                                               | Amount             | Method of Payment | Due Date                              | To whom payment is to be made |
|----------------------------------------------------|--------------------|-------------------|---------------------------------------|-------------------------------|
| Initial Fee                                        | \$40,000           | Lump sum          | When you sign the Franchise Agreement | Us                            |
| Training Expenses (Transportation, Lodging, Meals) | \$2,500 - \$12,000 | As incurred       | As incurred                           | Varies                        |

| Type                                                                              | Amount                       | Method of Payment        | Due Date    | To whom payment is to be made                       |
|-----------------------------------------------------------------------------------|------------------------------|--------------------------|-------------|-----------------------------------------------------|
| Real Property (lease of 1,500 or more square feet)<br>[Note 2]                    | \$6,000 - \$16,000           | As incurred              | As incurred | Lessor                                              |
| Leasehold Improvements<br>[See Note 3]                                            | \$30,000 - \$345,000         | As incurred              | As incurred | Contractors                                         |
| Fixtures and Equipment<br>[See Note 4]                                            | \$100,000 - \$200,000        | As incurred              | As incurred | Our affiliate, suppliers, contractors               |
| Insurance<br>[See Note 5]                                                         | \$4,500 - \$8,000            | Lump sum or installments | As incurred | Insurance providers                                 |
| Inventory                                                                         | \$4,000 - \$6,000            | As incurred              | As incurred | Suppliers and distributors                          |
| Security Deposits, Utility Deposits, Business Licenses and Other Prepaid Expenses | \$5,000 - \$7,500            | As incurred              | As incurred | Lessor, utility companies, governmental authorities |
| Professional Fees<br>[See Note 6]                                                 | \$5,000 - \$20,000           | As incurred              | As incurred | Professional service providers                      |
| Signage                                                                           | \$3,500 - \$7,000            | As incurred              | As incurred | Suppliers                                           |
| Grand Opening Marketing<br>[See Note 7]                                           | \$2,500 - \$5,000            | As incurred              | As incurred | Media suppliers                                     |
| Additional Funds (3 Months)<br>[See Note 8]                                       | \$15,000 - \$30,000          | As incurred              | As incurred | Varies                                              |
| <b>TOTAL</b>                                                                      | <b>\$218,000 - \$696,500</b> |                          |             |                                                     |

See Notes following the initial investment table for the Express franchise.

**ESTIMATED INITIAL INVESTMENT**  
**EXPRESS RESTAURANT**

| Type                                                                              | Amount               | Method of Payment        | Due Date                              | To whom payment is to be made                       |
|-----------------------------------------------------------------------------------|----------------------|--------------------------|---------------------------------------|-----------------------------------------------------|
| Initial Fee                                                                       | \$35,000             | Lump sum                 | When you sign the Franchise Agreement | Us                                                  |
| Training Expenses<br>(Transportation, Lodging, Meals)                             | \$2,500 - \$7,500    | As incurred              | As incurred                           | Varies                                              |
| Real Property (lease of 1,500 or more square feet)<br>[Note 2]                    | \$5,000 - \$8,000    | As incurred              | As incurred                           | Lessor                                              |
| Leasehold Improvements<br>[See Note 3]                                            | \$15,000 - \$100,000 | As incurred              | As incurred                           | Contractors                                         |
| Fixtures and Equipment<br>[See Note 4]                                            | \$15,000 - \$120,000 | As incurred              | As incurred                           | Our affiliate, suppliers, contractors               |
| Insurance<br>[See Note 5]                                                         | \$3,000 - \$6,000    | Lump sum or installments | As incurred                           | Insurance providers                                 |
| Inventory                                                                         | \$2,500 - \$4,500    | As incurred              | As incurred                           | Suppliers and distributors                          |
| Security Deposits, Utility Deposits, Business Licenses and Other Prepaid Expenses | \$2,500 - \$5,000    | As incurred              | As incurred                           | Lessor, utility companies, governmental authorities |
| Professional Fees<br>[See Note 6]                                                 | \$5,000 - \$12,500   | As incurred              | As incurred                           | Professional service providers                      |
| Signage                                                                           | \$3,500 - \$5,000    | As incurred              | As incurred                           | Suppliers                                           |
| Grand Opening Marketing<br>[See Note 7]                                           | \$2,500 - \$5,000    | As incurred              | As incurred                           | Media suppliers                                     |

| Type                                               | Amount                           | Method of Payment | Due Date    | To whom payment is to be made |
|----------------------------------------------------|----------------------------------|-------------------|-------------|-------------------------------|
| Additional Funds<br>(3 Months)<br><br>[See Note 8] | \$10,000 -<br>\$15,500           | As incurred       | As incurred | Varies                        |
| <b>TOTAL</b>                                       | <b>\$101,500 -<br/>\$324,000</b> |                   |             |                               |

Actual costs will vary for each franchisee will depend on a number of factors including those described below in the Notes. The amount payable to us is nonrefundable. The refundability of other amounts depends upon your agreement with the applicable supplier or other party. Estimates provided in this Item for expenditures other than one-time fees, such as the Initial Franchise Fee, are for the pre-opening phase and through the first 3 months of operations. Our affiliates may offer to invest in the Antioch Pizza Shop Business with you and share in the expense of the initial investment. See Item 10 for details.

#### **Notes for Dine-In, Take-Out/Delivery and Express Restaurants:**

1. The initial franchise fee is \$40,000 for the Dine-In and Take-Out/Delivery Restaurant franchises and \$35,000 for the Express Restaurant franchise.
2. This estimate includes rent payments for one month before opening and for the first 3 months of your lease. The recommended square footage for the leased premises for a Dine-In Restaurant ranges from 2,000 to 3,000 square feet, and the recommended square footage for the leased premises for the Take-Out/Delivery Restaurant and the Express Restaurant ranges from 1,000 to 2,000 square feet. You may incur less cost than the amount estimated if you negotiate a rental abatement period with the landlord. Our recent experience is that rental abatement is available from many landlords. Real estate costs vary considerably across different markets. Your actual costs may be higher than these estimates.
3. The is estimate includes amounts needed for construction, remodeling, decorating costs and any other leasehold improvements. The low estimate assumes that you are leasing premises that were previously built out for a restaurant, which we recommend. Your actual costs may also vary depending on whether your landlord will provide an allowance for leasehold improvements.
4. This estimate covers the costs of furniture, fixtures and equipment necessary for the operation of a restaurant, including the cost (between \$3,000 to \$4,500) to purchase or lease the point of sale system and other computer systems (as further described in Item 11 below). The low estimate assumes that you are leasing premises that was previously built out for a restaurant and has kitchen equipment in place, which we recommend.
5. You must purchase and maintain in full force and effect, at your expense and from a company we approve of, insurance that insures both you and us and any other persons we designate by name. The required insurance coverage must commence as of the date you sign a lease. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location,

business contents, and other factors bearing on risk exposure. The estimate covers through the first 3 months of operation. Fees are payable as directed by your insurance provider. If you sell beer and wine, you will also need to purchase dram shop (liquor liability) insurance. The estimated cost which is not included in the estimate above is \$2,500 per year. Some portion of your insurance premiums may be refundable under certain circumstances. Discuss this aspect with your insurance broker or provider.

6. The costs for professional services will vary depending on the degrees to which your professional advisors will be involved. This estimate includes the initial costs for (i) fees for accounting services, (ii) attorney's fees, (iii) architectural/engineering consultant's fees, and (ii) fees for preparation of plans and specifications to design the premises of the Antioch Pizza Shop Business in accordance with our System.
7. You must conduct adequate pre-opening local advertising at your sole expense, in accordance with our directions and assistance. You will determine the amount of pre-opening advertising that you must spend to adequately promote your Antioch Pizza Shop Business prior to opening.
8. These miscellaneous start-up costs are our estimate of the additional funds required to operate through the first 3 months after opening the Antioch Pizza Shop Business, including wages paid to employees but not including any owner's draw. You may have additional expenses in starting the business. Your actual costs will depend on your management skill, experience and business acumen, your sales figures during the initial 3-month period, your ability to follow the Antioch Pizza Shop system and local market and economic conditions. We base our estimate of these expenses on our affiliate's experience and our franchisees' experience in establishing and operating Antioch Pizza Shop Businesses.

### **FOOD TRUCK**

| Type of Expenditure                                      | Amount               | Method of Payment | When Due                              | To Whom Payment is to be Paid |
|----------------------------------------------------------|----------------------|-------------------|---------------------------------------|-------------------------------|
| Initial Franchise Fee                                    | \$20,000             | Lump Sum          | When you sign the Franchise Agreement | Us                            |
| Training Expenses (Transportation, Lodging Meals)        | \$2,000 – \$5,000    | As incurred       | As incurred                           | Varies                        |
| Truck Purchase [See Note 1]                              | \$50,000 - \$100,000 | Lump Sum          | As incurred                           | Auto dealer                   |
| Outfitting, Equipping and Wrapping of Truck [See Note 1] | \$5,000 - \$10,000   | As incurred       | As incurred                           | Suppliers                     |

| Type of Expenditure                                             | Amount                       | Method of Payment            | When Due                               | To Whom Payment is to be Paid                            |
|-----------------------------------------------------------------|------------------------------|------------------------------|----------------------------------------|----------------------------------------------------------|
| Commissary Lease Deposit<br>[See Note 2]                        | \$500 – \$1,000              | Lump Sum                     | Upon signing of a lease, if applicable | Lessor                                                   |
| Commissary Lease Rental Payments<br>[See Note 2]                | \$4,000 – \$10,000           | As incurred                  | As incurred                            | Lessor                                                   |
| Commissary Leasehold Improvements and Equipment<br>[See Note 3] | \$1,000 – \$2,500            | As Incurred                  | As Incurred                            | Contractors, suppliers                                   |
| Inventory                                                       | \$500 – \$1,000              | As incurred                  | As incurred prior to opening           | Designated and approved suppliers                        |
| Grand Opening Advertising and Marketing                         | \$1,000 – \$2,000            | As incurred                  | As incurred around te time of opening  | Media suppliers                                          |
| Insurance<br>[See Note 4]                                       | \$8,000 - \$12,000           | Lump Sum or Payment Schedule | Prior to opening                       | Insurance Providers                                      |
| Additional Equipment and Supplies<br>[See Note 5]               | \$5,500 - \$11,000           | As incurred                  | As incurred before opening             | Suppliers                                                |
| Professional Fees, Licenses and Permits<br>[See Note 6]         | \$1,000 – \$5,000            | As Incurred                  | As Incurred                            | Professional service providers, governmental authorities |
| Additional Funds (3 Months)<br>[See Note 7]                     | \$5,000 – \$10,000           | As Incurred                  | As Incurred                            | Third Parties                                            |
| Estimated Total                                                 | <b>\$103,500 - \$189,500</b> |                              |                                        |                                                          |

Actual costs will vary for each franchisee will depend on a number of factors including those described below in the Notes. The amount payable to us is nonrefundable. The refundability of other amounts depends upon your agreement with the applicable supplier or other party. Estimates provided in this Item for expenditures other than one-time fees, such as the Initial Franchise Fee, are for the pre-opening phase and through the first 3 months of operations. Our affiliates may offer to invest in the Antioch Pizza Shop Business with you and share in the expense of the initial investment. See Item 10 for details.

## Notes for Food Truck:

1. This estimate includes the cost to purchase a truck meeting our standards and specifications, to purchase the required equipment, the cost to have the equipment installed in the truck following our standards and specifications for operation of the Antioch Pizza Shop Business, and purchasing the wrap for the truck. The truck will need to be large enough to have 200 to 250 square feet of cooking space and to house the required equipment. The truck does not have to be new but must be in good operating condition. Required equipment for the truck includes ovens, pizza make table, work top tables, POS system, reach in cooler, cheese shredder, pizza warmers, shelving units, 3 basin sink, dough rollers, microwave, electric stove, food processor, air fryer and small wares.
2. These estimates include the lease security deposit and rent payments for use of a commissary kitchen for one month before opening and for the first 3 months of your lease.
3. The estimate includes amounts needed for any necessary leasehold improvements or fixtures or equipment that will need to be installed at the commissary in order for you to properly prepare food products to be sold from the Food Truck. Depending on what is already in the commissary, this may include installing a dough mixer, cheese shredder and extra freezer or cooler space at the commissary. Your initial costs may be less if you use an Antioch Pizza Shop restaurant owned by you for the commissary.
4. You must purchase and maintain in full force and effect, at your expense and from a company we approve of, insurance that insures both you and us and any other persons we designate by name. The required insurance coverage must commence no later than the date of your purchase of a truck or execution of a lease for the commissary. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, location, business assets to be covered, and other factors bearing on risk exposure. The estimate covers through the first 3 months of operations. Fees are payable as directed by your insurance provider. If you sell beer and wine, you will also need to purchase dram shop (liquor liability) insurance. The estimated cost which is not included in the estimate above is \$2,500 per year. Some portion of your insurance premiums may be refundable under certain circumstances. Discuss this aspect with your insurance broker or provider.
5. This estimate covers the costs of the required point of sale system for the Food Truck and the required computer system for the office (See Item 11) and other equipment and supplies beyond the equipment needed to be installed on the Food Truck or at the commissary included in the estimates above.
6. The costs for professional services will vary depending on the degrees to which your professional advisors (e.g., your accountant, and your attorney) will be involved. Further, this estimate includes the initial costs for meeting the requirements for and obtaining necessary permits or licenses for operating a Food Truck in your area.
7. These miscellaneous start-up costs are our estimate of the additional funds required to operate through the first 3 months after opening the Antioch Pizza Shop Business, including wages paid to employees but not including any owner's draw. You may have additional expenses in starting the business. Your actual costs will depend on your management skill, experience and business acumen, your sales figures during the initial 3-month period, your ability to follow the Antioch Pizza Shop system and local market and

economic conditions. We base our estimate of these expenses on our and our affiliate's general experience in the restaurant industry. We do not have previous experience in operating food trucks.

**Multi-Unit Development Agreement.** If you sign a Multi-Unit Development Agreement, you should anticipate the initial costs listed in the chart above for the opening of the first Antioch Pizza Shop Business plus the Development Fee as described in Item 5.

## ITEM 8

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

#### **Proprietary Products**

You must purchase equipment for your Antioch Pizza Shop Business from approved and designated suppliers no fewer than 12 weeks before the opening of your Antioch Pizza Shop Business. The equipment consists of kitchen equipment and a computer system. Our suppliers are disclosed in our Operations Manual.

You must also purchase initial inventory from designated and approved suppliers at least 5 days before the opening of your Antioch Pizza Shop Business. Initial inventory consists of food supplies, ingredients for food preparation, and related items necessary to equip the Antioch Pizza Shop Business before opening. You must purchase certain proprietary food products and ingredients, including dough, meat, seasonings and sauces, only from suppliers we designate.

You must use only our proprietary and approved nonproprietary ingredients, recipes, formulas, cooking techniques and processes, and equipment and supplies in the operation of the Antioch Pizza Shop Business and preparation of the menu items. These items are set forth in the Operations Manual that we will provide to you, as updated from time to time, as well as other relevant written materials. All such supplies must be ordered and delivered through our approved suppliers and vendors. In addition, branded and non-branded uniforms, containers, cups, plates, wrapping, eating utensils, napkins, and other customer service materials of all descriptions and types, and signs must be purchased through according to our specifications and standards and/or our approved suppliers.

Currently, you must purchase customized dough rollers from our affiliate Wix Repair, Inc.

We reserve the right to develop lines of proprietary merchandise including cookbooks, specialty food items, hats, t-shirts and other retail items which you may be required to purchase from us or an affiliate for sale in your Antioch Pizza Shop Business.

#### **Approved Suppliers**

All other equipment and supplies used in your Antioch Pizza Shop Business must meet our specifications and standards, and/or you must purchase them from suppliers designated or approved by us in writing. Any changes to these specifications will first be tested by us, and then passed on to franchisees in writing with notice that you have two weeks to implement the changes.

We do not make our specific criteria for supplier approval or revocation available to franchisees, nor do we permit franchisees to contract with alternative suppliers who meet our criteria for

approved suppliers but have not been specifically approved by us. In order to have an alternative supplier approved, you must submit a written request to us for approval of the supplier. Depending upon the supplier, you will be invoiced an evaluation fee ranging from \$500 to \$2,500 as compensation for our investigation and sampling of the proposed supplier. We will respond to your written request of our approval or disapproval of the proposed supplier within 30 days of receipt. If we determine that a previously approved supplier no longer conforms to our standards, we will notify you and you must discontinue your purchases from that supplier.

If you are purchasing a Food Truck franchise, you must lease kitchen space from a commissary approved by us.

As of the issuance date of this disclosure document, other than Wix Repair, Inc., neither we nor any of our affiliates are designated or approved suppliers or the only approved suppliers of any goods or services. Other than Wix Repair, Inc., neither we nor any of our officers owns an interest in any supplier.

### **Insurance**

You must obtain the insurance coverage required by the Franchise Agreement from a carrier we authorize, which insures you, us as an additional insured, and any other persons we designate by name. The insurance policies must include, at minimum: (a) comprehensive general liability insurance, including product liability insurance, with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (b) automobile liability insurance, including franchise owned, hired and non-owned vehicle coverage with a minimum combined single limit of \$1,000,000 per claim; (c) workers' compensation and employer's liability insurance covering all of your employees; (d) umbrella liability insurance which also includes employer's liability and automobile liability, with minimum limits of \$2,000,000 per occurrence; and (e) any such other insurance coverage or amounts as required by law or other agreement related to the franchise. The required insurance coverage must commence as of the date of the Franchise Agreement. Coverage for all insurance required under the Franchise Agreement shall include all claims, injuries, harms, or loss that may occur, arise, or be asserted at any time, even after termination, expiration, or cancellation of the franchise, arising from or relating to the franchise.

We have negotiated purchase arrangements including price terms with certain material and equipment suppliers for the benefit of our franchisees. These arrangements may change from time to time including the removal and addition of certain suppliers. We derive revenue in the form of a rebate, equal to a percentage of the purchases made by our franchisees, from suppliers with whom we have established purchase arrangements.

In the year ending December 31, 2022, we did not receive any revenue from purchases of products or services by franchisees. In the year ending December 31, 2022, our affiliate Wix Repair, Inc. received gross revenue of \$7,500 or 100% of its total gross revenue for the year.

We do not provide benefits (such as renewal or granting of additional franchises) to any franchisee based on the use of suppliers approved by us. There are currently no purchasing or distribution cooperatives that serve our franchisees.

We estimate that the required purchases and leases described in this Item will constitute approximately 65% to 80% of all purchases and leases you will incur to establish your Antioch Pizza Shop Business and approximately 30% to 40% of all purchases and leases you will incur to operate the Antioch Pizza Shop.

## 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.**

References in the table below are to the Franchise Agreement unless otherwise noted. "MUDA" as used in this table means Multi-Unit Development Agreement.

| <b><u>Obligation</u></b>                                    | <b><u>Section in Agreement</u></b>                                                                                                        | <b><u>Disclosure Document Item</u></b> |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| a. Site selection and acquisition/lease                     | Sections 3(a) and (b)                                                                                                                     | Items 8 and 11                         |
| b. Pre-opening purchases/leases                             | Sections 3(e), 8(d) and 10; Par. 4 of Food Truck Addendum                                                                                 | Items 5, 7 and 8                       |
| c. Site development and other pre-opening requirements      | Sections 3(c), (d), (e), (f), and (g); Par. 4 of Food Truck Addendum                                                                      | Items 7 and 11                         |
| d. Initial and ongoing training                             | Section 7(a); Par. 2 of the Express Franchise Addendum                                                                                    | Item 11                                |
| e. Opening                                                  | Section 3(g); Par. 4 of Food Truck Addendum                                                                                               | Item 11                                |
| f. Fees                                                     | Sections 5(d), 6, 7(a)(iii), 10, and 29; Par. 1 of the Express Franchise Addendum; Par. 6 of Food Truck Addendum<br><br>Section 2 of MUDA | Items 5 and 6                          |
| g. Compliance with standards and policies/Operations Manual | Sections 3(c), (d), (e), (f), 8(b), 9, 10 and 11; Par. 4, 9, 10 and 11 of Food Truck Addendum                                             | Item 11                                |
| h. Trademarks and proprietary information                   | Sections 1, 9(b), 12 and 17(b)<br><br>Section 6 of MUDA                                                                                   | Items 13 and 14                        |
| i. Restrictions on products/services offered                | Sections 9(a) and (c); Par. 3 of the Express Addendum; Par. 8 of Food Truck Addendum                                                      | Item 16                                |
| j. Warranty and customer service requirements               | Sections 9(c)(i), (d) and (f)                                                                                                             | Item 11                                |

| <u>Obligation</u>                                                                           | <u>Section in Agreement</u>                                       | <u>Disclosure Document Item</u> |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------|
| k. Territorial development and sales quotas                                                 | Sections 2(b), 9(h) and Exhibit A<br>Section 3 of MUDA            | Item 12                         |
| l. Ongoing product/service purchases                                                        | Section 9(a)                                                      | Item 8                          |
| m. Maintenance, appearance and remodeling requirements                                      | Sections 9(d) and (e); Par. 9 of Food Truck Addendum              | Item 11                         |
| n. Insurance                                                                                | Section 10                                                        | Item 8                          |
| o. Advertising                                                                              | Section 8                                                         | Item 6 and 11                   |
| p. Indemnification                                                                          | Section 11                                                        | Item 6                          |
| q. Owner's participation/management/staffing                                                | Sections 9(c) and (f)                                             | Item 15                         |
| r. Records/reports                                                                          | Sections 9(h) and (k)                                             | Item 6                          |
| s. Inspections/audits                                                                       | Section 9(j)                                                      | Item 6                          |
| t. Transfer                                                                                 | Section 14<br>Section 8 of MUDA                                   | Item 17                         |
| u. Renewal                                                                                  | Section 5; Par. 5 of Food Truck Addendum                          | Item 17                         |
| v. Post-termination obligations                                                             | Section 17; Par. 16 of Food Truck Addendum<br>Section 7.4 of MUDA | Item 17                         |
| w. Non-competition covenants                                                                | Section 13; Par. 12 of Food Truck Addendum<br>Section 9 of MUDA   | Item 17                         |
| x. Dispute resolution                                                                       | Section 25<br>Section 12 of MUDA                                  | Item 17                         |
| y. Other: Personal Guaranty of franchisee and spouse (Note 1) and owner agreements (Note 2) | Exhibits B and D of the Agreement<br>Section 15 of MUDA           | Item 22                         |

## **ITEM 10**

### **FINANCING**

We do not offer financing to you, but we and one or more third-party investors may create an affiliate company (an "Investor") to invest in the opening of the Antioch Pizza Shop Business for a period of 24 months. The investment from the Investor will be documented in a joint venture agreement that will govern the company (the "Franchisee") that signs the Franchise Agreement and owns and controls the Antioch Pizza Shop Business. A sample form of joint venture agreement is attached to this Franchise Disclosure Document as Exhibit G. Funding from the Investor may be used only for the purchase of furnishings, fixtures and equipment for the Antioch Pizza Shop Business. The Investor's investment will range from \$75,000 to \$200,000 but will be tied to the actual cost of the furnishings, fixtures and equipment. The Franchisee will make monthly guaranteed payments ("MGP") to the Investor equal to 6% of the Gross Sales of the Antioch Pizza Shop Business. On the 24-month anniversary of the Antioch Pizza Shop Business opening (the "buyout date"), you must purchase the Investor's interests in the Franchisee at a price equal to the Investor's initial investment plus a 30% annualized return on the Investor's investment, less the amount of the sum of MGP made by the Franchisee to the Investor. If you do not have the financial resources to purchase the Investor's interests in the Franchisee on the scheduled buyout date, you may extend the buyout date one-time for up to 6 months. The Investor will also be entitled to an annual residual payment from the Antioch Pizza Shop Business equal to the lesser of: (i) 0.75% and (ii) the product of (1) 0.75% multiplied by (2) the amount equal to (A) the annualized gross revenue of the Antioch Pizza Shop Business, divided by (B) \$3,000,000. The term "annualized gross revenue" means the gross revenue of the Antioch Pizza Shop Business in the 3 full calendar months before the buyout date, multiplied by 4. If the Investor's interests are not purchased on or before the buyout date, as it may be extended, or if any uncured events of default occur before the buyout date, then the Investor will have the right to purchase your interests in the Franchisee at a price equal to your initial investment in the Franchisee, less any distributions paid to you, less 50% of net losses of the Franchisee incurred as of the buyout date. The Investor's investment is capital, not debt, so there is no interest rate, security interest or personal guarantee required from you. You will not be required to waive defenses or other legal rights or be barred from asserting any defenses against the Investor, the Investor's assignee or us in connection with the Investor's investment. We and our affiliates have no past practice or future intent of selling, assigning or discounting franchisees' financing arrangements, which are, as noted above, with Investor, to a third party. We do not receive any consideration as a result placing financing with the Investor.

## **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 begin to operate your Antioch Pizza Shop Business, we will provide:

(1) Evaluation of the site you propose for your Antioch Pizza Shop Business. We will either assist in helping you select a site, or you may select the site for your Antioch Pizza Shop Business subject to our consent in writing. You must obtain this consent before signing a lease

or contract for the site. We do not own or lease the site and lease it to you. Factors that we may consider when reviewing a proposed site are set forth in the Operations Manual, but include, for example, the general location and neighborhood, occupancy costs, proximity to major retail activity, traffic volume and speed, density of nearby population, competition and proximity to other franchisees (See Franchise Agreement, Section 3(a)).

We must accept or not accept your proposed site within 30 days after receiving your request for approval. If you and we cannot agree on a proposed site, then you must find another site and request Antioch's approval. You must obtain our approval of a site within 6 months after signing the Franchise Agreement and your Antioch Pizza Shop must be fully stocked and staffed and open for business to the public within 9 months after signing the Franchise Agreement. If you do not do so, your Franchise Agreement may be terminated. (See Franchise Agreement, Section 3(a)).

For Multi-Unit Developers, as you establish each location under the Multi-Unit Development Agreement, we will determine whether a site you propose is approved based on our then-current factors site selection guidelines and criteria for approving a site.

(2) Evaluation and approval of the commissary for the Food Truck franchise as meeting our standards and specifications. We do not need to approve the location of the business office for the Food Truck franchise. (See Food Truck Addendum to Franchise Agreement, Section 4).

(3) Architectural guidelines, color schemes and motifs that meet our uniform appearance and functionality standards. You must construct and/or remodel your premises in accordance with local ordinances and building codes and obtain required permits, at your sole expense. You must submit your plans and specifications to us for review before you submit them to any governmental authorities for approval. We may provide advisory assistance regarding your plans and specifications at your expense. (See Franchise Agreement, Section 3(d)).

(4) Advisory assistance in determining the details of appropriate construction, equipment and fixtures for your Antioch Pizza Shop Business at your expense. (See Franchise Agreement, Section 3(c)).

(5) Advisory assistance with purchase or lease of any merchandise, equipment, inventory and supplies from designated or approved suppliers and in some instances, providing you with written specifications for these items. (See Franchise Agreement, Section 3(e), 3(f), 9(a), and 9(h)).

(6) Advisory assistance with, and approval of, opening the Antioch Pizza Shop Business, including advising you with regard to certain mandatory opening inventory and merchandising items. (See Franchise Agreement, Section 3(e), 3(f), 3(g), and 9(a)).

(7) Advisory assistance with a grand opening marketing campaign to be conducted at your expense. (See Franchise Agreement, Section 8(d)).

(8) Guidelines for operating your Antioch Pizza Shop Business. (See Franchise Agreement, Section 7(c)). Before your Antioch Pizza Shop Business opens for business or anytime thereafter that a new manager is hired, your Antioch Pizza Shop Business manager must complete initial training to our satisfaction. From time to time we may also make various mandatory and optional training programs available to you and your management.

## Training

You will not be charged a fee for the initial training program for you and your Antioch Pizza Shop Business manager, but you are responsible for your costs incurred, including travel and accommodations. You will be charged for additional mandatory and optional training and you will be responsible for the cost of providing training to your personnel including the cost of materials, salaries and travel expenses. In the event that your Antioch Pizza Shop Business repeatedly fails to meet our standards, we may require you and your management to participate in additional training programs at your expense, and you may be required to reimburse us for the costs of providing such training.

Below is a summary of the Antioch Pizza Shop Training Program. The training program for the Dine-In Restaurant franchise and the Take-Out/Delivery Restaurant franchise is conducted over a 13-week period. The training program for the Express Restaurant franchise is conducted over a 9-week period. The training program for the Food Truck franchise is conducted over a 4-week period.

### **TRAINING PROGRAM**

| <b>SUBJECT</b>                                       | <b>HOURS OF CLASSROOM TRAINING</b> | <b>HOURS OF ON THE JOB TRAINING</b> | <b>LOCATION</b> |
|------------------------------------------------------|------------------------------------|-------------------------------------|-----------------|
| Culture/Business Philosophy                          | 2                                  | 0                                   | Antioch, IL     |
| Product Knowledge                                    | 3                                  | 0                                   | Antioch, IL     |
| Store Operating Procedures                           | 4                                  | 0                                   | Antioch, IL     |
| Store Level Marketing                                | 2                                  | 0                                   | Antioch, IL     |
| Community Outreach                                   | 2                                  | 0                                   | Antioch, IL     |
| Equipment Knowledge                                  | 4                                  | 0                                   | Antioch, IL     |
| Management                                           | 2                                  | 0                                   | Antioch, IL     |
| Customer Service                                     | 2                                  | 0                                   | Antioch, IL     |
| Time Management                                      | 2                                  | 0                                   | Antioch, IL     |
| Financials                                           | 2                                  | 0                                   | Antioch, IL     |
| Operations, Management, Food Preparation, POS System | 0                                  | 160 – 500*                          | Antioch, IL     |
| Test                                                 | 0                                  | 6                                   | Antioch, IL     |
| <b>TOTAL</b>                                         | <b>25</b>                          | <b>166 – 506*</b>                   |                 |

\*This range of hours depends on the type of Antioch Pizza Shop franchise that you are purchasing and the prior relevant experience of the individuals attending training.

Instructional materials provided include the Operations Manual, product preparation instructional materials, recipes, handouts including training lesson plans, books and other written materials, and training videos.

Our training instructors include:

Arthur Wicklein - is one of our founders and our Secretary and Treasurer since our inception in 2015, and since 2008 has served as Secretary and Treasurer of our affiliate, Wix Pizza, Inc., which owns Antioch Pizza restaurants.

Karen Wicklein - is one of our founders and President since our inception in 2015, and since 2008 has served as President of our affiliate Wix Pizza, Inc. that owns and operates Antioch Pizza restaurants.

Matt Wicklein - Matt has managed an Antioch Pizza restaurant owned by our affiliate since September 2009.

Andy Spencer – Andy has managed an Antioch Pizza restaurant owned by our affiliate since February 2010.

Keith Nieze – Keith has been our Franchise Development Director since January 2023. He has 35 years of previous experience in restaurant operations.

Managers and senior staff of our affiliate-owned Antioch Pizza Shop restaurants may also assist us in the training. We may also bring in qualified outside trainers at our discretion for specific training programs. We reserve the right to change training staff at any time. We do not maintain a formal training schedule. We will schedule initial training provide training on an as-needed basis.

You and your manager must attend and complete initial training to our satisfaction before your Antioch Pizza Shop Business opens for business. You and your manager will be evaluated during training on your ability to follow our guidelines for establishing and operating the Antioch Pizza Shop Business and espousing the Antioch Pizza Shop brand. You must pass our initial training test at the completion of initial training. Once you begin the training program, you must attend the entire initial training program as scheduled by us. If you fail to do so, you may be required to start from the beginning again.

In addition to the initial training described above, we may require you and your manager to attend our then-current training program again before renewing the Franchise Agreement.

In addition to the initial training program described above, we will send one or more of our representatives to your Antioch Pizza Shop before and after the opening of the Antioch Pizza Shop Business to provide on-site training and opening assistance for no additional fee. For the Dine-In Restaurant and Take-Out/Delivery Restaurants, the on-site training and assistance will be provided for up to 3 weeks, for the Express Restaurants the on-site training and assistance will be provided for up to 2 weeks, and for the Food Truck franchise the on-site training and assistance will be provided for approximately 1 week. We will determine in our sole discretion how long the on-site training will be conducted. (Franchise Agreement, Section 7(a))

## **Time for Opening**

We anticipate that franchisees will open their Antioch Pizza Shop Businesses within 3 to 12 months after the date that the Franchise Agreement is signed but franchisees must open within 12 months of that date. The factors that affect this time are locating an approved site, obtaining a lease, construction of improvements to the site, financing, obtaining building permits, zoning and local ordinances, weather conditions, shortages and any delays in installation of equipment, fixtures and signs.

During the operation of your Antioch Pizza Shop Business, we will:

(1) Assist you in developing products or services to be offered as part of the Antioch Pizza Shop Business (See Franchise Agreement, Section 9(a)(iii)).

(2) Assist you in improving the operation of the Antioch Pizza Shop Business (See Franchise Agreement, Section 7(c)).

(3) Assist you in resolving any operating problems you may have (See Franchise Agreement, Section 7(c)).

(3) Establish suggested pricing for your menu and merchandise items (See Franchise Agreement, Section 7(d)).

## **Computer System**

We require you to purchase or lease (a) a minimum of two cash registers (or equivalent technology) equipped with our approved Point of Sale (POS) system that can process, itemize and track purchases and revenues on a per transaction, daily, weekly, monthly and annual basis, and can monitor data and expedite customer service; (b) a computer with internet access; (c) the QuickBooks small business financial management software; and (d) a kitchen management software system from our current designated supplier, Jolt Software, Inc. (the "Computer System"). The current cost of purchasing the Computer System for the Dine-In Restaurant, Take-Out/Delivery Restaurant and Express Restaurant ranges between \$3,000 to \$10,000 and the current ongoing license fees paid to our designated suppliers for software currently ranges from \$400 to \$600 per month. The estimated cost of purchasing the Computer System for the Food Truck ranges between \$1,000 to \$2,000 and the monthly license fees are estimated at \$100 to \$200 per month.

We will have independent access to the information processed and tracked by the POS system, and other software systems or tools that we required to operate the Antioch Pizza Shop. Currently, we require that monthly profit & loss reports, as well as quarterly balance sheets and monthly Jolt completion reports be e-mailed to us. There are no contractual limits on our right to access the information processed and tracked by the POS system or by other software systems or software tools we may require in the operation of your Antioch Pizza Shop.

We do not have a contractual obligation to provide ongoing maintenance, repairs, upgrades or updates for your electronic cash register, POS system, computer hardware or software. You may be required to upgrade or replace components of the entire Computer System during the term of the franchise or upon renewal. There is no contractual limit on the frequency or cost of this obligation. Maintenance and repairs may cost approximately \$600 to \$2,500 annually and may be included in the price of purchasing or leasing the Computer System.

## Marketing Services Fund

We have established and will administer a Marketing Services Fund to which you must contribute monthly in the amount of 1% of gross revenues. All franchisees contribute to the fund at the same amount and rate. Our affiliate owned outlets are not required to contribute to the Marketing Services Fund. We may elect to disseminate marketing and advertising content through Internet-based mediums and social media, television, radio and print media such as magazines, billboards, flyers, mailers and newspapers, and engage in promotional programs, including sponsorships, donations and gifts to customers and prospective customers. All decisions regarding advertising and marketing, including the type, quantity, timing, placement and choice of media, market areas and advertising agencies will be made by us. The internet-based media coverage may be international in scope and the television, radio and print media coverage may be national, regional or local in scope, in our discretion. We manage the Marketing Services Fund in-house but on occasion we employ an outside consultant or agency to assist in the development, production and dissemination of marketing materials or programs. We may use the Marketing Services Fund to develop promotional and advertising materials for your use. In addition, we may provide sales training or printed material to assist you in selling menu items or merchandise. In 2022, the media used by the Marketing Services Fund was social media, our website and printed materials.

We may on occasion solicit comments from franchisees regarding advertising programs and policies but there will not be a formal advertising council composed of franchisees that will advise us regarding these topics.

We are not required to spend any amount from the Marketing Services Fund on advertising in any particular franchisee's area or territory. Expenditures from the Marketing Services Fund may benefit franchisees differently, or not at all. We have no obligation to expend funds in proportion to contributions from franchisees to the Marketing Services Fund.

We will prepare periodic financial reports on the Marketing Services Fund and they will be available to you upon request. During our 2022 fiscal year, the funds were used as follows: 15.3% on production, 9.9% on media placements, 74.7% on donations and contributions (i.e., food), and 0.1% on administrative expenses. In 2022, no money was paid to us by the Marketing Services Fund for products or services. In 2022, no expenditures were made from the fund to solicit new franchise sales. Any amounts in the fund not spent during one year will carry over to the next year. Marketing Services Fund contributions are neither separately accounted for nor audited.

You are required to conduct local advertising and marketing. After you open your Antioch Pizza Shop Business, you must spend a minimum of 1% of gross revenues each calendar month on local advertising and promotion of your Antioch Pizza Shop Business, in addition to the 1% per month Marketing Services Fund you pay to us. You must submit proof of local marketing expenditures to us quarterly. In addition, you must conduct adequate pre-opening local advertising at your sole expense, in accordance with our directions and assistance. You will determine the amount of pre-opening advertising that you must spend to adequately promote your Antioch Pizza Shop Business prior to opening.

As of the issuance date of this Franchise Disclosure Document, you are not required to participate in a local or regional advertising cooperative, but we reserve the right to require you to do so in the future.

You may use your own marketing materials to promote your Antioch Pizza Shop Business, but all such materials must be pre-approved by us in writing and we reserve the right to prohibit the use of such materials if we, acting reasonably, deem them to be inappropriate.

We operate a website that uses our name and other trademarks and features our menu and merchandise. We reserve the right to conduct all commerce over the Internet and other means of electronic communication as may in the future be developed. We may provide you with a fully optimized and customizable website template for your use in connection with your Antioch Pizza Shop Business. If we do, your website will display our marks, be pre-programmed to meet our specifications and be linked to our website.

We may develop discount programs or coupon or gift certificate programs in the future. If we do so, you must participate in these programs.

## **Operations Manual**

During the term of your Franchise Agreement, we will provide you with a hard-copy or electronic copy of our Operations Manual. The total number of pages in the Operations Manual is 464 plus appendices. For your reference, the table of contents for the Operations Manual is attached as Exhibit C.

## **ITEM 12**

### **TERRITORY**

If you are awarded a franchise, we will grant you the right to operate an Antioch Pizza Shop Restaurant at a site and within a protected area to be approved by us. Your protected area will be an area within a specific radius from the approved site, the size of which will be approximately 5 ½ miles, depending on the demographics and density of the population in the area, and the proximity to other existing or future restaurants. Where population density is substantial, a protected area may be smaller than in areas in which population density is lower.

For the Food Truck franchise, we will agree upon an area within which you will operate the mobile food truck. The area will be described as a 5 ½ mile radius around a specified center point. You may not operate the mobile food truck outside of your protected area, except with our prior written consent which may be subsequently withdrawn. In no event may you operate the mobile food truck within the protected area of another franchisee.

Provided that you are in compliance with the Franchise Agreement, we will not open and operate, or franchise another party to open and operate, an Antioch Pizza Shop Business utilizing the Marks and the System in the protected area granted to you.

We reserve all rights that we do not grant to you. More specifically, we reserve the right to use other channels of distribution such as Internet sales, catering events, marketing events, trade shows and related promotional activities within and outside your protected area. In addition, we reserve the right to operate Antioch Pizza Shop Businesses or similar outlets within shopping malls (100,000 square feet or larger), airports, train stations, hotels and resorts, casinos, military bases, federal lands, university campuses and other non-conventional forums. These activities may be conducted directly by us, or through a party licensed by us, using the Marks. If we conduct any of the foregoing within your protected area, we will not be required to compensate you. We

reserve the right both within and outside of the protected area to establish restaurants operating under a format and trademarks and service marks distinct from the System and Marks.

You will be able to offer delivery from the Antioch Pizza Shop Businesses (“Delivery Services”) and catering services within your protected area (“Catering Services”) and you must comply with our standards, policies and requirements set forth in the Operations Manual, or otherwise in writing by Franchisor, including the areas within which the Delivery Services can take place, the usage of thermal bags or other storage devices we may designate, providing a reasonable amount of additional condiments, napkins and utensils as deemed appropriate, and ensuring the food safety, quality and temperature maintenance of food and beverage products. We may withdraw our approval for you to offer Delivery Services and/or Catering Services upon prior written notice if you fail to comply with the Franchise Agreement or our standards, policies and requirements relating to Delivery Services and/or Catering Services.

You may not relocate your Antioch Pizza Shop Restaurant without our written approval and without paying a relocation fee of \$5,000. In general, the factors that we may consider in deciding whether to approve your request to relocate include demographic changes with respect to location of your Antioch Pizza Shop Restaurant, the performance of your restaurant, and our capacity to assist you in relocating. If you own a Food Truck franchise and want to change the protected area within which you can operate, you must obtain our prior written approval which we may withhold. However, if your desire to change the protected area is due to restrictions or limitations on the operation of food trucks in the protected area, we will work with you to identify and designate a revised protected area.

You do not receive any options, rights of first refusal or similar rights to acquire additional franchises. You must purchase another franchise to establish an additional Antioch Pizza Shop Business.

We reserve the right to develop lines of proprietary merchandise including cookbooks, specialty food items, hats, t-shirts and other retail items which may be purchased in Antioch Pizza Shops or from our website.

Unless specifically approved by us, you are prohibited from soliciting orders from consumers outside of your protected area if the area in which you would be soliciting has been granted to another Antioch franchisee. You may accept unsolicited orders for take-out from outside of your protected area.

As of the issuance date of this Franchise Disclosure Document, we do not intend to establish other franchises or company-owned outlets to sell similar products or services under a different trademark, but we reserve the right to do so.

### **Multi-Unit Development Agreement.**

Under the Multi-Unit Development Agreement, a geographic area is designated within which it is expected you will develop the multiple Antioch Pizza Shop Businesses during the term of the Multi-Unit Development Agreement (“Development Area”). The Development Area will be described in Exhibit A to the Multi-Unit Development Agreement. The size of the Development Area will vary and will depend on the number of Antioch Pizza Shop Businesses you intend to open, the area or areas within which you want to develop Antioch Pizza Shop Businesses and our analysis of the market.

Provided that you are in compliance with the Multi-Unit Development Agreement, including the Development Schedule, we will not open and operate, or franchise another party to open and operate, an Antioch Pizza Shop Business utilizing the Marks and the System in the Development Area granted to you.

We reserve all rights that we do not grant to you. More specifically, we reserve the right to use other channels of distribution such as Internet sales, catering events, marketing events, trade shows and related promotional activities within and outside your Development Area. In addition, we reserve the right to operate Antioch Pizza Shop Businesses or similar outlets within shopping malls (100,000 square feet or larger), airports, train stations, hotels and resorts, casinos, military bases, federal lands, university campuses and other non-conventional forums. These activities may be conducted directly by us, or through a party licensed by us, using the Marks. If we conduct any of the foregoing within your protected area, we will not be required to compensate you. We reserve the right both within and outside of the Development Area to establish restaurants operating under a format and trademarks and service marks distinct from the System and Marks.

As you develop each Antioch Pizza Shop Business under the Multi-Unit Development Agreement, the Protected Area granted under each Franchise Agreement will be based on our then-current standards for granting protected areas, which may differ from standards for protected areas granted to franchisees under this Disclosure Document.

### ITEM 13

#### TRADEMARKS

We grant you the right to operate an Antioch Pizza Shop Business under the name and mark *Antioch Pizza Shop* and related design logos, as shown in this Item 13 and in related logos, names and slogans. You must also use other trademarks which we develop or prescribe to identify your Antioch Pizza Shop Business and its services and products. By Marks, we mean trade names, trademarks, service marks and logos used to identify your Antioch Pizza Shop Business, its services and its products. The following service mark is registered on the principal register of the United States Patent and Trademark Office (“USPTO”):

| Mark                                                                                | Registration Number | Registration Date |
|-------------------------------------------------------------------------------------|---------------------|-------------------|
|  | 6077697             | June 16, 2020     |

We have filed service mark registration applications on the principal register of the USPTO for the following service marks:

| Mark                                                                              | Serial Number | Filing Date     |
|-----------------------------------------------------------------------------------|---------------|-----------------|
|  | 90885904      | August 16, 2021 |
|  | 90885927      | August 16, 2021 |

You may also use a design logo similar to the design in the table above but adding the words “Since 1977” under the words Pizza Shop. As of the date of this Disclosure Document, we have not applied with the USPTO for registration of this service mark.

We do not have a federal registration for these 3 marks (the 2 with pending applications and the service mark described in the paragraph above). Therefore, these marks do not have many legal benefits and rights as a federally registered trademark. If our right to use any of our Marks is challenged, you may have to change to an alternative Mark, which may increase your expenses.

You must follow our rules when you use these Marks. You may not use our Marks in the sale of an unauthorized product or service or in a manner not authorized in writing by us. No agreement currently limits our right to use or license the use of the Marks.

There is no currently pending infringement, or cancellation or any pending material litigation involving our principal Marks. There are no currently effective material determinations from the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, involving our Marks. We do not know of any infringing uses that could materially affect your use of our Marks.

You must notify us immediately if you learn about an infringement of or challenge to your use of our Marks. The Franchise Agreement requires us to defend and/or indemnify you against claims of infringement or improper use if you are using the Marks as required by the Franchise Agreement and if you are in good standing, though it also affords us the sole discretion to determine the course of action to effectuate such protection. You must assist us in protecting our rights, at our expense.

We have the right to control any administrative proceeding or litigation involving our Marks. If we decide to add a Mark, or modify or discontinue the use of any Mark, you must use the new Mark or change or discontinue the use of the Mark, all at your expense.

You may not use the words “Antioch Pizza Shop” or any other Mark or confusingly similar mark or name in your corporate, partnership, trade name, or legal name, in connection with any business activity or venture, or in connection with any e-mail address (except as we authorize), Internet domain name, or as any other electronic identifier. You also may not apply for registration of any of our Marks or any variation of a confusingly similar mark with any governmental or other authority.

## **Multi-Unit Development Agreement**

Under the Multi-Unit Development Agreement, you are not granted the right to use the Marks. All of the rights to use the Marks are derived solely by entering into a Franchise Agreement with us. Under the Multi-Unit Development Agreement, you will have no right to license others to operate a business using our System or Marks.

### **ITEM 14**

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

The Antioch Pizza Shop Business does not involve patents and we do not own patents. We do not own rights in, or licenses to, patents or copyrights that are material to the franchise. We do claim trade secret rights and a common law copyright in its Operations Manual, though we have not filed for copyright registration.

You must notify us immediately if you learn about a challenge to your use of our copyright materials. We will defend you against claims of infringement if you are using the copyright material as required by the Franchise Agreement and if you are in good standing.

If you learn about a third party's use of our copyright materials which you believe to be unauthorized, you must notify us immediately. We will decide whether or not to take action against the third party, and you must assist us at our expense if we decide to do so. We have the right to control any litigation involving our copyright materials. If we decide to add, modify or discontinue the use of anything covered by a copyright, you must also do so at your expense.

We do not know of any infringing uses that could materially affect your use of its copyright materials.

### **ITEM 15**

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

We do not require franchisees who are individuals to participate personally in the direct operation of the Antioch Pizza Shop Business, but we do recommend it. We do require the presence of an on-premises manager, but this person need not have an ownership interest in the Antioch Pizza Shop Business or in you (if you are an entity).

Before you open for business, or any time after that date that you choose to hire a manager for the Antioch Pizza Shop Business, your manager must complete our initial training program to our satisfaction at our location in Antioch, Illinois. Any individual designated by you to serve as manager of the Antioch Pizza Shop Business must be approved in writing in advance by us.

All owners, managers, and others who are employed by or affiliated with you must sign a confidentiality and non-competition agreement in a form we approve.

The spouse of an individual franchisee must sign a spousal consent in which the spouse must consent to the individual franchisee's execution of the Guaranty.

Each individual who owns an interest in a franchisee that is a corporation or other business entity (and that individual's spouse) must sign an agreement to maintain confidentiality and not to compete and an agreement assuming and agreeing to discharge all obligations of the franchisee entity under the Franchise Agreement.

## ITEM 16

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

We require that you offer and sell only those menu items, merchandise and services that we have approved. The Express Restaurant and the Food Truck franchise will offer a more limited menu than the Dine-In Restaurant and the Take-Out/Delivery Restaurant.

You must offer all of the goods and services that we designate as required in the Operations Manual unless we otherwise agree in writing. It is important that the Antioch franchise system maintain uniformity. This benefits all of our franchisees. For example, if we develop a discount or other incentive program through our website or Facebook page, you must participate in that program.

We may add new menu items, merchandise or services that you may be required to offer, or otherwise change the services and products that you are required to offer. We will provide a 2 week notice period to our franchisees of such additions or changes; apart from this, there are no limitations on our right to make additions or changes.

## ITEM 17

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

#### **THE FRANCHISE RELATIONSHIP**

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

#### **FRANCHISE AGREEMENT AND ADDENDA TO FRANCHISE AGREEMENT**

| Provision                           | Section in Franchise or Other Agreement      | Summary                                                                         |
|-------------------------------------|----------------------------------------------|---------------------------------------------------------------------------------|
| a. Length of the franchise term     | Section 4; Par. 5 of the Food Truck Addendum | 10 years, except the term for the Food Truck franchise will be 5 years.         |
| b. Renewal or extension of the term | Section 5; Par. 5 of the Food Truck Addendum | 10 years, except the renewal term for the Food Truck franchise will be 5 years. |

| Provision                                         | Section in Franchise or Other Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| c. Requirements for franchisee to renew or extend | Section 5                               | You must sign our then-current form of Franchise Agreement which may contain materially different terms; successfully complete renewal training; sign a general release; fulfill all your obligations and not have received 3 or more default notices in any 24-month period; reason for termination must not exist; we must not have decided to withdraw from your market; you must meet requirements for new franchisees; remodel and update your Antioch Pizza Shop Business to current standards.                                                                                                                                                                                                                                                                                                                                                                            |
| d. Termination by franchisee                      | None                                    | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| e. Termination by franchisor without cause.       | None                                    | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| f. Termination by franchisor with cause.          | Section 16                              | We can terminate only if the events described in this Item 17(g) and (h) occur.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| g. "Cause" defined-curable defaults               | Section 16(a) and (b)                   | <p>Except as provided in the Franchise Agreement, you will have 30 days from the date of our issuance of a written notice of default to cure any default under the Franchise Agreement or the Operations Manual, other than a failure to pay amounts due or submit required reports, in which case you will have only 10 days to cure. Your failure to cure a default within cure period will provide us with good cause to terminate the Franchise Agreement. This termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination. The termination will be effective immediately upon our issuance of the written notice of termination.</p> <p>If a default under the Franchise Agreement occurs that violates any health, safety, or sanitation law or regulation, violates any system</p> |

| Provision                                | Section in Franchise or Other Agreement                  | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          |                                                          | standard as to food handling, cleanliness, health and sanitation, or if the operation of the Antioch Pizza Shop Business presents a health or safety hazard to your customers or to the public, you will have no more than 24 hours after we provide written notice of default to cure the default. If you fail to cure the default within the 24-hour period, the Franchise Agreement will terminate effective immediately upon our issuance of written notice of termination.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| h. "Cause" defined- non-curable defaults | Section 16(a); Par. 14 and 15 of the Food Truck Addendum | Material misrepresentations or omissions in the franchise application or in any report you submit to us; voluntary abandonment of the Franchise Agreement or the Antioch Pizza Shop Business; attempts to make an unauthorized assignment, encumbrance, or other transfer of our rights under the Franchise Agreement; your entry into an agreement with us or our affiliates other than the Franchise Agreement that is terminated because of your breach of that separate agreement; the loss of your lease for the Antioch Pizza Shop Business; the failure to timely cure a default under your lease for the Antioch Pizza Shop Business; the closing of the Antioch Pizza Shop Business by any state or local authorities for health or public safety reasons; any unauthorized use of confidential information; insolvency of you, a principal owner, a control person, or guarantor; making an assignment or entering into any similar arrangement for the benefit of creditors; any default under the Franchise Agreement that materially impairs the goodwill associated with any of our trademarks, trade names, and related intellectual property; any conviction of or pleading no contest by you, a principal owner, a control person, or guarantor to any felony regardless of the nature of the charges, or any misdemeanor that |

| Provision                                              | Section in Franchise or Other Agreement        | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                        |                                                | <p>brings or tends to bring any of our trademarks and trade names into disrepute or impairs or tends to impair your reputation or the goodwill of the trademarks, trade names, or franchise; your unauthorized use of any of our trademarks, trade names, or other intellectual property; the seizure, takeover, or foreclosure of the franchise or its assets by a governmental official acting in an official capacity, or by any of your creditors, lienholders or lessors, or if a writ of levy of execution is issued against the franchise or your assets; you fail to comply with any law applicable to the operation of the franchise after 3 days' notice of the same; you intentionally under report your Gross Revenues to us; you fail to transmit any health department or similar reports to us immediately upon your receipt of the same; a judgment against you exceeding \$5,000 remains unsatisfied for more than 30 days; you or your affiliates are designated by the U.S. government as a "specially designated national" or "blocked person"; or any default by you that is the second occurrence of the same or a similar default within any 12-month period or the fourth default of any type within any 24-month period.</p> <p>For the Food Truck franchise, on 3 more occasions during the term, your Food Truck is operated outside your protected area without our consent, or you lose the right to use the approved commissary and don't secure a replacement.</p> |
| i. Franchisee's obligations on termination/non-renewal | Section 17; Par. 16 of the Food Truck Addendum | <p>Refrain from identifying yourself or any business you are affiliated with as our current or former franchisee or licensee; return our Operations Manual and other confidential information; abide by the non-competition provisions in the Franchise Agreement; repaint or redesign the Antioch Pizza Shop Business premises to avoid similarity to us; cancel business telephone</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Provision                                        | Section in Franchise or Other Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  |                                         | numbers, as well as use of fax numbers, email addresses, web sites, and assign the aforementioned items to us; pay all amounts due to us; discontinue use of trademarks, and system; de-identify, including removing the wrap from the Food Truck; return or destroy all inventory with our trademarks; assist in smooth transition of business; refrain from soliciting customers or personnel; refrain from making disparaging remarks; cancel fictitious business name statement; and comply with all other requirements in the Operations Manual.                                                                                                                                                                                                                                                                                                                                                                           |
| j. Assignment of contract by franchisor          | Section 14(a)                           | Any direct or indirect transfer of interest in the Franchise Agreement requires our prior written consent, which we will not unreasonably withhold.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| k. "Transfer" by franchisee – definition         | Section 14(b)                           | Includes transfer of Franchise Agreement, assets of the Antioch Pizza Shop Business or greater than 25% ownership interest in franchisee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| l. Franchisor approval of transfer by franchisee | Section 14(b)                           | We may withhold consent if a proposed transferee does not meet our then-current criteria for new franchisees or has not completed our then-current training program to our satisfaction; if you have not satisfied all of your outstanding obligations to us and/or you are in default of your obligations under the Franchise Agreement or any other agreement with us or our affiliates; if the Antioch Pizza Shop Business is not in compliance with our standards; if the lessor of the Antioch Pizza Shop Business premises has not consented to the sublease or transfer of the lease; if the transferee has not executed our then-current Franchise Agreement for a term of years equal to the remaining term of your Franchise Agreement; or if we believe that the sale price of the interest to be conveyed is so high, or the terms of sale so onerous, that it is likely the transferee would be unable to properly |

| Provision                                                               | Section in Franchise or Other Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                         |                                         | operate, maintain, upgrade and promote the franchise and meet all financial and other obligations to us and to third parties.                                                                                                                                                                                                                                                                                                 |
| m. Conditions for franchisor approval of transfer                       | Section 14(b)(iii)                      | At the time of transfer, you and all of your owners must execute a general release of us, in our then-current standard form; at the time of request for transfer, pay us a nonrefundable \$1,000 transfer request fee and upon transfer, you must also pay us a transfer fee of \$5,000 or 5% of the adjusted sales price, whichever is greater.                                                                              |
| n. Franchisor's right of first refusal to acquire franchisee's business | Section 14(c)                           | We can match any offer for your business.                                                                                                                                                                                                                                                                                                                                                                                     |
| o. Franchisor's option to purchase franchisee's business                | Section 17(d)                           | We have the option of acquiring your assets if the Franchise Agreement expires or terminates.                                                                                                                                                                                                                                                                                                                                 |
| p. Death or disability of franchisee                                    | Section 15                              | Within 12 months from the death of you or any of your owner(s) and notwithstanding any agreement to the contrary, the deceased's legal representative must propose in writing to transfer the interest of the deceased to one or more transferees. This must occur within 30 days of the death and is subject to our reasonable consent. The Franchise Agreement will terminate if the transfer doesn't occur within 30 days. |
| q. Non-competition covenants during the term of the franchise           | Section 13(a)                           | You may not operate a similar business (i.e., pizza shop, Italian sandwiches or related food items) except as we may otherwise agree.                                                                                                                                                                                                                                                                                         |

| Provision                                                                 | Section in Franchise or Other Agreement           | Summary                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| r. Non-competition covenants after the franchise is terminated or expires | Section 13(b); Par. 12 of the Food Truck Addendum | You may not operate a similar business for 2 years within 5.5 miles of any Antioch Pizza Shop Business or within the protected area for the Food Truck franchise, subject to applicable law.                                                  |
| s. Modification of the agreement                                          | Section 28                                        | No modification without a writing signed by you and us, except that we may amend the Operations Manual.                                                                                                                                       |
| t. Integration/merger clause                                              | Section 27                                        | Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim anything contained in this Franchise Disclosure Document. |
| u. Dispute resolution by arbitration or mediation                         | Section 25                                        | Except for certain claims, subject to state law, all disputes must be mediated and if not resolved, arbitrated.                                                                                                                               |
| v. Choice of forum                                                        | Section 25                                        | Subject to applicable state law, Chicago, Illinois.                                                                                                                                                                                           |
| w. Choice of law                                                          | Section 24                                        | Subject to applicable state law, Illinois law applies, subject to the Lanham Act.                                                                                                                                                             |

**This table lists certain important provisions of the Multi-Unit Development Agreement. You should read these provisions in the agreements attached to this disclosure document.**

| Provision                                  | Section in MUDA | Summary                                                                                                              |
|--------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------|
| a. Length of term of the agreement         | Section 4       | Agreement expires on our acceptance and execution of the Franchise Agreement for the last franchise to be developed. |
| b. Renewal or extension of the term        | None            | Not applicable                                                                                                       |
| c. Requirements for you to renew or extend | None            | Not applicable                                                                                                       |
| d. Termination by you                      | None            | Not applicable,                                                                                                      |

| <b>Provision</b>                                              | <b>Section in MUDA</b> | <b>Summary</b>                                                                                                                                                                                                                |
|---------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| e. Termination by us without cause                            | None                   | Not applicable                                                                                                                                                                                                                |
| f. Termination by us with cause                               | Section 7              | We can terminate if you commit a listed violation.                                                                                                                                                                            |
| g. "Cause" defined - defaults which can be cured              | Section 7              | Not applicable                                                                                                                                                                                                                |
| h. "Cause" defined - defaults which cannot be cured           | Section 7.2            | Bankruptcy or similar proceeding, failure to comply with development schedule, breach of the agreement, unauthorized transfer, dissolution of Developer or death of owner, breach of franchise agreement and failure to cure. |
| i. Your obligations on termination/non-renewal                | Section 7.4            | No further right to develop; however, termination does not affect existing franchise agreements.                                                                                                                              |
| j. Assignment of contract by us.                              | Section 8.1            | We have an unrestricted right to assign.                                                                                                                                                                                      |
| k. "Transfer" by you – definition                             | Section 8.2            | Include transfer of any interest in the MUDA or in the Developer.                                                                                                                                                             |
| l. Our approval of transfer by you                            | Section 8.2            | Only if consented to by us in writing in advance. We may withhold our consent in our sole discretion.                                                                                                                         |
| m. Conditions for our approval of transfer                    | Section 8.2            | Pay transfer fee.                                                                                                                                                                                                             |
| n. Our right of first refusal to acquire your business        | None                   | Not applicable                                                                                                                                                                                                                |
| o. Our option to purchase your business                       | None                   | Not applicable                                                                                                                                                                                                                |
| p. Your death or disability                                   | Section 7.2(f)         | Death of an owner is a default.                                                                                                                                                                                               |
| q. Non-competition covenants during the term of the agreement | Section 6.4            | No involvement in a similar business or with a business granting franchises for similar businesses; subject to applicable state law.                                                                                          |

| Provision                                                                 | Section in MUDA | Summary                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| r. Non-competition covenants after the agreement is terminated or expires | Section 9.2     | For 2 years after termination or expiration of the MUDA you will not have any interest in a similar business with the Development Area or within 5 ½ miles of any existing Antioch Pizza Shop Business except under a Franchise Agreement with us. For 2 years, you will not divert customers to competitive businesses; subject to applicable state law. |
| s. Modification of the Agreement                                          | Section 13.4    | No modifications unless in writing and signed.                                                                                                                                                                                                                                                                                                            |
| t. Integration/merger clause                                              | Section 13.4    | Only the terms of the MUDA are binding (subject to state law). Any representations or promises outside of the disclosure document and MUDA may not be enforceable.                                                                                                                                                                                        |
| u. Dispute resolution by arbitration or mediation                         | Section 12      | Except for certain claims, mandatory mediation before initiating an arbitration proceeding; subject to applicable state law.                                                                                                                                                                                                                              |
| v. Choice of forum                                                        | Section 12.4    | Arbitration must be in the Chicago, Illinois metropolitan area. Litigation must be in any state court of general jurisdiction or a federal court in Illinois (subject to state law).                                                                                                                                                                      |
| w. Choice of law                                                          | Section 12.2    | Except for applicable federal law, Illinois law applies (subject to state law).                                                                                                                                                                                                                                                                           |

## ITEM 18

### PUBLIC FIGURES

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

## ITEM 19

### FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a

franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The information included in this Item 19 contains historical performance results of affiliate-owned and franchised Antioch Pizza Shops for the calendar year ending December 31, 2022. All affiliate-owned outlets are Dine-In Restaurants and all franchised outlets are Dine-In Restaurants except for Outlet E which is a Take-Out/Delivery Restaurant. No data is presented in this Item 19 for an Express Franchise or a Food Truck Franchise since we currently do not have any outlets operating that are an Express Franchise or a Food Truck Franchise.

We are presenting data for both affiliate-owned outlets and franchised outlets on Gross Sales, Cost of Goods Sold and Direct Labor Costs. Those terms are defined for purposes of this Item 19 statement of financial performance representation as follows:

Definitions:

**Gross Sales** as used in this Item 19 means actual gross receipts of every kind and nature from all products sold in or from the outlet or services performed by the outlet, including, without limitation, gross receipts from take-out orders, delivery services, catering services and special events, and excluding only the following: (i) the amount of any sales tax levied upon retail sales which is payable to the appropriate governmental authorities; and (ii) refunds made to customers.

**Cost of Goods Sold** as used in this statement means the cost of all ingredients, food products, beverages, paper products, and cleaning supplies. This includes the cost of ingredients and food products used in providing sample food to prospective customers at no cost, which is a critical element of the Antioch Pizza marketing strategy.

**Direct Labor Costs** as used in this statement is the total of payroll and employment taxes for non-management employees. This does not include compensation for managerial employees. For some outlets, the dollar amount for Direct Labor Costs includes the cost of employee benefits provided, such as health insurance and 401k benefits. Each outlet determines what benefits are provided to employees.

*The rest of this page has been left blank intentionally.*

## AFFILIATE-OWNED OUTLETS

Our two affiliate-owned Antioch Pizza Shops are included in this financial performance representation. No affiliate-owned units were excluded. The first Antioch Pizza Shop™ that our affiliate, Wix Pizza, Inc., owns and operates opened for business in Antioch, Illinois in 1977. The size and location of the Antioch Outlet is typical of a Restaurant located in a densely populated suburb of a large city like Chicago, Illinois. The Antioch Outlet is located on a busy thoroughfare. There are approximately 20 competitive food service businesses within a quarter-mile radius of the Antioch Outlet. The Antioch Outlet operates from a free-standing building that is iconic and easily recognizable.

The second Antioch Pizza Shop™ is located in Woodstock and is owned and operated by our affiliate, K&L Pizza LLC. The Woodstock Outlet opened for business on March 30, 2020.

### GROSS SALES OF AFFILIATE-OWNED OUTLETS IN THE YEAR ENDING DECEMBER 31, 2022

| <b>Affiliate-Owned Outlet</b> | <b>Gross Sales:<br/>1/1/22 –<br/>12/31/22</b> | <b>Cost of<br/>Goods Sold<br/>1/1/22 –<br/>12/31/22</b> | <b>Direct Labor<br/>Costs<br/>1/1/22 –<br/>12/31/22</b> | <b>Years in<br/>Business</b> | <b>Retail Square<br/>Feet</b> | <b>2022<br/>Population:<br/>3-mile radius*</b> | <b>2022<br/>Median<br/>Household<br/>Income:<br/>3-mile<br/>radius*</b> |
|-------------------------------|-----------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|------------------------------|-------------------------------|------------------------------------------------|-------------------------------------------------------------------------|
| Antioch                       | \$2,935,176                                   | \$1,072,544                                             | \$761,926                                               | 45                           | 2,300<br>Free standing        | 24,061                                         | \$87,123                                                                |
| Woodstock                     | \$778,401                                     | \$309,351                                               | \$160,968                                               | 3                            | 3,600<br>Strip mall           | 25,265                                         | \$78,110                                                                |

\*The source of this information is a third-party source Cubit Planning.

## FRANCHISED OUTLETS

The information included in this Item 19 contains performance results of 5 franchised Antioch Pizza Shop™ outlets (“Franchised Outlets”). No franchised outlets were excluded from this data. All outlets included are Dine-In restaurants, except for Outlet E which is a Take-Out/Delivery Restaurant. You should not rely on this data if you are purchasing an Express Franchise or a Food Truck Franchise.

### GROSS SALES OF FRANCHISED OUTLETS IN THE YEAR ENDING DECEMBER 31, 2022

| Franchised Outlet | Gross Sales:<br>1/1/22 – 12/31/22 | Cost of Goods Sold<br>1/1/22 – 12/31/22 | Direct Labor Costs<br>1/1/22 – 12/31/22 | Years in Business | Retail Square Feet and Type of Space | 2022 Population: 3-mile radius* | 2022 Median Household Income: 3-mile radius* |
|-------------------|-----------------------------------|-----------------------------------------|-----------------------------------------|-------------------|--------------------------------------|---------------------------------|----------------------------------------------|
| Outlet A          | \$1,231,714                       | \$470,263                               | \$371,414                               | 7                 | 2,400 Strip mall                     | 39,129                          | \$111,599                                    |
| Outlet B          | \$1,373,894                       | \$568,173                               | \$382,412                               | 5                 | 2,500 Strip mall                     | 10,445                          | \$85,119                                     |
| Outlet C          | \$1,574,373                       | \$607,592                               | \$488,222                               | 4                 | 3,400 Free standing                  | 26,242                          | \$76,800                                     |
| Outlet D          | \$805,956                         | \$324,935                               | \$187,485                               | 2 years, 9 months | 2,500 Strip mall                     | 13,691                          | \$78,167                                     |
| Outlet E          | \$763,148                         | \$296,785                               | \$211,325                               | 2                 | 1,200 Strip mall                     | 19,329                          | \$85,093                                     |

\*The source of this information is a third-party source Cubit Planning.

The Gross Sales information for all Outlets was obtained from reports submitted directly to us through the POS Systems. The data for Cost of Goods Sold and Direct Labor costs were reported to us by each of the outlets. We have not audited the reports or taken any steps to verify the data submitted for accuracy, for purposes of this Item 19, or for any other purpose. You should conduct an independent investigation of the costs and expenses you may incur in operating your Restaurant.

**Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you will sell as much.**

For purposes of this Item 19, "Retail Square Feet" means the total square feet of each of the Outlets; it does not include inventory storage space, office space, restrooms or other similar space that is not used for the purpose of preparing or serving food and beverages or seating.

All Outlets are located on a busy thoroughfare. All of the Franchised Outlets offer essentially the same products and services, face the same kinds of competitive challenges, and receive the same level of support from us that we expect new franchisees will experience.

Your overall results may vary depending on whether your Restaurant is operated in a free-standing location or from a strip-mall location, located at a site surrounded by less density or less traffic, or in a space that does not have ample parking.

Pizza and other casual, quick-service Italian foods are the principal menu items sold by Antioch Pizza Restaurants. The availability of products necessary to make pizza (e.g., Italian meats and cheeses, sauces, various vegetables, etc.) from suppliers throughout the United States and their wholesale cost are determined by market factors (including the supply needs of competitive businesses) over which we have little control. These supply chain issues will impact your operating costs and results during the franchise term.

Written substantiation of the data presented in this financial performance representation will be made available to you upon reasonable request.

Other than as set forth above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company or affiliate-owned or franchised outlets. 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 Arthur Wicklein, 1368 Bayshore Drive, Antioch, Illinois 60002 and (847) 773-0610; the Federal Trade Commission; and the appropriate state regulatory agencies.

*The rest of this page has been left blank intentionally.*

**ITEM 20**

**OUTLETS AND FRANCHISEE INFORMATION**

All numbers appearing in Tables 1 through 5 below are as of December 31 in each year.

**TABLE NO. 1**

**Systemwide Outlet Summary  
For Years 2020 to 2022**

| <b>Column 1<br/>Outlet Type</b> | <b>Column 2<br/>Year</b> | <b>Column 3<br/>Outlets at Start<br/>of the Year</b> | <b>Column 4<br/>Outlets at End of<br/>the Year</b> | <b>Column 5<br/>Net Change</b> |
|---------------------------------|--------------------------|------------------------------------------------------|----------------------------------------------------|--------------------------------|
| Franchised                      | 2020                     | 3                                                    | 4                                                  | +1                             |
|                                 | 2021                     | 4                                                    | 5                                                  | +1                             |
|                                 | 2022                     | 5                                                    | 5                                                  | 0                              |
| Company-Owned                   | 2020                     | 1                                                    | 2                                                  | +1                             |
|                                 | 2021                     | 2                                                    | 2                                                  | 0                              |
|                                 | 2022                     | 2                                                    | 2                                                  | 0                              |
| Total Outlets                   | 2020                     | 4                                                    | 6                                                  | +2                             |
|                                 | 2021                     | 6                                                    | 7                                                  | +1                             |
|                                 | 2022                     | 7                                                    | 7                                                  | 0                              |

**TABLE NO. 2**

**Transfers of Outlets from Franchisees to New Owners  
(other than the Franchisor)  
For Years 2020 to 2022**

| <b>Column 1<br/>State</b> | <b>Column 2<br/>Year</b> | <b>Column 3<br/>Number of Transfers</b> |
|---------------------------|--------------------------|-----------------------------------------|
| Total                     | 2020                     | 0                                       |
|                           | 2021                     | 0                                       |
|                           | 2022                     | 0                                       |

**TABLE NO. 3**  
**Status of Franchised Outlets**  
**For Years 2020 to 2022**

| Column 1<br><br>State | Column 2<br><br>Year | Column 3<br><br>Outlets<br>at<br>Start of<br>Year | Column 4<br><br>Outlets<br>Opened | Column 5<br><br>Terminations | Column 6<br><br>Non-<br>Renewals | Column 7<br><br>Reacquired<br>by<br>Franchisor | Column 8<br><br>Ceased<br>Operations<br>-Other<br>Reasons | Column 9<br><br>Outlets<br>at<br>End of<br>the<br>Year |
|-----------------------|----------------------|---------------------------------------------------|-----------------------------------|------------------------------|----------------------------------|------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------|
| Illinois              | 2020                 | 2                                                 | 0                                 | 0                            | 0                                | 0                                              | 0                                                         | 2                                                      |
|                       | 2021                 | 2                                                 | 1                                 | 0                            | 0                                | 0                                              | 0                                                         | 3                                                      |
|                       | 2022                 | 3                                                 | 0                                 | 0                            | 0                                | 0                                              | 0                                                         | 3                                                      |
| Wisconsin             | 2020                 | 1                                                 | 1                                 | 0                            | 0                                | 0                                              | 0                                                         | 2                                                      |
|                       | 2021                 | 2                                                 | 0                                 | 0                            | 0                                | 0                                              | 0                                                         | 2                                                      |
|                       | 2022                 | 2                                                 | 0                                 | 0                            | 0                                | 0                                              | 0                                                         | 2                                                      |
| Total                 | 2020                 | 3                                                 | 1                                 | 0                            | 0                                | 0                                              | 0                                                         | 4                                                      |
|                       | 2021                 | 4                                                 | 1                                 | 0                            | 0                                | 0                                              | 0                                                         | 5                                                      |
|                       | 2022                 | 5                                                 | 0                                 | 0                            | 0                                | 0                                              | 0                                                         | 5                                                      |

*The rest of this page has been left blank intentionally.*

**TABLE NO. 4**  
**Status of Affiliate-Owned Outlets**  
**For Years 2020 to 2022**

| Column 1<br>State | Column 2<br>Year | Column 3<br>Outlets at<br>Start of<br>Year | Column 4<br>Outlets<br>Opened | Column 5<br>Outlets<br>Reacquired<br>from<br>Franchisee | Column 6<br>Outlets<br>Closed | Column 7<br>Outlets<br>Sold to<br>Franchisee | Column 8<br>Outlets at<br>End of<br>the Year |
|-------------------|------------------|--------------------------------------------|-------------------------------|---------------------------------------------------------|-------------------------------|----------------------------------------------|----------------------------------------------|
| Illinois          | 2020             | 1                                          | 1                             | 0                                                       | 0                             | 0                                            | 2                                            |
|                   | 2021             | 2                                          | 0                             | 0                                                       | 0                             | 0                                            | 2                                            |
|                   | 2022             | 2                                          | 0                             | 0                                                       | 0                             | 0                                            | 2                                            |
| Total             | 2020             | 1                                          | 1                             | 0                                                       | 0                             | 0                                            | 2                                            |
|                   | 2021             | 2                                          | 0                             | 0                                                       | 0                             | 0                                            | 2                                            |
|                   | 2022             | 2                                          | 0                             | 0                                                       | 0                             | 0                                            | 2                                            |

**TABLE NO. 5**  
**Projected Openings**  
**As of December 31, 2022**

| State     | Franchise Agreements<br>Signed but Outlet<br>Not Opened | Projected New<br>Franchised Outlets in<br>the Next Fiscal Year | Projected New<br>Company-Owned<br>Outlets in the Next<br>Fiscal Year |
|-----------|---------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------|
| Florida   | 0                                                       | 3                                                              | 0                                                                    |
| Illinois  | 1                                                       | 1                                                              | 0                                                                    |
| Wisconsin | 0                                                       | 1                                                              | 0                                                                    |
| Total     | 0                                                       | 5                                                              | 0                                                                    |

A list of the names of all franchisees and the addresses and telephone numbers of their Restaurants as of December 31, 2022 is attached to this Disclosure Document as Exhibit F.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had an Antioch Pizza Shop franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the

Franchise Agreement as of December 31, 2022 or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document is included in Exhibit F. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We are offering the Multi-Unit Development Agreement for the first time under this Franchise Disclosure Document so we currently to not have any Multi-Unit Developers.

During the last 3 years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as franchisees in our system. There are no trademark specific franchisee organizations associated with the franchise system being offered.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Attached as Exhibit D to this Franchise Disclosure Document are (i) our audited balance sheets as of December 31, 2022, December 31, 2021, and December 31, 2020, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended.

## **ITEM 22**

### **CONTRACTS**

Attached are copies of the following agreements proposed for use in this state:

- Exhibit A: Franchise Agreement with the following exhibits:
  - Exhibit A - Protected Area and Location of Restaurant
  - Exhibit B - Spousal Consent
  - Exhibit C - Information Regarding Non-Individual Franchisees
  - Exhibit D - Guaranty and Assumption of Franchisee's Obligations
  - Exhibit E – Conditional Assignment of Telephone Numbers and Social Media Accounts
  - Exhibit F – Electronic Funds Transfer Authorization

If you are purchasing an Express Franchise, you will sign the Express Franchise Addendum to Franchise Agreement that is attached at Exhibit H along with the Franchise Agreement. If you are purchasing a Food Truck franchise, you will sign the Food Truck Franchise Addendum to Franchise Agreement that is attached at Exhibit I along with the Franchise Agreement.

If you are a Developer, you will sign the Multi-Unit Development Agreement at Exhibit C. If you enter into the financing arrangement described in Item 10, you and your franchisee entity would enter into joint venture agreement with the Investor. A sample joint venture agreement is attached at Exhibit G.

We include certain acknowledgements in Section 31 of the Franchise Agreement that you must sign.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming any reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **ITEM 23**

### **RECEIPT**

Attached to the end of this Franchise Disclosure Document, following the Exhibits, is a receipt. Please sign it, date it as of the date you receive the Franchise Disclosure Document and return it to us. A duplicate of the receipt is attached for your records.

**EXHIBIT A**  
**FRANCHISE AGREEMENT**  
(Attached).



**WIX FRANCHISE, INC.**

**FRANCHISE AGREEMENT**

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## **EXHIBITS**

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| <b>Exhibit F</b> | <b>Conditional Assignment of Telephone Numbers and Social Media Accounts</b> |

## Antioch Pizza Shop™

### FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is entered into by and between Wix Franchise, Inc., an Illinois corporation ("**Franchisor**"), with a business address at 1368 Bayshore Drive, Antioch, Illinois 60002, and \_\_\_\_\_, a \_\_\_\_\_, with a business address at \_\_\_\_\_ ("**Franchisee**").

### RECITALS

A. Franchisor has established a method and system for the development and operation of Antioch Pizza Shop™ restaurants (each, a "**Restaurant**"), which includes, without limitation: the mark Antioch Pizza Shop™, and related names, trademarks, service marks, logos, copyrights, designs, emblems, slogans, commercial symbols and other indicia and associated goodwill now or hereafter designated for use by Franchisor in connection with the System and any and all revisions, modifications and additions thereto, whether or not recorded or registered with the United States Patent and Trademark Office or any other local, state, federal or foreign agency, registrar or body (the "**Marks**"); distinctive building designs, decor, color schemes and trade dress and signage; an operations manual incorporating required standards, procedures, policies, and techniques; secret food recipes; and advertising, marketing, and promotional programs (the "**System**").

B. Franchisor desires to grant to Franchisee, and Franchisee desires to obtain from Franchisor, the right to establish and operate a single Restaurant using the Marks in accordance with the System.

NOW, THEREFORE, in consideration of these premises, the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, the parties agree as follows:

#### 1. GRANT OF FRANCHISE

Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee a license to use the Marks and the System solely in the operation of a Restaurant at one (1) location (the "**Franchise**"). Franchisee acknowledges that adherence to the standards and policies of the System is essential for the continued operation of the Franchise granted by this Agreement.

#### 2. LOCATION

(a) Location. The location for the Restaurant is set forth in **Exhibit A** attached hereto and incorporated by this reference. If the location of the Restaurant has not been determined at the time Franchisee and Franchisor sign this Agreement, then it shall be determined as provided in Section 3 below.

(b) Protected Area. Provided that Franchisee is in compliance with this Agreement, Franchisor shall not open and operate, or franchise another party to open and operate, a Restaurant utilizing the Marks and the System in the area described in **Exhibit A** and identified therein as the protected area (the "**Protected Area**"). Franchisee acknowledges and agrees that

the Protected Area is not an exclusive territory; the Protected Territory is subject to Franchisor's reservation of rights, set forth below in Section 2(c).

(c) Franchisor's Reservation of Rights. Subject to Section 2(b) above, Franchisor reserves all rights not specifically granted to Franchisee hereunder. Franchisor further reserves the right:

(i) to conduct businesses under different Marks and System within and outside the Protected Area;

(ii) to conduct businesses using the Marks and the System in non-conventional forums within and outside the Protected Area. For example, Franchisor reserves the right to open and operate or authorize others to open and operate a restaurant using the Marks and the System in shopping malls (100,000 square feet or larger), airports, train stations, hotels and resorts, casinos, military bases, federal lands, university campuses and other similar non-conventional forums.

(iii) to offer Catering Services within the Protected Area if you choose to not offer such services and/or your right to offer Catering Services has been revoked by us pursuant to Section 2(d) herein.

(iv) to use the Marks, and license to others the right to use the Marks, for purposes other than operating a full-service restaurant and for the purpose of conducting commerce over the Internet and other means of electronic commerce as may in the future be developed, and Franchisee has no right to do so except as may be specifically permitted hereunder.

(v) Franchisor shall not be required to compensate Franchisee in connection with its exercise of any of its reserved rights described in (i) or (ii) above.

(d) Delivery and Catering Services. Franchisor hereby approves Franchisee to offer delivery from the Restaurant ("**Delivery Services**") and to offer catering services from the Restaurant ("**Catering Services**") in compliance with applicable law. All Delivery Services and Catering Services must comply with Franchisor's standards, policies and requirements set forth in the Operations Manual, or otherwise in writing by Franchisor, including the areas within which the Delivery Services and Catering Services can take place, the usage of thermal bags or other storage devices Franchisor may designate, providing a reasonable amount of additional condiments, napkins and utensils as deemed appropriate, and ensuring the food safety, quality and temperature maintenance of food and beverage products. Franchisor may withdraw its approval for Franchisee to offer Delivery Services and/or Catering Services upon prior written notice if Franchisee fails to comply with this Agreement or Franchisor's standards, policies and requirements relating to Delivery Services and/or Catering Services.

### **3. SITE SELECTION AND OPENING**

(a) Site Selection. Franchisee agrees and acknowledges that Franchisee is responsible for locating, obtaining financing for, securing appropriate zoning and permits for and equipping the site for the Restaurant, though Franchisor may assist with site selection in its sole and exclusive discretion. Franchisee shall provide Franchisor with all relevant information concerning the proposed site including the general location, neighborhood and zoning of the site, demographic information about the surrounding area including population density, occupancy

costs, locations of any similar or complementary businesses and potential for encroachment, proximity to major retail activity, traffic volume, speed and flow, parking, rent, size, layout and such other information as Franchisor may require. Franchisor will approve or disapprove of the proposed site within six (6) months after it receives notice of the proposed site and all relevant information thereon from Franchisee. Franchisee must obtain Franchisor's consent to a site for the Restaurant Business within nine (9) months after execution of this Agreement. Notwithstanding anything to contrary contained herein, failure to so obtain Franchisor's consent shall constitute a non-curable event of default for which Franchisor may terminate this Agreement upon notice to Franchisee.

(b) Lease. Franchisee shall not sign a lease or contract for the Restaurant without first receiving Franchisor's prior written consent to the location. Franchisee shall fully perform all obligations to be performed by Franchisee under the lease or other contract and shall immediately upon receipt of any notice of violation from the lessor or other party to the contract deliver a copy of such notice to Franchisor together with a statement of the steps proposed to be taken by Franchisee in response to the notice. The lease or contract must contain such additional terms and conditions as Franchisor may require to provide for the protection of Franchisor's rights and interests, including but not limited to a conditional lease assignment in a form acceptable to Franchisor, and including the following:

(i) the absolute and unconditional right of Franchisee to assign its interest in the lease to Franchisor or Franchisor's nominee at any time without the consent of the landlord and without rent increase or penalty;

(ii) the landlord's acknowledgment that Franchisee shall not assign or transfer the lease or any of its rights thereunder or grant any sublease thereunder without the prior written consent of Franchisor;

(iii) the landlord's consent to Franchisee's use of such signage as Franchisor may require;

(iv) the obligation of the landlord to notify Franchisor in writing of any default by Franchisee of any of the terms and conditions of the lease;

(v) that no amendment, addition, or other modification or change be made to the lease without obtaining the prior written consent of Franchisor;

(vi) that upon expiration or termination for any reason of the Agreement, Franchisee's rights under the lease shall, at the option of Franchisor, be transferred and assigned to Franchisor or its nominee without rent increase or penalty immediately upon notice by Franchisor;

(vii) Franchisee's acknowledgment that the landlord may rely upon such notice and shall not be required to inquire into the due execution of such notice or the accuracy of the statements set forth in such notice;

(viii) that such notice shall, without further act or formality, operate as an effective assignment of Franchisee's rights under the lease to Franchisor or its nominee without rent increase or penalty, and the assumption by Franchisor or its nominee of the covenants required to be observed or performed by Franchisee under the lease; provided, however, that landlord agrees and acknowledges that Franchisor and its nominee, if any, shall not assume, and

shall have no obligation to the landlord with respect to, any liabilities arising from or relating to Franchisee's actions, failure to act or defaults prior to the assignment of the lease;

(ix) Franchisee's acknowledgment that the landlord shall, upon the written request of Franchisor, disclose to Franchisor all reports, information or data in the landlord's possession respecting sales made in, upon or from the demised premises;

(x) the landlord's acknowledgment that this Agreement contains a right on the part of Franchisor, in the event of expiration or termination of the Agreement for any reason whatsoever, to enter the premises and to make any alterations in the exterior or interior decor and signage as Franchisor deems necessary to remove its identification with Franchisor as required by this Agreement and, in the event of the exercise by Franchisor of such right, the landlord further acknowledges that such re-entry by Franchisor shall not constitute an assignment of the lease nor a subletting of the demised premises; and

(xi) that Franchisor shall be a third-party beneficiary under the lease.

(xii) Franchisee shall be responsible for all costs associated with the negotiation of the lease. All amounts spent by Franchisor to cure any breach by Franchisee of the lease for the Restaurant shall be due Franchisor from Franchisee upon Franchisor's written demand.

(c) Site Development. Franchisee shall develop the site and construct or remodel and equip the Restaurant, all in accordance with Franchisor's requirements. Franchisee shall be solely responsible for obtaining the architectural plans for the Restaurant. The architectural plans are subject to Franchisor's prior written approval. All signage at the Restaurant site shall conform to Franchisor's specifications. Franchisee shall also provide Franchisor with written specifications for the construction, equipping and fixturing of the Restaurant in the form of renderings. Franchisor may, in its sole discretion, provide advisory assistance in determining the details of appropriate construction, equipping and fixturing of the site, at Franchisee's sole expense.

(d) Construction Standards. Franchisee shall be responsible for the establishment and completion of the Restaurant, including construction or remodeling and equipment installation. Franchisee agrees that in constructing or remodeling the Restaurant, it shall secure all necessary permits and adhere to the plan, design, color scheme and motif of System restaurants as specified by Franchisor, and any changes to the standard plans and specifications, if necessary to meet the requirements of applicable codes and regulations will be subject to Franchisor's prior review and consent. Franchisee shall submit all plans and specifications to Franchisor for review prior to submitting them to regulatory authorities for approval and shall not submit plans to any regulatory authority or proceed with construction until Franchisor's written consent is obtained. Franchisor may, in its sole discretion, provide advisory assistance regarding your plans and specifications, at Franchisee's sole expense.

(e) Fixture and Equipment Standards. Franchisee shall lease or purchase all fixtures and equipment designated by Franchisor, whether such fixtures are required to be leased and purchased from Franchisor or a third party supplier authorized by Franchisor, and shall install, or have installed, in the Restaurant all such fixtures and equipment. All fixtures, furnishings, color schemes, machinery, equipment, and accessories shall conform to specifications of design, color, quality, performance, and utility designated and approved by Franchisor.

(f) Sign Standards. Franchisee shall prominently display and maintain in good appearance and condition on the Restaurant all System signs of such nature, form, color,

illumination, and size, and containing such legends and symbols as Franchisor may require from time to time. Franchisee shall not display at the Restaurant any signs to which Franchisor objects.

(g) Opening. Franchisee shall not open the Restaurant until Franchisor has given its approval in writing. Franchisor may require that Franchisor or its representative conduct an on-site inspection prior to giving its approval. Franchisee shall open the Restaurant for business, fully stocked and staffed, within twelve (12) months of the Effective Date hereof, failure of which shall be cause for immediate termination upon written notice.

(h) Relocation. Franchisee may not relocate the Restaurant, or open additional locations, without Franchisor's prior written consent. Upon approval of Franchisee's request to relocate the Restaurant, Franchisee shall pay to Franchisor a relocation fee equal to Five Thousand Dollars (\$5,000).

FRANCHISEE ACKNOWLEDGES THAT ALTHOUGH FRANCHISOR MAY HAVE BEEN INVOLVED IN THE SITE SELECTION PROCESS AND IN SITE DEVELOPMENT AND MAY HAVE REVIEWED INFORMATION ON THE SITE, THE LEASE, AND OTHER ASPECTS OF THE DEVELOPMENT OF THE RESTAURANT, FRANCHISOR MAKES NO WARRANTY, REPRESENTATION OR GUARANTY OF ANY KIND WITH RESPECT TO THE LOCATION, THE LEASE, OR THE SUCCESS OR PROFITABILITY OF THE BUSINESS TO BE OPERATED AT SUCH LOCATION.

#### **4. TERM OF AGREEMENT**

This term of this Agreement shall commence on the date it is signed by Franchisor and shall continue for a period of ten (10) years, subject to earlier termination as provided herein. The term of the lease or other contracts (including options) Franchisee enters into for the location of the Restaurant shall be for such period of time. If Franchisee is acquiring an existing Antioch Pizza Shop™ restaurant, the term of this Agreement shall be the shorter of: (a) the remaining term of the transferor's franchise agreement; or (b) the remaining term of the existing lease (including options) for the Restaurant, whichever is shorter.

#### **5. RENEWAL OF FRANCHISE**

Franchisee may renew its right to operate the Restaurant for one (1) additional, consecutive period of ten (10) years, provided that all of the following conditions are satisfied prior to the end of the initial term:

(a) Written Notice. Franchisee gives Franchisor written notice of its election to renew not less than twelve (12) months prior to the expiration of the term;

(b) No Default. Franchisee, when notice is given and at the time of renewal, is not in default of any material provision of either this Agreement or any other agreement between Franchisee and Franchisor or their affiliates;

(c) No Monetary Obligations Outstanding. All monetary obligations owed by Franchisee to Franchisor or its affiliate have been satisfied prior to renewal;

(d) Renewal Fee. Franchisee shall pay Franchisor an amount equal to Fifteen Percent (15%) of the then current initial franchise fee as a renewal fee, which fee shall be paid to Franchisor ninety (90) days before the expiration of the term;

(e) General Release. Franchisee must execute and deliver a general release of Franchisor and its affiliates, officers, directors, shareholders, employees, agents and representatives in a form acceptable to Franchisor;

(f) Lease. Franchisee furnishes Franchisor with a copy of a lease for the Restaurant premises indicating that Franchisee has the right to the premises for the renewal term;

(g) Updates. The Restaurant must meet Franchisor's then-current requirements or Franchisee must make all expenditures necessary to update the Restaurant to meet those requirements;

(h) Re-Training. Franchisee or the Manager, if applicable, and those of Franchisee's other personnel as Franchisor deems necessary shall have successfully completed any retraining or refresher training course Franchisor may require;

(i) Current Agreement. Franchisee shall sign Franchisor's then-current form of Agreement for a ten (10) year term. Franchisee acknowledges that the then-current form of Agreement may contain terms that are materially different from those set forth in this Agreement; and

(j) No Repeated Defaults. Franchisee shall not have, during the term of this Agreement or the preceding renewal term, received three (3) or more notices of default in any twenty-four (24) month period.

Franchisee shall have no right to renew this Agreement if Franchisee fails to comply with each and every condition set forth above in a timely manner or if Franchisee fails to return to Franchisor any documents within thirty (30) days after Franchisor has delivered them to Franchisee.

## 6. FEES

(a) Initial Franchise Fee. Franchisee shall pay to Franchisor an initial franchise fee of Forty Thousand Dollars (\$40,000). The initial franchise fee is due in full upon execution of this Agreement and is nonrefundable.

(b) Royalty Fee. Franchisee shall pay to Franchisor, commencing on the date the Restaurant opens, a fee equal to five percent (5%) of the Gross Revenues generated by the Restaurant (the "**Royalty Fee**"). "**Gross Revenues**" means the entire gross receipts of every kind and nature from all products sold in or from the Restaurant or services performed by Franchisee including, without limitation, gross receipts from take-out orders, Delivery Services, Catering Services and special events, without reserve or deduction for inability or failure to collect and excluding only the following: (i) the amount of any sales tax levied upon retail sales which is payable to the appropriate governmental authorities (and subsequently actually paid to such authorities); and (ii) refunds made in good faith to customers in accordance with Franchisor's policies.

(c) Marketing Services Fee. Commencing on the date the Restaurant opens through the remainder of the term of this Agreement, Franchisee shall pay to Franchisor a contribution toward Franchisor's marketing expenditures for the System equal to one percent (1%) of the Gross Revenues generated by the Restaurant (the "**Marketing Services Fee**").

(d) Due Date. Franchisee shall pay the Royalty Fee and Marketing Services Fee on a monthly basis on the seventh (7<sup>th</sup>) day of each calendar month with respect to the immediately preceding calendar month. Payments shall be made by electronic funds transfer, and Franchisee shall execute the Exhibit E Electronic Funds Transfer Authorization attached hereto, and deliver such other instruments as are necessary and appropriate to effectuate such transfers. Franchisor shall have the right to vary the frequency of the due date (e.g., from monthly to weekly) and the method of payment from time to time. Royalty Fees and Marketing Services Fees are non-refundable.

(e) Nonpayment. If Franchisor does not receive Franchisee's Royalty Fee, Marketing Services Fee or any other payment hereunder by the dates they are due, Franchisee acknowledges that, in addition to exercising all other rights and remedies that Franchisor has, Franchisor may terminate this Agreement upon notice to Franchisee.

(f) Charge on Late Payments. In addition to all other rights and remedies that accrue to Franchisor, late or overdue payments shall bear interest after the due date at the rate of the lesser of ten percent (10%) per annum or the highest applicable rate allowed by law. Franchisee acknowledges that this provision does not constitute agreement by Franchisor to accept such payments after they are due or a commitment to extend credit to, or otherwise finance such amounts.

(g) No Withholding of Payment. Franchisee agrees that Franchisee will not, on the grounds of the alleged nonperformance by Franchisor of any of its obligations hereunder or for any other reason whatsoever, withhold payment of any amounts due, nor shall Franchisee have any right of offset.

(h) Application of Payments; Right of Offset. Notwithstanding any designation by Franchisee, Franchisor shall have discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee. In addition, Franchisor shall have the right to offset any amounts due to it or its affiliates against any amounts to be paid to Franchisee.

## **7. DUTIES OF FRANCHISOR**

### **(a) Training and Support.**

(i) Initial Training. Prior to the opening of the Restaurant, Franchisee and if applicable the Manager (defined below) shall successfully complete Franchisor's initial training. Initial training shall be conducted at Franchisor's Antioch, Illinois location, and shall include training through manuals, classroom training and other classes as required and presented by Franchisor. The length of the initial training shall be dependent upon the type of franchise that Franchisee purchases and the prior relevant experience of the persons attending the initial training and shall be determined by Franchisor in its discretion.

(ii) Evaluation. Franchisor shall have the right, during the initial training program, to further evaluate a Franchisee's fitness to operate the Restaurant under this Agreement. In the event Franchisee or its Manager fails to successfully complete the initial training program to Franchisor's satisfaction, Franchisor shall have the right to terminate this Agreement upon notice to Franchisee.

(iii) Training Fees. Franchisee shall not be charged a fee for initial training for two (2) persons, provided one of them is the principal of Franchisee and the other is a designated

Manager. Franchisor may charge a fee to provide initial training to additional persons, whether Managers or otherwise.

(iv) On-Site Opening Assistance. Around the time of the opening of the Restaurant, Franchisor will send one or more representatives to your Restaurant for up to three (3) weeks to provide on-site opening assistance and additional training. Franchisor, in its discretion, will determine when the on-site assistance and training will take place and how long it will last.

(v) Additional Training. Franchisor may require Franchisee, the Manager and other personnel to attend refresher and additional training courses from time to time and Franchisee acknowledges that Franchisee is responsible for the cost of any materials and expenses incident to such training courses. Currently the fee for additional training is Five Hundred Dollars (\$500) per person per day. This does not include travel or other expenses, which shall be borne by Franchisee. Franchisor reserves the right to adjust additional training fees from time to time in its discretion.

(vi) Franchise Conference. If Franchisor holds a Franchise Conference for franchisees, Franchisee must attend the Franchise Conference each time it is held during the term of this Agreement. Franchisor may charge a registration fee for the Franchise Conference based on the cost to hold the conference. The Franchise Conference fee shall be payable by Franchisee whether or not Franchisee attends the conference. Franchisee shall be responsible for all travel expenses incurred by Franchisee or its Managers in attending the Franchise Conference. This provision shall not obligate Franchisor to hold a Franchise Conference.

(vii) Expenses. Franchisee shall be responsible for all salaries, travel and living expenses, if any, that Franchisee, its Manager and other personnel may incur in connection with initial, refresher or additional training.

(b) Operations Manual. Franchisor will lend to Franchisee for use during the term of this Agreement a hard-copy and/or electronic copy of Franchisor's proprietary and confidential operations manual which Franchisor may amend from time to time in its discretion, containing mandatory specifications, standards, operating procedures and rules for the System (the "**Operations Manual**"). All such specifications, standards, operating procedures and rules prescribed from time to time in the Operations Manual, or otherwise communicated to Franchisee in writing, shall constitute requirements of Franchisee under this Agreement and shall be kept confidential by Franchisee. Franchisee will not at any time copy any part of these materials, disclose any information contained in them to others or permit others access to them. Franchisee acknowledges and agrees that the Operations Manual may be modified from time to time to reflect changes in the System; provided, however, that no such modification shall alter Franchisee's fundamental status and rights under this Agreement. All modifications to the Operations Manual shall be binding upon Franchisee upon being delivered to Franchisee. Franchisee agrees to accept, implement and adopt any such modifications at Franchisee's own cost. The Operations Manual will contain proprietary information belonging to Franchisor and Franchisee acknowledges that the Operations Manual is, and shall remain, the property of Franchisor. Franchisee shall promptly return the Operations Manual to Franchisor upon termination or expiration of this Agreement. As may be applicable to Franchisee, all references herein to the Agreement shall include the provisions of the Operations Manual and all such mandatory specifications, standards, procedures and rules, and such additions and modifications thereto. Franchisee understands and agrees that it is of substantial value to Franchisor and other franchisees of Franchisor, as well as to Franchisee, that the System establish and maintain a

common identity. Nothing contained in the Operations Manual shall constitute or be construed as obligations of Franchisor. Franchisee agrees and acknowledges that full compliance with each and every detail of the System and the Operations Manual is essential to preserve, maintain and enhance the reputation, trade demand and goodwill of the System and the Marks and that failure of Franchisee to operate the Restaurant in accordance with the System and the Operations Manual can cause damage to all of the other parties described above, as well as to Franchisee. Consistent with the goals of the System, Franchisee shall be exclusively responsible for the day-to-day operation of the Restaurant and Franchisee's business.

(c) Advice and Consultation. Franchisor shall advise and consult with Franchisee periodically in connection with the development and operation of the Restaurant and assist Franchisee to resolve any logistical operating problems that may arise. Franchisor shall communicate to Franchisee its know-how, new developments, techniques, and improvements in restaurant management, food preparation, and services which are pertinent to the operation of the Restaurant in accordance with the System, all subject to Franchisee's obligation to maintain in confidence such information as would not ordinarily be disclosed.

(d) Pricing. At all relevant times, subject to Franchisor's recommendations, Franchisee shall have the sole and exclusive right to establish the retail price for each item sold by the Restaurant, which price may increase and/or decrease from time to time.

## **8. MARKETING**

(a) Marketing Services Fund. Franchisor shall establish an advertising and marketing fund. Franchisee agrees and acknowledges that the Marketing Services Fee may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds and may be deemed an asset of Franchisor. Franchisor may administratively segregate the Marketing Services Fund on its books and records. Franchisor will use the Marketing Services Fund for the purpose of promoting the System as a whole and increasing the goodwill of the Marks. Franchisor will conduct such advertising and marketing and promotional programs for the System and its services as Franchisor deems desirable to promote and enhance the reputation of the System, including, without limitation, producing materials for use in connection with such advertising and marketing, media placement, including social media, and promotional programs which may include donations and food giveaways. Franchisee understands, acknowledges and agrees that all decisions regarding advertising and marketing, including without limitation the type, quantity, timing, placement and choice of media, market areas and advertising agencies shall be made by Franchisor and shall be final and binding. Franchisee agrees and acknowledges that all costs of the formulation, development and production of any advertising and promotion (including without limitation the proportionate compensation of Franchisor's employees who devote time and render services in connection with such advertising and promotional programs or the administration, accounting and collection of the Marketing Services Fees) will be paid from the Marketing Services Fund. Franchisor does not have any obligation to make expenditures that are proportionate or equivalent to Franchisee's Marketing Services Fees in the market area of the Protected Area, nor does Franchisor represent that Franchisee will benefit directly or proportionally from the placement of advertising.

(b) Franchisee Website. Franchisor reserves the right to require Franchisee to establish and operate a website that meets Franchisor's specifications and which may be linked to Franchisor's website; in the absence of such a written directive, Franchisee shall not operate a website relating to the Restaurant or the System.

(c) Approval of Advertising. All advertising copy and other materials Franchisee proposes to use shall be in strict accordance and conformity with the standards, formats and specimens set forth in the Operations Manual. Franchisee shall submit the proposed advertising material to Franchisor in advance of publication and shall use only such advertising copy and materials as have been approved in writing by Franchisor. Franchisee agrees and acknowledges that the copyright for any advertising or other materials that Franchisee develops for the Restaurant shall automatically be assigned to Franchisor without any further action by the parties required.

(d) Pre-Opening Advertising. Franchisee acknowledges and agrees that adequate pre-opening advertising is essential to the success of the Restaurant and agrees to conduct such local advertising at its sole expense in connection with the opening of the Restaurant in accordance with Franchisor's directions and assistance.

(e) Local Advertising. In addition to Marketing Services Fees and conducting pre-opening advertising, Franchisee shall allocate and spend at least one percent (1%) of Gross Revenues every month on local advertising and marketing for the Restaurant (the "**Local Marketing Expenditure**"). Proof of Local Marketing Expenditures shall be submitted to Franchisor quarterly in arrears. Local marketing content shall be submitted to Franchisor for review and approval in accordance with Section 8(c) above.

(f) Advertising Cooperatives. Franchisor reserves the right to require Franchisee to participate in local and/or regional advertising cooperatives.

(g) Promotional Programs. From time to time as part of the advertising and promotional activities conducted by Franchisor, Franchisor may institute discount programs, coupons, gift cards, gift certificates, customer loyalty or retention or other special promotional programs. Franchisee agrees to accept such promotional programs and to redeem them in accordance with Franchisor's policies then in effect and to participate in such discount programs, as the same may be incorporated in the Operations Manual.

(h) No Fiduciary Duty. Nothing in this Section or anywhere in this Agreement creates a fiduciary relationship between the parties, nor shall anything herein be deemed to create any trust duties between the parties. No covenant shall be implied to vary or interpret the terms of this provision.

## 9. DUTIES OF FRANCHISEE

In addition to its duties as set forth elsewhere in this Agreement, Franchisee agrees to perform the following:

(a) Inventory and Supply Specifications. To promote uniformity and quality, and to protect the integrity of the Marks, Franchisee agrees to the following restrictions regarding inventory, supplies and products, as follows:

(i) Proprietary Products. Franchisor has developed certain ingredients, products, equipment and merchandise using or incorporating secret recipes or other trade secrets or information (the "**Proprietary Products**"). For example, these products may consist of pizza dough and sauces, hand-made sandwiches, desserts and additional food items, dough rollers, cheese graters and other equipment, cookbooks and other promotional products, and shall include those developed in the future and authorized for use in Antioch Pizza Shop™ restaurants.

Franchisee agrees to purchase all Proprietary Products only from Franchisor, or a supplier designated by Franchisor, and in no event will Franchisee alter or attempt to substitute any other product for any Proprietary Product. Franchisee will only use or distribute Proprietary Products in connection with the operation of the Restaurant and any other franchise which Franchisor may grant to Franchisee. Franchisor expressly reserves the right to designate suppliers, or itself to be the sole supplier, of all or any of the Proprietary Products.

(ii) Advertising and Materials or Supplies Using the Marks. In the dispensing and sale of food products, and in displaying products and merchandise to be sold by Franchisee, all articles such as containers, cartons, bags, menus, napkins and other paper goods, packaging, point of sale advertising and promotional materials and products, shall be subject to approval by Franchisor as to quality and design and shall bear trademarks, logos and/or slogans approved by Franchisor.

(iii) All Other Products, Inventory or Supplies. Franchisor will from time to time establish and publish reasonable specifications for the types of products, inventory and supplies authorized for use in connection with the operation of the Restaurant. Franchisee must purchase products, inventory and supplies that meet Franchisor's specifications from Franchisor or suppliers approved by Franchisor. Franchisor may, in its sole discretion, approve suppliers selected by Franchisee provided the following conditions are first met:

(A) Franchisee shall submit a written request to Franchisor for approval of the supplier and pay Franchisor an evaluation fee upon receipt of invoice therefor as compensation for Franchisor's investigation and sampling of Franchisee's proposed supplier;

(B) The supplier shall demonstrate to Franchisor's satisfaction that it is able to supply an item to Franchisee meeting Franchisor's specifications for such item, including but not limited to, providing Franchisor with samples and the opportunity to inspect its facilities from time to time;

(C) The supplier shall demonstrate to Franchisor's satisfaction that the supplier is of good standing in the business community with respect to its financial soundness and the reliability of its product and service;

(D) The supplier shall obtain, maintain and submit to Franchisor proof of, sufficient insurance coverage (including, but not limited to, product liability coverage) at limits and including coverage acceptable to Franchisor, and include Franchisor and Franchisee as additional named insureds with the right to receive at least thirty (30) days' prior written notice of any modification, cancellation or termination of such policy; and

(E) In the event the item to be supplied is required to bear one of the Marks, such supplier must execute a license agreement (which may include a royalty payment) in a form acceptable to Franchisor.

Until and unless Franchisor notifies Franchisee in writing that it has approved a supplier, Franchisee must continue to purchase from previously approved suppliers. If Franchisor determines that a previously approved supplier no longer conforms to such standards, it shall so notify Franchisee and Franchisee shall thereupon discontinue making purchases from supplier.

(b) Confidential Information and Operations. Franchisee acknowledges that the information contained in the Operations Manual, in training materials and all other materials and

information that make up the Systems constitutes confidential and trade secret information. Additionally, Franchisor may provide Franchisee with other information which has been designated by Franchisor as "Confidential," "Trade Secret," or "Proprietary Information." Without the prior written consent of Franchisor, Franchisee shall neither disclose the contents of the Operations Manual to any person, except employees of Franchisee for purposes related solely to the operation of the Restaurant, nor reprint or reproduce the Operations Manual, or any other confidential or proprietary information or trade secrets in whole or in part for any purposes. Upon request by Franchisor, Franchisee shall obtain agreements from its personnel prohibiting disclosure of any trade secret or proprietary information.

(c) Operation of Restaurant.

(i) Operation of Restaurant Facility. Franchisee shall participate in the operation and management of the Restaurant (personally or through a manager approved by Franchisor who has completed the initial training program to Franchisor's satisfaction (the "**Manager**")) and shall diligently devote Franchisee's best efforts to the operation and management so as to maximize sales and profits, keeping free from conflicting enterprises or any other activities which would be detrimental to or interfere with such operation or management. The Restaurant must be directly operated by Franchisee or by the Manager. Franchisee shall operate and maintain the Restaurant only at the location designated herein and only in accordance with the business standards, procedures, policies, and techniques comprising the System as specified in the Operations Manual. In particular, and not in limitation of the foregoing, Franchisee shall participate in all customer loyalty and similar programs required by Franchisor. Franchisee acknowledges and agrees that such participation may involve accepting coupons issued to customers and discounting product prices. Franchisee shall conspicuously post at the Restaurant a notice to the effect that the Restaurant is a franchised business operated independently of Franchisor.

(ii) Menu. Menu items offered for sale at and from the Restaurant are essential components of the System and shall be specified by Franchisor in its sole discretion, from time to time, in its Operations Manual. Franchisee shall offer for sale all mandatory menu items and shall not offer for sale menu items which are not so specified by Franchisor as mandatory or optional. Franchisee may at its option offer for sale or sell beer and/or wine at and from the Restaurant, subject to Franchisee's compliance with any applicable liquor laws, permits and licensing requirements.

(d) Sanitation and Maintenance Standards. At its sole expense, Franchisee shall at all times maintain the interior and exterior of the Restaurant premises, including all of the fixtures, signs, and equipment, in a first-class, good, clean, attractive, and safe condition and repair and, operate at all times in accordance with at minimum the highest health code standards and ratings applicable to the locality in which the Restaurant operates. Franchisee agrees and acknowledges the importance to the System and the value with regard to the goodwill of the Marks in maintaining, and hereby covenants and warranties to maintain, an impeccably clean and organized Restaurant in a first-class condition and appearance.

(e) Remodeling/Improvements. Franchisor shall establish and publish specifications for the furnishings, fixtures, signage, facility and equipment of the Restaurant. Franchisee shall from time to time make such cost effective improvements and alterations to the Restaurant as Franchisor shall require in order for the Restaurant to meet such specifications and in any event

shall refurbish the Restaurant in accordance with Franchisor's then-current appearance standards during the fifth (5<sup>th</sup>) year of the term hereof.

(f) Staffing Requirements. Franchisee shall maintain an adequate number of neat, clean, competent, and courteous employees at the Restaurant to ensure maximum customer satisfaction and consistent service. Franchisee is exclusively responsible for all employment decisions and functions related to the Restaurant, including recruiting, hiring, firing, compensation, benefits, work hours and schedules, work rules, supervision and discipline of employees. Franchisee shall require all employees to wear uniforms of such color, design, and other specifications as Franchisor may designate from time to time for promotion of the brand. Franchisee shall be responsible for conducting training for all employees in compliance with Franchisor's standards and specifications in order to maintain uniformity within the franchise

(g) Hours of Operation. Subject to any contrary requirements of regulatory authorities or Franchisee's lease, Franchisee shall operate the Restaurant at such minimum hours and on such days as may from time to time be prescribed by Franchisor and shall maintain sufficient supplies of goods and products so as to operate the Restaurant at maximum capacity and efficiency.

(h) Sales Records and Weekly Sales Reports. Franchisee shall purchase or lease and install a point of sale electronic cash register or computer system (the "**Computer System**") which meets or exceeds Franchisor's published specifications from Franchisor's authorized supplier. Franchisee agrees to execute any and all necessary agreements and pay fees in connection with the installation, maintenance and upgrade of the Computer System. Franchisee understands and agrees that both technological and operational developments may require Franchisee to upgrade or replace components of, or the entire, Computer System during the term of this Agreement or upon its renewal. Franchisee will upgrade, replace or expand the Computer System in order to assume and discharge all of the Computer System-related tasks specified, and as modified from time to time, by Franchisor. Franchisee agrees and acknowledges that it will remit to Franchisor via email: weekly its Gross Revenues and a monthly profit and loss report, as well as quarterly balance sheets and any other reports required by Franchisor, in a timely manner and in a form approved or provided by Franchisor.

(i) Legal Compliance. At its sole expense, Franchisee shall comply with all federal, state, and local laws, ordinances and regulations applicable to the ownership and operation of the Restaurant.

(j) Right of Inspection. Franchisee shall allow the agents and representatives of Franchisor to enter the Restaurant at any time for the purpose of examining and inspecting fixtures, furnishings, signs, equipment, products, supplies, and staffing of the Restaurant to determine whether Franchisee is in compliance with this Agreement and the standards and policies of the System. In order to monitor the System, Franchisor shall have the right to take reasonable samples of food and ingredients served at the Restaurant, free of charge, conduct quality assurance audits, employ mystery shoppers and conduct customer surveys. If Franchisee shall fail to operate the Restaurant in accordance with the System, Franchisor may, at its option, and at Franchisee's expense, and in addition to any other remedies of Franchisor hereunder, place a representative of Franchisor in the Restaurant until Franchisor shall determine in its sole discretion that there is compliance.

(k) Books and Records. Franchisee shall keep books of account which fully and accurately disclose Gross Revenues and which accurately reflect current results of the

management and operation of the Restaurant. All such books, records, reports and software tools shall contain such information in such format as Franchisor may designate from time to time. Franchisee shall provide related reports on the management and operation of the Restaurant to Franchisor, including but not limited to financial, quality and operational reports, as Franchisor directs. Further, Franchisee shall grant access to Franchisor to review such books, records, reports and software tools. Franchisee must ensure that the information in each such report and financial statement is complete and accurate in all material respects and have it signed by an authorized officer of Franchisee. Franchisee shall permit Franchisor, or its agent or representative to inspect and examine Franchisee's books and records at reasonable times. Franchisor has the right to disclose data from such reports and statements if Franchisor considers disclosure advisable, except that Franchisor shall not provide financial data to third parties, outside of Franchisor's system or network, in such a form that readily identifies Franchisee, unless Franchisor is required to do so by applicable law. If any audit discloses that reported Gross Revenues of Franchisee have been understated, Franchisee shall immediately pay to Franchisor the amounts due, together with late charges as provided herein. If such audit discloses that the reported Gross Revenues of Franchisee for the period audited have been understated, Franchisee shall reimburse Franchisor for any and all expenses incurred in connection with or attributable to the audit including without limitation accounting and legal fees and travel expenses, room and board and compensation for Franchisor's agents and representatives. Such payments shall be without prejudice to any other rights and remedies Franchisor may have under this Agreement or otherwise. Franchisee shall maintain the books and records of the Restaurant for at least three (3) years.

(l) Required Disclosure. Franchisee acknowledges that Franchisor may be required by law, regulation or other legal requirement, or may deem it advisable, to disclose information regarding Franchisee or the operation of the Restaurant, including without limitation, earnings or other financial performance information. Franchisee agrees that Franchisor shall be entitled to disclose such information and that Franchisor shall have the right to determine the extent and manner in which such disclosure will be made. If Franchisor does not have the information necessary for the disclosure Franchisor determines it will make, Franchisee shall provide such information to Franchisor upon Franchisor's request.

(m) Notification of Legal Proceedings. Franchisee shall notify Franchisor in writing within five (5) 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 or government agency which may adversely affect Franchisee's (or its officers, directors or owners') reputation, financial condition or ability to perform its duties or meet its obligations hereunder.

(n) Electronic Payment Compliance. Franchisee shall ensure that the Restaurant adheres to the System standards applicable to electronic payments including PCI (Payment Card Industry) standards. If required under applicable law, by Franchisor or by one of the credit card companies, Franchisee shall provide Franchisor with evidence of compliance with the PCI standards at Franchisor's request and provide to Franchisor copies of an audit, scanning results or related documentation relating to such compliance.

(o) Privacy Laws. Franchisee shall: (1) abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information (collectively, the "**Privacy Laws**"); (2) comply with privacy and data protection requirements applicable to the Restaurant and as may be set forth in the Operations Manual; (3) notify Franchisor immediately in the event Franchisee discovers any potential issues regarding its or Franchisor's non-compliance under such Privacy

Laws; (4) refrain from any action or inaction that may cause Franchisor or any of its affiliates to violate any Privacy Laws; and (5) do and execute, or arrange to be done and executed, each act, document and thing necessary or desirable to keep Franchisor or any of its affiliates in compliance with any Privacy Laws.

(p) Customer Information. Franchisee shall only collect, access, use, maintain and disclose Customer Information in accordance with the procedures, policies and standards established from time to time by Franchisor for the capture and processing of Customer Information and other information for Franchisor's data base (subject to applicable law). Franchisee shall ensure that Franchisor has full access to such Customer Information (subject to applicable law). For purposes of this Agreement, "**Customer Information**" means any information of customers of the Restaurant and other persons that identifies or can be used to identify, contact, locate, or be traced back to the specific person to whom such information pertains, or from which identification or contact information of an individual person can be derived. Customer Information includes names, addresses, telephone numbers, electronic addresses, credit card numbers, geo-location information, account information, sales information, credit information, demographic information, anonymous or pseudonymous identifiers, or any other information that, either alone or in combination with other data, could provide information specific to a particular person or device. Franchisee hereby authorizes Franchisor to analyze, disclose and share sales data (derived from Franchisor's access to Customer Information) for the purposes of promoting the System and the development and performance of Restaurants.

## **10. INSURANCE**

At all times during the term of this Agreement, Franchisee shall maintain in full force and effect at its sole cost and expense the following: (a) comprehensive general liability insurance with minimum limits of liability of One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) in the aggregate, including premises liability, professional liability, products and completed operations liability, personal and advertising liability and such other limits and coverages as Franchisor shall designate from time to time; (b) automobile liability insurance, including Franchisee-owned, hired and non-owned vehicle coverage with a minimum combined single limit of One Million Dollars (\$1,000,000) per claim; (c) workers' compensation and employer's liability insurance covering all of Franchisee's employees; (d) umbrella liability insurance, which also includes employer's liability and automobile liability, with minimum limits of Two Million Dollars (\$2,000,000) per occurrence; and (e) any such other insurance coverage or amounts as required by law or by the Operations Manual. Franchisee must purchase and maintain dram shop/liquor liability insurance during all times that Franchisee is selling alcohol from and at the Restaurant in amounts we may require from time to time. Franchisor and all other subsidiaries, affiliates and other parties designated by Franchisor from time to time shall be named as additional insureds and loss payees on all of the insurance policies listed in this Section. Franchisee shall provide Franchisor with certificates of insurance evidencing the required coverage, which certificates shall be renewed and provided annually and shall contain such detailed information as Franchisor may from time to time request, and Franchisee shall also provide Franchisor with full and complete copies of any and all of the above policies including copies of any renewals or modifications thereto upon request. All insurance policies must be issued by an insurance company licensed to do business in the state where the Restaurant is located, approved by Franchisor, and rated A- or better by A.M. Best & Company, Inc. Franchisee shall cause the companies to agree by endorsement or separate written document that Franchisor shall be given at least thirty (30) days' prior written notice of termination, expiration, cancellation, modification or reduction in coverage limits of any such policy. Upon failure of Franchisee to

maintain in effect any of the insurance required, or to furnish to Franchisor satisfactory evidence of such insurance, Franchisor may, in its discretion, obtain insurance coverage on behalf of Franchisee, and Franchisee agrees to promptly execute applications or instruments required to obtain any such insurance and to pay to Franchisor, on demand, all costs, premiums and other expenses incurred by Franchisor.

## 11. INDEMNITY

Franchisee shall, during the term of this Agreement and after the termination or expiration of this Agreement, protect, defend, indemnify and hold Franchisor, and its affiliates and associates, licensors, officers, directors, owners, employees, agents, representatives and assignees (the "**Indemnified Parties**") harmless against any and all liability for all claims of every kind or nature arising in any way out of or relating to Franchisee's actions or failure to act, whether personal or in connection with the operation of the Restaurant, any other actions or failure to act by Franchisee, its agents or representatives or any breach of this Agreement. For purposes of this indemnification, "claims" means and includes all obligations, actual and consequential damages, losses, claims, judgments, demands, liens, reckonings, accounts and costs incurred in the defense of any claim (such as, by way of illustration, but not limitation, accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses). Franchisor shall have the right to defend any such claim against it with counsel of its own choosing and Franchisee agrees to cooperate fully with Franchisor in connection with the defense of any claim. Franchisee shall have no right to settle or refuse to settle any claim; Franchisor shall retain all right to do so. In addition, Franchisee agrees to cooperate fully with Franchisor in any other claims brought by or against Franchisor. The defense of such claim, litigation or administrative proceeding by an Indemnified Party, or by Franchisee on an Indemnified Party's behalf, shall be at the sole cost and expense of Franchisee, who shall hold each Indemnified Party free and harmless from all such obligations and liabilities and shall reimburse an Indemnified Party for all expenses incurred therein, including attorneys' fees. Further, an Indemnified Party shall have the right independently to take any action it may deem necessary, in its sole discretion, to protect and defend itself against any threatened action subject to indemnification hereunder, without regard to expense, forum or other parties that may be involved.

## 12. MARKS AND TRADE DRESS

(a) Ownership of Marks and Goodwill. Franchisee's right to use the Marks is derived solely from, and is subject to, the terms and conditions of this Agreement. Such right is limited to the operation of the Restaurant in accordance with this Agreement and all mandatory standards, specifications and operating procedures prescribed from time to time by Franchisor. Franchisee acknowledges that Franchisor has the right to use and sublicense the use of the Marks pursuant to a license agreement between it and Wix Pizza, Inc. (the "**Licensor**") that owns the Marks (the "**License Agreement**"), and that they are valid trademarks. Franchisee agrees not to contest or oppose, nor to assist anyone else to contest or oppose, directly or indirectly, the License Agreement or Franchisor's rights and use in connection therewith, the Licensor's ownership or use of, application for, or registration of, or the validity or enforceability of, any of the Marks. Franchisee also agrees not to acquire or use any trademarks that are similar or identical to the Marks. Franchisee agrees that its usage of the Marks and any goodwill established thereby shall inure to the exclusive benefit of the Licensor.

(b) Limitations on Franchisee's Use of Marks and Trade Dress. If local laws require that Franchisee file a registration stating that Franchisee is conducting business under an assumed name or trade name, Franchisee shall state in such document that it is conducting such business as a franchisee of Franchisor. Franchisee shall not use any of the Marks or similar words or colorable imitations thereof as part of any name of any corporation, partnership, limited liability company or other business entity, or with any other prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form or as part of any domain name, web address or similar electronic use; nor may Franchisee use any of the Marks in connection with the sale of any unauthorized products or service or in any other manner not explicitly authorized in writing by Franchisor. Franchisee will not use or display, or permit the use or display, of the trademarks, trade names, service marks, insignias, logos or any other commercial symbols or trade dress of any other person or entity in connection with the Restaurant without the prior written consent of Franchisor, or as expressly permitted in the Operations Manual.

(c) Defense of Trademarks.

(i) In the event that Franchisee receives notice or learns of a claim, suit, demand or proceeding against Franchisee on account of any alleged infringement, unfair competition, or similar matter relating to Franchisee's use of the Marks or of any of Franchisor's copyrights in accordance with the terms of this Agreement, Franchisee shall promptly notify Franchisor of such claim, suit, demand or proceeding. Franchisee shall have no power, right, or authority to settle or compromise any such claim by a third party without the prior written consent of Franchisor. Provided that Franchisee is in full compliance with this Agreement, Franchisor shall defend Franchisee against any claim by a third party against Franchisee for Franchisee's use of the Marks and copyrighted material in accordance with this Agreement, using attorneys of Franchisor's choosing. Franchisor may elect to compromise or settle any such claim, at its sole discretion. Franchisee agrees to cooperate fully with Franchisor in connection with any such defense. Franchisee irrevocably grants Franchisor authority and power of attorney to defend or settle such claims, demands, suits or proceedings.

(ii) In the event that Franchisee receives notice, is informed or learns that any unauthorized third party is using the Marks, or any variants thereof, or is using any of Franchisor's or its affiliate's copyrights, it shall promptly notify Franchisor. Thereupon, Franchisor shall, in its sole discretion, determine whether or not it wishes to undertake any action against such third party on account of said person's alleged infringement of the Marks or copyrights. In the event Franchisor undertakes such action, it shall have the authority and power of attorney to defend or settle such action. Franchisee agrees to render such assistance as Franchisor shall reasonably demand to carry out the prosecution of any such action. Franchisee shall have no right to prosecute any claim of any kind or nature whatsoever against such alleged infringer for or on account of said alleged infringement.

(d) Copyright. Franchisee acknowledges that Franchisor has developed, and may further develop during the term of this Agreement, certain artistic designs, and certain other word combinations and other materials designated for use by Franchisee, whether contained in the Operations Manual or otherwise. Franchisee acknowledges that Franchisor and/or its affiliate retains all right, title and interest thereto as provided by copyright law to the originator of works and, further, that Franchisee is licensed to use such copyrighted materials solely in accordance with the terms and during the term of this Agreement.

(e) Discontinuance of Use of Marks. If it becomes advisable at any time in Franchisor's sole discretion for Franchisee to modify or discontinue use of any Mark or any items of trade dress, or use one or more additional or substitute marks or items, Franchisee agrees to comply with Franchisor's directions to modify or otherwise discontinue the use of such Mark or item of trade dress and to accept, use and display such additional marks or items of trade dress within a reasonable time after notice thereof by Franchisor but in no event more than thirty (30) days after receiving notice from Franchisor. Franchisor shall not be obligated to compensate Franchisee for any costs incurred by Franchisee in connection with any such addition, modification or discontinuance.

### **13. NON-COMPETITION**

(a) Franchisee acknowledges that Franchisor could not protect the Trade Secrets against unauthorized use or disclosure and could not achieve a free exchange of ideas and information among franchisees in the System if Franchisee held interests in any competitive business. Franchisee acknowledges that Franchisor grants the rights to Franchisee in part in consideration of, and in reliance upon, Franchisee's agreement to deal exclusively with Franchisor. Therefore, Franchisee shall not, at any time during the term of this Agreement, without the express prior written consent of Franchisor, individually or in conjunction with any person or entity, have any interest as an owner, investor, shareholder, partner, member, lender, director, officer, manager, consultant, guarantor, representative, or agent or in any other manner whatsoever, directly or indirectly, carry on or be engaged in, financially or otherwise, or advise in the establishment or operation of any business involving or related to the sale of pizza, burgers, Italian sandwiches, dessert or related food items.

(b) In addition, for two (2) years after the termination or expiration of this Agreement, Franchisee shall not carry on, be engaged in or advise in the establishment or operation of any business involving or related to the operation of a restaurant selling pizza, burgers, Italian sandwiches, dessert, or similar businesses described in section (a) above except (i) pursuant to Agreements with Franchisor, or (ii) if Franchisee is not then a party to any other Agreement with Franchisor, only at a site that is at least five and one-half (5 1/2) miles from any Antioch Pizza Shop™ (or successor name) restaurant (including Franchisee's former Restaurant) that is operating or being developed. Franchisee agrees and acknowledges that this restriction represents only a limited one on Franchisee's ability to conduct a business and that the purpose of this covenant is not to deprive Franchisee of a means of livelihood, and will not do so, but is rather to protect the goodwill and interest of Franchisor, other franchisees and the System.

(c) Covenants contained in this Section 13 shall be construed as severable and independent, and shall be interpreted and applied consistently with the requirements of reasonableness and equity. The period, the geographic area and the scope of the restrictions on Franchisee's activities are divisible so that if any provision of the restrictions is invalid, that provision shall be automatically modified to the extent necessary to make it valid.

(d) Franchisee shall require and obtain execution of agreements similar to those set forth in this Section 13 including agreements applicable upon the termination of a person's relationship with Franchisee that shall be effective for a period of two (2) years after such termination from all officers, directors, and holders of a beneficial interest of ten percent (10%) or more of the equity of any entity directly or indirectly controlling Franchisee, if Franchisee is an entity;

(e) All agreements required by this Section 13 shall be in forms satisfactory to Franchisor, including without limitation specific identification of Franchisor as a third-party beneficiary with the independent right to enforce them.

#### 14. ASSIGNMENT AND TRANSFER

(a) By Franchisor. This Agreement is fully transferable and assignable by Franchisor, in whole or in part, and shall inure to the benefit of any assignee, transferee or other legal successor to its interest herein.

(b) By Franchisee.

(i) The rights granted to Franchisee in this Agreement are personal and Franchisee acknowledges that Franchisor is entering into this Agreement in reliance upon and in consideration of the individual character, skill, attitude, business ability and financial capacity of Franchisee or, if Franchisee is a corporation, partnership, limited liability company or other entity, of its principal owners and officers or partners. Accordingly, Franchisee shall not transfer (as defined below) this Agreement or any interest therein without Franchisor's written consent, which shall not be unreasonably withheld or delayed, and without offering Franchisor a right of first refusal. Any attempt at a transfer that violates the provisions of this Section shall constitute a material breach of this Agreement and shall convey no right or interest in this Agreement. A transfer by an individual franchisee to an entity that is wholly owned by Franchisee and the sole business of which is the operation of the business contemplated by this Agreement shall not be subject to Franchisor's right of first refusal nor shall Franchisee be required to pay the transfer fee set forth below; provided that Franchisee notifies Franchisor in advance of the transfer and provides Franchisor with all documents Franchisor deems necessary or advisable including without limitation, an assumption agreement and personal guaranty by Franchisee. Franchisee shall reimburse Franchisor for its expenses in documenting such a transfer.

(ii) For purposes hereof, "**transfer**" means any voluntary, involuntary, direct or indirect assignment, sale, division, encumbrance, hypothecation, mortgage, pledge or other transfer by Franchisee, in whole or in part, of any interest in this Agreement, any interest in the Restaurant or more than twenty-five percent (25%) of the ownership of Franchisee (either by one or by a series of transfers), if Franchisee is a corporation, partnership, limited liability company or other entity. "Transfer" shall also include, in the event of Franchisee's death, a transfer to the surviving spouse, heirs, estate or other representative of Franchisee (the "**Survivor**").

(iii) Franchisor may require fulfillment of any or all of the following conditions precedent to the granting of consent to any transfer:

(A) there shall be no existing default in the performance of Franchisee's obligations under this Agreement or under any other Agreement with Franchisor or any of its affiliates;

(B) the physical premises of the Restaurant shall be in complete compliance with Franchisor's then-current standards;

(C) if required, the lessor of the Restaurant has consented to Franchisee's sublease or transfer of the lease or sublease for the premises to the proposed transferee;

(D) the proposed transferee shall be qualified according to Franchisor's then-current standards for new franchisees, and shall have successfully completed Franchisor's initial training program;

(E) the proposed transferee shall have executed Franchisor's then-current standard franchise agreement for a term of years equal to the remaining term of this Agreement, the proposed transferee shall have executed all ancillary agreements then required by Franchisor and all holders of an equity interest in the proposed transferee (if an entity) shall have executed Franchisor's then-current form of Guaranty;

(F) Franchisee shall have paid to Franchisor a transfer fee in the amount of seventy-five percent (75%) of the then-current applicable initial franchise fee charged by Franchisor for new franchises. Franchisee will pay One Thousand Dollars (\$1,000) of the transfer fee when Franchisee submits its request for approval of the transfer to Franchisor, and the balance shall be paid upon the occurrence of the transfer;

(G) Franchisee (and its principals if Franchisee is a corporation or other entity) shall have executed a general release in a form acceptable to Franchisor of any and all claims against Franchisor and its officers, directors, employees, affiliates, shareholders, representatives and agents;

(H) any obligations of the transferee to Franchisee shall be subrogated to the transferee's obligations to Franchisor under the Agreement it enters into with Franchisor;

(I) if the proposed Transfer is to a business entity, Franchisee must own such business entity, sign a personal service agreement with such business entity, and execute a performance guaranty; and

(J) Franchisee must transfer this Agreement together with all other agreements it has entered into with Franchisor and all rights thereunder to the transferee.

(iv) Franchisor's consent to any transfer shall not constitute a waiver of any claim that Franchisor may have against Franchisee or its owner(s), or of Franchisor's right to demand strict compliance with this Agreement.

(v) No interest in this Agreement or the franchise shall be the subject of a lien, security interest or pledge either in favor of Franchisee as part of a transfer of the Franchise, or otherwise.

(c) Right of First Refusal. Franchisee shall provide Franchisor with complete information on the proposed transferee and terms of the transfer. Within sixty (60) days of receipt of the complete information and documents by Franchisee, Franchisor will inform Franchisee (i) whether it will exercise its right of first refusal, and (ii) if not, whether it will consent to the transfer. In the event that Franchisor notifies Franchisee that it will exercise its right of first refusal, except as provided below, Franchisor or its nominee will accept the transfer upon the same terms and conditions as set forth in the instruments and documents which embodied the proposed transfer. Franchisor shall not be required, by exercise of its right of first refusal, to perform obligations of the proposed transferee which are merely incidental to the transfer (e.g., employment agreements in favor of individuals, and brokers or finders fees to be paid by the proposed transferee to Franchisee or to any principal of Franchisee). Moreover, Franchisor shall have not less than sixty (60) days from the delivery of Franchisor's notice of exercise to consummate the transfer. If

Franchisor elects not to exercise its right of first refusal and consents to the proposed transferee, Franchisee may consummate the proposed transfer, but only upon the terms and conditions set forth in the notice submitted to Franchisor.

(d) Death or Permanent Disability. If Franchisee, or the principal of a Franchisee that is not an individual, dies or is permanently disabled in a manner that prohibits operation of the Restaurant, the Survivor or, in the case of permanent disability, the representative of Franchisee shall, within twelve (12) months of such death or determination of permanent disability, either meet all of the qualifications required of franchisees or shall transfer the Agreement.

## **15. OPERATION IN THE EVENT OF ABSENCE, DISABILITY OR DEATH**

The parties hereto acknowledge that it is imperative that the Restaurant be operated without any interruption and in a manner that will not cause harm to the Restaurant or the System. In order to insure such continued operation, in the event that Franchisee is not able to operate the Restaurant, by reason of illness, disability, death, or otherwise, and within thirty (30) days of such illness or death, Franchisee's executor or representative has not transferred the franchise in accordance with the provisions of this Agreement, then (a) the Agreement shall automatically terminate; and (b) Franchisee authorizes Franchisor to operate the Restaurant for as long as Franchisor deems necessary and practicable without waiver of any of Franchisor's rights or remedies under applicable law. All proceeds from the operation of the Restaurant during such period of operation by Franchisor shall be separately accounted for, and the expenses of the Restaurant, including reasonable compensation and expenses for Franchisor's representative(s), shall be charged to said proceeds. If Franchisor, in its sole discretion, temporarily operates the Restaurant as provided in this Section, Franchisee agrees to hold harmless and fully indemnify Franchisor and any representative(s) of Franchisor who may act hereunder.

## **16. DEFAULT AND TERMINATION**

The following provisions are in addition to and not in limitation of any other rights and remedies Franchisor may have at law or in equity, all of which are expressly reserved. The exercise by Franchisor of any right or remedy shall not be deemed an election of remedies.

(a) With Notice and No Opportunity to Cure. This Agreement shall immediately terminate on delivery of notice of termination to Franchisee by Franchisor upon the occurrence of any of the following events, each of which is deemed to be an incurable breach of this Agreement and each of which is deemed to be "good cause." If:

(i) Franchisee, or any of its principal owners, control persons, or guarantors becomes insolvent or admits in writing the inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, files a petition under any foreign, state or United States bankruptcy act, receivership statute, or the like or if such a petition is filed by a third party, or if an application for a receiver is made by anyone and such petition or application is not resolved favorably to Franchisee within ninety (90) days;

(ii) Franchisee abandons the Restaurant by failing to operate it for five (5) consecutive business days or for any shorter period in such circumstances that render reasonable the conclusion that Franchisee does not intend to continue operating the Restaurant, unless such failure is due to disaster or similar reasons beyond Franchisee's control;

(iii) Franchisee has made any material misrepresentation or omission in the application for the Restaurant or in any report that Franchisee submits to Franchisor pursuant to this Agreement;

(iv) Franchisee, or any of its principal owners, control persons, or guarantors is convicted by a trial court of or pleads no contest to a felony, regardless of the charges, or other crime or offense or engages in conduct that reflects materially and unfavorably upon the operation and reputation of Franchisor or the System, or if any principal of Franchisee is convicted of or pleads no contest to a felony or other crime or offense or engages in such conduct;

(v) Franchisee attempts to make or makes an unauthorized assignment, encumbrance or other transfer of Franchisee's rights or obligations under this Agreement;

(vi) Franchisee is a party to any other agreement with Franchisor or its affiliates that is terminated for Franchisee's breach thereof;

(vii) Franchisee makes any unauthorized use of the Marks or Trade Secrets or makes any duplication or disclosure of any Trade Secrets including but not limited to any portion of the Operations Manual, or causes to occur any other default under the Agreement that materially impairs the goodwill associated with the Marks, Trade Secrets, or other intellectual property or proprietary information;

(viii) Franchisee fails on two (2) separate occasions during any 12-month consecutive period, or four (4) separate occasions during any 24-month period during the term of this Agreement to pay on a timely basis any fees payable hereunder or otherwise fails to comply with this Agreement, whether or not such failures to comply are corrected after notice is delivered to Franchisee and whether or not such failures to comply relate to the same or different requirements of this Agreement;

(ix) Franchisee shall at any time have the Restaurant or its assets or premises seized, taken over or foreclosed by a government official in the exercise of such official's duties, or by a creditor, lien holder or lessor of Franchisee, or a writ or levy of execution shall issue against the franchise granted hereunder or the goods and chattels of Franchisee;

(x) Franchisee fails, for a period of three (3) days after notification of noncompliance, to comply with any federal, state or local law or regulations applicable to the operation of the Restaurant;

(xi) Franchisee intentionally under-reports its Gross Revenues to Franchisor;

(xii) Franchisee fails to transmit to Franchisor immediately upon receipt any report from any health department or comparable agency in connection with the Restaurant;

(xiii) a judgment against Franchisee in the amount of more than Five Thousand Dollars (\$5,000) remains unsatisfied (unless an appeal is filed or a supersedeas bond is secured) for a period of more than thirty (30) days;

(xiv) the Restaurant is closed by any state or local authorities for health or public safety reasons;

(xv) the United States government designates Franchisee or any person mentioned in Section 31 hereof a “specially designated national” or “blocked person”; or

(xvi) the lease for the Restaurant premises is lost by Franchisee, or Franchisee fails to timely cure a default under such lease.

(b) With Notice and Opportunity to Cure. This Agreement shall terminate upon Franchisee’s failure to cure any of the following, each of which is deemed to be “good cause”:

(i) noncompliance with any requirement in this Agreement not listed in subsection (a) above or the Operations Manual or prescribed by Franchisor within thirty (30) days after notice thereof is delivered to Franchisee; or

(ii) noncompliance with any requirement in this Agreement not listed in subsection (a) above or in the Operations Manual, which noncompliance relates to a failure to pay amounts due or submit required reports, within ten (10) days after notice thereof is delivered to Franchisee; or

(iii) violation of any health, safety or sanitation law or regulation, or violation of any System standard as to food handling, cleanliness, health and sanitation, or if the Restaurant presents a health or safety hazard to the Restaurant’s customers or to the public, within twenty-four (24) hours after notice thereof is delivered to Franchisee.

(c) No Waiver. The description of any default in any notice served upon Franchisee shall in no way preclude Franchisor from specifying additional or supplemental defaults in any action, arbitration, hearing or suit relating to this Agreement or the termination hereof.

(d) Enforcement. Franchisee acknowledges that the decision to enforce or not to enforce compliance with its rules and regulations by other franchisees shall not affect Franchisor’s right to enforce such rules and regulations against Franchisee, even under similar circumstances.

## **17. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION**

(a) Payment of Amounts Owed to Franchisor. Franchisee agrees to pay Franchisor immediately after the effective date of termination or expiration of this Agreement, all amounts due to Franchisor under this Agreement and all other amounts owed to Franchisor or its affiliates which are then unpaid.

(b) Marks. After the termination or expiration of this Agreement, Franchisee will:

(i) not directly or indirectly at any time or in any manner identify Franchisee or any business with which Franchisee is affiliated as a current or former franchisee or licensee of Franchisor, or as otherwise associated with Franchisor, or use any Mark, any imitation thereof or other indicia of the Restaurant in any manner or for any purpose, or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association, or former connection or association, with Franchisor;

(ii) at Franchisor’s option, return or destroy (and if destroyed, Franchisee must set forth with particularity in a writing signed by Franchisee or a principal thereof the items destroyed) all supplies bearing any Marks;

(iii) refrain from engaging in a competing business as provided in Section 13 above;

(iv) stop using the Marks and the System and return to Franchisor all copies of the Operations Manual and all other proprietary information, including, without limitation, customer lists;

(v) stop all use of all telephone numbers, facsimile numbers, e-mail addresses, home pages, web sites, social media accounts and the like that are associated with the Restaurant and cooperate with Franchisor in causing all applicable telephone companies and other service providers to reassign such numbers and addresses to Franchisor or its nominee including, without limitation, signing telephone, URL and social media transfer forms and providing passwords or upon demand by Franchisor for use by Franchisor upon expiration or termination of this Agreement. Franchisee acknowledges and agrees that as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers, web sites, online listings, and social media accounts associated with the Marks and Franchisee authorizes Franchisor, and by execution of the Exhibit F Conditional Assignment of Telephone Number and Social Media Accounts have appointed Franchisor as Franchisee's attorney-in-fact, to direct the telephone company or listing agencies to transfer the same to Franchisor at Franchisor's direction, should you fail or refuse to do so.

(vi) refrain from soliciting customers or personnel of the Restaurant, and turn over all Customer Information to Franchisor;

(vii) take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to Franchisee's use of any Marks;

(viii) assist in the smooth transition of the Restaurant to any successor franchisee;

(ix) refrain from making any disparaging comments regarding Franchisor, the System or the Restaurant;

(x) take such steps as are necessary to change the décor, signage, flooring, fixtures, furniture and equipment and other elements of décor and trade dress so that the premises no longer resemble the Restaurant; and

(xi) comply with all further requirements set forth in the Operations Manual.

(c) Continuing Obligations. All obligations of the parties that expressly or by nature survive the expiration or termination of this Agreement, including without limitation, Sections 11, 12 and 13, and shall continue in full force and effect subsequent to and notwithstanding its expiration or termination until they are satisfied in full or by nature expire.

(d) Option to Purchase. Upon termination or expiration of this Agreement, Franchisor or its nominee shall have the option, exercisable for sixty (60) days following the effective date of termination or expiration, to purchase the assets of the Restaurant. The purchase price for the assets will be the fair market value as determined by the parties. If the parties are unable to agree upon the fair market value of the assets, they shall jointly select an independent appraiser to do so. Franchisee and Franchisor shall each pay one-half (½) of the cost of appraisal. The fair market value of the assets shall be determined without giving effect to goodwill. Franchisor may

deduct any amounts Franchisee owes to Franchisor, any liabilities relating to the assets, and, if Franchisee has not complied with the requirements of this Agreement to upgrade and renovate the Restaurant, the amount necessary to upgrade and renovate the Restaurant to reflect Franchisor's then-current image. The purchase price will be payable at the time of closing. If the purchase is exercised following Franchisor's termination of this Agreement for cause or termination by Franchisee in breach of this Agreement, any and all costs, expenses, and liabilities incurred by Franchisor, including attorneys' fees and the cost of appraisal, in exercising this option and in acquiring said property, as well as any and all monies due and owing from Franchisee to Franchisor, plus any damages, expenses and costs incurred or suffered by Franchisor by reason of any default, breach, or violation of this Agreement by Franchisee, shall be deducted from the purchase price.

## **18. CONDEMNATION AND CASUALTY**

(a) Franchisee shall give Franchisor notice of any proposed taking through the exercise of the power of eminent domain, at the earliest possible time. If such relocation is authorized and Franchisee opens a new Antioch Pizza Shop™ restaurant at such other location in accordance with Franchisor's specifications within one (1) year of the closing of the old Antioch Pizza Shop™ restaurant, the new Antioch Pizza Shop™ restaurant will thereafter be deemed to be the Restaurant franchised under this Agreement. If such a condemnation takes place and a new Antioch Pizza Shop™ restaurant does not, for whatever reason, become the Restaurant under this Agreement in accordance with this Section, then this Agreement shall terminate immediately upon notice by Franchisor to Franchisee.

(b) If the Restaurant is damaged by fire or other casualty, Franchisee will expeditiously repair the damage. If the damage or repair requires closing the Restaurant, Franchisee will immediately notify Franchisor, will repair or rebuild the Restaurant in accordance with Franchisor's specifications, and will reopen the Restaurant for continuous business operations as soon as reasonably practicable (but in any event within one (1) year after closing of the Restaurant), giving Franchisor advance notice of the date of reopening. If the Restaurant is not reopened in accordance with this paragraph, this Agreement shall terminate immediately upon notice by Franchisor to Franchisee.

## **19. UNAVOIDABLE DELAYS**

In the event of failure to perform or delays in the performance of any duties hereunder caused by forces not within the reasonable preventive control of the party due to perform, for example (without limitation), government regulations, fire, flood, labor disputes, natural disasters, acts of God, civil disorders, riots, insurrections, work stoppages, slowdowns or disputes, or other similar events, such failures or delays shall not cause a default in said performance, but, in the event of delay, the parties shall extend the time of performance for a period of time equivalent to the length of delay, or for such other reasonable period of time as agreed to between the parties, provided that such extension shall not enlarge or extend the term of Agreement.

## **20. INVALID OR UNENFORCEABLE PROVISIONS**

If any provision of this Agreement, or its application to any person or circumstances, is invalid or unenforceable, then the remainder of this Agreement or the application of such provision to other persons or circumstances shall not be affected thereby.

## 21. RELATIONSHIP BETWEEN PARTIES

(a) Nothing herein contained shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture or employment, or a fiduciary relationship, and neither party shall hold itself out as an agent, legal representative, partner, subsidiary, joint venturer, servant or employee of the other party or its affiliate. With respect to all matters pertaining to the operation of the business conducted hereunder, Franchisee is, and shall be, an independent contractor. Neither Franchisor nor Franchisee has the right to bind or obligate the other to any obligations or debts.

(b) It is acknowledged that Franchisee is the independent owner of its business, shall be in full control thereof, and shall conduct such business in accordance with its own judgment and discretion, subject only to the provisions of this Agreement. Franchisee shall conspicuously identify itself as the independent owner of its business and as a franchisee of Franchisor. No party hereto shall be obligated by, or have any liability for, any agreements, representations or warranties made by the other nor shall Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of Franchisee's business, whether caused by Franchisee's negligent or willful action or failure to act. Neither party shall have liability for any sale, use, excise, income, property or other tax levied upon the business conducted by the other party or in connection therewith.

(c) Without limiting any of Franchisee's indemnification obligations in Section 11, in consideration of the right to operate the Restaurant granted to Franchisee, Franchisee, on behalf of itself and its predecessors, affiliates, owners, directors, officers, employees, representatives, agents, successors and assigns (for purposes of this Section 21, the "**Franchisee Releasors**"), hereby release, discharge and agree to hold harmless the Franchisor and its predecessors, affiliates, owners, directors, officers, employees, representatives, agents, successors and assigns (for purposes of this Section 21, the "**Franchisor Releasees**") from any and all suits, claims, liabilities, demands, promises, obligations, costs, expenses, actions and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected, which the Franchisee Releasors now own or hold or have at any time heretofore owned or held or may at any time own or hold against the Franchisor Releasees arising out of or in any way related to Franchisee's independent contractor status including, without limitation, wage and hour laws, misclassification theories or any similar type of laws or liability theories aimed at protecting employees ("**Released Claims**"). Franchisee Releasors hereby covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against the Franchisor Releasees with respect to the Released Claims. Any of the Franchisor Releasees may plead or assert the covenant not to sue in this Section 21 as a complete defense and bar to any claim brought against any of them in contravention of this Section 21 and, if any such claim is brought against any of them, the Franchisee Releasors, jointly and severally, shall indemnify, defend, and hold harmless any such Franchisor Releasees from and against any such claim. Neither Franchisor nor Franchisee shall make any express or implied agreements, guarantees or representations on behalf of the other, or incur any debt in the name of or on behalf of the other, or represent that Franchisee has any relationship with Franchisor other than as a franchisee of Franchisor pursuant to this Agreement. Franchisor shall not be obligated by or have any liability under any agreements or representations made by Franchisee, nor shall Franchisor be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Restaurant.

(d) No Employment Relationship. Franchisee expressly acknowledge that Franchisor is not Franchisee's employer or an employer of any of Franchisee's employees. In addition, Franchisor is not a joint employer with Franchisee. Franchisee acknowledges that Franchisor's training, guidance, advice and assistance, Franchisee's obligations under this Agreement and the standards, specifications, policies and procedures required by Company under this Agreement and in the Manual are imposed not for the purpose of exercising control over Franchisee but rather for the limited purpose of protecting the Marks, System and Confidential Information, goodwill and brand consistency. Franchisee shall notify and communicate clearly with Franchisee's employees in all dealings, including without limitation, employment applications and other employment forms, written and electronic correspondence, paychecks, employee handbooks, employment policies and procedures, and other written materials that Franchisee (and only Franchisee) is their employer and that Franchisor is not their employer. Franchisee is solely responsible for the management and supervision of the Restaurant as an independent franchise owner/operator

## **22. WAIVER**

No failure of Franchisor or Franchisee to exercise any power hereunder granted, or to insist on strict compliance by the other with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. Waiver by either party of any particular default by the other shall not affect or impair any rights with respect to any subsequent default of the same or of a different nature; nor shall any delay or omission of either party to exercise any rights arising from a default affect or impair any rights as to said default or any subsequent default.

## **23. NOTICES**

All notices hereunder shall be hand delivered or sent by express mail, federal express or air courier or by registered or certified mail to Franchisor and Franchisee at the respective addresses set forth on the first page of this Agreement, unless Franchisor and/or Franchisee shall from time to time change said addresses by written notice to the other as provided herein. Any notice given by registered or certified mail shall be deemed received by the party to whom it is addressed on the third day after such notice is deposited in the United States mail with postage thereon fully prepaid, return receipt requested. Any notice given by express mail, federal express or air courier shall be deemed given the next business day.

## **24. APPLICABLE LAW/CONSENT TO JURISDICTION**

This Agreement shall be governed in all respects and aspects by the laws of the State of Illinois, excluding its conflict of law rules, and subject to the Lanham Act (15 U.S.C. 1051 et seq.) Franchisor may institute any action against Franchisee relating to this Agreement which is not required to be arbitrated under this Agreement or as to which arbitration has been waived by the parties, in any state or federal court of jurisdiction located in the State of Illinois, and Franchisee irrevocably submits to the exclusive jurisdiction or venue of such courts.

## **25. RESOLUTION OF DISPUTES**

(a) Upon the occurrence of any dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement, the subject matter hereof, or the interpretation or enforcement hereof (in each case, a "**Dispute**"), the Dispute shall first be submitted to mediation on an expedited basis in Chicago, Illinois, administered by the Judicial Arbitration and Mediation Service ("**JAMS**"), or its successor, in accordance with the

JAMS rules and procedures then in effect. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the Dispute and the relief requested, with the expectation that the first mediation session shall occur within forty-five (45) days of such written request. The party seeking the mediation must submit the following in addition to any demand or filing required by JAMS: a full and specific description of the claim(s) under this Agreement including without limitation an identification of the specific provisions that the other party has breached, documentary evidence of the facts alleged by the complaining party and a declaration under penalty of perjury that all facts stated in the claim and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the Dispute. The parties will cooperate with JAMS and with one another in selecting a neutral mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The mediator must be a retired judge or an attorney licensed to practice law in Chicago, Illinois and experienced in complex commercial transactions. If the parties are unable to select the mediator within ten (10) business days after receipt of the mediation notice by JAMS, then JAMS shall designate the mediator. The parties covenant that they will (i) participate in the mediation in good faith, (ii) share equally in the costs of the mediator and related JAMS administrative costs, and (iii) pay in advance the estimated reasonable fees and costs of the mediation, as may be specified in advance by the mediator. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any reference, arbitration, litigation or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. In the event it is necessary, any party may file a motion in the state or federal courts in Chicago, Illinois to compel the other party to participate in the mediation and the prevailing party shall be awarded its costs and expenses, including reasonable attorneys' fees in connection with such motion. If the Dispute is not resolved within ten (10) business days after the first mediation session, either party may (i) give written notice to JAMS and the other party that the mediation is terminated and (ii) submit any remaining Disputes to binding arbitration pursuant to Section (b) below.

(b) If the parties are unable to resolve the Dispute pursuant to subsection (a) above, then the parties may submit the Dispute to final and binding arbitration in Chicago, Illinois, administered by JAMS, or its successor, in accordance with the rules and procedures of JAMS then in effect. The parties agree that any and all Disputes that are submitted to arbitration in accordance with this Agreement shall be decided by one (1) neutral arbitrator who is a retired judge or attorney licensed to practice law in Illinois who is experienced in complex commercial transactions. If the parties are unable to agree on an arbitrator, JAMS shall designate the arbitrator. The parties will cooperate with JAMS and with one another in selecting the arbitrator and in scheduling the arbitration proceedings in accordance with applicable JAMS procedures. The arbitration shall be conducted in accordance with the JAMS Comprehensive Rules. Any party may commence the arbitration process called for in this Agreement by filing a written demand for arbitration with JAMS, with a copy to the other party. The party seeking arbitration must submit the following in addition to any demand or filing required by JAMS: a full and specific description of the claim(s) under this Agreement including without limitation an identification of the specific provisions that the other party has breached, documentary evidence of the facts alleged by the complaining party and a declaration under penalty of perjury that all facts stated in the claim and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the Dispute. Any award issued as a result of such arbitration shall be final and binding between the parties thereto and shall be enforceable by any

court having jurisdiction over the party against whom enforcement is sought. The parties expressly acknowledge and understand that by entering into this Agreement, they each are waiving their respective rights to have any Dispute between the parties hereto adjudicated by a court or by a jury.

(c) The parties recognize that their relationship is unique and that each franchisee is situated differently from all other franchisees, and that no one franchisee can adequately represent the interest of others. Therefore, the parties agree that any arbitration, suit, action or other legal proceeding shall be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff, consolidated or similar basis.

(d) The prevailing party in any legal proceeding will be entitled to recover as an element of such party's cost of arbitration, suit or proceeding, and not as damages, reasonable attorneys' fees to be fixed by the arbitrator or by the court. Nothing in this Agreement shall be construed as limiting or precluding either party from bringing any action in any court of competent jurisdiction for injunctive or other extraordinary relief, without the necessity of posting a bond (and if bond shall nevertheless be required, the parties agree that the sum of One Hundred Dollars (\$100) shall be sufficient bond), in connection with the Marks, Trade Dress, Proprietary Information or Trade Secrets. The parties shall have the immediate right to seek such injunctive or other extraordinary relief at any time, including without limitation, during the pendency of an arbitration or other proceeding. This covenant shall be independent, severable and enforceable notwithstanding any other rights or remedies which such party may have.

## **26. TERMINOLOGY**

All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Agreement or any section, paragraph, or clause herein may require, as if such word had been fully and properly written in the appropriate number and gender.

## **27. ENTIRE AGREEMENT**

(a) This Agreement and the exhibits attached hereto and incorporated herein, if any, contain the entire agreement of the parties and there are no representations (other than those contained in the Franchise Disclosure Document), inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties hereto other than those set forth and duly executed in writing in this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Franchisee in connection herewith.

(b) Upon execution of this Agreement by Franchisor, all previous agreements, contracts, arrangements or undertakings of any kind relative to the Franchise granted herein are canceled, and as between the parties hereto, all claims and demands are fully satisfied; provided, however, that this paragraph shall have no effect upon written agreement(s) signed by both parties, whenever executed, except to the extent that such written agreement specifically refers to and modifies or cancels this Agreement. If Franchisee is a corporation, partnership or other entity, those shareholders, partners and other persons owning an interest in such entity shall sign Franchisor's form of confidentiality and non-competition agreement. If Franchisee is a corporation, partnership or other entity, Franchisor will determine which of the shareholders, partners or other principals shall sign Franchisor's form of Guaranty and Assumption of

Franchisee's Obligations, in accordance with Franchisor's criteria, set forth on Exhibit D attached hereto and incorporated herein.

(c) Franchisee's spouse or, the spouses of all owners of Franchisee if Franchisee is an entity, shall execute a spousal consent in the form attached hereto as Exhibit B.

## **28. AMENDMENT OF AGREEMENT**

This Agreement shall not be modified or amended except by written agreement executed by both parties hereto. No subsequently published manual or other publication of Franchisor shall materially alter the parties' rights and obligations under this Agreement. Notwithstanding the preceding sentence, Franchisor may unilaterally amend the Operations Manual from time to time.

## **29. COSTS AND EXPENSES OF ENFORCEMENT**

The prevailing party shall recover the reasonable costs and expenses, including reasonable attorneys' fees, incurred by such party in connection with any legal proceeding involving the enforcement of any of the provisions of this Agreement.

## **30. CAPTIONS**

The section headings throughout this Agreement are for convenience and reference only, and the words contained therein shall not be held to expand, modify, amplify, or aid in the interpretation or construction of this Agreement.

## **31. FRANCHISEE'S ACKNOWLEDGMENTS**

(a) NEITHER FRANCHISEE (INCLUDING, WITHOUT LIMITATION, ANY AND ALL OF ITS DIRECTORS AND OFFICERS, IF ANY), NOR ANY OF ITS AFFILIATES OR THE FUNDING SOURCES FOR EITHER IS A SPECIALLY DESIGNATED NATIONAL OR BLOCKED PERSON. NEITHER FRANCHISEE NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY OWNED OR CONTROLLED BY THE GOVERNMENT OF ANY COUNTRY THAT IS SUBJECT TO AN EMBARGO BY THE UNITED STATES GOVERNMENT. NEITHER FRANCHISEE NOR ANY OF ITS AFFILIATES IS ACTING ON BEHALF OF A GOVERNMENT OF ANY COUNTRY THAT IS SUBJECT TO SUCH AN EMBARGO. FRANCHISEE FURTHER REPRESENTS AND WARRANTS THAT IT IS IN COMPLIANCE WITH ANY APPLICABLE ANTI-MONEY LAUNDERING LAW, INCLUDING, WITHOUT LIMITATION, THE USA PATRIOT ACT. FRANCHISEE AGREES THAT IT WILL NOTIFY FRANCHISOR IN WRITING IMMEDIATELY UPON THE OCCURRENCE OF ANY EVENT THAT WOULD RENDER THE FOREGOING REPRESENTATIONS AND WARRANTIES OF THIS SECTION INCORRECT.

(b) BY SIGNING THIS AGREEMENT YOU ARE AGREEING TO HAVE ALL DISPUTES, CLAIMS OR CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT DECIDED BY NEUTRAL ARBITRATION IN CHICAGO, ILLINOIS, AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THOSE MATTERS LITIGATED IN A COURT OR JURY TRIAL. BY SIGNING THIS AGREEMENT, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL EXCEPT TO THE EXTENT THAT THEY ARE SPECIFICALLY PROVIDED FOR UNDER THIS AGREEMENT. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION YOU MAY BE COMPELLED TO ARBITRATE UNDER FEDERAL OR STATE LAW. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

(c) FRANCHISEE AGREES AND ACKNOWLEDGES THAT FRANCHISEE SHALL COMPLY WITH ALL APPLICABLE LAW IN THE OPERATION OF THE RESTAURANT AND ITS BUSINESS AND SHALL CONSULT WITH ITS OWN INDEPENDENT ADVISORS TO THE EXTENT NECESSARY TO DO SO; FRANCHISOR SHALL NOT BE RESPONSIBLE FOR THE OPERATION OF FRANCHISEE'S BUSINESS. WHENEVER A PROVISION OF THIS AGREEMENT PROVIDES FOR FRANCHISOR'S REVIEW AND CONSENT OR APPROVAL, FRANCHISOR'S REVIEW SHALL NOT BE TO DETERMINE COMPLIANCE WITH LAW, WHICH COMPLIANCE IS THE SOLE RESPONSIBILITY OF FRANCHISEE.

(d) FRANCHISEE ACKNOWLEDGES RECEIPT OF A COPY OF FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, WITH A COPY OF THIS AGREEMENT INCLUDED, AT LEAST FOURTEEN (14) DAYS BEFORE THE DATE OF EXECUTION OF THIS AGREEMENT.

(e) No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming any reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **32. EXECUTION OF AGREEMENT.**

This Agreement may be signed with full legal force and effect using electronic signatures and records. Delivery of this Agreement by e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

SIGNATURE PAGE FOLLOWS

### 32. EFFECTIVE DATE

This Agreement shall become effective and binding upon execution and delivery by Franchisor.

DATE: \_\_\_\_\_  
Franchisee (Print Name)

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

DATE: \_\_\_\_\_ WIX FRANCHISE, INC.

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT A

(1) Address of Restaurant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(2) Protected Area: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE: \_\_\_\_\_  
Franchisee (Print Name)

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

DATE: \_\_\_\_\_ WIX FRANCHISE, INC.

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT B

SPOUSAL CONSENT

The undersigned each being the spouse of a Franchisee (or the spouse of an owner of Franchisee) hereby states

1) That he or she has received a copy of the Franchise Agreement and the Franchise Disclosure Document; and

2) That he or she consents to the terms and conditions of the Franchise Agreement, including but not limited to those concerning transfer, and

3) That he or she consents to execution of the Franchise Agreement by Franchisee; and

4) That he or she consents to execution of the Guaranty and Assumption of Franchisee's Obligations.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

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

EXHIBIT C

INFORMATION REGARDING  
NON-INDIVIDUAL FRANCHISEES

(1) If Franchisee is a corporation or partnership or other entity, there is set forth below the name, address, title and percentage ownership of each shareholder, partner or member of Franchisee:

| NAME | ADDRESS | TITLE | PERCENTAGE<br>OWNERSHIP |
|------|---------|-------|-------------------------|
|      |         |       |                         |
|      |         |       |                         |

(2) If Franchisee is a corporation or limited liability company, there is set forth below the name, address and title of each officer and director or manager of Franchisee:

| NAME | ADDRESS | TITLE |
|------|---------|-------|
|      |         |       |
|      |         |       |

(3) The address where Franchisee's records are maintained is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(4) There is set forth below the name, address and title of each of Franchisee's principal officers or partners who will be devoting their full-time efforts to the operation of the licensed business.

| NAME | ADDRESS | TITLE |
|------|---------|-------|
|      |         |       |
|      |         |       |

DATE: \_\_\_\_\_

\_\_\_\_\_  
Name and Title of Person Completing Exhibit

\_\_\_\_\_  
Signature

## EXHIBIT D

### GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "**Agreement**") with Wix Franchise, Inc. ("**Franchisor**") of even date herewith, each of the undersigned hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that \_\_\_\_\_ ("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement; and (2) agrees to be personally bound by and personally liable for the breach of each and every provision in the Agreement, including but not limited to monetary obligations.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) any and all other notices and demands and legal and equitable defenses to which he/she may be entitled.

Each of the undersigned consents and agrees that: (1) his/her liability under this guaranty shall be joint and several; (2) he/she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) he/she will individually comply with all the provisions and subsections of the Agreement and any renewals and amendments thereto; (4) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (5) such liability shall not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may, from time to time, grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall, in any way, modify or amend this guaranty which shall be continuing and irrevocable during the term of the Agreement and thereafter.

If any provision of this Guaranty and Assumption Agreement is deemed to be invalid or inoperative, for any reason, that part shall be deemed modified to the extent necessary to make it valid and operative or if it cannot be so modified, then severed, and the remainder of the Guaranty and Assumption Agreement shall continue in full force and effect as if it had been executed and entered into with the invalid portion so modified or eliminated.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, each of the undersigned hereto affixed his/her signature effective on the same day and year as the executed Agreement.

GUARANTOR(S)

PERCENTAGE OWNERSHIP

By: \_\_\_\_\_ %

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

Address: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_ %

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

Address: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_ %

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

Address: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_ %

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

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Total must = 100%

## EXHIBIT E

### ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

As a duly authorized signer on the financial institution account identified below of the undersigned Franchisee, I authorize Wix Franchise, Inc. ("Company") to initiate monthly electronic fund transfer debits from the account for payments due or when applicable, apply electronic funds transfer credits to the same. Said debits may be for Royalty Fees, Marketing Services fees, interest, late fees, and any other amounts Franchisee owes to the Franchisor or its affiliates pursuant to the Franchise Agreement between Franchisee and Franchisor, and in amounts required by the Franchise Agreement. The dollar amount to be debited for each transfer will vary.

Currently, Wix Franchise, Inc. is initiating monthly debits on the seventh (7<sup>th</sup>) day of every calendar month for payment of the Royalty Fee, Marketing Services fees, and any other amounts then due, unless that day falls on a holiday, in which case the debit will be initiated the following business day. The dates and intervals for initiating debits for amounts due under the Franchise Agreement may be changed upon delivery of notice to Franchisee.

If any such electronic debit(s) should be returned by my financial institution as unpaid (Non-Sufficient or Uncollected Funds), I understand that Wix Franchise, Inc. shall be entitled to collect interest and late fees as provided in the Franchise Agreement, and to debit same from this account once there are sufficient funds to cover it.

This authorization is to remain in full force and effect until Wix Franchise, Inc. has received written notification of its termination in such time and in such manner as to afford Franchisor a reasonable opportunity to act on it, and to obtain a replacement Electronic Funds Transfer Authorization from Franchisee for a replacement account. Any such notice should be sent to the following address:

Wix Franchise, Inc.  
1368 Bayshore Drive  
Antioch, Illinois 60002,

Franchisee is responsible for, and shall pay on demand, all costs or fee charged by the financial institution holding the account relating to the handling of debits pursuant to this authorization. I understand and authorize all of the above.

FRANCHISEE:

\_\_\_\_\_

AUTHORIZING SIGNATURE: \_\_\_\_\_

PRINT NAME AND TITLE:

\_\_\_\_\_

DATE: \_\_\_\_\_

BUSINESS ADDRESS:

\_\_\_\_\_

Exhibit E

**Financial Institution Account Identifying Information:**

Enter financial institution account information in the fields below or attach a voided check.

|                                     |                              |
|-------------------------------------|------------------------------|
| <b>Financial Institution:</b>       | <b>Branch:</b>               |
| <b>City:</b>                        | <b>State &amp; Zip Code:</b> |
| <b>Transit / ABA # (Routing #):</b> | <b>Account #:</b>            |

EXHIBIT F

CONDITIONAL ASSIGNMENT OF FRANCHISEE'S  
TELEPHONE NUMBERS AND DIGITAL MARKETING ACCOUNTS

Franchisee (Assignor): \_\_\_\_\_, whose business address is \_\_\_\_\_, in consideration of the granting of a franchise to Assignor contemporaneously herewith, and other valuable consideration paid by Wix Franchise, Inc. (Franchisor/Assignee), having its principal place of business at 1368 Bayshore Drive, Antioch, Illinois 60002, hereby assigns unto the Franchisor/Assignee (i) all telephone numbers and listings utilized by Assignor in the operation of Assignor's Restaurant at Assignor's address above-referenced, and (ii) all social media accounts, applications, websites, online listing and other online presence and all related passwords and log-in information ("Digital Marketing") associated with Franchisor/Assignee's Marks, including Antioch Pizza Shop. Assignor acknowledges that Antioch Pizza Shop and associated marks are solely the property of Franchisor/Assignee. As such, Assignor's right to use any telephone numbers and directory listings and Digital Marketing associated with Antioch Pizza Shop trademarks and service marks was solely due to a limited license granted by Franchisor/Assignee in connection with the Franchisor/Assignee's trademark(s)/service mark(s) pursuant to a Franchise Agreement. Once said license has expired and/or terminated pursuant to the expiration or termination of the Franchise Agreement, Assignor has no right to the telephone number or directory listing or Digital Marketing associated with the Franchisor/Assignee's trademark, including, but not limited to Antioch Pizza Shop.

This Assignment shall constitute authorization to the appropriate telephone company to change and transfer to Franchisor/Assignee all of Assignor's rights in and to the use of said business telephone lines and Assignor hereby irrevocably appoints and authorizes Franchisor/Assignee to act as Assignor's attorney-in-fact and hereby empowers Franchisor/Assignee to execute such instruments in the Assignee's name in order to give full effect to this Assignment and to effectuate any transfer.

Upon the Assignment, Franchisor/Assignee hereby assumes the performance of all of the terms, covenants and conditions of the third parties holding such accounts with the full force and effect as if the Franchisor/Assignee has been originally issued such telephones, telephone numbers, telephone listings and Digital Marketing accounts.

**ASSIGNOR (Franchisee):**

**FRANCHISOR/ASSIGNEE:**  
WIX FRANCHISE, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_ \

**EXHIBIT B**  
**MULTI-UNIT DEVELOPMENT AGREEMENT**

(Attached).



**WIX FRANCHISE, INC.**

**MULTI-UNIT DEVELOPMENT AGREEMENT**

**WIX FRANCHISE, INC.**

**MULTI-UNIT DEVELOPMENT AGREEMENT**

This Multi-Unit Development Agreement ("this Agreement") is entered into by and between Wix Franchise, Inc., an Illinois corporation, with a business address of 1368 Bayshore Drive, Antioch, Illinois 60002 ("Franchisor, "we" or "us"), and \_\_\_\_\_, a \_\_\_\_\_ with a business address of \_\_\_\_\_ ("Developer" or "you"). Certain provisions of this Agreement are applicable to the owners of Developer ("Owners") on whose business skill, financial capability and personal character we are relying in entering into this Agreement.

**WITNESSETH:**

A. Franchisor is in the business of offering and selling franchises for the development and operation of Antioch Pizza Shop™ restaurants (each, a "**Restaurant**"), which includes, without limitation: the mark Antioch Pizza Shop™, and related names, trademarks, service marks, logos, copyrights, designs, emblems, slogans, commercial symbols and other indicia and associated goodwill now or hereafter designated for use by Franchisor in connection with the System and any and all revisions, modifications and additions thereto, whether or not recorded or registered with the United States Patent and Trademark Office or any other local, state, federal or foreign agency, registrar or body (the "**Marks**"); distinctive building designs, decor, color schemes and trade dress and signage; an operations manual incorporating required standards, procedures, policies, and techniques; secret food recipes; and advertising, marketing, and promotional programs (the "**System**").

B. Franchisor also grants development rights to persons or entities who meet our qualifications and who are willing to undertake the investment and effort necessary to establish, develop, own and operate multiple Antioch Pizza Shop Businesses in accordance with the System and using the Marks.

C. You have expressed a desire to and have applied for the right to develop, own and operate two (2) or more Antioch Pizza Shop Businesses and Franchisor has approved your application in reliance upon all of the representations made therein and is willing to grant to Developer the right to develop multiple Antioch Pizza Shop Businesses within a certain agreed upon territory on the terms and conditions set forth herein.

D. Simultaneously with this Agreement, Franchisor and Developer are entering into a Franchise Agreement for the establishment of its first Antioch Pizza Shop franchised restaurant.

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

**1. GRANT**

1.1 We hereby grant to you, pursuant to the terms and conditions of this Agreement, the right to obtain franchises, subject to the terms of this Agreement, to establish and operate Antioch Pizza Shop franchises restaurants ("Antioch Pizza Shop Restaurant") within the geographic area

or areas described in Exhibit A attached hereto and incorporated herein by this reference ("Development Area"). If the Development Area is made up of separate and distinct areas in which each of the franchises to be developed under the Development Schedule will be developed, upon the execution of a Franchise Agreement for each franchise and the designation of the Protected Area under that Franchise Agreement, the portion of the Development Area described in Exhibit A attached hereto for that franchise will be released and deleted from the description of the Development Area as of that date for purposes of this Agreement and the Protected Area described in the respective Franchise Agreement will control.

1.2 You agree to be bound by the development schedule set forth in Exhibit B attached hereto ("Development Schedule"). Time is of the essence of this Agreement. Each Antioch Pizza Shop Restaurant franchise must be established and operated pursuant to a separate Franchise Agreement ("Franchise Agreement") to be entered into by you (or an entity owned by your Owners) and us. Each Franchise Agreement shall be in the form of Franchise Agreement being offered by us at the time you execute the Franchise Agreement, which may differ from the form of Franchise Agreement being offered by us on the date of execution of this Agreement, except that an addendum to the Franchise Agreement shall be entered into to incorporate terms of this Agreement relating to initial franchise fees to be paid to you under each Franchise Agreement. The terms and conditions of each such Franchise Agreement shall control the establishment and operation of such Antioch Pizza Shop Restaurant. The parties acknowledge and agree that Developer may not satisfy its obligations to open an Antioch Pizza Shop Restaurant by purchasing a Food Truck franchise from Franchisor. Food Truck franchises opened by Developer will not be counted toward Developer's Development Schedule.

1.3 Except as otherwise provided in this Development Agreement, and as long as you are in compliance with the Development Schedule and otherwise in compliance with this Development Agreement, we will not establish, nor license anyone other than you the right to establish any Antioch Pizza Shop Restaurant or Food Truck in the Development Area prior to the expiration of the Development Schedule. We (and any Affiliate) reserve the following rights:

(a) to conduct businesses using the Marks and the System in non-conventional forums within and outside the Development Area. For example, Franchisor reserves the right to open and operate or authorize others to open and operate an Antioch Pizza Shop Restaurant using the Marks and the System in shopping malls (100,000 square feet or larger), airports, train stations, hotels and resorts, casinos, military bases, federal lands, university campuses and other similar non-conventional forums.

(b) to offer and sell, both within and outside of the Development Area, at wholesale, retail, or through any other distribution system, products and services which comprise, may in the future comprise or which do not comprise, a part of the System, which products may be resold at retail or through any other distribution channel including, but not limited to, supermarkets and other retail facilities, to the general public by such entities;

(c) to offer and sell, both within and outside of the Development Area, at both wholesale and retail all products and services which do not comprise a part of the System. We (and any Affiliate) also reserve the right, both within and outside the Development Territory, to establish restaurants operating under a format and trademarks and service marks distinct from the System;

(d) to engage in any activities not expressly forbidden by this Development

Agreement.

1.4 This Agreement is not a Franchise Agreement, and you shall have no right to use in any manner the System or the Marks by virtue of entering into this Agreement.

1.5 Developer shall have no right under this Agreement to license others to operate a business or use the System or the Marks.

## **2. FEES**

2.1 Concurrent with the execution of this Agreement, you must execute a Franchise Agreement for the first Antioch Pizza Shop Restaurant to be developed and pay the initial franchise fee due under said Franchise Agreement. The initial franchise fee for the remaining Franchise Agreements to be developed under this Agreement shall be Thirty-Two Thousand Dollars (\$32,000.00) for a Dine-In Restaurant or Take-Out/Delivery Restaurant Franchise and Twenty-Eight Thousand Dollars (\$28,000.00) for an Express Restaurant franchise.

2.2 Upon the execution of this Development Agreement, you shall pay a fee ("Development Fee") calculated as the total of the initial franchise fees to be paid for each of the additional franchises to be developed by the Developer after the first franchise: \_\_\_\_\_ Dollars (\$\_\_\_\_\_.)

The Development Fee is consideration for this Development Agreement, is fully earned by Franchisor upon execution of this Development Agreement and is non-refundable, notwithstanding any provision to the contrary contained in any Franchise Agreement. No initial franchise fee will be due on the date of execution under any Franchise Agreement signed under this Agreement.

2.3 A separate Franchise Agreement shall be executed for each additional Antioch Pizza Shop Restaurant. Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of such Antioch Pizza Shop Restaurant.

## **3. DEVELOPMENT OBLIGATIONS**

3.1 The terms and conditions of this Agreement are contingent upon you being in full compliance with the Development Schedule. In addition, you must at all times after the opening of each Antioch Pizza Shop Restaurant continuously maintain in operation pursuant to each Franchise Agreement at least the number of Antioch Pizza Shop Restaurants set forth in the Development Schedule, and your Owners must at all times own a majority control over the entity that owns each Antioch Pizza Shop Restaurant franchise developed hereunder. You may develop and open any Antioch Pizza Shop Restaurant earlier than the date set forth in the Development Schedule as long as you do so in compliance with this Agreement and the applicable Franchise Agreement.

3.2 You must develop each Antioch Pizza Shop Restaurant in the following manner:

(a) By giving us written notice of your intention to begin development of the next Antioch Pizza Shop Restaurant at least thirty (30) days before the execution of the Franchise Agreement for the applicable restaurant;

(b) By submitting to us a description of the proposed site, together with a letter

of intent in a form approved by us or other evidence satisfactory to us which confirms your favorable prospects for obtaining the proposed site;

(c) By executing the then-current form of the Franchise Agreement for the applicable restaurant at the approved site and complying with its terms. We acknowledge that the franchisee for each Franchise Agreement may be a separate entity owned by your Owners.

(d) By executing a lease, in a form approved by us, or purchase agreement for the proposed site; and

(e) By meeting all of the requirements for developing and opening the Antioch Pizza Shop Restaurant under the terms of the applicable Franchise Agreement.

3.3 We will be obligated to execute the Franchise Agreement only if (i) you continue to maintain the requisite knowledge, experience, skills, and financial resources to perform as a franchisee, (ii) you are in compliance with this Agreement, including but not limited to compliance with the Development Schedule and in compliance with the in-term covenants set forth in Paragraph 6.4, (iii) you (and/or an affiliate) are in compliance any and all existing Franchise Agreements between us.

3.4 Subject to our prior written approval, you may develop and open more Antioch Pizza Shop Restaurants in the Development Area than you are required to develop under the Development Schedule.

3.5 At Franchisor's request, Developer shall provide to Franchisor a periodic report of Developer's activities and progress in developing and establishing Antioch Pizza Shop franchised restaurants under this Agreement. The reports shall be submitted in the form and in the manner specified by Franchisor.

#### **4. TERM**

4.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement shall expire on the date you sign a Franchise Agreement for the last franchise to be developed under this Agreement. The term of this Agreement is not related or affected by the term of any franchise agreement, lease, or other agreement related to any Antioch Pizza Shop Restaurant. This Agreement does not contain or create any right to renewal.

#### **5. DUTIES OF THE DEVELOPER**

5.1 You shall perform the following obligations:

(a) You shall comply with all terms and conditions set forth in this Agreement.

(b) You shall comply with all of the terms and conditions of each Franchise Agreement including, without limitation, the operating requirements specified in each Franchise Agreement; however, we shall determine what, if any, initial training at our headquarters will be required of your Owners and managers in connection with the second or any subsequent Franchise Agreements.

(c) You shall comply with the non-disclosure and non-competition obligations under Section 6 of this Agreement.

## **6. PROPRIETARY MARKS/CONFIDENTIAL INFORMATION**

6.1 Marks. Notwithstanding any provision to the contrary under this Agreement, it is understood and agreed that under this Agreement we do not grant you any right to use the Marks. Any right to use the Marks is granted under the individual franchise agreements executed by you in connection with this Agreement. You must not use the Marks, or any portion of any Mark or any name confusingly similar to any Mark as part of your business entity name.

6.2 Confidential Information. "Confidential Information" as used in this Agreement shall include information which we consider our trade secrets and confidential information, including information contained in our Operations Manual and any and all material and information pertaining to the System, and any other information, knowledge, know-how, materials or data that we designate as confidential or proprietary or as trade secrets. We may disclose to you our Confidential Information under this Agreement.

6.3 Non-disclosure Agreement. You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development of Antioch Pizza Shop Restaurants under this Agreement, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition, a breach of this Agreement and copyright infringement. You acknowledge and agree that the Confidential Information belongs to us and our affiliate, is proprietary information, and may contain trade secrets belonging to us and our affiliate and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree herein, that you: (1) will not use the Confidential Information during and after the term of this Agreement in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (4) will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to your employees and the use of non-disclosure and/or non-competition agreements we may prescribe for your employees who have access to the Confidential Information subject to applicable law. Upon our request, you must provide us with copies of signed non-disclosure and/or non-competition agreements signed by any Owners, managers or employees. The restrictions on your disclosure and use of the Confidential Information will not apply to the following: (a) information, processes, or techniques which are generally known and used in the food and restaurant industry (as long as the availability is not because of a disclosure by you) and (b) disclosure of the Confidential Information in legal proceedings when you are legally required to disclose it and you have first given us the opportunity to obtain an appropriate legal protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

6.4 In-Term Non-Competition Agreement. You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information between you and us if you or your Owners were permitted to hold interests in any competitive businesses, as described below. You also acknowledge that we have entered into this Agreement with you in part in consideration of, and in reliance on, your agreement to deal exclusively with us. Therefore, during the term of this

Agreement, neither you, nor any Owner, may, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with, any person or legal entity, own, maintain, operate, engage in, consult with or have any interest in (as disclosed or beneficial owner) any business which offers products or services which are the same as, or similar to, those offered by Antioch Pizza Shop Restaurant (other than through a franchise agreement with Franchisor), or any entity which is granting franchises or licenses for any business which offers products or services which are the same as, or similar to, those offered by Antioch Pizza Shop Restaurants. (The ownership of five percent (5%) or less of a publicly traded Franchisor will not be deemed to be prohibited by this paragraph.) Further, during the term of this Agreement, you will not divert customers or business from any Antioch Pizza Shop Restaurants to any other business.

## **7. DEFAULT AND TERMINATION**

7.1 The right to open Antioch Pizza Shop Restaurants has been granted in reliance on your representations and warranties, and strictly on the conditions set forth in this Development Agreement including, without limitation, the condition that you comply strictly with the Development Schedule.

7.2 You shall be in default under this Agreement, and all rights granted herein to you shall automatically terminate without notice or an opportunity to cure if:

(a) you are adjudicated bankrupt, become insolvent, commits any affirmative action of insolvency or files any action or petition of insolvency, or if a receiver (permanent or temporary) of your property or any part thereof is appointed by a court of competent authority, or if you make a general assignment for the benefit of its creditors;

(b) if a final judgment against your business assets remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed);

(c) if execution is levied against your business or property;

(d) if suit to foreclose any lien or mortgage against Developer's premises or business assets is instituted against you and not dismissed within thirty (30) days, or is not in the process of being dismissed; provided, however, that Franchisor reserves the right to be named as trustee or receiver in any voluntary petition for bankruptcy or insolvency filed by you;

(e) you make or attempt to make a transfer, sale or assignment of this Agreement in violation of this Agreement;

(f) upon the dissolution of the entity that is Developer is dissolved, or upon the death of one or more of your Owners; or

(g) you (or your affiliate who executed the Franchise Agreement) are in breach of any Franchise Agreement signed under this Agreement and you fail to cure the breach after notice and opportunity to cure as provided in the Franchise Agreement.

7.3 If you (i) fail to meet any of the deadlines set forth in the Development Schedule; (ii) fail to comply with any other term and condition of this Agreement; or (iii) you or other entity owned by the Owners are in default under any individual Franchise Agreement with us, or of any other

agreement to which we are parties, and have failed to cure such default within the time for cure provided under the applicable franchise agreement; any such event shall constitute a default under this Agreement. Upon any such default, we, in our sole discretion, may do any one or more of the following:

(a) Terminate this Agreement and all rights granted hereunder to you without affording you any opportunity to cure the default effective immediately upon delivery to you of a written notice from us;

(b) Reduce the number of Antioch Pizza Shop Restaurants which you have the right to establish and open pursuant to this Agreement; or

(c) Exercise any other rights and remedies which we may have under applicable law.

7.4 Upon termination or expiration of this Agreement, all remaining rights granted to you to establish and open Antioch Pizza Shop Restaurants under this Agreement for which a Franchise Agreement has not been executed shall automatically be null and void. You shall have no right to establish, open or operate any Antioch Pizza Shop Restaurants for which a Franchise Agreement has not been executed by us prior to the date of termination or expiration of this Agreement.

7.5 No default under this Agreement shall constitute a default under any Franchise Agreement between the parties hereto. The terms and conditions of each Franchise Agreement must be complied with by you or your affiliate as franchisee thereunder and shall control in determining whether any default exists under such Franchise Agreement.

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

## **8. TRANSFERABILITY; ENTITY AS DEVELOPER**

8.1 This Agreement is fully assignable by us and will inure to the benefit of any assignee or other legal successor to the interest of the Franchisor herein.

8.2 You understand and acknowledge that the rights granted to you in this Agreement are personal to you and that we granted them in reliance upon the qualifications of you or your Owners. You and your Owners shall not, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or in Developer to any third party, and nothing in this Agreement shall be construed as granting you the right to do so without our prior written consent, which consent may be withheld in our sole discretion. If we consent to any such assignment, we shall charge you a transfer fee in the amount to cover our costs and expenses incurred in connection with the assignment. The transfer fee is calculated as the total of twenty-five percent (25%) of the initial franchise fee currently being charged for a Dine-In or Take-Out Delivery Restaurant for each additional franchise to be developed under the Development Schedule as of the date of transfer. Any purported assignment, sale or transfer by Developer or its Owners without our prior written consent shall be null and void and shall constitute a material default hereunder. Any such purported assignment or transfer occurring by operation of law or otherwise, including any assignment by or to any trustee in bankruptcy, without our prior written consent, shall be a material default of this Agreement. You have represented and hereby

represent to us that you are entering into this Agreement with the intention of complying with its terms and conditions through the term of this Agreement and not for the purpose of resale of the developmental rights hereunder.

## **9. POST-TERMINATION COVENANTS**

9.1 Unless otherwise specified, the term "Developer" as used in this Section 9 shall include each and every Owner of Developer.

9.2 Developer specifically acknowledges that, pursuant to this Agreement, Developer will have access to the Confidential Information. Accordingly, Developer covenants that Developer and its Owners shall not, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or entity:

(a) own, maintain, operate, engage in, consult with or have any interest in (as disclosed or beneficial owner) any business which offers products or services which are the same as, or similar to, those offered by Antioch Pizza Shop Restaurants, or any entity which is granting franchises or licenses for any business which offers products or services which are the same as, or similar to, those offered by Antioch Pizza Shop Restaurants within the Development Area, or within a five and one-half (5 ½) mile radius of any existing Antioch Pizza Shop Restaurant, except under a validly existing Franchise Agreement with Franchisor. You acknowledge and agree that, after the date of this Agreement, other Antioch Pizza Shop Restaurants may open, thereby expanding the geographical area in which you will not be able to compete with us; and

(b) directly or indirectly divert or attempt to divert any former business or customer of an Antioch Pizza Shop Restaurant to any competitive business.

The ownership of five percent (5%) or less of a publicly traded Franchisor will not be deemed to be prohibited by this paragraph.

9.3 Court Modification of Agreement. You agree that this form of Agreement is prepared for use in many jurisdictions with differing public policies and that such public policies change. Accordingly, you agree that the prevailing non-competition restrictions set forth above may be modified by a Court to the extent necessary to make the non-competition agreements valid and enforceable against you.

9.4 Enforcement of Covenants Not to Compete. You acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you hereby acknowledge that we may seek to obtain the entry of an injunction prohibiting any conduct by you or your Owners in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that it may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through your unlawful use of the Confidential Information. Further, you expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants not to compete set forth in this Agreement. You further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by us in connection with the

enforcement of those covenants not to compete set forth in this Agreement.

9.5 In addition to the foregoing covenants, you, your Owners, and/or affiliates shall be bound by and comply with the covenants contained in each Franchise Agreement entered into by them.

## **10. NOTICES**

All notices hereunder shall be hand delivered or sent by express mail, federal express or air courier or by registered or certified mail to Franchisor and Developer at the respective addresses set forth on the first page of this Agreement, unless Franchisor and/or Developer shall from time to time change said addresses by written notice to the other as provided herein. Any notice given by registered or certified mail shall be deemed received by the party to whom it is addressed on the third day after such notice is deposited in the United States mail with postage thereon fully prepaid, return receipt requested. Any notice given by express mail, federal express or air courier shall be deemed given the next business day.

## **11. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

11.1. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

11.2 Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary or as directed by us to that end.

11.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall we be deemed liable by reason of, any act or omission by you in the conduct of your business, or any claim or judgment arising therefrom. You shall indemnify and hold us, our officers, directors, employees and agents harmless against any and all such claims directly or indirectly from, as a result of, or in connection with your business operations under this Agreement or under any Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

## **12. DISPUTE RESOLUTION**

### **12.1 Mediation and Arbitration**

(a) Upon the occurrence of any dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement, the subject matter hereof, or the interpretation or enforcement hereof (in each case, a “**Dispute**”), the Dispute shall first be submitted to mediation on an expedited basis in Chicago, Illinois, administered by the Judicial Arbitration and Mediation Service (“**JAMS**”), or its successor, in accordance with the JAMS rules and procedures then in effect. Either party may commence mediation by providing

to JAMS and the other party a written request for mediation, setting forth the subject of the Dispute and the relief requested, with the expectation that the first mediation session shall occur within forty-five (45) days of such written request. The party seeking the mediation must submit the following in addition to any demand or filing required by JAMS: a full and specific description of the claim(s) under this Agreement including without limitation an identification of the specific provisions that the other party has breached, documentary evidence of the facts alleged by the complaining party and a declaration under penalty of perjury that all facts stated in the claim and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the Dispute. The parties will cooperate with JAMS and with one another in selecting a neutral mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The mediator must be a retired judge or an attorney licensed to practice law in Chicago, Illinois and experienced in complex commercial transactions. If the parties are unable to select the mediator within ten (10) business days after receipt of the mediation notice by JAMS, then JAMS shall designate the mediator. The parties covenant that they will (i) participate in the mediation in good faith, (ii) share equally in the costs of the mediator and related JAMS administrative costs, and (iii) pay in advance the estimated reasonable fees and costs of the mediation, as may be specified in advance by the mediator. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any reference, arbitration, litigation or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. In the event it is necessary, any party may file a motion in the state or federal courts in Chicago, Illinois to compel the other party to participate in the mediation and the prevailing party shall be awarded its costs and expenses, including reasonable attorneys' fees in connection with such motion. If the Dispute is not resolved within ten (10) business days after the first mediation session, either party may (i) give written notice to JAMS and the other party that the mediation is terminated and (ii) submit any remaining Disputes to binding arbitration pursuant to Section (b) below.

(b) If the parties are unable to resolve the Dispute pursuant to subsection (a) above, then the parties may submit the Dispute to final and binding arbitration in Chicago, Illinois, administered by JAMS, or its successor, in accordance with the rules and procedures of JAMS then in effect. The parties agree that any and all Disputes that are submitted to arbitration in accordance with this Agreement shall be decided by one (1) neutral arbitrator who is a retired judge or attorney licensed to practice law in Illinois who is experienced in complex commercial transactions. If the parties are unable to agree on an arbitrator, JAMS shall designate the arbitrator. The parties will cooperate with JAMS and with one another in selecting the arbitrator and in scheduling the arbitration proceedings in accordance with applicable JAMS procedures. The arbitration shall be conducted in accordance with the JAMS Comprehensive Rules. Any party may commence the arbitration process called for in this Agreement by filing a written demand for arbitration with JAMS, with a copy to the other party. The party seeking arbitration must submit the following in addition to any demand or filing required by JAMS: a full and specific description of the claim(s) under this Agreement including without limitation an identification of the specific provisions that the other party has breached, documentary evidence of the facts alleged by the complaining party and a declaration under penalty of perjury that all facts stated in the claim and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the Dispute. Any award issued as a result of such arbitration shall be final and binding between the parties thereto and shall be enforceable by any

court having jurisdiction over the party against whom enforcement is sought. The parties expressly acknowledge and understand that by entering into this Agreement, they each are waiving their respective rights to have any Dispute between the parties hereto adjudicated by a court or by a jury.

(c) The parties recognize that their relationship is unique and that each Developer is situated differently from all other Developers, and that no one Developer can adequately represent the interest of others. Therefore, the parties agree that any arbitration, suit, action or other legal proceeding shall be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff, consolidated or similar basis.

(d) The prevailing party in any legal proceeding will be entitled to recover as an element of such party's cost of arbitration, suit or proceeding, and not as damages, reasonable attorneys' fees to be fixed by the arbitrator or by the court. Nothing in this Agreement shall be construed as limiting or precluding either party from bringing any action in any court of competent jurisdiction for injunctive or other extraordinary relief, without the necessity of posting a bond (and if bond shall nevertheless be required, the parties agree that the sum of One Hundred Dollars (\$100) shall be sufficient bond), in connection with the Marks, Proprietary Information or Trade Secrets. The parties shall have the immediate right to seek such injunctive or other extraordinary relief at any time, including without limitation, during the pendency of an arbitration or other proceeding. This covenant shall be independent, severable and enforceable notwithstanding any other rights or remedies which such party may have.

**12.2 Governing Law/Consent to Jurisdiction.** This Agreement shall be governed in all respects and aspects by the laws of the State of Illinois, excluding its conflict of law rules, and subject to the Lanham Act (15 U.S.C. 1051 et seq.) You agree that we may institute any action against you arising out of or relating to this Agreement, which is not required to be arbitrated under this Agreement or as to which arbitration has been waived by the parties, in any state or federal court of jurisdiction located in the State of Illinois and Developer irrevocably submits to the exclusive jurisdiction or venue of such courts.

**12.3 WAIVER OF PUNITIVE DAMAGES. FRANCHISOR AND DEVELOPER HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY (I) ACTUAL DAMAGES SUSTAINED BY IT AND (II) TRADEMARK LAW TREBLE DAMAGES.**

**12.4 Limitation of Claims.** Any and all claims arising out of or relating to this Agreement or the relationship of the Franchisor and Developer shall be barred unless an action or proceeding is commenced within one (1) year from the date of the occurrence of the facts giving rise to such claims.

**12.5 Cumulative Remedies.** The rights and remedies specifically granted to either Franchisor or Developer by this Agreement will not be deemed to prohibit either party from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

### **13. MISCELLANEOUS.**

13.1 Invalid Provisions; Substitution of Valid Provisions. To the extent that any provision of this Agreement is deemed unenforceable, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision under the laws applied in the forum in which we are seeking to enforce it.

13.2 Severability; Construction. The provisions of this Agreement are deemed to be severable. The parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement. All headings of the various Sections and Paragraphs of this Agreement are for convenience only and do not affect the meaning or construction of any provision. All references in this Agreement to masculine, neuter or singular usage will be construed to include the masculine, feminine, neuter or plural, wherever applicable.

13.3 Waiver of Obligations. Either you or the Franchisor may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Any waiver granted by us will be without prejudice to any other rights we may have, will be subject to our continuing review, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days prior written notice.

Neither you nor the Franchisor will be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate the Franchise prior to the expiration of its terms), by virtue of any failure, refusal or neglect of either of us to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder.

13.4 Entire Agreement; Modification. This Agreement and all exhibits to this Agreement constitute the entire understanding and agreement between the parties and there are no other oral or written understandings or agreements between the parties, and no oral or written representations by the Franchisor relating to the subject matter of this Agreement, except for those contained in the Franchise Disclosure Document provided to Developer (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Nothing in this Section is intended as, nor shall it be interpreted to be, a disclaimer by the Franchisor of any representation made in its Franchise Disclosure Documents, including the exhibits and any amendments thereto. Except for modifications permitted to be made unilaterally by us, this Agreement may be modified only by written agreement signed by both you and us.

13.5 Force Majeure. Neither you nor the Franchisor will be liable for loss or damage or deemed to be in breach of this Agreement if the failure to perform our respective obligations results from: (1) transportation shortages or inadequate supply of labor, material or energy beyond the control of the parties, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) acts or omissions

of the other party; (5) fires, strikes, embargoes, war, riot, acts of terrorism, or pandemic; or (6) any other similar event or cause. Any delay resulting from any of the causes set forth above will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable. However, this clause shall not apply or not result in an extension of the term of this Agreement.

13.6 No Liability to Others; No Other Beneficiaries. We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement, and no other party will have, or is intended to have, any rights because of this Agreement. We do not warrant that the obligations of this Agreement have been agreed to by or will be enforced against any of our other developers.

#### **14. SUPERIORITY OF FRANCHISE AGREEMENT**

For each Antioch Pizza Shop Restaurant developed in the Development Area, a separate Franchise Agreement shall be executed and the individual franchise fee as prescribed hereunder shall be paid to us. It is understood and agreed by you that any and all Franchise Agreements executed in connection with Antioch Pizza Shop Restaurants developed by you within the Development Area under this Agreement are independent of this Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Agreement. If any conflict shall arise in connection with this Agreement and any Franchise Agreement executed within the Development Area, the Franchise Agreement shall have precedence and superiority over this Agreement.

#### **15. OWNER GUARANTY.**

This Agreement must be personally guaranteed and the obligations hereunder assumed by all of the Owners of the Developer, and all such Owners must execute the Guaranty and Assumption of Obligations which is attached hereto as Exhibit C concurrently with the execution of this Agreement by Developer.

#### **16. ACKNOWLEDGEMENTS**

16.1 You and your Owners affirm that all information you have given to us in any and all applications, financial statements and other submissions is true, complete and accurate in all respects, with you expressly acknowledging that we are relying upon the truthfulness, completeness and accuracy of such information.

16.2. You have conducted an independent investigation of the business contemplated by this Agreement and the business of Antioch Pizza Shop Restaurants prior to the execution of this Agreement.

#### **17. EXECUTION OF AGREEMENT.**

This Agreement may be signed with full legal force and effect using electronic signatures and records. Delivery of this Agreement by e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this

Agreement on the dates set forth below each signature.

**FRANCHISOR:**  
**WIX FRANCHISE, INC.**  
An Illinois corporation

**DEVELOPER:**  
**[ENTITY NAME]**  
A \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**EXHIBIT A TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

**DESCRIPTION OF DEVELOPMENT AREA**

*[Insert description of area for each of the franchises to be developed under the Development Schedule.]*

**FRANCHISOR:**  
**WIX FRANCHISE, INC.**  
An Illinois corporation

**DEVELOPER:**  
**[ENTITY NAME]**  
A \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**EXHIBIT B TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

**DEVELOPMENT SCHEDULE**

Developer is obligated under this Agreement to develop, open and operate a minimum of two (2) Antioch Pizza Shop Restaurants. On or before the date set forth below, Developer is obligated by this Agreement to have signed Franchise Agreements, signed leases or purchase agreements, and commenced operating Antioch Pizza Shop Restaurants:

Last date for  
Execution of  
Franchise Agreement

Upon the execution of this  
Agreement

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Last date for  
Commencement of  
Operations

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**FRANCHISOR:**  
**WIX FRANCHISE, INC.**  
An Illinois corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**DEVELOPER:**  
**[ENTITY NAME]**

A \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

## **EXHIBIT C TO THE MULTI-UNIT DEVELOPMENT AGREEMENT**

### **GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by

---

In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement of even date herewith (the "Agreement") by Wix Franchise, Inc. (the "Franchisor"), each of the undersigned hereby personally and unconditionally, jointly and severally: (a) guarantees to the Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that \_\_\_\_\_ ("Developer") will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: (1) acceptance and notice of acceptance by the Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (4) any right he may have to require that an action be brought against Developer or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (1) his direct and immediate liability under this Guaranty will be joint and several with all other current and future guarantors of Developer's obligations; (2) he will render any performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) such liability will not be contingent or conditioned upon pursuit by the Franchisor of any remedies against Developer or any Other person; and (4) such liability will not be diminished, relieved or otherwise affected by any extension of time, or other indulgence which the Franchisor may from time to time grant to Developer or to any Other person, including without limitation, the acceptance of any partial performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the date set below the signature.

GUARANTOR(S)

% OF INTEREST IN DEVELOPER

\_\_\_\_\_

\_\_\_\_\_ %

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

Address: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ %

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

Address: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ %

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

Address: \_\_\_\_\_

Date: \_\_\_\_\_

(Percentage must equal 100)

**EXHIBIT C**  
**OPERATIONS MANUAL TABLE OF CONTENTS**  
(Attached).

# Antioch Pizza Shop

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**FINANCIAL STATEMENTS**  
(Attached).



WIX FRANCHISE, INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022, 2021, AND 2020



# WIX FRANCHISE, INC.

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### ***Independent Auditor's Report***

To the Stockholders of  
Wix Franchise, Inc.  
Antioch, Illinois

#### ***Opinion***

We have audited the accompanying financial statements of Wix Franchise, Inc., which comprise the balance sheets as of December 31, 2022, 2021, and 2020, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wix Franchise, Inc. as of December 31, 2022, 2021, and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Restrictions on Use***

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon for any other purpose.

Keza & Dnlay

St. George, Utah  
March 21, 2023

**WIX FRANCHISE, INC.**  
**BALANCE SHEETS**  
As of December 31, 2022, 2021, and 2020

|                                             | <u>2022</u>              | <u>2021</u>              | <u>2020</u>              |
|---------------------------------------------|--------------------------|--------------------------|--------------------------|
| <b>Assets</b>                               |                          |                          |                          |
| Current assets                              |                          |                          |                          |
| Cash and cash equivalents                   | \$ 126,781               | \$ 327,814               | \$ 147,042               |
| Related party receivable                    | -                        | -                        | 20,000                   |
| Total current assets                        | <u>126,781</u>           | <u>327,814</u>           | <u>167,042</u>           |
| Total assets                                | <u><u>\$ 126,781</u></u> | <u><u>\$ 327,814</u></u> | <u><u>\$ 167,042</u></u> |
| <b>Liabilities and Stockholders' Equity</b> |                          |                          |                          |
| Current liabilities                         |                          |                          |                          |
| Related party payable                       | \$ -                     | \$ 44,521                | \$ 44,521                |
| Accounts payable                            | 1,759                    | 12,615                   | -                        |
| Deferred revenue                            | <u>25,000</u>            | <u>-</u>                 | <u>-</u>                 |
| Total current liabilities                   | <u>26,759</u>            | <u>57,136</u>            | <u>44,521</u>            |
| Total liabilities                           | <u>26,759</u>            | <u>57,136</u>            | <u>44,521</u>            |
| Stockholders' equity                        |                          |                          |                          |
| Common stock, \$0.001 par value, 1,000      |                          |                          |                          |
| shares authorized, issued, and outstanding  | 10                       | 10                       | 10                       |
| Additional paid-in capital                  | 6,810                    | 6,810                    | 6,810                    |
| Retained earnings                           | <u>93,202</u>            | <u>263,858</u>           | <u>115,701</u>           |
| Total stockholders' equity                  | <u>100,022</u>           | <u>270,678</u>           | <u>122,521</u>           |
| Total liabilities and stockholders' equity  | <u><u>\$ 126,781</u></u> | <u><u>\$ 327,814</u></u> | <u><u>\$ 167,042</u></u> |

The accompanying notes are an integral part of the financial statements.

**WIX FRANCHISE, INC.**  
**STATEMENTS OF OPERATIONS**  
For the years ended December 31, 2022, 2021, and 2020

|                            | <u><b>2022</b></u> | <u><b>2021</b></u> | <u><b>2020</b></u> |
|----------------------------|--------------------|--------------------|--------------------|
| Operating revenue          |                    |                    |                    |
| Royalties                  | \$ 204,692         | \$ 234,181         | \$ 188,638         |
| Marketing fees             | 55,007             | 48,929             | 47,233             |
| Other operational revenue  | 131,227            | -                  | -                  |
| Total operating revenue    | <u>390,926</u>     | <u>283,110</u>     | <u>235,871</u>     |
| Operating expenses         |                    |                    |                    |
| Advertising and promotion  | 102,384            | 69,174             | 44,087             |
| General and administrative | 29,019             | 61,353             | 48,474             |
| Total operating expenses   | <u>131,403</u>     | <u>130,527</u>     | <u>92,561</u>      |
| Net income                 | <u>\$ 259,523</u>  | <u>\$ 152,583</u>  | <u>\$ 143,310</u>  |

The accompanying notes are an integral part of the financial statements.

**WIX FRANCHISE, INC.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
For the years ended December 31, 2022, 2021, and 2020

|                               | <b>Common Stock</b> |               | <b>Additional</b> | <b>Retained</b> |              |
|-------------------------------|---------------------|---------------|-------------------|-----------------|--------------|
|                               | <b>Shares</b>       | <b>Amount</b> | <b>Paid-in</b>    | <b>Earnings</b> | <b>Total</b> |
|                               |                     |               | <b>Capital</b>    |                 |              |
| Balances at January 1, 2020   | 1,000               | \$ 10         | \$ 6,810          | \$ (27,609)     | \$ (20,789)  |
| Net income                    | -                   | -             | -                 | 143,310         | 143,310      |
| Balances at December 31, 2020 | 1,000               | 10            | 6,810             | 115,701         | 122,521      |
| Stockholder dividends         | -                   | -             | -                 | (4,426)         | (4,426)      |
| Net income                    | -                   | -             | -                 | 152,583         | 152,583      |
| Balances at December 31, 2021 | 1,000               | 10            | 6,810             | 263,858         | 270,678      |
| Stockholder dividends         | -                   | -             | -                 | (430,179)       | (430,179)    |
| Net income                    | -                   | -             | -                 | 259,523         | 259,523      |
| Balances at December 31, 2022 | 1,000               | \$ 10         | \$ 6,810          | \$ 93,202       | \$ 100,022   |

The accompanying notes are an integral part of the financial statements.

**WIX FRANCHISE, INC.**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2022, 2021, and 2020

|                                                                                   | <u>2022</u>       | <u>2021</u>       | <u>2020</u>       |
|-----------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Cash flows from operating activities                                              |                   |                   |                   |
| Net income                                                                        | \$ 259,523        | \$ 152,583        | \$ 143,310        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                   |                   |                   |
| Changes in operating assets and liabilities:                                      |                   |                   |                   |
| Related party receivable                                                          | -                 | 20,000            | (20,000)          |
| Related party payable                                                             | (44,521)          | -                 | (1,715)           |
| Accounts payable                                                                  | (10,856)          | 12,615            | -                 |
| Deferred revenue                                                                  | 25,000            | -                 | -                 |
| Net cash provided by operating activities                                         | <u>229,146</u>    | <u>185,198</u>    | <u>121,595</u>    |
| Cash flows from financing activities                                              |                   |                   |                   |
| Stockholder dividends                                                             | <u>(430,179)</u>  | <u>(4,426)</u>    | <u>-</u>          |
| Net cash used by financing activities                                             | <u>(430,179)</u>  | <u>(4,426)</u>    | <u>-</u>          |
| Net change in cash and cash equivalents                                           | (201,033)         | 180,772           | 121,595           |
| Cash and cash equivalents at beginning of period                                  | 327,814           | 147,042           | 25,447            |
| Cash and cash equivalents at end of period                                        | <u>\$ 126,781</u> | <u>\$ 327,814</u> | <u>\$ 147,042</u> |
| Cash paid for interest and taxes                                                  | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       |

The accompanying notes are an integral part of the financial statements.

**WIX FRANCHISE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022, 2021, AND 2020**

(1) Nature of Business and Summary of Significant Accounting Policies

*(a) Nature of Business*

Wix Franchise, Inc. (the “Company”) is an Illinois corporation that was formed on October 24, 2015. The Company franchises the right to operate a fast-casual restaurant under the name “Antioch Pizza Shop”. The Company does not have any predecessor or parent companies but does have one affiliate, Wix Pizza, Inc. (“Affiliate”). The Affiliate has operated the original Antioch Pizza Shop since May 2008. The Affiliate has never offered franchises in this or any other line of business.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

*(b) Accounting Standards Codification*

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

*(c) Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

*(d) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2022, 2021, and 2020, the Company had cash and cash equivalents of \$126,781, \$327,814, and \$147,042, respectively.

*(e) Revenue Recognition*

The Company’s revenues consist of fees from franchised locations operated by conventional franchisees. Revenues from franchisees consist of initial franchise fees, royalties based on a percentage of gross revenues, and marketing fees.

The Company has adopted ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. The Company evaluates all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial fee and ongoing royalties, marketing fees, and technology fees, and the Company’s performance obligations.

**WIX FRANCHISE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022, 2021, AND 2020**

Upon evaluation of the five-step process, the Company has determined royalties and marketing fees from locations operated by a franchisee, which are based on a percentage of gross revenue, are to be recognized at the time the underlying sales occur. In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

*(f) Income Taxes*

The Company has elected to be treated as Subchapter S Corporation under the provisions of the Internal Revenue Code for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its stockholder and no provision for federal or state income taxes has been recorded in the accompanying balance sheet.

The Company adopted ASC 740-10-25-6, *Accounting for Uncertainty in Income Taxes*, that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the 2021, 2020, and 2019 tax years are subject to examination.

*(g) Advertising Costs*

The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2022, 2021, and 2020 was \$102,384, \$69,174, and \$44,087, respectively.

*(h) Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, pre-paid expenses, and accounts payable the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

**WIX FRANCHISE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022, 2021, AND 2020**

*(i) Concentration of Risk*

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

**(2) Deferred Revenue**

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalties and marketing fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Antioch Pizza system for a period of ten years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current. As of December 31, 2022, the Company had \$25,000 of deferred revenue. As of December 31, 2021 and 2020, the Company had no deferred revenue.

**(3) Related Party Transactions**

During the year ended December 31, 2019, an affiliate through common ownership paid for operating expenses on behalf of the Company. The payable did not accrue interest and was due on demand. During the year ended December 31, 2022, the Company repaid the balance due in full. As of December 31, 2021 and 2020, the amount payable to the affiliate was \$44,521.

During the year ended December 31, 2020, the Company provided a loan to an affiliate through common ownership. The amount did not accrue interest and was due on demand. The loan was repaid in full during the year ended December 31, 2021. As of December 31, 2022 and 2021, the loan had no balance. As of December 31, 2020, the amount receivable from the affiliate was \$20,000.

**(4) Commitments and Contingencies**

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus ("COVID-19") as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2022 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company's future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company's customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

**WIX FRANCHISE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022, 2021, AND 2020**

(5) Subsequent Events

Management has reviewed and evaluated subsequent events through March 21, 2023, the date on which the financial statements were available to be issued.

**EXHIBIT E**

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

| <b>STATE</b>     | <b>FRANCHISE ADMINISTRATOR</b>                                                                                                                       | <b>AGENT FOR SERVICE OF PROCESS</b>                                                                                                                    |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Illinois</b>  | Illinois Attorney General<br>Franchise Bureau<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465                            | Illinois Attorney General<br>Franchise Bureau<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465                              |
| <b>Indiana</b>   | Securities Commissioner<br>Indiana Securities Division<br>302 West Washington<br>Room E-111<br>Indianapolis, Indiana 46204                           | Indiana Secretary of State<br>201 State House<br>200 West Washington Street<br>Indianapolis, Indiana 46204                                             |
| <b>Michigan</b>  | Consumer Protection Division<br>Attn: Franchise<br>670 Williams Building<br>Lansing, Michigan 48913<br>(517) 335-7567                                | Consumer Protection Division<br>Attn: Franchise<br>670 Williams Building<br>Lansing, Michigan 48913                                                    |
| <b>Minnesota</b> | Minnesota Department of<br>Commerce<br>Securities Unit<br>85 7 <sup>th</sup> Place East, Suite 280<br>St. Paul, MN 55101-2198<br>(651) 539-1500      | Commissioner of Commerce<br>Minnesota Department of Commerce<br>Securities Unit<br>85 7 <sup>th</sup> Place East, Suite 280<br>St. Paul, MN 55101-2198 |
| <b>Wisconsin</b> | Franchise Administrator<br>Division of Securities<br>Department of Financial<br>Institutions<br>P.O. Box 1768<br>Madison, WI 53701<br>(608) 266-0448 | Commissioner of Securities of<br>Wisconsin<br>Department of Financial Institutions<br>4822 Madison Yards Way, North Tower<br>Madison, WI 53705         |

**EXHIBIT F**  
**FRANCHISEE LISTS**

### LIST OF CURRENT FRANCHISEES

The following is a list of Antioch Pizza Shop Restaurants in operation as of December 31, 2022:

| Franchisee Name      | Contact Person              | Address                     | City         | State | Zip Code | Telephone Number |
|----------------------|-----------------------------|-----------------------------|--------------|-------|----------|------------------|
| Clicking Left, Inc.* | Matt Wicklein               | 20 S Route 12               | Fox Lake     | IL    | 60020    | (847) 629-5035   |
| CL2, Inc.*           | Andy Spencer                | 514 N. IL Rte. 31           | McHenry      | IL    | 60046    | (815)578-1111    |
| TopWater Inc.        | Chris Hall<br>Susan Reid    | 1856 East Grand Ave         | Lindenhurst  | IL    | 60046    | (222) 444-8657   |
| Family Slices Inc    | Don Debello<br>Kristi Wyatt | 980 Milwaukee Ave Suite 200 | Burlington   | WI    | 53105    | (252) 757-4992   |
| Family Slices Inc    | Don Debello<br>Kristi Wyatt | 24730 75th Street           | Paddock Lake | WI    | 53168    | (262) 586-5544   |

\*Our owners have minority ownership interest in this franchisee that is under a Franchise Agreement with us.

**As of December 31, 2022, we had one franchisee who has signed a franchise agreement but their restaurant had not yet opened:**

John and Chandra Hampton  
JH & CH Enterprises LLC  
P.O. Box 206  
Antioch, IL 60002  
(847)208-7181

## **LIST OF FORMER FRANCHISEES**

**The following is a list of former franchisees for the year ended December 31, 2021:**

**None**

**EXHIBIT G**  
**SAMPLE JOINT VENTURE AGREEMENT**  
(Attached)

**LIMITED LIABILITY COMPANY AGREEMENT**  
**OF**  
**JOINT VENTURE, LLC**  
**A DELAWARE LIMITED LIABILITY COMPANY**

UNITS IN **JOINT VENTURE, LLC** HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES OR BLUE SKY LAWS. SUCH UNITS MAY NOT BE OFFERED FOR SALE, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS SUCH SALE OR OTHER TRANSFER, PLEDGE OR HYPOTHECATION IS REGISTERED OR QUALIFIED UNDER FEDERAL AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION IS AVAILABLE. ANY TRANSFER OF THE UNITS IS FURTHER SUBJECT TO OTHER RESTRICTIONS, TERMS, AND CONDITIONS SET FORTH HEREIN.

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Exhibit B: Form of Spousal Consent

# LIMITED LIABILITY COMPANY AGREEMENT

OF

## JOINT VENTURE, LLC

### A DELAWARE LIMITED LIABILITY COMPANY

This Limited Liability Company Agreement (this “Agreement”) of Joint Venture, LLC, a Delaware limited liability company (the “Company”), is made and entered into effective as of [♦], 20\_\_\_\_ (the “Effective Date”), by and among the Company and the Persons listed on Schedule A attached hereto (the “Members”), with reference to the following facts:

**WHEREAS**, the Company was formed upon the filing and acceptance of a Certificate of Formation (as amended or restated from time to time, the “Certificate”) with the Secretary of State of the State of Delaware on \_\_\_\_\_, 20\_\_9.

**WHEREAS**, the Members of the Company desire to enter into this Agreement to establish the Members’ rights and responsibilities and govern their relationships with respect to the Company.

**NOW, THEREFORE**, in consideration of the mutual promises made herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members, intending to be legally bound, hereby agree as follows:

## ARTICLE I DEFINITIONS

1.1. Defined Terms. When used in this Agreement, unless the context otherwise requires, the following terms have the meanings set forth below:

“Accrued Return Amount” means, in the aggregate, a thirty-three percent (33%) annual non-compounding return that has accrued on each Capital Contribution made by the Investor Member.

“Act” means the Delaware Limited Liability Company Act, codified in the Delaware General Corporation Law Section 18-101, et seq.

“Action” means any action, suit, appeal, petition, plea, charge, complaint, claim, demand, litigation, arbitration, mediation, hearing, inquiry, investigation or similar event, occurrence or proceeding, whether at law or in equity.

“Adjusted Capital Account” means, with respect to any Member, such Member’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Member is obligated to restore pursuant to any provision of this Agreement, or is treated as obligated to restore

pursuant to Regulations Section 1.704-1(b)(2)(ii)(c), or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and is to be interpreted consistently therewith.

“Affiliate” means, as to a Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. The term “control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of Voting Equity, by contract, or otherwise.

“Agreement” has the meaning set forth in the preamble hereto.

“Applicable Percentage” has the meaning set forth in Section 9.4.4.

“Assumed Tax Rate” means the highest effective combined marginal United States federal, state and local income tax rate applicable to individuals resident in Los Angeles, California, taking into account the deductibility of state and local taxes for federal income tax purposes and the tax character of the income, but without taking into account the alternative minimum tax or any limitations on deductions or separate tax attributes that may be applicable to a Member and not including self-employment or similar taxes.

“Available Cash” means the amount of cash held by the Company, less (a) all current liabilities of the Company, and (b) reasonable working capital and other amounts determined by the Manager to be necessary for the operation of the business of the Company, including amounts necessary to place into reserves for customary and usual claims with respect to the Business.

“Baseline Annualized Gross Revenue” has the meaning set forth in Section 9.4.4.

“Bankruptcy” means, with respect to any Person, (a) the filing of an application by such Person for, or such Person’s consent to, the appointment of a trustee, receiver, or custodian of its assets; (b) the entry of an order for relief with respect to such Person in proceedings under the United States Bankruptcy Code, as amended or superseded from time to time; (c) the making by such Person of a general assignment for the benefit of creditors; (d) the entry of an order, judgment or decree by any court of competent jurisdiction appointing a trustee, receiver or custodian of the assets of such Person unless the proceedings and the trustee, receiver or custodian appointed are dismissed within one hundred twenty (120) calendar days; or (e) the failure by such Person generally to pay such Person’s debts as the debts become due within the meaning of Section 303(h)(1) of the United States Bankruptcy Code, as determined by the Bankruptcy Court, or the admission in writing of such Person’s inability to pay its debts as they become due.

“BBA Rules” means the partnership audit rules contained in the Bipartisan Budget Act of 2015 and enacted as Sections 6221 through 6241 of the Code.

“Business” has the meaning set forth in Section 2.1.2.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which commercial banking institutions in Los Angeles are authorized or obligated by law or order to be closed.

“Call Price” has the meaning set forth in Section 9.5.2.

“Capital Account” means, with respect to a Member, the capital account that the Company establishes and maintains for such Member pursuant to Section 3.4.

“Capital Contribution” means a contribution in cash and the Gross Asset Value of other property contributed to the capital of the Company with respect to a Member’s Membership Interest.

“Cash Closing Price” has the meaning set forth in Section 9.4.2.

“Certificate” has the meaning set forth in the Recitals.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Company” has the meaning set forth in the preamble hereto.

“Company Minimum Gain” has the meaning ascribed to the term “partnership minimum gain” in Regulations Section 1.704-2(b)(2) and 1.704-2(d).

“Company Property” has the meaning set forth in Section 9.4.2.

“Confidential Information” has the meaning set forth in Section 4.6.

“Covered Person” has the meaning set forth in Section 6.1.1.

“Depreciation” means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deductions allowable for federal income tax purposes with respect to an asset for such Fiscal Year, except that:

(a) with respect to any asset whose Gross Asset Value differs from its adjusted tax basis for federal income tax purposes at the beginning of such Fiscal Year and which difference is being eliminated by the use of the “remedial method” as defined in Regulations Section 1.704-3(d), Depreciation for such Fiscal Year will be the amount of book basis recovered for such Fiscal Year under Regulations Section 1.704-3(d)(2), and

(b) with respect to any other asset whose Gross Asset Value differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation will be “book depreciation, depletion or amortization” as determined under Section 1.704-1(b)(2)(iv)(g)(3) of the Regulations; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year equals zero, then

Depreciation will be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Manager and consistently applied.

“Designated Individual” has the meaning set forth in Section 10.7.2.

“Dissolution Event” has the meaning set forth in Section 11.1.

“Drag-Along Notice” has the meaning set forth in Section 9.3.1.

“Drag-Along Rights” has the meaning set forth in Section 9.3.1.

“Drag-Along Transaction” has the meaning set forth in Section 9.3.1.

“Dragged Members” has the meaning set forth in Section 9.3.1.

“Dragging Members” has the meaning set forth in Section 9.3.1.

“Economic Interest” means a Person’s right to share in the income, gains, losses, deductions, credit or similar items of, and to receive distributions from, the Company, and expressly does not include any other rights of a Member, including the right to vote, participate in the management of the Company, as applicable, or the right to information concerning the business and affairs the Company.

“Effective Date” has the meaning set forth in the preamble hereto.

“Fair Market Value” means the gross fair market value of any property determined as determined by the Manager in good faith (with expert input from a third party appraiser if so determined by the Manager) and in making such determination, it may, but need not, rely on the opinion of qualified third party appraisers.

“Fiscal Quarter” means a quarter within a Fiscal Year.

“Fiscal Year” means the Company’s fiscal year, which will be the calendar year, or any portion of such period for which the Company is required by the Code to allocate Net Profits, Net Losses or other items of Company income, gain, loss or deduction pursuant hereto, or such other period otherwise required by law.

“Franchisee Member” means [●] and its transferee(s) pursuant to a Transfer permitted or approved pursuant to ARTICLE IX.

“Franchisee Principal” means [●].

“Gross Asset Value” means with respect to any asset of the Company (other than cash), the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company will be the gross Fair Market Value of such asset;

(b) The Gross Asset Value of all the Company's assets will be adjusted to equal their respective gross Fair Market Values (taking Code Section 7701(g) into account) as of the following times: (i) the acquisition of an interest or an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of property or money as consideration for an interest in the Company; (iii) the grant of an interest in the Company as consideration for the provision of services to or for the benefit of the Company; (iv) under generally accepted industry accounting practices, provided substantially all of the Company's property (excluding money) consists of stock, securities, commodities, options, warrants, futures, or similar instruments that are readily tradable on an established securities market; (v) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); and (vi) in connection with the issuance by the partnership of a noncompensatory option within the meaning of Regulations Section 1.721-2(f) (other than an option for a de minimis partnership interest within the meaning of Regulations Section 1.704-1(b)(2)(ii)(f)(5)(iv); provided, however, that adjustments pursuant to clauses (i), (ii), (iii) and (iv) above will be made only if the Manager determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any Company asset distributed to a Member will be the gross Fair Market Value (taking Code Section 7701(g) into account) of such asset on the date of distribution;

(d) The Gross Asset Values of the Company's assets will be increased or decreased to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining capital accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and paragraph (a) of the definition of "Net Profits" and "Net Losses" or Section 7.2.6; provided, however, that Gross Asset Values may not be adjusted pursuant to this paragraph (d) to the extent that an adjustment pursuant to paragraph (b) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d); and

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraphs (a), (b), or (d), then the Gross Asset Value will thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses.

"Incapacitation" means, as to any natural person, the death, adjudication of incompetence, or insanity of such person.

"Independent Third Party" means with respect to any Member, any Person who is not the Company or an Affiliate or a Permitted Transferee of such Member.

"Investor Member" means Investment Partner, LLC and its transferee(s) pursuant to a Transfer permitted or approved pursuant to ARTICLE IX.

"Liquidation Value" means in connection with any proposed transaction and with respect to each Unit, a value equal to the amount that would be distributed in respect of such Unit

if an amount equal to the value of one hundred percent (100%) of the equity of the Company implied by the consideration to be paid by the proposed purchaser in the proposed transaction, as determined by the Manager in good faith (with expert input from a third party appraiser if so determined by the Manager), were distributed to the Members in accordance with Section 11.2.3 at such time.

“Losses” has the meaning set forth in Section 6.3.1.

“Manager” means the Person holding the office of Manager as selected pursuant to Section 5.1.4.

“Member” means each Person who (a) is an initial signatory to this Agreement, or (b) has been admitted to the Company as a Member in accordance with this Agreement.

“Member Nonrecourse Debt” has the meaning given the term “partner nonrecourse debt” in Regulations Section 1.704-2(b)(4).

“Member Nonrecourse Debt Minimum Gain” has the meaning given the term “partner nonrecourse debt minimum gain” in Regulations Section 1.704-2(i)(2).

“Member Nonrecourse Deductions” has the meaning given the term “partner nonrecourse deductions” in Regulations Section 1.704-2(i).

“Member Vote” means the affirmative vote of both (i) Members holding a majority of the outstanding Voting Units, and (ii) the Investor Member, made at a meeting of the Members or by written consent in accordance with Section 4.2.

“Membership Interest” means a Member’s entire interest in the Company including the Member’s right to share in income, gains, losses, deductions, credits or similar items of, and to receive distributions from, the Company pursuant to this Agreement and the Act, the right to vote or participate in the management of the Company to the extent herein provided or as specifically required by the Act, and the right to receive information concerning the business and affairs of the Company pursuant to this Agreement and the Act.

“Net Profits” and “Net Losses” means, for each Fiscal Year, an amount equal to the Company’s taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) are included in taxable income or loss), with the following adjustments:

(a) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this definition are added to such taxable income or loss;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this definition are subtracted from such taxable income or loss;

(c) in the event the Gross Asset Value of any Company asset is adjusted pursuant to paragraph (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment are taken into account as gain (if the adjustment increases the Gross Asset Value of the asset) or loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and are taken into account for purposes of computing Net Profits or Net Losses;

(d) gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes is computed by reference to the Gross Asset Value of the property disposed of, rather than such property's adjusted tax basis;

(e) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, Depreciation is taken into account for such Fiscal Year or other period, computed in accordance with the definition thereof;

(f) to the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment is treated as an item of gain (if the adjustment increases the basis of such asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and is taken into account for purposes of computing Net Profits or Losses; and

(g) notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 7.2 are not taken into account in computing Net Profits or Net Losses. Instead, the amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Section 7.2 hereof are determined by applying rules analogous to those set forth in clauses(a) through (f) above.

The foregoing definition of Net Profits and Net Losses is intended to comply with the provisions of Regulations Section 1.704-1(b) and is to be interpreted consistently therewith. In the event the Manager determines that it is prudent to modify the manner in which Net Profits and Net Losses are computed in order to comply with such Regulations, the Manager may make such modification.

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"Partnership Representative" has the meaning set forth in Section 10.7.2.

"Permitted Transfer" has the meaning set forth in Section 9.2.

"Permitted Transferee" shall mean any Person to whom a Member may Transfer his Units as set forth in Section 9.2.

“Person” means any natural or legal person, including any individual, general partnership, limited partnership, limited liability company, limited liability partnership, corporation, trust, estate, association or other entity.

“Redemption Date” has the meaning set forth in Section 9.4.1.

“Redemption Price” has the meaning set forth in Section 9.4.2.

“Regulations” means the final or temporary United States federal income tax regulations promulgated under the Code as such Regulations may amended from time to time.

“Restaurant” has the meaning set forth in Section 2.1.2.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Tax Distributions” has the meaning set forth in Section 8.2.1(b).

“Tax Shortfall” has the meaning set forth in Section 8.2.1(b).

“Transfer” means any direct or indirect sale, transfer, assignment, hypothecation, encumbrance or other disposition, whether voluntary or involuntary, whether by gift, bequest or otherwise. In the case of a hypothecation, encumbrance or other collateral assignment, the Transfer is deemed to occur both at the time of the initial collateral assignment and at any collateral assignee’s sale or a sale by any secured creditor. A Transfer of a direct or indirect ownership interest in any Person will constitute a Transfer of a corresponding portion of any ownership interest or asset held by such Person.

“Trigger Event” has the meaning set forth in Section 9.5.1.

“Unit” has the meaning set forth in Section 3.2.

“Unit Equivalents” means any security or obligation that is by its terms, directly or indirectly, convertible into, exchangeable or exercisable for Units, and any option, warrant or other right to subscribe for, purchase or acquire Units.

“Voting Member” means any Member holding any Voting Units, and “Voting Members” means collectively all such Members.

“Voting Percentage” means, with respect to each Member and any day, that fraction, expressed as a percentage, having as its numerator the number of Voting Units then held by such Member and having as its denominator the number of all Voting Units outstanding, in each case on such day.

“Voting Units” means all Units other than Units for which the voting rights have been suspended or eliminated.

1.2. Rules of Construction. Unless the context otherwise clearly requires:

1.2.1 whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms;

1.2.2 the singular includes the plural and the plural includes the singular;

1.2.3 the words “include,” “includes” and “including” are to be deemed to be followed by the phrase “without limitation”;

1.2.4 any definition of or reference to any agreement, instrument, schedule, exhibit or other document herein is to be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modification set forth herein);

1.2.5 any reference to any law herein is to be construed as referring to such Law as from time to time amended;

1.2.6 any reference herein to any Person, or to any Person in a specified capacity, is to be construed to include such Person’s successors and assigns or such Person’s successors in such capacity, as the case may be; and

1.2.7 the words “herein,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section, clause or other subdivision.

## **ARTICLE II ORGANIZATIONAL MATTERS**

### **2.1. Formation.**

2.1.1 The Company was formed as a Delaware limited liability company under the laws of the State of Delaware on October 22, 2019, by the execution and filing of the Certificate by an authorized person within the meaning of the Act, with the Delaware Secretary of State, which execution, delivery, and filing are hereby ratified and confirmed. The rights and liabilities of the Members are as described in the Act and this Agreement. To the extent that the rights or obligations of any Member are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement, to the extent permitted by the Act, controls.

2.1.2 The Company was formed for the purpose of owning and operating an Antioch Pizza Shop franchise location (the “Restaurant”) in [●] pursuant to that certain [Franchise Agreement dated as of the date hereof between the Company and Wix Franchise, Inc. (the “Business”).

2.1.3 The Manager must maintain a record of the name, mailing address, number of Units held by and Voting Percentage of each Member in the books and records of the Company and on Schedule A attached hereto. The Company is hereby authorized and directed to update its books and records and Schedule A hereto from time to time as necessary to accurately reflect the information therein, and the update of any such information resulting from an event accomplished in accordance with this Agreement will not constitute an amendment to this Agreement. Any

reference in this Agreement to Schedule A is a reference to Schedule A as amended and in effect from time to time.

2.2. Name. The name of the Company is “Joint Venture, LLC.” The business and affairs of the Company may be conducted under that name or, upon compliance with applicable laws, any other name that the Manager may deem appropriate or advisable. The Company is authorized to file any fictitious name certificates and similar filings, and any amendments thereto, that the Manager deems appropriate or advisable.

2.3. Term. The term of the Company commenced on the date of the filing of the Certificate with the Delaware Secretary of State and will continue until the Company is dissolved in accordance with the provisions of this Agreement.

2.4. Principal Office; Registered Agent. The principal office of the Company is at [♦], or such other location approved by the Manager. The Company must continuously maintain a registered agent and registered office in the State of Delaware as required by the Act. The registered agent of the Company in the State of Delaware is as stated in the Certificate or as otherwise determined by the Manager.

2.5. Purpose of Company. The nature of the business or purposes to be conducted or promoted by the Company is to engage in the Business and such other activities directly related to the Business as may be necessary, advisable or appropriate in the opinion of the Manager in furtherance of the Business, and exercise any powers permitted to be exercised by limited liability companies organized under the Act.

2.6. Liability of Members.

2.6.1 Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, are solely the debts, obligations and liabilities of the Company, and no Member will be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member of the Company. Except as otherwise expressly required herein or by law, a Member, in its capacity as such, will have no liability in respect of claims against the Company in excess of (a) the amount of its Capital Contributions, (b) its share of any assets and undistributed profits of the Company, and (c) the amount of any distributions wrongfully distributed to it. No Member will be required to lend any funds to the Company or, after its Capital Contribution has been funded, subject to the provisions of Section 2.6.2 and Section 8.3.2, to make any further Capital Contributions to the Company or to repay to the Company, any Member, or any creditor of the Company all or any portion of any negative amount of such Member’s Capital Account. No Member will be required to guarantee or pledge any assets as security for any debts, liabilities, or other obligations of the Company.

2.6.2 If any Member receives or is deemed to have received a distribution from the Company pursuant to ARTICLE VIII or otherwise, and the aggregate of such distributions exceeds the distributions to which such Member is otherwise entitled pursuant to this Agreement, such Member will be obligated, as provided in ARTICLE VIII, to repay such excess to the Company.

2.6.3 To the fullest extent permitted by law, in exercising any of its or their voting rights, rights to direct and consent or any other rights as a Member hereunder or under the Act, subject to the terms and conditions of this Agreement, a Member or Members, as the case may be, (a) will not, except as may be expressly provided herein with respect to any particular matter, have any obligation or duty otherwise existing at law, in equity or otherwise, to any Person (including any other Member or the Company) or to consider or take into account the interests of any Person (including any other Member or the Company) and (b) will not be liable to any Person for any action taken by it or them or at its or their direction or any failure by it or them to act or to direct that an action be taken, without regard to whether such action or inaction benefits or adversely affects any Member, the Company or any other Person, except for any liability to which such Member may be subject to the extent that the same results from such Member's taking or directing an action, or failing to take or direct an action, in violation of the express terms of this Agreement.

2.7. Title to Property. All property of the Company must be owned by the Company as an entity and no Member may have any ownership interest in such property in its individual name. Each Member's Units in the Company will be personal property for all purposes.

### **ARTICLE III CAPITAL CONTRIBUTIONS AND UNITS**

3.1. Membership Interests. As of the Effective Date, each Member has made an initial Capital Contribution and has received the Membership Interests set forth opposite such Member's name on Schedule A attached hereto.

3.2. Units.

3.2.1 General. The Membership Interest in the Company consist of a number of Units (each a "Unit" and together the "Units"). Units may be split into one or more classes or series, having such rights, preferences, privileges and obligations as approved by the Manager. There is only one (1) class of Units. The Company as determined by the Manager may issue Units, Unit Equivalents or other Membership Interests at any time and from time to time, in whole Units, fractional portions thereof or otherwise, including, additional classes or series of Units having rights, preferences and privileges senior to or on parity with one or more of the existing classes or series of Units. The Manager may split or combine the number of Units and other Membership Interests into additional or fewer Units or Membership Interests, with all per Unit or Membership Interest economic terms and voting rights to be adjusted so as to not affect the overall economic and voting relationships among the Members as a result of such split or combination. For avoidance of doubt, any amendment to this Agreement documenting any of the foregoing will not be an amendment to this Agreement subject to Section 12.13.

3.2.2 Units and Membership Interests Uncertificated. The Units and other Membership Interests of the Company are initially not certificated. If so determined by the Manager, the Units and other Membership Interests of the Company may be certificated.

3.3. Additional Capital Contributions.

3.3.1 Except as may be explicitly agreed in writing by the Member and the Company, no Member is required to make any additional Capital Contributions to the Company.

3.3.2 If the Manager determines that additional Capital Contributions are necessary or appropriate for the conduct of the Company's business and affairs, including, without limitation, expansion or diversification thereof, the Members may be permitted from time to time to make additional Capital Contributions, but no Member can be required to make any such additional Capital Contributions. The Manager may determine all material aspects of any such additional Capital Contribution, including the class of such Units, the amount and nature of the consideration to be paid for additional Units issued in respect thereof, the resulting dilution of interest to be incurred by other Members and the extent to which the Member or other Person making the Capital Contribution will participate in the Net Profits, Net Losses and distributions of the Company. The Voting Percentage of and the number of Units held by each Member must be updated upon the issuance of additional Units or the admission of an additional member in connection herewith and must be reflected on the books and records of the Company and Schedule A hereto, as amended from time to time, and such changes adopted in accordance with this Agreement will not be an amendment to this Agreement and are not subject to Section 12.13 hereof.

3.4. Capital Accounts. The Company must establish separate Capital Accounts for each Member. The Manager will determine and maintain each Capital Account in accordance with Regulations Section 1.704-1(b)(2)(iv) and, pursuant thereto, the following provisions apply:

3.4.1 To each Member's Capital Account there will be credited such Member's Capital Contributions, such Member's allocated share of Net Profits and any items in the nature of income or gain that are specially allocated to such Member pursuant to Section 7.2, and the amount of any Company liabilities assumed by such Member or that are secured by any property distributed to such Member. The principal amount of a promissory note that is not readily traded on an established securities market and that is contributed to the Company by the maker of the note (or a Member related to the maker of the note within the meaning of Regulations Section 1.704-1(b)(2)(ii)(c)) will not be included in the Capital Account of any Member until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d) (2).

3.4.2 To each Member's Capital Account there will be debited the amount of cash and the Gross Asset Value of any property distributed to such Member pursuant to any provision of this Agreement, such Member's allocated share of Net Losses and items thereof, any items in the nature of expenses or losses that are specially allocated to such Member pursuant to Section 7.2, and the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company;

3.4.3 In the event all or a portion of a Member's Membership Interest is Transferred in accordance with the terms of this Agreement, the transferee will succeed to the Capital Account of the transferor to the extent it relates to the transferred Membership Interest; and

3.4.4 In determining the amount of any liability for purposes of Section 3.4.1 and Section 3.4.2, Code Section 752(c) and any other applicable provisions of the Code and the Regulations will be taken into account.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and will be interpreted and applied in a manner consistent with such Regulations. In the event the Manager determines that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto, are computed in order to comply with such Regulations, the Manager may cause the Company to make such modification; provided, however, that no such modification has a material adverse effect upon any Member's economic entitlement under this Agreement.

3.5. No Interest. No Member is entitled to receive or demand any interest or other payments on such Member's Capital Contributions or on the balance of any Capital Account.

3.6. No Withdrawal. No Member has the right to withdraw such Member's Capital Contributions or to demand or receive property of the Company or any distribution in return for such Member's Capital Contributions, except as may be specifically provided in this Agreement or as required by applicable law.

3.7. Loans from Members or Affiliates. If necessary to pay expenses or obligations of the Company, the Company may borrow amounts from any Member or Affiliate of any Member at such times and on such terms as determined by the Manager. No such loan will constitute additional capital or entitle the lending Member to an increased share of the Net Profits or Net Losses.

3.8. Interest of Creditors. A creditor (including a Member or Affiliate of a Member) who makes a recourse or nonrecourse loan to the Company will not have or acquire at any time as a result of making the loan, any direct or indirect interest in the profits, capital or property of the Company other than as a secured creditor to the extent such loan is secured.

## **ARTICLE IV MEMBERS**

4.1. Admission of Additional Members. No additional Members may be admitted as Members unless approved by the Manager; provided, that the admission of Members upon a Transfer of Units will be governed by Section 9.1. No additional Member will become a Member until such additional Member has complied with the terms and conditions of this Agreement, including, without limitation, agreeing to be bound by the terms and conditions hereof pursuant to an Adoption Agreement substantially in the form attached hereto as Exhibit A, or in such other form as approved by the Manager.

4.2. Meetings of Members; Action by Written Consent.

4.2.1 No annual or regular meetings of the Members as such are required; however, if convened, meetings of the Members may be held at such date, time and place as the Manager or as the Member or Members who properly noticed such meeting, as the case may be, may fix from time to time. Unless otherwise approved by Member Vote and the Manager or as otherwise required by law, only Voting Members have the right to attend meetings of the Members. At any meeting of the Members, the chairman (or, if there is no chairman, a person appointed by the Members) will preside at the meeting and will act as the secretary or appoint another person to

act as secretary of the meeting. The secretary of the meeting must prepare written minutes of the meeting, which are to be maintained in the books and records of the Company.

4.2.2 A meeting of the Members may be called at any time by the Manager, or by Voting Members holding an aggregate Voting Percentage of at least forty percent (40%) for the purpose of addressing any matter on which the vote, consent or approval of the Members is required or permitted under this Agreement.

4.2.3 Notice of any meeting of the Members must be sent or otherwise given by the Manager or by the Member(s) calling the meeting pursuant to Section 4.2.3, as applicable, to the Voting Members in accordance with this Agreement not less than two (2) or more than sixty (60) calendar days before the date of the meeting. The notice must specify the place, date and hour of the meeting and the general nature of the business to be transacted. Except as the Members may otherwise agree by Member Vote, no business other than that described in the notice may be transacted at the meeting.

4.2.4 Attendance in person (or telephonically) of a Member at a meeting will constitute a waiver of notice of that meeting, except when the Member objects at the beginning of the meeting to the transaction of any business because the meeting is not duly called or convened. Attendance at a meeting by a Member is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting. Neither the business to be transacted nor the purpose of any meeting of the Members need be specified in any written waiver of notice. The Members may participate in any meeting of the Members by means of conference telephone or similar means as long as all Members can hear one another. The Company must provide a means of participating by a method described in the prior sentence upon request of any Member. A Member so participating will be deemed to be present in person at the meeting.

4.2.5 Any action that can be taken at a meeting of the Members may be taken without a meeting if a consent in writing setting forth the action so taken is signed and delivered to the Company by Members representing not less than the minimum vote necessary under this Agreement to approve the action.

4.3. Voting by Members. The Voting Members, acting solely in their capacities as Members, have the right to vote on, consent to or otherwise approve only those matters as to which this Agreement specifically requires such approval. Except as otherwise specifically provided in this Agreement, references herein to the determination, consent, approval or vote of the Members means the approval of the Members by Member Vote.

4.4. Members Are Not Agents. No Member acting solely in the capacity of a Member is an agent of the Company, nor can any Member acting solely in the capacity of a Member bind the Company or execute any instrument on behalf of the Company.

4.5. No Withdrawal. Except as provided in this Section 4.5 or in ARTICLE IX, no Member may withdraw, retire or resign from the Company without approval of the Manager. A Member that resigns and withdraws pursuant to this Section 4.5 forfeits all economic, voting and other rights in any Units or the Company and will not receive (for the purposes of Section 18-604

of the Act or otherwise) any cash, property or other distribution upon such resignation and withdrawal unless otherwise determined by the Manager.

#### 4.6. Confidentiality.

4.6.1 Each Member acknowledges that during the term of this Agreement, it will have access to and become acquainted with trade secrets, proprietary information and confidential information belonging to the Company and its Affiliates that are not generally known to the public, including, but not limited to, information concerning business plans, financial statements and other information provided pursuant to this Agreement, operating practices and methods, expansion plans, strategic plans, marketing plans, personnel information, contracts, customer lists or other business documents that the Company treats as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, “Confidential Information”). In addition, each Member acknowledges that: (i) the Company has invested, and continues to invest, substantial time, expense and specialized knowledge in developing its Confidential Information; (ii) the Confidential Information provides the Company with a competitive advantage over others in the marketplace; and (iii) the Company would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. Without limiting the applicability of any other agreement to which any Member is subject, no Member shall, without the Manager’s consent, directly or indirectly, disclose or use (other than solely for the purposes of such Member monitoring and analyzing its investment in the Company) at any time, including, without limitation, use for personal, commercial or proprietary advantage or profit, any Confidential Information of which such Member is or becomes aware. Each Member in possession of Confidential Information shall take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft.

4.6.2 Nothing contained in this Section 4.6 shall prevent any Member from disclosing Confidential Information: (i) upon the order of any court or administrative agency; (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Member; (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests; (iv) to the extent necessary in connection with the exercise of any remedy hereunder; (v) to any other Member; (vi) to such Member’s employees, agents, representatives and advisors who, in the reasonable judgment of such Member, need to know such Confidential Information and agree to be bound by the provisions of this Section 4.6 as if a Member (provided that the Member will remain liable for any breach of this Section 4.6 by any such Person); or (vii) to any potential Permitted Transferee or other Transfer of Units permitted in accordance with this Agreement, as long as such transferee agrees to be bound by the provisions of this Section 4.6 as if a Member (provided that the Member will remain liable for any breach of this Section 4.6 by any such Person); provided, that in the case of clause (i), (ii) or (iii), such Member shall notify the Manager of the proposed disclosure as far in advance of such disclosure as practicable (but in no event make any such disclosure before notifying the Manager) and use reasonable efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment satisfactory to the Company, when and if available.

4.6.3 The restrictions of Section 4.6 shall not apply to Confidential Information that: (i) is or becomes generally available to the public other than as a result of a disclosure by a Member in violation of this Agreement; (ii) is or has been independently developed or conceived

by such Member without use of Confidential Information; or (iii) becomes available to such Member or any of its employees, agents, representatives and advisors on a non-confidential basis from a source other than the Company, any other Member or any of their respective employees, agents, representatives and advisors, provided, that such source is not known by the receiving Member to be bound by a confidentiality agreement regarding the Company.

4.6.4 The obligations of each Member under this Section 4.6 shall survive (i) the termination, dissolution, liquidation and winding up of the Company, (ii) the withdrawal of such Member from the Company, and (iii) such Member's Transfer of its Units or other Membership Interests.

4.6.5 The Members hereby acknowledge that the provisions of Section 4.6 are reasonable and necessary to protect the legitimate interests of the Company and that any violation of such provisions would result in irreparable injury to the Company. In the event of a violation of the provisions of this Section 4.6, the Members further agree that the Company shall, in addition to all other remedies available to it, be entitled to equitable relief by way of injunction and any other legal or equitable remedies without any requirement to post bond.

## **ARTICLE V MANAGEMENT AND CONTROL OF THE COMPANY**

### **5.1. Manager.**

5.1.1 Management by Manager. Subject to the provisions of this Agreement (including, without limitation, Section 5.4) one (1) Manager, and only the Manager is authorized to manage the business, property and affairs of the Company and to exercise any and all powers of the Company. The Manager will be a "manager" within the meaning of the Act. The Manager need not be a Member or an individual.

5.1.2 Agency Authority of Manager. Subject to the provisions of this Agreement, only the Manager, acting in its capacity as the Manager, has the authority to endorse checks, drafts and other evidences of indebtedness made payable to the order of the Company or to sign checks, drafts and other instruments obligating the Company to pay money, or sign agreements or other documents in the name of or on behalf of the Company; provided, however, the Manager may by a written resolution grant such authority to any other Person subject to any restrictions pursuant to the written authorization of the Manager, which authorization may be general or specific.

5.1.3 Term. The Manager will hold office for a term commencing on the date of designation (or in the case of the initial Manager, commencing on the Effective Date) and expiring upon the earlier of (i) the date on which the Manager is removed or (ii) the date on which the Manager resigns.

### **5.1.4 Selection of Manager.**

(a) Initial Manager. The initial Manager is **Investment Partner, LLC**.

(b) Resignation. The Manager may resign at any time by giving written notice to the Members of the Company. The resignation of the Manager will take effect upon

receipt of that notice or at such later time as may be specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation is not necessary to make it effective. If the Manager becomes Incapacitated, the Manager will be deemed to have resigned. The resignation of the Manager will not affect the Manager's rights, if any, as a Member and will not by itself constitute a withdrawal of a Member.

(c) Removal.

(i) The Manager may be removed at any time, with or without cause, by the Investor Member.

(ii) Any removal of the Manager will be without prejudice to the rights, if any, of the Manager and the Company under any contract to which the Manager is a party, and, if the Manager is also a Member, shall not affect the Manager's rights as a Member or constitute a withdrawal as a Member, except as otherwise provided in this Agreement or any other contract with such Manager.

(d) Vacancy; Appointment. If there is a vacancy in the position of Manager, whether by resignation, removal, or otherwise, a new Manager may be appointed by the Investor Member.

5.1.5 Voting and Approval of Manager. Unless otherwise specified herein, references herein to the determination, consent, approval or vote of the Manager means the approval of the Manager. Such approval may be in any form approved by the Manager.

5.2. Restaurant Management.

5.2.1 Delegation of Day-to-Day Operations. Without limiting the ultimate management authority of the Manager, the day-to-day operations of the Restaurant are delegated to the Franchisee Member; provided, however, that the Manager may revoke such delegation in whole or in part at any time as determined by the Manager (e.g., the Manager may determine certain tasks to be retained within the control of the Manager). The Franchisee Member will not receive compensation for such services.

5.2.2 Use of Proceeds of Initial Capital Contributions. The Franchisee Member will develop a budget, to be approved by the Manager, for the use of proceeds of the initial Capital Contribution of the Investor Member, which must be used exclusively for the purchase of equipment and other hard assets for the Restaurant. The Manager will determine which equipment and hard assets are purchased by the Company and where they are sourced.

5.2.3 Activities of the Company. The Company may not engage in any activity other than the Business without the consent of the Investor Member.

5.3. Officers.

5.3.1 Appointment of Officers. The Manager may from time to time appoint (and subsequently remove) individuals to act on behalf of the Company as officers of the Company within the meaning of Section 18-407 of the Act to conduct the day-to-day management of the

Company with such general or specific authority as the Manager may specify and are permitted or authorized in this Agreement. The officers of the Company may include, but are not limited to, a Chairman, a Chief Executive Officer, President, Vice President, Secretary, Chief Financial Officer and Chief Operating Officer, or any co-officer of the any of the foregoing. The officers will serve at the pleasure of the Manager, subject to any rights of such officers under any employment contract. The officers may exercise such powers and perform such duties, as are determined from time to time by approval of the Manager and as permitted or authorized in this Agreement. Any individual may hold any number of offices. An officer need not be a Member.

5.3.2 Removal, Resignation, and Filling of Vacancy of Officers. Any officer may be removed, either with or without cause, by the Manager at any time. Any officer may resign at any time by giving written notice to the Manager. Any resignation will take effect on the date of the receipt of that notice by the Manager or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation is not necessary to make it effective. Any resignation or removal is without prejudice to the rights, if any, of the parties under any contract to which the officer is a party. A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled, if at all, by the Manager.

5.3.3 Signing Authority of Officers. Subject to any restrictions imposed by the Manager and this Agreement, any officer, acting alone, is authorized to endorse checks, drafts and other evidences of indebtedness made payable to the order of the Company, but only for the purpose of deposit into the Company's accounts. Officers of the Company are authorized to sign checks, drafts, or other instruments obligating the Company to pay money, and to sign contracts and other obligations on behalf of the Company, but only to the extent expressly provided in and subject to any restrictions contained in a written authorization of the Manager, which authorization may be general or specific.

5.4. Limitations on Authority. No Manager or officer is authorized to do any act in contravention of this Agreement or possess Company property in their capacity as officer or Manager, or assign rights in Company property other than for Company purposes.

5.5. Remuneration of Officers and Manager. The officers and Managers of the Company may be entitled to remuneration for providing services to the Company and will be entitled to reimbursement of reasonable out-of-pocket business expenses, all as determined by the Manager or as set forth in any employment or service agreement with such officer or Manager, which agreement must be approved by the Manager.

5.6. Competing Activities.

5.6.1 Notwithstanding any provision of the Agreement, but subject to Section 5.6.2, (i) the Manager or any Member may engage or invest in, independently or with others, any business activity of any type or description, including, without limitation, those that might be the same as or similar to the Company's business and that might be in direct or indirect competition with the Company; (ii) neither the Company nor any Member or Manager have any right in or to such other ventures or activities or to the income or proceeds derived therefrom; (iii) neither any Manager nor any Member is obligated to present any investment opportunity or prospective economic advantage to the Company, even if the opportunity is of the character that, if presented

to the Company, could be taken by the Company; and (iv) each Manager and each Member has the right to hold any investment opportunity or prospective economic advantage for such Manager's or such Member's own account or to recommend such opportunity to Persons other than the Company. Each Member and Manager acknowledges that (except as provided in any individual contract) the other Members and Managers might own or manage other businesses, including businesses that may compete with the Company for the time of any Manager or any Member. Except for any rights or claims under any individual contract, each Member and Manager hereby waives any and all rights and claims that the Member or Manager may otherwise have against any Manager or any Member as a result of any such permitted activities. However, neither any Manager nor any Member is permitted to utilize the Company's assets for any competing activities or businesses.

5.6.2 Notwithstanding Section 5.6.1, no Member other than the Investor Member may engage or invest in, independently or with others, any business activity of any type or description that might be the same as or similar to the business of any Antioch Pizza Shop franchise or that might be in direct or indirect competition with any Antioch Pizza Shop franchise, except through an entity that has entered into an Antioch Pizza Shop Franchise Agreement.

## **ARTICLE VI**

### **DUTIES, EXCULPATION, AND INDEMNIFICATION**

#### **6.1. Exculpation of Covered Persons.**

6.1.1 Covered Persons. As used herein, the term "Covered Person" means (i) each Member, (ii) each Manager; (iii) each officer, director, stockholder, partner, member, manager, Affiliate, employee, trustee, agent or representative of each Member and Manager, and each of their Affiliates; and (iv) each officer, employee, agent or representative of the Company.

6.1.2 Standard of Care. No Covered Person will be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any action taken or omitted to be taken by such Covered Person in good faith reliance on the provisions of this Agreement, so long as such action or omission does not constitute fraud, gross negligence, willful misconduct or a material breach of this Agreement by such Covered Person or is not made in knowing violation of the provisions of this Agreement.

6.1.3 Good Faith Reliance. A Covered Person will be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Net Profits or Net Losses of the Company or any facts pertinent to the existence and amount of assets from which distributions might properly be paid) of the following Persons or groups that the Covered Person does not have actual knowledge to be false: (i) another Member; (ii) the Manager or one or more officers or employees of the Company; (iii) any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company; or (iv) any other Person selected in good faith by or on behalf of the Company, in each case as to matters that such relying Person reasonably believes to be within such other Person's professional or expert competence. The preceding sentence in no way limits any Person's right to rely on information to the extent provided in § 18-406 of the Act.

6.1.4 Standard of Good Faith. Whenever in this Agreement a Covered Person is permitted or required to make a decision in such Covered Person's "good faith," such Covered Person must act under such express standard and will not be subject to any other or different standard imposed by this Agreement or any other applicable law.

6.2. Liabilities and Duties.

6.2.1 Limitation of Liability; Waiver of Duties. This Agreement is not intended to, and does not, create or impose any fiduciary duty on any Member or Manager. Furthermore, each of the Members and the Company hereby waives any and all fiduciary duties that, absent such waiver, may be implied by applicable law, and in doing so, acknowledges and agrees that the duties and obligations of each Member and Manager to each other and to the Company are only as expressly set forth in this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Member or Manager otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of the Members and Managers.

6.2.2 Member and Manager Decisions. Whenever in this Agreement a Member or Manager is permitted or required to make a decision, such Member or Manager is entitled to consider only such interests and factors as such Member or Manager desires, including its own interests, and has no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Person.

6.3. Indemnification.

6.3.1 Indemnification. To the fullest extent permitted by the Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement, only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Act permitted the Company to provide prior to such amendment, substitution or replacement), the Company must indemnify, hold harmless, defend, pay and reimburse any Covered Person against any and all losses, claims, damages, judgments, fines or liabilities, including reasonable legal fees or other expenses incurred in investigating or defending against such losses, claims, damages, judgments, fines or liabilities, and any amounts expended in settlement of any claims (collectively, "Losses") to which such Covered Person may become subject by reason of:

(a) any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Company or any direct or indirect subsidiary of the Company in connection with the Business of the Company; or

(b) such Covered Person being or acting in connection with the Business of the Company as a member, stockholder, Affiliate, manager, director, officer, employee or agent of the Company, any Member, any Manager, or any of their respective Affiliates, or that such Covered Person is or was serving at the request of the Company as a member, manager, director, officer, trustee, employee or agent of any Person including the Company;

*provided*, that (x) such Covered Person acted in good faith and in a manner believed by such Covered Person to be in, or not opposed to, the best interests of the Company and, with respect to

any criminal proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful, (y) such Covered Person's conduct did not constitute fraud, gross negligence, willful misconduct or a material breach of this Agreement by such Covered Person or a knowing violation of the provisions of this Agreement, and (z) the Loss does not result from a proceeding or claim initiated or asserted by the Company or any other Member against such Covered Person. In connection with the foregoing, the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, will not, of itself, create a presumption that the Covered Person did not act in good faith or, with respect to any criminal proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful, or that the Covered Person's conduct constituted fraud, gross negligence, willful misconduct or a knowing violation or material breach of this Agreement.

6.3.2 Permissive Indemnification. Subject to the mandatory indemnification obligations of the Company set forth in Section 6.3.1, upon approval of the Manager, the Company may, but is not obligated to, indemnify any Person for Losses incurred by reason of such Person being a Covered Person or in connection with any matter related to the Company.

6.3.3 Control of Defense. Upon a Covered Person's discovery of any claim, lawsuit or other proceeding relating to any Losses for which such Covered Person may be indemnified pursuant to this Section 6.3, the Covered Person must give prompt written notice to the Company of such claim, lawsuit or proceeding, *provided*, that the failure of the Covered Person to provide such notice will not relieve the Company of any indemnification obligation under this Section 6.3, unless the Company has been materially prejudiced thereby. The Company may participate in or assume the defense of any such claim, lawsuit or proceeding at its own expense. After notice from the Company to the Covered Person of its election to assume the defense of any such claim, lawsuit or proceeding, the Company will not be liable to the Covered Person under this Agreement or otherwise for any legal or other expenses subsequently incurred by the Covered Person in connection with investigating, preparing to defend or defending any such claim, lawsuit or other proceeding. If the Company does not elect (or fails to elect) to assume the defense of any such claim, lawsuit or proceeding, the Covered Person will have the right to assume the defense of such claim, lawsuit or proceeding as it deems appropriate, but it may not settle any such claim, lawsuit or proceeding without the consent of the Company (which consent may not be unreasonably withheld, conditioned or delayed).

6.3.4 Reimbursement. The Company must promptly reimburse (and/or advance to the extent reasonably required) each Covered Person for reasonable legal or other expenses (as incurred) of such Covered Person in connection with investigating, preparing to defend or defending any claim, lawsuit or other proceeding relating to any Losses for which such Covered Person may be indemnified pursuant to Section 6.3.1; provided that if such Covered Person agrees in writing that if it is finally judicially determined that such Covered Person is not entitled to the indemnification provided by Section 6.3.1, then such Covered Person will promptly reimburse the Company for any reimbursed or advanced expenses.

6.3.5 Entitlement to Indemnity. The indemnification provided by this Section 6.3 is not exclusive of any other rights to indemnification to which those seeking indemnification may be entitled under any agreement or otherwise. The provisions of this Section 6.3 will continue to afford protection to each Covered Person regardless of whether such Covered Person remains in

the position or capacity pursuant to which such Covered Person became entitled to indemnification under this Section 6.3 and will inure to the benefit of the executors, administrators, legatees and distributees of such Covered Person.

6.3.6 Insurance. The Company may purchase, at its expense, insurance to cover Losses covered by the foregoing indemnification provisions and to otherwise cover Losses for any breach or alleged breach by any Covered Person of such Covered Person's duties in such amount and with such deductibles as the Manager may reasonably determine; *provided*, that the failure to obtain such insurance will not affect the right to indemnification of any Covered Person under the indemnification provisions contained herein, including the right to be reimbursed or advanced expenses or otherwise indemnified for Losses hereunder. If any Covered Person recovers any amounts in respect of any Losses from any insurance coverage, then such Covered Person must, to the extent that such recovery is duplicative, reimburse the Company for any amounts previously paid to such Covered Person by the Company in respect of such Losses.

6.3.7 Funding of Indemnification Obligation. Notwithstanding anything contained herein to the contrary, any indemnity by the Company relating to the matters covered in this Section 6.3 must be provided out of and to the extent of Company assets only, and no Member (unless such Member otherwise agrees in writing) has personal liability on account thereof or is required to make additional Capital Contributions to help satisfy such indemnity by the Company.

6.3.8 Savings Clause. If this Section 6.3 or any portion hereof is invalidated on any ground by any court of competent jurisdiction, then the Company must nevertheless indemnify and hold harmless each Covered Person pursuant to this Section 6.3 to the fullest extent permitted by any applicable portion of this Section 6.3 that has not been invalidated and to the fullest extent permitted by applicable law.

6.3.9 Amendment. The provisions of this Section 6.3 constitute a contract between the Company, on the one hand, and each Covered Person who serves in such capacity at any time while this Section 6.3 is in effect, on the other hand, pursuant to which the Company and each such Covered Person intend to be legally bound. No amendment, modification or repeal of this Section 6.3 that adversely affects the rights of a Covered Person to indemnification for Losses incurred or relating to a state of facts existing prior to such amendment, modification or repeal will apply in such a way as to eliminate or reduce such Covered Person's entitlement to indemnification for such Losses without the Covered Person's prior written consent.

6.4. Survival. The provisions of this ARTICLE VI will survive the dissolution, liquidation, winding up and termination of the Company.

## **ARTICLE VII ALLOCATIONS OF NET PROFITS AND NET LOSSES**

### **7.1. Book Allocations of Net Profits and Net Losses.**

7.1.1 Generally. Except as provided in Section 7.2, Net Profits and Net Losses (but not gross items of income, gain, loss or deduction, unless otherwise determined by the Manager) for each Fiscal Year will, after giving effect to all Capital Account adjustments attributable to the Capital Contributions and distributions, and all allocations pursuant to

Section 7.2, made during such Fiscal Year, be allocated among the Members such that the Adjusted Capital Account of each Member, immediately after making such allocation is, as nearly as possible, equal (proportionately) to the distributions that would be made to such Member pursuant to Section 11.2.3 if (i) the Company were dissolved, (ii) its affairs wound up and its assets sold for cash equal to their Gross Asset Values, (iii) all Company liabilities were satisfied (limited with respect to each Nonrecourse Liability to the Gross Asset Values of the assets securing such liability) and (iv) the remaining assets of the Company were distributed in accordance with Section 11.2.3 as of the last day of such Fiscal Year, immediately after making such allocations.

7.1.2 Allocations in Respect of Transferred Units. If during any Fiscal Year one or more Units are Transferred or the total number of Units is increased or decreased by reason of the admission of a new Member or otherwise, then each item of income, gain, loss, deduction or credit of the Company for that Fiscal Year will be allocated among the Members, as determined by the Manager in accordance with any method permitted by Code Section 706(d) and the Regulations thereunder in order to take into account the Members' varying interests in the Company during the Fiscal Year.

7.1.3 Limitation on Allocation of Net Losses. Notwithstanding any other provision contained in Section 7.1, Net Losses and individual items of loss or deduction may not be allocated to a Member to the extent the allocation would result in a deficit balance in the Member's Adjusted Capital Account at the end of any Fiscal Year. Any such items in excess of this limitation will be allocated as follows:

(a) First, among the other Members who would not have a deficit balance in their Adjusted Capital Accounts, pro rata, in proportion to their Adjusted Capital Account until the Adjusted Capital Account balances of all the Members have been reduced to zero; and

(b) Thereafter, to all the Members, pro rata, in proportion to the number of Units held by each.

7.2. Regulatory Allocations. The following special allocations will be made in the following order:

7.2.1 Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding any other provision of this ARTICLE VII, if there is a net decrease in Company Minimum Gain during any Fiscal Year, then each Member will be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) to the extent required by Regulations Section 1.704-2(f). Allocations pursuant to the previous sentence will be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. This Section 7.2.1 is intended to comply with the minimum gain chargeback requirement contained in Regulations Section 1.704-2(f) and is to be interpreted consistently therewith.

7.2.2 Member Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this ARTICLE VII, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member

Nonrecourse Debt during any Fiscal Year, then each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt (determined in accordance with Regulations Section 1.704-2(i)(5)) will be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to that portion of such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence will be made in proportion to the amounts required to be allocated to each Member pursuant thereto. The items to be so allocated will be determined in accordance with Regulations Section 1.704-2(i)(4) and 1.704-2(j)(2). This Section 7.2.2 is intended to comply with the minimum gain chargeback requirement contained in Regulations Section 1.704-2(i)(4) and is to be interpreted consistently therewith.

7.2.3 Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) and such Member has a deficit Adjusted Capital Account, items of Company income and gain will be specially allocated to each such Member in an amount and manner sufficient to eliminate any deficit in the Adjusted Capital Account deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 7.2.3 will be made only if and to the extent that such Member would have a deficit Adjusted Capital Account balance after all other allocations provided for in this ARTICLE VII have been tentatively made as if this Section 7.2.3 were not in the Agreement. This Section 7.2.3 is intended to be a "qualified income offset" as that term is used in Regulations Section 1.704-1(b)(2)(ii)(d) and is to be interpreted consistently therewith.

7.2.4 Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year will be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt or other liability to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i) and Regulations Section 1.704-1(b).

7.2.5 Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year will be allocated to the Members in accordance with the number of Units held by each.

7.2.6 Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts, the amount of such adjustment to Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss will be specially allocated to the Members in a manner consistent with that which their Capital Accounts are required to be adjusted pursuant to Regulations Section 1.704-1(b)(2)(iv)(m).

7.3. Curative Allocations. The allocations set forth in Section 7.2 (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Section 1.704-1(b). The Regulatory Allocations may not be consistent with the manner in which the Members intend to divide distributions from the Company. Accordingly, it is the intent of the Members that, to the

extent possible, all Regulatory Allocations will be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 7.3. Therefore, notwithstanding any other provision of this ARTICLE VII other than the Regulatory Allocations, the Manager must cause to be made such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner the Manager determines appropriate so that, after such offsetting allocations are made, a Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to Section 7.1. In exercising discretion under this Section 7.3, the Manager may take into account any future Regulatory Allocations under Section 7.2.1 and Section 7.2.2 that, although not yet made, are likely to offset other Regulatory Allocations previously made.

7.4. Excess Nonrecourse Liabilities. For the purpose of determining each Member's share of "excess nonrecourse liabilities," if any, of the Company within the meaning of Regulations Section 1.752-3(a)(3) and 1.707-5(a)(2)(ii), and solely for such purpose, the Members' interests in Company profits will be determined, pro rata, in proportion to their Voting Percentages.

7.5. Tax Allocations. Allocations pursuant to this Section 7.5 are solely for purposes of United States federal, state and local taxes and will neither affect nor be taken in account in computing, any Member's Capital Account or share of Net Profits, Net Losses, distributions or other items pursuant to any provision of this Agreement.

7.5.1 General Allocations. Except as otherwise provided in this Section 7.5, each item of Company income, gain, loss or deduction for federal income tax purposes will be allocated among the Members in the same manner as such items are allocated for book purposes pursuant to this ARTICLE VII. Notwithstanding the foregoing, the Manager will have the power to make such allocations for United States federal, state and local income tax purposes as may be necessary to maintain "substantial economic effect" or to ensure that such allocations are in accordance with each "partner's interest in the partnership," in each case within the meaning of Code Section 704(b) and the Regulations thereunder.

7.5.2 Code Section 704(c) Allocations. If any Company property is subject to Code Section 704(c) or is reflected in the Capital Accounts of the Members and on the books of the Company at a value that differs from the adjusted tax basis of such property, then the tax items with respect to such property will, in accordance with the requirements of Regulations Section 1.704-1(b)(4)(i), be shared among the Members in a manner that takes account of the variation between the adjusted tax basis of the applicable property and its value in the same manner as variations between the adjusted tax basis and fair market value of property contributed to the Company are taken into account in determining the Members' share of tax items under Code Section 704(c). The Manager is authorized to choose any reasonable method permitted by the Regulations issued pursuant to Code Section 704(c) to account for such differences.

7.5.3 Tax Credits. Tax credits will be allocated among the Members in accordance with Regulations Section 1.704-1(b)(4)(ii).

7.6. Reporting and Information Obligations of Members. The Members are aware of the income tax consequences of the allocations made by this ARTICLE VII and hereby agree to be bound by the provisions of this ARTICLE VII in reporting their shares of Company income and loss for income tax purposes. Each Member agrees to provide the Company any information or documentation within the possession of the Member that is reasonably requested by the Company for the purposes of preparing any tax form or other governmental filing promptly upon written request from the Company.

## **ARTICLE VIII DISTRIBUTIONS**

8.1. Guaranteed Payments. The Company will make monthly payments to the Investor Member in arrears equal to [six] percent [6%] of the Company's gross sales in such prior month. All payments under this Section 8.1 will be treated by the Company as guaranteed payments within the meaning of Section 707(c) of the Code and the Regulations thereunder, which for the avoidance of doubt will be deductible by the Company in the determination of Net Profits and Net Losses.

8.2. Distributions by the Company to Members.

8.2.1 Distributions.

(a) General. Subject to (1) applicable law, (2) any limitations contained in Section 8.2, and (3) the Company's right to make Tax Distributions pursuant to Section 8.2.1(b), distributions of Available Cash may be made at such times and in such amounts as the Manager may determine. Except as provided in Section 11.2.3 with respect to distributions in connection with a Dissolution Event, all distributions must be made to the Members as follows:

(i) All distributions made prior to the Redemption Date must be made 100% to the Franchisee Member; and

(ii) All distributions made on or after the Redemption Date must be made to all Members pro rata in proportion to the number of Units held by each Member.

(b) Tax Distributions. Subject to Sections 8.2.2 through Section 8.2.5, if determined by the Manager, the Company may make distributions ("Tax Distributions") to the Members pro rata in proportion to the Tax Shortfall of each in an amount intended to provide each Member funds to pay some or all of such Member's Tax Shortfall. The "Tax Shortfall" for these purposes means with respect to each Member the amount, if any, of (i) the aggregate Federal, state and local tax income tax liabilities attributable to all allocations of net taxable income and gain (not including amounts treated as guaranteed payments), net of the tax benefit of allocations of Company loss, deduction and credit, to the Member for such Fiscal Year, as determined in good faith by the Manager on the basis of the Assumed Tax Rate, reduced (but not to an amount below zero) by (ii) all distributions made to the Member by the Company during such Fiscal Year pursuant to Section 8.2.1(a) (including amounts distributed under this Section 8.2.1(b) treated as distributions of amounts under Section 8.2.1(a)). Upon the filing of the Company's tax return for such Fiscal Year, if requested by the Manager, each Member must promptly return the amount of any excess Tax Distributions for such Fiscal Year to the Company. Tax Distributions will be

treated as preliminary distributions of, and will offset, future distributions by the Company to the Members pursuant to (or made by reference to) Section 8.2.1(a) or Section 11.2.3.

8.2.2 Distributees; Liability for Distributions. All distributions made pursuant to this ARTICLE VIII will be made only to the Persons who, according to the books and records of the Company, hold the Units in respect of which such distributions are made on the actual date of distribution. None of the Company, the Managers or any Member or officer will have any liability as a result of making distributions in accordance with this ARTICLE VIII.

8.2.3 Form of Distributions. A Member, regardless of the nature of the Member's Capital Contributions, has no right to demand and receive any distribution from the Company. No Member may be compelled to accept from the Company a distribution of any asset in kind in lieu of a proportionate distribution of money being made to other Members.

8.2.4 Return of Distributions. No Member will be obligated to return any distribution to the Company or pay the amount of any distribution for the account of the Company or to any creditor of the Company except (i) for distributions made in violation of the Act or this Agreement, (ii) as otherwise required by law, (iii) if such Member is deemed to receive distributions in an aggregate amount that exceeds the distributions to which such Member is otherwise entitled to receive pursuant to this Agreement and (iv) as required under Section 8.3.

8.2.5 Distributions in Violation of Act. Notwithstanding any provision to the contrary in this Agreement, the Company will not be required to make a distribution to any Member on account of such Member's interest in the Company if such distribution would violate Section 18-607 of the Act or other applicable law.

### 8.3. Withholding Tax Payments and Obligations.

8.3.1 Authorization to Withhold. If the Company is obligated to withhold tax with respect to any distribution or the share of any income allocated to any Member, then the Company is hereby authorized to withhold from distributions, including Tax Distributions, to a Member, and to pay over to any United States federal, state or local or non-United States governmental or taxing authority, any amounts required to be so withheld pursuant to the Code, the Regulations or any provisions of state, local and non-United States law and regulations.

8.3.2 Payments by the Company. If the Company is required to withhold tax with respect to any distribution or allocation of income to any Member, then the amount so withheld and paid over to any taxing authority will be treated for all purposes under this Agreement as if such amount had been distributed to such Member under this ARTICLE VIII, and will reduce the amount otherwise distributable to such Member pursuant to this ARTICLE VIII. If the amount required to be withheld and paid over to any taxing authority exceeds the amount otherwise distributable to such Member, then this excess amount will be treated as an advance to such Member made as of the date of payment to the applicable taxing authority. Amounts treated as advanced to any Member pursuant to this Section 8.3.2 must be repaid by such Member to the Company within fifteen (15) calendar days after the Company gives notice to such Member making demand therefor. Any amounts so advanced will bear interest, commencing on the date of advancement, compounded monthly on unpaid balances, at an annual rate equal to the short-term

Applicable Federal Rate as of the date of such advance. The Company may collect any unpaid advances to a Member from any Company distributions, including any distributions under this ARTICLE VIII, that would otherwise be made to such Member. The foregoing is not intended to in any way limit the remedies otherwise available to the Company in connection with the collection of any unpaid advances to Members pursuant to this Section 8.3.2. Each Member agrees to indemnify and hold harmless the Company and the other Members from and against any liability with respect to taxes, interest or penalties, except to the extent that such amounts do not result from any act or omission thereof of such Member, that may be asserted by reason of the failure of the Company to deduct and withhold tax on amounts distributable or allocable to such Member. Any amount payable as indemnity hereunder by any Member will be paid promptly to the Company, and if not so paid, the Company will be entitled to retain any distribution due to such Member for all such amounts. The amount payable as indemnity hereunder will bear interest commencing on the date on which the amount giving rise to the indemnity was paid by the Company or the Member, compounded monthly at an annual rate equal to the short-term Applicable Federal Rate as of such date.

8.3.3 Overwithholding. None of the Company, the Managers or the other Members will be liable for any excess taxes withheld in respect of any Member's Units. In the event of overwithholding, a Member's sole recourse will be to apply for a refund from the appropriate governmental authority.

8.3.4 Withholding and Other Tax Certifications. Each Member must provide to the Company an original Internal Revenue Service Form W-9, W-8BEN, W-8BEN-E, W-8IMY, W-8ECI, W-8EXP or other applicable withholding certificate, as appropriate, no later than ten (10) calendar days after the Effective Date and thereafter from time to time as required by law or requested by the Company. In addition, each Member must provide the Company such other certifications and documentation as are reasonably requested by the Manager to reduce or eliminate taxes imposed or withheld on payments to the Company or any of its subsidiaries or to satisfy any filing or reporting obligations of the Company.

## **ARTICLE IX TRANSFERS OF INTERESTS**

### **9.1. Transfers of Interests In General**

9.1.1 Conditions to Transfer. Except as otherwise provided in this ARTICLE IX, no Member may Transfer all or any part of such Member's Units, including an Economic Interest therein, unless (i) approved by the Manager, (ii) such Member complies with the provisions of this ARTICLE IX, as applicable, and (iii) unless waived by the Manager, all of the following conditions have been met:

(a) the Company has (at its option) received, from or on behalf of the transferring Member (at its expense), an attorney's written opinion from a reputable and recognized law firm, in form and substance reasonably satisfactory to the Company, specifying the nature and circumstances of the proposed Transfer, and based on such facts stating that the proposed Transfer will not be in violation of any of the registration provisions of the Securities Act or any applicable state securities laws;

(b) if the Transfer results in the transferee acquiring a Membership Interest in the Company, the Company has received from the transferee a written agreement substantially in the form of the Adoption Agreement attached hereto as Exhibit A, or in such other form as approved by the Manager, to be bound by all of the terms and conditions of this Agreement;

(c) if the Transfer results in the transferee acquiring a Membership Interest in the Company and the transferee is a natural person that is married, the Company has received a written consent substantially in the form of the Spousal Consent attached hereto as Exhibit B, or in such other form as approved by the Manager, executed by such transferee's spouse;

(d) the Company is reimbursed upon request for its reasonable expenses in connection with the Transfer;

(e) the Transfer complies with all other applicable requirements of this Agreement.

9.2. Certain Permitted Transfers. Without the consent of the Manager (but otherwise subject to the provisions of Section 9.1), any Member may Transfer all or any portion of such Member's Units or any interest therein (each, a "Permitted Transfer"),

9.2.1 in the case of a Member that is a natural person, to (i) a trust for which such Member is the controlling trustee under which the distribution of the Units may be made only to beneficiaries who are such Member, his or her spouse, and/or his or her lineal descendants or (ii) an entity controlled by such Member the equity owners of which are directly or indirectly only such Member, his or her spouse, and/or his or her lineal descendants;

9.2.2 in case of a Member's death, by will or by the laws of intestate succession to executors, administrators, testamentary trustees, legatees or beneficiaries;

9.2.3 in the case of Member that is a trust, to the beneficiaries of such trust in accordance with the applicable trust documents; or

9.2.4 in case of the Investor Member, to an Affiliate of the Investor Member.

9.3. Drag-Along Rights.

9.3.1 Without the need to comply with any of the other provisions of this ARTICLE IX, (i) the Members holding a majority of the Voting Units may by written notice (a "Drag-Along Notice") to the Members (including, for avoidance of doubt, any Economic Interest holders) (the "Dragged Members") cause the Dragged Members to participate (and the Dragged Members must participate) in a bona fide sale, in a single transaction or a series of related transactions, of a majority of the Units to one or more Independent Third Parties, or (ii) the Manager (in addition to and not limiting any of the Manager's authority under this Agreement) by delivery of a Drag-Along Notice to the Members may cause the Company to merge or consolidate with, or sell all or substantially all of its assets to, one or more Independent Third Parties (such transaction described in clauses (i) and (ii), a "Drag-Along Transaction," and the right to cause the Dragged Members to participate in such Drag-Along Transaction, the "Drag-Along Rights").

Such Drag-Along Notice must specify (a) the consideration to be received by the Members on a per Unit basis (it being agreed that the consideration will be allocated to the Members as described in Section 9.3.6) and any other material terms and conditions of the Drag-Along Transaction, (b) the identity of the other Person or Persons party to the transaction(s), and (c) the date of completion of the Drag-Along Transaction.

9.3.2 With respect to such Drag-Along Transaction, the Dragged Members (a) will be deemed to have voted all of their Units in favor of such Drag-Along Transaction(s), (b) will be deemed to have waived all applicable consent rights, veto rights, appraisal or dissenters' rights, or other similar protective provisions, and (c) must take all actions and execute all documents necessary to consummate such Drag-Along Transaction.

9.3.3 With respect to such Drag-Along Transaction, each Dragged Member will only be required to execute transaction documents specifically related to the Transfer of such Dragged Member's Units, provided that all representations, warranties, covenants and indemnities will be made by such Dragged Member severally and not jointly and any indemnification obligation will be pro rata based on the consideration received by such Dragged Member, in each case in an amount not to exceed the aggregate proceeds received by such Dragged Member in connection with the Drag-Along Transaction.

9.3.4 At the closing, each Dragged Member must deliver title to the Transferred Units free and clear of liens and encumbrances.

9.3.5 Each Member hereby grants to the Manager a limited power of attorney to execute any and all documents necessary to carry out the Drag-Along Rights if any Member fails to execute and deliver after a reasonable period of time any document or instrument or fails to take any required action to consummate the Drag-Along Transaction. It is expressly intended by each Member that the power of attorney granted by this Section 9.3.5 is coupled with an interest, is irrevocable, and will survive and not be affected if a Member subsequently becomes Incapacitated (or if such Member is a corporation, partnership, trust, association, limited liability company or other legal entity, by the dissolution or termination thereof) or by the Transfer (if any) of any of the Member's Units.

9.3.6 In any Drag-Along Transaction, any proceeds payable directly to the holders of Units will be allocated (i) first to reimburse the Manager and Members for any reasonable expenses incurred by them in furtherance of (and not in opposition to or to hinder) the consummation of the Drag-Along Transaction, (ii) with the balance to be allocated among the Units pro rata based on the relative Liquidation Values of the Units disposed of in the Drag-Along Transaction.

#### 9.4. Mandatory Redemption.

9.4.1 Redemption Right. Notwithstanding anything herein to the contrary, unless otherwise agreed in writing by the Investor Member, the Company must redeem all of the Investor Member's Units on the Redemption Date at the Redemption Price. For purposes of this Agreement, the "Redemption Date" means the second (2<sup>nd</sup>) anniversary of the Effective Date, unless at such time the Company does not have the financial resources to redeem the Investor

Member at the Redemption Price, in which event the Company at the election of the Franchisee Member may extend the Redemption Date until such time as the Company has such financial resources, but not more than an additional six (6) months after the second (2<sup>nd</sup>) anniversary of the Effective Date.

9.4.2 Redemption Price. The redemption price (the “Redemption Price”) of the Investor Member’s Units will be an amount equal to (x) the Cash Closing Price, *plus* (y) the residual payments set forth in Section 9.4.4. The “Cash Closing Price” is an amount equal to (x) the Investor Member’s aggregate Capital Contributions, *plus* (y) the excess, if any, of (i) the Accrued Return Amount, over (ii) the aggregate amount of guaranteed payments made to the Investor Member pursuant to Section 8.1. Alternatively, at the election of the Investor Member, the Company the Redemption Price will be all equipment and tangible personal property of the Company (the “Company Property”).

9.4.3 Closing. At the closing, (i) the Company (A) will pay the Investor Member the Cash Closing Price for the Investor Member’s Units in cash by wire transfer of immediately available funds to an account as designed by the Investor Member or (B) if the Investor Member has elected for the Redemption Price to be the Company Property, will deliver (via insured or bonded delivery method and at Company’s expense) the Company Property to such location as designated by the Investor Member and provide a bill of sale or other documentation requested by Investor Member to document or effectuate such transfer, (ii) the Company will execute any documentation requested by Investor Member to memorialize or otherwise confirm the Company’s obligation to make the residual payments set forth in Section 9.4.4, and (iii) the Investor Member will deliver to the Company such other documents or instruments as the Company may reasonably request to effect the redemption of the Investor Member’s Units; provided that the Investor Member will not be required to make any representation or warranty of any kind except that at the time of such redemption the Investor Member has title to the Investor Member’s Units free and clear of any liens, claims or encumbrances and that the Investor Member has not otherwise Transferred the Investor Member’s Units or granted any Person any other rights in the Investor Member’s Units. If the Company does not terminate within the meaning of Code Section 708(b) as a result of the closing of the redemption of the Investor Member’s Units, the Company will use the “closing of the books” method for the purposes of Code Section 706(d) in order to take into account the Members’ varying interests in the Company during the Fiscal Year that includes such redemption.

9.4.4 Residual Payment Right. Following the closing of the redemption of the Investor Member’s Units hereunder, the Investor Member will be entitled to receive on an annual basis, on each anniversary of the Redemption Date, an amount equal to (x) the Applicable Percentage, *multiplied by* (y) the Baseline Annualized Gross Revenue. For purposes hereof, (i) the “Baseline Annualized Gross Revenue” means (x) the Company’s gross revenue on a cash basis in the three (3) months prior to the Redemption Date, *multiplied by* (y) four (4), and (ii) the “Applicable Percentage” means the lesser of (a) 0.75%, and (b) the product of (1) 0.75%, *multiplied by* (2) the amount equal to (A) the Baseline Annualized Gross Revenue, *divided by* (B) \$3,000,000.

## 9.5. Call Right.

9.5.1 Call Right. Notwithstanding anything herein to the contrary, upon the occurrence of a Trigger Event, the Investor Member will have the right (but will have no obligation) to purchase all of the Franchisee Member's Units at the Call Price upon written notice to the Franchisee Member at any time after the occurrence of such Trigger Event. For purposes of this Agreement, a "Trigger Event" means (a) the failure of the Company to redeem the Investor Member on the Redemption Date as set forth in Section 9.4, (b) the death or Incapacitation of the Franchisee Member or the Franchisee Principal, (c) the failure of the Franchisee Member to use commercially reasonable efforts to operate the Restaurant, or (d) a breach of this Agreement by the Franchisee Member in any material respect that has not been cured within thirty (30) days after written notice thereof has been delivered to the Franchisee Member, if such breach is capable of cure.

9.5.2 Call Price. The call price (the "Call Price") of the Franchisee Member's Units will be an amount equal to (x) the Franchisee Member's aggregate Capital Contributions, *minus* (y) the aggregate amount of distributions made to the Franchisee Member under this Agreement, *minus* (z) an amount equal to fifty percent (50%) of the Net Losses, if any, incurred by the Company from the Effective Date through the closing date of the purchase of the Franchisee Member's Units pursuant to this Section 9.5.

9.5.3 Closing. At the closing, (i) the Investor Member will pay the Franchisee Member the Call Price for the Franchisee Member's Units in cash by wire transfer of immediately available funds to an account as designed by the Franchisee Member, and (ii) the Franchisee Member will deliver to the Investor Member such other documents or instruments as the Investor Member may reasonably request to effect the purchase of the Franchisee Member's Units; provided that the Franchisee Member will not be required to make any representation or warranty of any kind except that at the time of such purchase the Franchisee Member has title to the Franchisee Member's Units free and clear of any liens, claims or encumbrances and that the Franchisee Member has not otherwise Transferred the Franchisee Member's Units or granted any Person any other rights in the Franchisee Member's Units.

9.5.4 Power of Attorney. The Franchisee Member hereby grants to the Investor Member a limited power of attorney to execute any and all documents necessary to carry out the transactions contemplated by this Section 9.5 if the Franchisee Member fails to execute and deliver after a reasonable period of time any document or instrument or fails to take any required action to consummate such transactions. It is expressly intended by the Franchisee Member that the power of attorney granted by this Section 9.5.4 is coupled with an interest, is irrevocable, and will survive and not be affected by the Incapacitation of the Franchisee Member (or if the Franchisee Member is a corporation, partnership, trust, association, limited liability company or other legal entity, by the dissolution or termination thereof) or by the Transfer (if any) of any of the Franchisee Member's Units.

9.5.5 Delegation of Rights. At the Investor Member's election, the Investor Member may delegate its rights under this Section 9.5 to any other Person and such Person may purchase the Franchisee Member's Units in accordance with this Section 9.5. In such case, as the

context requires, references in this Section 9.5 to the “Investor Member” will be read to refer to such Person.

9.6. Invalid Transfers. Transfers in violation of this ARTICLE IX or this Agreement are null and void *ab initio* and of no effect whatsoever; provided, however, that if any such Transfer is not null and void *ab initio* as a matter of law, the transferee of the Transferred Units will be an “assignee” for purposes of the Act, will hold only an Economic Interest in such Units, and will not possess or benefit from any of the other rights of a Member hereunder but will be subject to any and all covenants, restrictions and obligations of a Member hereunder (including, without limitation, Section 4.6 and ARTICLE IX). Any Units so Transferred in violation of this ARTICLE IX or this Agreement will, to the extent permitted by applicable law, lose any and all voting rights, and, to the extent any voting rights may not be eliminated, the transferring Member will retain such voting rights, if any, with respect to the Units transferred to such assignee.

9.7. Effective Date of Transfers. Any Transfer permitted under the terms of this Agreement of all or any portion of a Member’s Units will be effective no earlier than the date following the date upon which the requirements of this Agreement have been met.

9.8. Effect of Transfers. After the effective date of any Transfer of any part of a Member’s Units in accordance with this Agreement, subject to Section 9.6, the Units (or other Economic Interest) so Transferred will continue to be subject to the terms, provisions, and conditions of this Agreement and any further Transfers will be required to comply with all of the terms, provisions, and conditions of this Agreement. Any transferee of all or any portion of any Units will take such Units subject to the restrictions on Transfer imposed by this Agreement.

9.9. Substitution of Members. Notwithstanding any provision to the contrary in this Agreement, a transferee of a Unit will not have the right to become a substitute Member until:

9.9.1 the requirements of Section 9.1 are satisfied;

9.9.2 such Person pays (or causes to be paid) any reasonable expenses in connection with such Person’s admission as a new Member; and

9.9.3 if such Unit is certificated, the certificate representing that Unit has been returned to the Company to be reissued in the name of the transferee.

The admission of a substitute Member will not result in the release of the Member who assigned the Units from any liability that such Member may have to the Company unless otherwise agreed by the Manager. A Transferee of only an Economic Interest will not become a substitute Member.

## **ARTICLE X**

### **BOOKS AND RECORDS; ACCOUNTING; TAX MATTERS**

10.1. Books and Records. The Manager must keep the books and records of the Company in a professional manner; provided, however, to the extent appropriate under applicable tax and accounting principles, separate and corresponding records for book and tax purposes may be maintained. The books and records of the Company must reflect all the Company transactions and must be appropriate and adequate for the Company’s business.

10.2. Delivery to Members and Inspection. Pursuant to Section 18-305(g) of the Act, the Members desire to restrict the rights of Members to obtain information as otherwise provided in Section 18-305(a) of the Act. The Members agree that, except as otherwise required by applicable law, each Member will only be entitled to information and reports to the extent provided by the Manager and will not be entitled to any other information concerning the Company or its business or affairs or the Members or their Units in the Company whether pursuant to Section 18-305(a) of the Act or otherwise. Without limiting the generality of the foregoing, each Member agrees that it will have no access to, and will not be entitled to know, the name and/or address (whether business, residence or mailing) of any other Member or the owners of any other Member. If, notwithstanding the foregoing restriction, any Member obtains any information concerning the Company or its business or affairs or any other Member, the owners of such Member, or such Member's Units in the Company or any other information other than that provided by the Manager, such information will constitute "Confidential Information" and will be subject to the terms of Section 4.6. Notwithstanding anything contained in this Agreement or the Act to the contrary, pursuant to Section 18-305(c) of the Act, the Manager will have the right to keep confidential from the Members, for such period of time as the Manager deems reasonable, any information that the Manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the Manager in good faith believes is not in the best interests of the Company or could damage the Company or its business or which the Company is required by law or by agreement with a third party to keep confidential. The Members agree that the foregoing limitations on the information rights of the Members are reasonable and in the best interests of the Company.

10.3. Tax Returns. The Manager must cause to be prepared at least annually information necessary for the preparation of the Members' federal, state and local income tax and information returns. The Manager must send or cause to be sent to each Member within ninety (90) calendar days after the end of each taxable year, or as soon as practicable thereafter, such information as is necessary to complete such Member's federal and state income tax or information returns, and a copy of the Company's federal, state and local income tax or information returns for that year. The Manager must cause all income tax and information returns for the Company to be timely filed with the appropriate authorities.

10.4. Other Filings. The Manager must cause to be prepared and timely filed, with appropriate federal and state regulatory and administrative bodies, amendments to, or restatements of, the Certificate effected in accordance with this Agreement and all reports required to be filed by the Company with those entities under the Act or other then current applicable laws, rules, and regulations.

10.5. Bank Accounts. Funds of the Company must be maintained in one or more separate bank accounts in the name of the Company, and must not be permitted to be commingled in any fashion with the funds of any other Person.

10.6. Accounting Decisions and Reliance on Others. All decisions as to accounting matters, except as otherwise expressly provided herein, may be made by the Manager. The Manager may rely upon the advice of the Company's accountants as to whether such decisions are in accordance with accounting methods followed for federal income tax purposes or financial accounting purposes (as applicable).

## 10.7. Tax Matters.

10.7.1 Taxation as Partnership. The Members intend that the Company initially be treated as a partnership for federal and state income tax purposes. Unless otherwise determined by the Manager, the Manager and Members must cooperate with the Company in connection with preserving the Company's status as a partnership for income tax purposes and hereby authorize the Company to take whatever actions and execute whatever documents are necessary or appropriate to effectuate the foregoing. To that end, unless otherwise determined under the immediately preceding sentence, the Members direct the Manager to use commercially reasonable efforts to cause the Company to be treated, for United States federal income tax purposes, as a partnership and not a "publicly-traded partnership" within the meaning of Section 7704(b) of the Code or an association taxable as a corporation, including, without limitation, filing any returns, elections or statements by the Company with the applicable United States authorities.

### 10.7.2 Partnership Representative.

(a) The Company must designate itself as its own "partnership representative" for purposes of the BBA Rules and any comparable provisions of state or local income tax laws (the "Partnership Representative"). Each Member and the Manager must take such actions as are necessary to perfect such designation.

(b) The Company must appoint an individual who meets the requirements of Treasury Regulations Section 301.6223-1(b)(2) as the sole individual through whom the Partnership Representative will act for all purposes under the BBA Rules and any comparable provisions of state or local income tax laws (the "Designated Individual"), and each Member (and the Manager) must take such actions as are necessary to perfect such designation. The Manager may replace the Designated Individual in accordance with applicable laws, rules, and regulations. Without approval of the Manager, no Person may take any action to cause the Company to elect into the BBA Rules where such rules would not otherwise be mandatory. The initial Designated Individual is Arthur Wicklein.

(c) The Company will have all of the rights, powers, obligations and duties of a "partnership representative" and the Designated Individual will have all of the rights, powers, obligations and duties of a "designated individual," each as set forth in the BBA Rules. Notwithstanding the previous sentence, the Designated Individual must cause the Company to act at, and only at, the direction of the Manager. The Designated Individual is, to the fullest extent permitted by law, absolved from all liability for any and all consequences to any current or former Member resulting from any action that the Designated Individual causes the Company to take at the direction of the Manager.

(d) The Company must indemnify and reimburse the Designated Individual for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members. The payment of such expenses must be made before any distributions are made to the Members under this Agreement and before any discretionary reserves are set aside by the Manager.

(e) Each Member must take all actions that the Manager informs it are reasonably necessary to effect a decision of the Manager with respect to the BBA Rules, including without limitation (i) providing any information reasonably requested in connection with any tax audit or related proceeding (which information may be freely disclosed to the Internal Revenue Service or other relevant taxing authorities), (ii) paying all liabilities attributable to such Member as the result of an election under Code Section 6226, (iii) filing any amended returns that the Manager determines to be necessary or appropriate to reduce an imputed underpayment under Code Section 6225(c) and/or (iv) paying all liabilities associated with such an amended return. The costs and expenses incurred by a Member in connection with the preceding sentence (other than the Designated Individual in its capacity as such) will not be treated as Company expenses and will not be reimbursed by the Company.

(f) If any tax audit results in the imposition of a tax liability on the Company itself, the Manager is authorized to allocate the economic burden of that liability (including interest and penalties) among the Members (including both current and former Members) based upon their interests in the Company for the “Reviewed Year” (as defined in Section 6225(d)(1) of the Code. If requested in writing by the Manager, each Member must pay to the Company the amount allocated to it under the preceding sentence within ten (10) business days of notice thereof. Such payment (i) may, at the Manager’s discretion, be made by withholding distributions that would otherwise be paid to a Member, and (ii) will not be treated as a Capital Contribution for purposes of determining any right to distributions hereunder.

(g) Notwithstanding any other provision of this Agreement to the contrary, each Member agrees that its obligations to comply with this Section 10.7.2(g) will survive any transfer of its Membership Interest and the dissolution of the Company. Accordingly, each Person that ceases to be a Member will, notwithstanding such divestiture, reimburse and indemnify the Company against any liability that would be allocated to such Person under Section 10.7.2(f) if the Person were a Member at the time of determination.

**10.7.3 Elections.** Except as otherwise provided herein, the Manager is authorized to make all determinations regarding whether to make any tax election provided under the Code, or any provision of state, local or foreign tax law. The Manager is, to the fullest extent permitted by law, absolved from all liability for any and all consequences to any previously admitted or subsequently admitted Members resulting from its making or failing to make any such election. The Manager is authorized to make all decisions and other matters concerning the computation and allocation of items of income, gain, loss, deduction and credits among the Members, and accounting procedures not specifically and expressly provided for by the terms of this Agreement. Any determination made in accordance with this Section 10.7.3 by the Manager will be conclusive and binding on all Members.

## **ARTICLE XI DISSOLUTION AND WINDING UP**

**11.1. Dissolution.** The Company must be dissolved, its assets disposed of, and its affairs wound up on the first to occur of the following (each, a “Dissolution Event”):

11.1.1 The entry of a decree of judicial dissolution pursuant to Section 18-802 of the Act;

11.1.2 A sale or disposition of substantially all of the assets of the Company (except as otherwise determined by the Manager); or

11.1.3 A Member Vote in favor of dissolution and the approval of the Manager.

11.2. Winding Up. Upon the occurrence of a Dissolution Event, the Company will continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors. The Manager will be responsible for overseeing the winding up and liquidation of the Company, must take full account of the assets and liabilities of the Company, must either cause its assets to be sold to any Person or distributed to a Member, and if sold, as promptly as is consistent with obtaining the Fair Market Value thereof, must cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed, to the maximum extent provided by law, in the following order:

11.2.1 First, to creditors in satisfaction of all of the Company's debts and liabilities, whether by payment or the making of a reasonable provision for payment thereof to the extent required by Section 18-804 of the Act other than liabilities for distribution to Members under Section 18-601 or Section 18-604 of the Act;

11.2.2 Second, to the Members in satisfaction of liabilities for distribution under Section 18-601 or Section 18-604 of the Act;

11.2.3 Third, the remaining amount to the Members in accordance with Section 8.2.1(a).

All distributions must be made not later than ninety (90) days after the end of the taxable year in which the taxable event generating the distributions occurs.

11.3. No Deficit Restoration Obligation. Notwithstanding anything to the contrary in this Agreement, upon a liquidation of the Company (within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) or otherwise), if any Member has a negative Capital Account after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the taxable year during which the liquidation occurs, that Member will nevertheless have no obligation to make any contribution to the capital of the Company with respect to such negative Capital Account, and the negative balance of such Member's Capital Account will not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

11.4. Distributions in Kind. Any non-cash asset distributed to one or more Members must first be valued at its Fair Market Value to determine the gain or loss that would have been included in the amounts allocated pursuant to ARTICLE VII if such asset were sold for such value. Such gain or loss must then be allocated pursuant to ARTICLE VII, and the Members' Capital Accounts must be adjusted to reflect such allocations. The amount distributed and charged to the Capital Account of each Member receiving an interest in such distributed asset will be the Fair

Market Value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to).

11.5. Limitations on Payments Made in Dissolution. The Members may look solely to the assets of the Company for the return of their Capital Contributions and have no right or power to demand or receive property other than cash of the Company. If the assets of the Company remaining after payment or discharge of the debts and liabilities of the Company are insufficient to return the Members' Capital Contributions, the Members will have no recourse against the Company, any Manager or any Member.

11.6. Certificate of Cancellation. Upon completion of the winding up of the affairs of the Company, the Manager or other Person(s) winding up the affairs of the Company, must cause to be filed in the office of, and on a form prescribed by, the Delaware Secretary of State, a certificate of cancellation.

11.7. Termination. The Company will terminate when all of the assets of the Company have been distributed in the manner provided for in this ARTICLE XI, and the certificate of cancellation is filed in accordance with Section 11.6.

11.8. No Action for Dissolution. Except as expressly permitted in this Agreement, a Member must not take any voluntary action that directly causes a dissolution of the Company.

11.9. Bankruptcy. The Company may not commence any voluntary Bankruptcy, or make a petition or application to any tribunal for, or consent to the appointment of, or taking of possession by, a trustee, receiver, custodian, liquidator or similar official without a Member Vote made in writing and given prior to such action.

## **ARTICLE XII MISCELLANEOUS**

12.1. Complete Agreement. This Agreement (including any schedules, annexes or exhibits attached hereto) and the Certificate constitute the complete and exclusive statement of agreement among the Members with respect to the subject matter herein and therein and replace and supersede all prior written and oral agreements or statements by and among the Members or any of them concerning the subject matter herein and therein. No representation, statement, agreement, condition or warranty with respect to such subject matter not contained in this Agreement and the Certificate will be binding on the Members or have any force or effect whatsoever.

12.2. Binding Effect. Except as otherwise provided herein, this Agreement is binding upon and inures to the benefit of the Members, and their respective successors and permitted assigns.

12.3. Parties in Interest. Except as expressly provided in the Act, nothing in this Agreement confers any rights or remedies under or by reason of this Agreement on any Persons other than the Covered Persons and their respective successors and permitted assigns, relieves or discharges the obligation or liability of any third Person to any party to this Agreement, or gives any third Person any right of subrogation or action over or against any party to this Agreement.

12.4. Statutory References. Any reference to the Code, the Regulations, the Act or other statutes or laws includes all amendments, modifications or replacements of the specific sections and provisions concerned.

12.5. Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

12.6. References to this Agreement. Numbered or lettered articles, sections and subsections herein contained refer to articles, sections and subsections of this Agreement unless otherwise expressly stated.

12.7. Governing Law. This agreement is to be enforced, governed by and construed in accordance with the laws of the State of Delaware.

12.8. Consent To Exclusive Jurisdiction. Except as otherwise required by §18-109(d) of the Act, each party hereto hereby irrevocably submits to the exclusive jurisdiction of any California state or United States federal court sitting in Los Angeles County, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, and each party hereto hereby irrevocably agrees that all claims in respect of such action or proceeding are to be heard and determined in such California state court or in such federal court. Each party hereto irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such an action or proceeding. Each party hereto irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to such party at its address specified in this agreement, including Schedule A attached hereto (which mailing must be by certified mail). Each party hereto agrees that a final non-appealable judgment in any such action or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

12.9. Severability. If any provision of this Agreement or the application of such provision to any Person or circumstance is held to be invalid, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid are not to be affected thereby.

12.10. Additional Documents and Acts. Each Member agrees to execute and deliver, from time to time, such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and the transactions contemplated hereby.

12.11. Notices. All notices and other communications required or permitted hereunder must be in writing and will be deemed to have been duly and sufficiently given only if (a) personally delivered with proof of delivery thereof (any notice or communication so delivered being deemed to have been received at the time so delivered), (b) sent by Federal Express, UPS, DHL, or other similar overnight courier (any notice or communication so delivered being deemed to have been received only when delivered), (c) sent by electronic mail, telecopier or facsimile (any notice or communication so delivered being deemed to have been received only if a copy is also promptly delivered by one of the other means of delivery and will be deemed to have been

received (i) on the Business Day such electronic transmission is sent, if sent prior to 4:00 p.m. (based upon the recipient's time) on the Business Day so sent, and (ii) on the Business Day following the day such electronic transmission is sent, if sent on a non-Business Day or on or after 4:00 p.m. (based upon the recipient's time) on the Business Day so sent), or (d) sent by United States registered or certified mail, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice or communication so sent being deemed to have been received only when delivered), in any such case addressed to the respective parties as follows:

If to the Company:

**Joint Venture, LLC**

[Address]

[Address]

If to a Member:

to the respective address of such Member as set forth on Schedule A attached hereto.

Any party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties notice in the manner herein set forth.

12.12. Preparation of Agreement by Counsel. The Members acknowledge that this Agreement was drafted and prepared by DLA Piper LLP (US) as counsel to the Investor Member or its Affiliate. The other Members acknowledge that they obtained, or were encouraged to obtain, independent legal or other professional advice concerning each of their individual rights, obligations, preferences and privileges as a Member hereunder. The Members agree that no negative inferences are to be made against the drafting party.

12.13. Amendments. Except as otherwise expressly provided herein (including, without limitation, amendments to reflect the admission of new Members, amendments in accordance with Section 3.2 or in connection with the establishment of additional classes or series of Units under Section 3.2.1), this Agreement may be amended by, and only by, a Member Vote and the approval of the Manager; provided, however, that except for amendments expressly contemplated in this Agreement, no amendment may reduce the Capital Account of any Member, or increase the obligations or liabilities of a Member hereunder unless such Member has consented in writing to such amendment. The Company may amend Schedule A hereto at any time and from time to time to reflect the admission or withdrawal of any Member or any changes in the Member's addresses, all as contemplated by this Agreement.

12.14. No Interest in Company Property, Waiver of Action for Partition. No Member has any interest in specific property of the Company. Without limiting the foregoing, each Member irrevocably waives during the duration of the Company any right that such Member may have to maintain any action for partition with respect to the property of the Company.

12.15. Remedies Cumulative. Except as expressly provided herein, the rights, obligations and remedies created by this Agreement are cumulative and in addition to any other rights, obligations, or remedies otherwise available at Law or in equity. Except as expressly provided herein, nothing herein will be considered an election of remedies.

12.16. Survival. The provisions of this Agreement that contemplate performance or obligations subsequent to the termination, dissolution or winding up of the Company, will survive such termination, dissolution or winding up of the Company.

12.17. Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which will constitute one and the same document. Facsimile machine copies, DocuSign, electronic portable document format (PDF) copies of original signatures of any of the parties hereto will be binding as if they were original signatures.

12.18. Spousal Consent. Each Member who is a natural person and who is married on the date of this Agreement must cause such Member's spouse to execute and deliver to the Company a Spousal Consent in the form of Exhibit B attached hereto, dated as of the date hereof. If any Member who is a natural person marries following the date of this Agreement, such Member must cause his or her spouse to execute and deliver to the Company such Spousal Consent within thirty (30) days thereof. Notwithstanding the foregoing, the Manager in its sole discretion may waive a Member's obligation to deliver a Spousal Consent

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Company and the Members have executed this Amended and Restated Limited Liability Company Agreement, effective as of the date first written above.

**THE COMPANY:**

**Joint Venture, LLC**

By: **Investment Partner, LLC**, its manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Manager

**MEMBERS:**

**Investment Partner, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Manager

**Franchisee Corp, INC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE A**

**MEMBER/ADDRESS;**  
**UNITS; VOTING PERCENTAGES**

| <b>Member/Address</b>                    | <b>Initial<br/>Capital<br/>Contribution</b> | <b>Units</b> | <b>Voting<br/>Percentage</b> |
|------------------------------------------|---------------------------------------------|--------------|------------------------------|
| { Investment Partner, LLC }<br>[address] | \$[_____]                                   | [●]          | [●]%                         |
| [Franchisee Member]<br>[address]         | \$[_____]                                   | [●]          | [●]%                         |
| <b>Total</b>                             | <b>\$[_____]</b>                            | <b>[●]</b>   | <b>100%</b>                  |

**EXHIBIT A**  
**FORM OF ADOPTION AGREEMENT**

## ADOPTION AGREEMENT

This Adoption Agreement (“Adoption Agreement”) is executed by the undersigned (the “Member”) pursuant to the terms of that certain Limited Liability Company Agreement of **Joint Venture, LLC** (the “Company”), dated as of [♦], 20\_\_\_\_, by and among the Members named therein (as such agreement may be amended or supplemented from time to time, the “Agreement”). Capitalized terms used but not defined herein have the respective meanings ascribed to such terms in the Agreement. By the execution of this Adoption Agreement, the Member signing below agrees as follows:

1. Acknowledgment. The Member acknowledges that such Member is acquiring certain Units of the Company, subject to the terms and conditions of the Agreement.
2. Agreement. The Member (i) agrees that the Units acquired by the Member will be bound by and subject to the terms of the Agreement, and (ii) hereby adopts the Agreement with the same force and effect as if the Member were originally a party thereto.
3. Notice. Any notice required or permitted by the Agreement may be given to the Member at the address listed beside the Member’s signature below.

EXECUTED AND DATED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

### MEMBER:

Name of Member: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title (if applicable): \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Accepted and Agreed:

**Joint Venture, LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B**  
**FORM OF SPOUSAL CONSENT**

## SPOUSAL CONSENT

I, \_\_\_\_\_, am the spouse of \_\_\_\_\_, a member of Joint Venture, LLC , a Delaware limited liability company (the “Company”), and I acknowledge and agree as follows:

1. I have received and read the Limited Liability Company Agreement of the Company dated as of [♦], 20\_\_\_\_ (the “Agreement”). Capitalized terms used herein but not defined have the meaning ascribed to them in the Agreement.

2. I am aware that by the provisions of the Agreement (including, without limitation, Article IX of the Agreement) my spouse grants to the Company and/or the other Members of the Company certain rights with respect to the Transfer of his/her Units in the Company, including my community property interest or quasi-community property interest therein, if any, on the occurrence of certain events in accordance with the terms and provisions of the Agreement.

3. I hereby consent to and approve of all of the terms and conditions of the Agreement, including, without limitation, those terms, conditions and obligations relating to the Transfer of Units as set forth in Article IX of the Agreement, and agree that my spouse’s Units and my interest in them are subject to the terms and conditions of the Agreement and that I will take no action at any time to hinder operation of the Agreement with respect to such Transfer provisions with respect to the Units or my interest in the same.

4. I have read and understand this Spouse Consent and have signed it voluntarily after having the opportunity to consult with an attorney of my choice.

Date: \_\_\_\_\_

Signature:\_\_\_\_\_

Name:\_\_\_\_\_

**EXHIBIT H**  
**EXPRESS FRANCHISE ADDENDUM TO FRANCHISE AGREEMENT**

(Attached)

**EXPRESS FRANCHISE  
ADDENDUM TO FRANCHISE AGREEMENT**

This is an ADDENDUM TO THE FRANCHISE AGREEMENT by and between Wix Franchise, Inc., an Illinois corporation ("Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee") executed contemporaneously with the Franchise Agreement. All capitalized or initially capitalized terms used in this Addendum but not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. The Express Franchise contemplated by this Addendum will be subject to all of the provisions contained in the Franchise Agreement, as modified by this Addendum.

WHEREAS, Franchisee is purchasing an Express Franchise which offers a more limited menu to customers with a smaller size restaurant premises with no seating and less equipment.

NOW THEREFORE, the parties hereto agree as follows:

1. Paragraph 6(a) on Initial Franchise Fee is revised in part to state that the initial franchise fee for the Express franchise is Thirty-Five Thousand Dollars (\$35,000.00)

2. Paragraph 7(a)(iv) is revised in part to state that the on-site opening assistance for the Express franchise shall be up to two (2) weeks.

3. Paragraph 9(c)(ii) on Menu Items shall be amended by the addition of the following: The parties acknowledge and agree that the Express Franchise shall offer a more limited menu than Franchisor's other restaurant franchises and that Franchisee shall only be permitted to offer and sell from the Express Franchise the menu items approved by Franchisor for Express Franchises from time to time and shall not be permitted to offer and sell menu items not approved for Express Franchises. Franchisee acknowledges and agrees that the following food items currently are not offered and sold by Express Franchises:

Appetizers  
Burgers  
Sandwiches (except Italian Beef)

4. Franchisee expressly acknowledges and understands that this Addendum amends and supplements the Franchise Agreement and that the terms and conditions of this Agreement are incorporated into the Franchise Agreement as though set forth in full therein.

This Agreement shall become effective and binding upon execution and delivery by Franchisor.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Franchisee (Print Name)

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

Title: \_\_\_\_\_

DATE: \_\_\_\_\_

WIX FRANCHISE, INC.

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

Title: \_\_\_\_\_

**EXHIBIT I**

**FOOD TRUCK ADDENDUM TO FRANCHISE AGREEMENT**

(Attached)

## FOOD TRUCK FRANCHISE ADDENDUM TO FRANCHISE AGREEMENT

This is an ADDENDUM TO THE FRANCHISE AGREEMENT by and between Wix Franchise, Inc., an Illinois corporation ("Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee") executed contemporaneously with the Franchise Agreement. All capitalized or initially capitalized terms used in this Addendum but not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. The Food Truck Franchise contemplated by this Addendum will be subject to all of the provisions contained in the Franchise Agreement, as modified by this Addendum.

WHEREAS, Franchisee is purchasing the right to own and operate a mobile food truck franchise rather than a franchise with a fixed premises from which Franchisee will offer and sell products to customers.

NOW THEREFORE, the parties hereto agree as follows:

1. All references in the Franchise Agreement to "Restaurant" shall apply to the mobile food truck to be operated by Franchisee ("Food Truck") except as modified by this Addendum.
2. The grant of the franchise as set forth in Paragraph 1 is the for operation of one Food Truck. If Franchisee desires to operate more than one Food Truck, Franchisee must purchase an additional franchise and sign an additional Franchise Agreement.

3. Paragraph 2(a) on Location is revised in its entirety to read as follows:

(a) **Area of Operation.** Franchisee shall only operate the mobile Food Truck within the Protected Area described in Exhibit A; except that Franchisee may operate the mobile Food Truck outside the Protected Area with Franchisor's prior written consent, which consent Franchisor may withhold in its sole discretion, and then only in the additional area specified in Franchisor's written consent. Franchisor shall have the right to revoke its consent at any time by giving written notice to Franchisee and Franchisee will then immediately cease operating in the area outside the Protected Area.

In no event shall Franchisee infringe on another Franchisee's Protected Area by parking and offering food products to customers in the Protected Area of another Franchisee. Franchisee who infringes on the Protected Area of another franchisee in this manner is subject to the following fines, payable within five (5) days after the infringement is confirmed: (i) One Thousand Dollars (\$1,000.00) for first violation; and (ii) Five Thousand Dollars (\$5,000.00) for second and subsequent violations. These fines are in addition to Franchisor's right to termination based on Franchisee's breach by operating outside of Franchisee's Protected Area as set forth in Paragraph 14 herein.

4. Section 3 on Site Selection and Opening is deleted in its entirety and replaced by the following:

### 3. OPERATING AREA AND OPENING

(a) Operating Area. Franchisee acknowledges that it agrees with the designation of the Protected Area in Exhibit A, and understands that it will be limited to driving and parking the Food Truck 2023

Food Truck within that geographic area unless it gets Franchisor's prior written consent to operate the Food Truck outside the Protected Area, which consent may be withheld in Franchisor's discretion. Franchisee acknowledges and agrees that it has done its own independent investigation of the local laws, regulations, ordinances and permitting or licensing requirements for food trucks with the municipalities and other governmental bodies located within the Protected Area and acknowledges that it will be able to meet those requirements and will be able to operate the Food Truck within the Protected Area. Franchisor makes no warranty, representation or guaranty of any kind with respect to the Franchisee's operating area or the success or profitability of the business to be operated in such area.

(b) Business Office. Franchisee shall secure a location for the business office of the Food Truck franchise ("Business Office"), which may be in the home of an owner of Franchisee or in an office building or other commercial location. If Franchisee owns an Antioch Pizza Shop restaurant franchise, the Business Office of the Food Truck franchise may be located on the premises of the Antioch Pizza Shop restaurant. Franchisee shall be solely responsible for selecting the site of the Business Office and will give written notice to Franchisor of the address and phone number of the Business Office. Franchisor does not approve the location of the Business Office. Franchisee shall purchase and install such office equipment and supplies in the Business Office as are necessary for operation of the Franchise.

(c) Vehicle and Equipment. Franchisee shall purchase a truck meeting Franchisor's minimum standards and specifications for trucks for use in operating the Franchise and will purchase all equipment specified by Franchisor and shall install such equipment in the truck and have the truck outfitted following Franchisor's designs and specifications. Franchisee must find a location for storing the truck when it is not in use which may be at the home of an owner of Franchisee, if permitted. When not in use, the Food Truck shall not be parked on a public street or highway or public parking lot.

(d) Wraps. Franchisee shall purchase, install and display and maintain in good condition a vehicle wrap meeting Franchisor's standards and specifications. Such wrap shall conform to Franchisor's criteria as to type, color, size and design and usage of the Marks. The wrap shall be approved in writing by Franchisor prior to installation. Franchisor may require that the wrap be replaced at least once every three (3) years during the initial term of the franchise, or more often if damaged.

(e) Commissary. Franchisee shall secure access to a commissary for use in preparing food items to be offered and sold from the Food Truck throughout the term of the franchise. The commissary must be a commercial kitchen approved by us that meets all state and local health department requirements. If Franchisee (or an affiliate) owns an Antioch Pizza Shop restaurant franchise, Franchisee may use the restaurant of the Antioch Pizza Shop restaurant franchise as its commissary. Franchisee shall be required to install at the commissary at its expense any kitchen equipment and supplies required by Franchisor for its menu items which are not available for use by Franchisee in the commissary.

(f) Pre-Opening. Prior to opening, Franchisee shall secure all permits and licenses and meet all other requirements for operation of the Food Truck in municipalities and other governmental bodies in the Protected Area.

(g) Opening. Franchisee shall not begin operating the Food Truck franchise until Franchisor has given its approval in writing. Franchisor may require that Franchisor or its representative conduct an on-site inspection of the Food Truck and the commissary prior to giving its approval. Franchisee must begin operating the Food Truck, fully equipped, stocked and staffed, within twelve (12) months of the Effective Date hereof, failure of which shall be cause for immediate termination upon written notice.

(h) Revised Protected Area. Franchisee may request a revised Protected Area within which to operate the Food Truck in the event that applicable laws, regulations, ordinances, or permitting or licensing requirements no longer permit Franchisee to fully operate in the Protected Area. Upon approval of Franchisee's request to revise the Protected Area, Franchisee shall pay to Franchisor a relocation fee equal to Five Thousand Dollars (\$5,000).

5. Paragraphs 4 and 5 on Term and Renewal are amended in part to state that the initial franchise term for the Food Truck franchise shall be five (5) years and the renewal term shall be for an additional five (5) years.

6. Paragraph 6(a) on Initial Franchise Fee is revised in part to state that the initial franchise fee for the Food Truck franchise is Twenty Thousand Dollars (\$20,000.00).

7. Paragraph 7(a)(iv) is revised in part to state that the on-site opening assistance for the Food Truck franchise shall be up to one (1) week.

8. Paragraph 9(c)(ii) on Menu Items shall be amended by the addition of the following: The parties acknowledge and agree that the Food Truck franchise shall offer a more limited menu than Franchisor's restaurant franchises and that Franchisee shall only be permitted to offer and sell from the Food Truck the menu items approved by Franchisor for Food truck from time to time. Franchisee acknowledges and agrees that the currently permitted Food Truck menu items are listed in Rider 1 to this Addendum.

9. The Sanitation and Maintenance requirements described in Paragraph 9(d) shall apply to the interior and exterior of the Food truck instead of the Restaurant premises for the Food Truck franchise. In addition to complying with Franchisor's standards and specifications on sanitation and maintenance, Franchisee shall at all times comply with local laws, regulations, ordinance and permitting or licensing requirements that apply to the cleanliness and sanitation of the food truck. Franchisee shall wash the outside of the vehicle no less than one (1) time per week during periods of operation. Franchisee shall repair, refinish or repaint the exterior or interior of the Food Truck at such times as Franchisor shall direct. Upon request by Franchisor, Franchisee shall submit photographs of the exterior and interior of the Food Truck to Franchisor. If the Food Truck is damaged in an accident or in any other manner, Franchisee must repair the damage before Franchisee can begin using the Food Truck again unless Franchisee receives a temporary waiver of this repair requirements from Franchisor in writing.

10. The following is added to Section 9(f): Only qualified drivers that have an effective driver's license to lawfully operate a truck of the size and type of the Food Truck shall be permitted to drive the Food Truck.

11. Section 9(g) on Hours of Operation is deleted in its entirety and replaced by the following: Franchisor currently does not impose any minimum hours and/or days of operations for Food Truck 2023

Food Truck franchises, but reserves the right to do so in the future. Franchisee shall not operate the Food Truck at any times or days that are in violation of any local laws, regulations, ordinances or permitting or licensing requirements. Upon request by Franchisee and prior written approval by Franchisor, Franchisee may be permitted to operate the Food Truck on a seasonal basis only.

12. Paragraph 13(b) on Non-Competition is revised in part to state that the geographic restriction for Food Truck franchises is within the Protected Area granted to Franchisee.

13. Paragraph 16(a)(ii) on termination by abandonment is revised in part to state that the Food Truck franchise shall be deemed to be abandoned if it has not been operated for a period of six (6) months, or a period of twelve (12) months if Franchisee has been granted the right to operate on a seasonal basis, or has not operated for any shorter period in such circumstances that render reasonable the conclusion that Franchisee does not intend to continue operating the Food Truck unless such failure is due to disaster or similar reasons beyond Franchisee's control.

14. Paragraph 16(a) on termination without an opportunity to cure is amended by the addition of the following: (xviii) Franchisee on three (3) or more occasions during the franchise term has operated the Food Truck outside the Protected Area without the prior written consent of Franchisor.

15. Paragraph 16(b) on termination with an opportunity to cure is amended by the addition of the following: (iv) Franchisee loses the right to use the approved commissary and does not secure a replacement commissary within fourteen (14) days; except that if Franchisor has given its consent to operate on a seasonal basis, Franchisee must secure a replacement commissary at least thirty (30) days prior to the begin of the next season.

16. Paragraph 17(b) is amended by the addition of the following: (xii) take such steps as are necessary to remove the wrap from the Food Truck.

17. Franchisee expressly acknowledges and understands that this Addendum amends and supplements the Franchise Agreement and that the terms and conditions of this Agreement are incorporated into the Franchise Agreement as though set forth in full therein.

This Agreement shall become effective and binding upon execution and delivery by Franchisor.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Franchisee (Print Name)

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

Title: \_\_\_\_\_

DATE: \_\_\_\_\_

WIX FRANCHISE, INC.

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

Title: \_\_\_\_\_

**RIDER 1**  
**FOOD TRUCK FRANCHISE**  
**ADDENDUM TO FRANCHISE AGREEMENT**

**MENU ITEMS**

Franchisee acknowledges that the Food Truck franchise is currently permitted to only offer the following menu items available to the Dine-In Restaurant Franchise and the Take-Out/Delivery franchise:

Thin crust pizza  
Italian beef sandwiches,  
Wings  
Salads  
Pasta  
Drinks  
Cookies

## **EXHIBIT J**

### **STATE ADDENDA**

Some administrators of franchise registration states may require us to enter into an addendum to this Franchise Disclosure Document and/or the franchise agreement describing certain state laws or regulations which may supersede the Franchise Disclosure Document or franchise agreement. If you are in a registration state which requires an addendum, it will follow this page.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF ILLINOIS**

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS ADDENDUM TO THE FRANCHISE AGREEMENT** (this “**Addendum**”) is made and entered into by and between **Wix Franchise, Inc.**, an Illinois corporation with its principal place of business at 1368 Bayshore Drive, Antioch, Illinois 60002 (“**Franchisor**”), and \_\_\_\_\_ a \_\_\_\_\_, with a business address at \_\_\_\_\_ (“**Franchisee**”). In this Addendum, “**we**,” “**us**,” and “**our**” refers to Franchisor. “**You**” and “**your**” refers to Franchisee.

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Franchise Agreement**”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Restaurant that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **ADDITION OF PARAGRAPHS.** The following paragraphs are added to the end of the Franchise Agreement as Section 32:

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees’ right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

**IN WITNESS WHEREOF**, each of the undersigned has executed this Agreement under seal as of the Effective Date.

DATE: \_\_\_\_\_  
\_\_\_\_\_  
Franchisee (Print Name)

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

Title: \_\_\_\_\_

DATE: \_\_\_\_\_ WIX FRANCHISE, INC.

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

Title: \_\_\_\_\_

**ADDENDUM TO THE  
MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR USE IN ILLINOIS**

**THIS ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT** (this “**Addendum**”) is made and entered into by and between **Wix Franchise, Inc.**, an Illinois corporation with its principal place of business at 1368 Bayshore Drive, Antioch, Illinois 60002 (“**Franchisor**”), and \_\_\_\_\_ a \_\_\_\_\_, with a business address at \_\_\_\_\_ (“**Developer**”). In this Addendum, “**we**,” “**us**,” and “**our**” refers to Franchisor. “**You**” and “**your**” refers to Developer.

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Multi-Unit Development Agreement**”). This Addendum is annexed to and forms part of the Multi-Unit Development Agreement. This Addendum is being signed because (a) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in Illinois and the Restaurants that you will develop under the Multi-Unit Development Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **ADDITION OF PARAGRAPHS.** The following paragraphs are added to the end of the Franchise Agreement as Section 13:

Illinois law shall apply to and govern the Multi-Unit Development Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a multi-unit development agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a multi-unit development agreement may provide for arbitration to take place outside of Illinois.

Developer’s right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

**IN WITNESS WHEREOF**, each of the undersigned has executed this Agreement under seal as of the Effective Date.

DATE: \_\_\_\_\_  
Developer (Print Name)

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

Title: \_\_\_\_\_

DATE: \_\_\_\_\_ WIX FRANCHISE, INC.

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

Title: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MINNESOTA**

- 1. Renewal, Termination, Transfer and Dispute Resolution.** The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

- 2. Trademarks.** The following is added at the end of Item 13:

The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS ADDENDUM TO THE FRANCHISE AGREEMENT** (this “**Addendum**”) is made and entered into by and between **Wix Franchise, Inc.**, an Illinois corporation with its principal place of business at 1368 Bayshore Drive, Antioch, Illinois 60002 (“**Franchisor**”), and \_\_\_\_\_ a \_\_\_\_\_, with a business address at \_\_\_\_\_ (“**Franchisee**”). In this Addendum, “**we**,” “**us**,” and “**our**” refers to Franchisor. “**You**” and “**your**” refers to Franchisee.

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Franchise Agreement**”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the Restaurant that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **RELEASES.** The following is added to the end of Sections 5(e), 14(b) and 21(c) of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **SUCCESSOR TERM AND TERMINATION TERM.** The following is added to the end of Sections 5 and 16 of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

4. **FORUM FOR LITIGATION.** The following language is added to the end of Section 25 of the Franchise Agreement:

NOTWITHSTANDING THE FOREGOING, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400J PROHIBIT US, EXCEPT IN CERTAIN SPECIFIED CASES, FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE OF MINNESOTA. NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80.C OR YOUR RIGHTS TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

5. **GOVERNING LAW.** The following statement is added at the end of Section 24 of the Franchise Agreement:

NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

6. **MUTUAL WAIVER OF JURY TRIAL.** If and then only to the extent required by the Minnesota Franchises Law, the last sentence of Section 25 of the Franchise Agreement is deleted.

**IN WITNESS WHEREOF**, each of the undersigned has executed this Agreement under seal as of the Effective Date.

DATE: \_\_\_\_\_  
Franchisee (Print Name)

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

Title: \_\_\_\_\_

DATE: \_\_\_\_\_ WIX FRANCHISE, INC.

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

Title: \_\_\_\_\_

**ADDENDUM TO THE  
MULTI-UNIT DEVELOPMENT AGREEMENT  
FOR USE IN MINNESOTA**

**THIS ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT** (this “**Addendum**”) is made and entered into by and between **Wix Franchise, Inc.**, an Illinois corporation with its principal place of business at 1368 Bayshore Drive, Antioch, Illinois 60002 (“**Franchisor**”), and \_\_\_\_\_ a \_\_\_\_\_, with a business address at \_\_\_\_\_ (“**Developer**”). In this Addendum, “**we**,” “**us**,” and “**our**” refers to Franchisor. “**You**” and “**your**” refers to Developer.

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Multi-Unit Agreement**”). This Addendum is annexed to and forms part of the Multi-Unit Development Agreement. This Addendum is being signed because (a) the Restaurants that you will develop under the Multi-Unit Development Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in Minnesota.

2. **TERMINATION.** The following is added to the end of Section 7 of the Multi-Unit Development Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

3. **FORUM FOR LITIGATION.** The following language is added to the end of Section 12.2 of the Multi-Unit Development Agreement:

NOTWITHSTANDING THE FOREGOING, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400J PROHIBIT US, EXCEPT IN CERTAIN SPECIFIED CASES, FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE OF MINNESOTA. NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80.C OR YOUR RIGHTS TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

4. **GOVERNING LAW.** The following statement is added at the end of Section 12.2 of the Multi-Unit Development Agreement:

NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

**IN WITNESS WHEREOF**, each of the undersigned has executed this Agreement under seal as of the Effective Date.

DATE: \_\_\_\_\_  
\_\_\_\_\_ Developer (Print Name)

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

Title: \_\_\_\_\_

DATE: \_\_\_\_\_ WIX FRANCHISE, INC.

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

Title: \_\_\_\_\_

### **State Effective Dates**

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

| <b>State</b> | <b>Effective Date</b> |
|--------------|-----------------------|
| Illinois     |                       |
| Indiana      |                       |
| Michigan     |                       |
| Minnesota    |                       |
| Wisconsin    |                       |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**ANTIOCH PIZZA SHOP  
RECEIPT**

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

If Antioch offers you a franchise, it must provide this Franchise Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor in connection with the proposed franchise sale. Iowa requires that Antioch provide you with this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make payment to, Antioch or one of its affiliates in connection with the proposed sale. Michigan requires that Antioch provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, Antioch or one of its affiliates in connection with the proposed sale.

If Antioch does not deliver this Franchise 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 applicable state agency listed in Exhibit E.

The name, principal business address and telephone number of each franchise seller offering the franchise: (each can be reached at the following address and telephone number if not included below): Art Wicklein, Matt Wicklein, Karen Wicklein, Andy Spencer, and Keith Nieze, 1368 Bayshore Drive, Antioch, IL 60002; (847) 773-0610; and

**Check and add additional franchise seller(s) as applicable:**

- ☐ Kenneth Greer, 250 N. Dallas Street, Van Alstyne, TX 75495 (857) 272-2888  
☐ \_\_\_\_\_

Antioch authorizes the agents listed in Exhibit E to this Disclosure Document to receive service of process.

I received a Franchise Disclosure Document issued March 22, 2023 that included the following Exhibits:

- A. Franchise Agreement
- B. Multi-Unit Development Agreement
- C. Operations Manual Table of Contents
- D. Financial Statements
- E. State Franchise Administrator and Agents for Service of Process
- F. Franchisee Lists
- G. Sample Joint Venture Agreement
- H. Express Franchise Addendum
- I. Food Truck Franchise Addendum
- J. State Addenda

\_\_\_\_\_  
Date

\_\_\_\_\_  
Franchisee

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

individually and as an officer, partner or member  
of \_\_\_\_\_

a (\_\_\_\_\_ corporation)

a (\_\_\_\_\_ partnership)

a (\_\_\_\_\_ limited liability company)

which has been or will be formed to act as franchisee

Address:

|           |              |          |
|-----------|--------------|----------|
| City      | State        | Zip Code |
| Area Code | Phone Number |          |

**ANTIOCH PIZZA SHOP  
RECEIPT**

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

If Antioch offers you a franchise, it must provide this Franchise Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor in connection with the proposed franchise sale. Iowa requires that Antioch provide you with this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make payment to, Antioch or one of its affiliates in connection with the proposed sale. Michigan requires that Antioch provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, Antioch or one of its affiliates in connection with the proposed sale.

If Antioch does not deliver this Franchise 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 applicable state agency listed in Exhibit E.

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***Check and add additional franchise seller(s) as applicable:***

☐ Kenneth Greer, 250 N. Dallas Street, Van Alstyne, TX 75495, (857) 272-2888

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- I. Food Truck Franchise Addendum
- J. State Addenda

\_\_\_\_\_  
Date

\_\_\_\_\_  
Franchisee

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

individually and as an officer, partner or member  
of \_\_\_\_\_

a (\_\_\_\_\_ corporation)

a (\_\_\_\_\_ partnership)

a (\_\_\_\_\_ limited liability company)  
which has been or will be formed to act as franchisee

Address:

|           |              |          |
|-----------|--------------|----------|
| City      | State        | Zip Code |
| Area Code | Phone Number |          |