FRANCHISE DISCLOSURE DOCUMENT

BIG MAMAS AND PAPAS FRANCHISING, LLC
dba Big Mama's & Papa's Pizzeria
A California Limited Liability Company
231½ North Brand Boulevard
Glendale, California 91203
(323) 661-2929
E-mail: erik@bmppfranchise.com
URL: www.bmppfranchise.com

As a Big Mama's & Papa's Pizzeria franchisee you will operate within a defined territory either a full size pizzeria or a smaller Pronto outlet, both providing a variety of pizzas with unique sizes, salads, sandwiches, specialty condiments and ingredients, and other authorized food, beverages and related products and accessories.

The total investment necessary to begin operation of a standard Big Mama's & Papa's Pizzeria is $386,000 to $759,000. This includes $30,000 that must be paid to the franchisor and its affiliates. The total investment necessary to begin operation of a Pronto Pizzeria is $300,000 to $420,000. This includes $30,000 that must be paid to the franchisor and its affiliates. The franchisor may also offer you an Area Development Agreement granting a right to open additional Big Mama's & Papa's Pizzeria outlets for an additional investment of between $15,000 and $60,000, all of which must be paid to the franchisor.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with the franchisor or make any payment to the franchisor or an affiliate, in connection with the proposed franchise sale. **Note, however, that no government 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 Mr. Erik Stroman at 231½ North Brand Boulevard, Glendale, California 91203; telephone (323) 661-2929.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as 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, DC 20580. You can also visit the FTC's homepage at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: **March 30, 2021**

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
How much can I earn?	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 Exhibit C.
How much will I need to invest?	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.
Does the franchisor have the financial ability to provide support to my business?	Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Big Mama's & Papa's Pizzeria business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Big Mama's & Papa's Pizzeria franchisee?	Exhibits C and D list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	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 F.

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 risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration or litigation only in California. Out-of-state mediation, arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate or litigate with the franchisor in California than in your own state.

2. **Spousal Liability.** Your spouse must 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 you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Financial Condition.** The Franchisor's financial condition, as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

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.

BIG MAMAS AND PAPAS FRANCHISING, LLC

FRANCHISE DISCLOSURE DOCUMENT

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Exhibits

ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language, this disclosure document uses “we” or “us” to mean Big Mamas and Papas Franchising, LLC. “You” means the individual or entity buying the Big Mama’s & Papa’s Pizzeria franchise. All persons who own 20% or more of the franchisee are “Principal Equity Owners”.

The Franchisor, Parents and Affiliates

We are the franchisor for the Big Mama’s & Papa’s Pizzeria system. Our principal business address is 231½ North Brand Boulevard, Glendale, California 91203.

Our parent entity is BMPP Franchising, Inc. (“BMPP”), a California corporation, whose principal business address is 231½ North Brand Boulevard, Glendale, California 91203.

Our parent entity BMPP may provide proprietary sauces, pizza dough and blended cheeses to our franchisees. Otherwise, we are not controlled by, controlling, or under common control with any other entity that provides goods or services to our franchisees or offers franchises in any line of business.

Predecessors

We have no predecessor.

Name Used by the Franchisor

We conduct business under the name “Big Mama’s & Papa’s Pizzeria” and “BMPP”. We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agents for service of process are Don M. Drysdale, 3501 Jamboree Road, Suite 6000, Newport Beach, California 92660 and (if you are in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin) the state office or official listed in Exhibit F of this disclosure document.

Business Organization Used by the Franchisor

We are a limited liability company organized in California on June 25, 2014.

The Franchisor’s Business

We act solely as a franchisor of Big Mama’s & Papa’s Pizzeria franchises. We began franchising in February 2015. We do not operate businesses of the type being franchised, and we do not engage in other business activities.

The Business the Franchisee Will Conduct

The Big Mama’s & Papa’s Pizzeria franchise is a license to independently own and operate a single retail dine-in, carry-out and delivery pizzeria (an “Outlet”), serving proprietary pizzas, including Big Mama's® 28" Pizza, Big Papa's® 36" Pizza, Big Mama's® Slice, Giant Sicilian® Pizza and Egg Gondola Pizza (collectively, "Big Mama's and Papa's Products"), and other beverages, food, and related merchandise, products and accessories, using designated concepts, designs, recipes, authorized equipment and techniques.

We offer two types of franchised pizzerias - (i) a standard pizzeria (typically ranging in size from 1,800 to 2,500 square feet) providing casual dining in, delivery and carryout services and offering beer and wine to retail customers and (ii) a smaller "Pronto" pizzeria (typically ranging in size from 900 to 1,300 square feet) providing primarily takeout and delivery services with limited dining in capabilities, including offering beer and wine to retail customers where permitted. You may offer and sell Big Mama's and Papa's Products to customers at your Outlet and by delivery within the "Delivery Area" defined in your Franchise Agreement.

If you want to and are financially and operationally qualified in our judgment to do so, you and we may enter into an Area Development Agreement ("ADA"), under which you will be granted the opportunity to develop a number of additional Outlets under a mutually agreed timetable and within the "Development Area" defined in the ADA. The form of ADA is attached as Exhibit A-2 to this disclosure document.

General Market for Franchised Products and Services

The general market in which you will operate the business involves dine-in, carry-out and delivery pizzerias and other full service and quick serve restaurants that serve pizzas. The market for Big Mama's and Papa's Products is all individuals within a reasonable proximity to the Outlet. This type of business is fully developed, does not involve sale primarily to a certain group and is not seasonal.

Industry Specific Laws or Regulations

You will need a business license and reseller's permit, and you must comply with federal, state and local laws applicable to the operation and licensing of a business, including compliance with zoning requirements, and obtaining all applicable health permits and inspections and approvals by municipal, county or state health departments that regulate food handling and food service operations. Your Outlet must also meet applicable municipal, county, state and federal building codes and handicap access codes, including compliance with the Americans with Disabilities Act of 1990, as amended, or similar state laws or legislation. You will need a beer and wine license from your state's alcohol beverage control agency, and you must comply with federal, state and local laws applicable to the operation and licensing of a restaurant serving or delivering beer and wine. You may not serve or deliver alcoholic beverages other than beer and wine from your Outlet.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service. State and local agencies inspect restaurants and other retail food service providers to ensure compliance with safe food handling practices and adequacy of kitchen facilities. Some localities require that at least one certified food handler be present during all operating hours. You must investigate, learn about, and comply with all laws applicable to the franchised business and obtain and maintain all permits and licenses required by governmental entities or agencies in your specific area. You should become thoroughly familiar with the legal requirements of the food services industry in your area, consulting with your own attorney, before you sign any contract or make any investment with us. Although you are not engaged to act as or sales agent to recruit third-party franchisees, before you ever do so, you may need to be registered as a sales agent under state franchise laws.

The Federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particles, including caps on emissions from commercial food preparation. Some state and local governments also regulate indoor air quality, including limiting the use of tobacco products in public places.

Although you are not engaged to act as or sales agent to recruit third-party franchisees, before you ever do so, you may need to be registered as a sales agent under state franchise laws.

Competition

The pizza restaurant and pizzeria market are very well developed and highly competitive. You will compete with many other pizza chains and individual pizza restaurants.

Prior Experience of Franchisor, Predecessors and Affiliates

The original Big Mama's & Papa's Pizzeria system was founded in Burbank, California, in 1992 by the principal owners of our parent BMPP. Initially, this pizzeria offered takeout and delivery of only standard sized pizzas. Then, the founders added dine-in service, and expanded the menu to provide appetizers, salads, pastas, sandwiches, desserts and uniquely oversized pizzas, including the world's largest (as verified by Guinness World Records) deliverable pizza - the Giant Sicilian® 54" Pizza. BMPP also operates one pizzeria of the type being franchised at 231 North Brand Boulevard, Glendale, California 91203. From January 2006 to December 2014, BMPP offered and sold franchises providing the type of business you will operate, but it no longer offers Big Mama's & Papa's Pizzeria franchises. BMPP does not offer franchises in other lines of business or engage in other business activities.

We began offering franchises in February 2015. We have never offered franchises in other lines of business. We do not operate businesses of the type being franchised. We do not engage in other business activities.

ITEM 2: BUSINESS EXPERIENCE

Ararat ("Aro") Agakhanyan: Manager and President.
Mr. Agakhanyan was named our Manager and President in December 2016 (after previously serving as our Vice President of Operations since June 2014). He also serves as President and Director of BMPP, Burbank, California (since June 2005). Aro Agakhanyan is the co-founder of the Big Mama's & Papa's Pizzeria concept.

Raymond Perry: Manager and Vice President of Franchise Operations.
Mr. Perry was named our Manager and Vice President of Franchise Operations in December 2016 (after previously serving as our Manager, Chief Executive Officer and Chief Operating Officer since June 2014). Mr. Perry has more than 40 years of executive experience with franchise companies, including Chief Executive Officer and Principal of Charo Chicken System, Inc., Chief Operating Officer of Hardee's Restaurants, President and Chief Operating Officer of El

Pollo Loco, Executive Vice President and Chief Operating Officer of Carl's Jr. Restaurants and President and Chief Executive Officer of Straw Hat Pizza.

Erik Stroman: Executive Vice President of Franchise Development.
Mr. Stroman was named our Executive Vice President of Franchise Development in January 2020. He also serves as Principal and Manager of Entertainment Sales & Marketing, LLC, Hermosa Beach, California (since October 2010).

Arshak Allen Agakhanyan: Manager, Vice President of Administration and Secretary:
Mr. Agakhanyan was named our Manager in December 2016, while continuing to serve as our Vice President of Administration and Secretary (since June 2014). He also serves as Chief Executive Officer, Chief Financial Officer, Secretary and Director of BMPP, Burbank, California (since June 2005). Allen Agakhanyan is the co-founder of the Big Mama's & Papa's Pizzeria concept.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

The Initial Franchise Fee for a single Outlet is $30,000 and is due and payable in full to us when you sign the Franchise Agreement (subject to state law). If you have been operating a retail full-service pizza restaurant for at least one year and you are converting your restaurant to a Big Mama's & Papa's Pizzeria location and you have a qualified restaurant manager who will continue to be employed by you, we would apply a conversion credit of $10,000 against the Initial Franchise Fee and you would pay us $20,000.

If one or more Principal Equity Owners is an active member of the U.S. Armed Forces or is a veteran of the U.S. Armed Forces who was honorably discharged within the past five years, we will discount the Initial Franchise Fee by 50%, and you would pay us $15,000.

If you sign an ADA, you will pay us at that time a development fee equal to the product of (i) $15,000 multiplied by (ii) the number of additional Outlets you commit to open under the ADA. Each time you open an additional Outlet under the ADA, $15,000 would be applied as a credit toward the initial franchise fee required by the Franchise Agreement for that additional Outlet.

The Initial Franchise Fee and development fee paid under an ADA are fully earned by us when paid. If you do not successfully complete initial training, we may unilaterally cancel the Franchise Agreement, and if we do so, we will refund the remaining balance of the Initial Franchise Fee and development fee paid you paid us after we deduct our expenses relating to processing of your Franchise Agreement and any assistance we have provided you up to the date of cancellation. After you have successfully completed initial training, no refunds are available.

There are no other initial fees or payments for services or goods received from us or our affiliates before your Outlet opens.

ITEM 6: OTHER FEES[1]

Type of Fee	Amount[2]	Due Date[2]	Remarks
Royalty	5% of "Gross Revenues"	1st and 16th of each month	Royalty is paid on a semi-monthly basis by electronic funds transfer ("EFT") on the 1st and 16th of each month (unless that day is a banking holiday, in which case the Royalties are due and payable on the next business day). Royalties will be calculated on the "Gross Revenues" received during the semi-monthly periods ending on the 15th and last day of each month. You must also send us a marketing report in the form we prescribe. "Gross Revenues" include all revenue from the sale of all products and services and all other income of every kind and nature related to your franchise operation, whether for cash, by redemption of gift certificates or for credit, regardless of collection. Gross Revenues do not include sales tax or any other taxes you collect from customers for payment to an appropriate tax authority. You may also be asked to reimburse us for any taxes on Royalties that we pay to a tax authority in your state. Commencing with the third full calendar month after your Outlet opens for business (the "Opening Date"), the minimum semi-monthly Royalty you must pay to us will be $750[5].
Marketing and Promotion Fees	3% of Gross Revenues[3]	1st and 16th of each month	Marketing and Promotion Fees are paid on a semi-monthly basis by EFT on the 1st and 16th of each month (unless that day is a banking holiday, in which case the Marketing and Promotion Fees are due and payable on the next business day). Marketing and Promotion Fees will be calculated on the "Gross Revenues" received during the semi-monthly periods ending on the 15th and last day of each month.
Additional Advertising and Promotion Assessment	Amount of assessment (variable)	Immediately upon our demand	On a regional or system-wide basis, we may also impose an additional assessment upon some or all franchisees for one-time advertising or promotional activities if two-thirds of all affected Big Mama's & Papa's Pizzeria franchised Outlets agree to such additional assessment by affirmative vote.
Initial Training Fee for Additional Attendees	$1,500[5] (for each attendee)	At completion of training	Initial Training is provided to your General Manager and all Principal Equity Owners at no additional charge. Additional attendees of Initial Training, including replacement General Managers, may be required to pay us $1,500[5] for each subsequent attendee for Initial Training. You must pay the costs of travel, lodging and meals for all trainees.
Additional Training Fee	Up to $1,500[5] (per day)	At time of training	After the Outlet opens, and upon reasonable notice, we may require attendance of your Principal Equity Owners and other designated personnel at training courses, seminars, conferences or other programs. You must also pay the cost of travel, hotel and meal expenses for your attendees at these mandatory meetings.

Type of Fee	Amount[2]	Due Date[2]	Remarks
Transfer Fee	$10,000[5]	Not later than 10 days before the transfer	The transfer fee covers our costs in reviewing the qualifications of the assignee and providing initial franchise training to the assignee. There is no transfer fee if franchise is transferred to an entity (corporation or limited liability company) owned solely by you. No fee is due if franchise is transferred to your personal representative, conservator or heir upon your death or legal disability (if you are an individual) or dissolution (if you are an entity).
Renewal Fee[4]	$5,000[5]	When you sign the Renewal Franchise Agreement	Payable only if you exercise renewal option. You are qualified for renewal if you give us at least 120 days' notice of intent to renew, all fees due are paid, you are not in breach of any term of your Franchise Agreement, and you sign our new form of Franchise Agreement (which will replace your expiring Franchise Agreement).
Late Payment Penalty	5% of the amount past due	Immediately upon our demand	The late payment penalty is in addition to interest on the unpaid amount.
Interest Charged	Annual Percentage Rate ("APR") of 18%[2]	Immediately upon our demand	Interest on the unpaid amount begins from the date payment was originally due.
Costs of Collection	Cost of collection of delinquent amounts (variable)	Immediately upon our demand.	In addition to the late payment penalty and interest on the unpaid amount, you must reimburse us for our costs of collection of delinquent amounts.
Gift Cards	Variable based on purchases.	When ordered.	We do not currently use gift cards, but we have the right to begin using them at any time. If we do, you will have to purchase from a designated vendor, who may be us or our affiliate, as you need them the gift cards you are required to sell at your Outlet.
Penalty for Delivering Outside Your Authorized Delivery Area	$300[5].	On demand.	The first two times you make an unauthorized delivery outside your specified Delivery Area, you will receive a warning from us. The third time you do so (and each additional time after that), you must pay us a $300 penalty and attend a retraining session, and we may reduce your Delivery Area by as much as 75%.
Penalty for Not Reporting Cash Payments	$500[5].	On demand.	You must not accept cash payments from customers at the Outlet which are not reported to us or incorrectly reported. If this occurs, we can levy a fine of $500[5] each time it happens and declare you in material default of your Franchise Agreement for fraud, subject to immediate termination.
Records and Rights of Inspection (Audit)	Cost of audit plus interest on underpayment	Immediately upon demand for payment	Due only if audit discloses an understatement of 5% or more in gross sales for any month or it takes our auditors an unreasonable amount of time (more than eight hours) to assemble your records for audit.
Interim Manager Payments	Daily (per diem) charge which is currently $750[5] per day.	Weekly, on demand.	In addition to our daily charge for the manager, you or your successor must pay our manager's travel, lodging, and living expenses.
Reimbursement for Curing Franchisee Defaults	Cost incurred to cure your defaults (variable)	Immediately upon our demand.	If you default in the performance of any obligation under the Franchise Agreement, or related agreement involving third parties, we may cure the default for your account and on your behalf and you would then be obligated to reimburse us for all costs and expenses we incur to do so.

Type of Fee	Amount[2]	Due Date[2]	Remarks
Attorneys' Fees and Costs	Actual cost, which is variable.	Immediately upon our demand.	Payable only if we use an attorney to collect money from you or otherwise enforce any provision of the Franchise Agreement or any other agreement with you.
Indemnification of Franchisor against Losses	All "Losses", as defined in section 16.2 of the Franchise Agreement (variable).	Immediately upon our demand.	The Franchise Agreement requires you to indemnify us against Losses we may incur as a result of (i) your deviation from our approved menu, (ii) unauthorized use of our proprietary information or trademarks, (iii) the breach by you, any Principal Equity Owner or your Manager of non-compete covenants, or (iv) your intentional tort or negligence relating to operation of the Outlet.
De-identification Enforcement Expense	Cost and expenses relating to de-identification (variable)	Immediately upon our demand.	If you fail to de-identify your Outlet and your business upon termination or non-renewal of the Franchise Agreement, we have the right 15 days after written notice to enter the Outlet and complete de-identification changes at your expense.

1. If you execute an ADA, you or your affiliated entity will sign a Franchise Agreement for each Outlet you are required to develop by the date required by the ADA. You will pay all the fees described in this chart for each of those Outlets.

2. All fees are imposed and collected by and are payable only to us. Except as indicated in Item 5 or otherwise in the table above, all fees are non-refundable. All fees are uniformly imposed. If any payment is not paid when due, you must pay interest on the unpaid amount at an APR of 18% (unless interest rates in the state in which your Outlet is located are limited by law to a lower APR, in which case that lower APR will apply), and you must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts, including court costs, investigator fees, expert witness fees and attorneys' fees. Interest begins to accrue from the date payment was due.

3. Within the first 60 days after the Opening Date, in addition to the amount to be spent on local marketing of your Outlet as a part of the Marketing and Promotion Fee, you must spend in your Territory at least $7,500 on the grand opening advertising and promotion of your Outlet, using a grand opening promotional program that we approve. Commencing with the second full calendar month after the Opening Date, you must (i) spend at least 2% of your monthly Gross Revenues on the local marketing, advertising and promotion of your Outlet, using marketing and promotional materials pre-approved or otherwise authorized in writing by us ("Local Advertising"); and (ii) report to us by the 3rd business day of each month all details of your Local Advertising in the preceding month in the manner specified in the Confidential Operations Manual.

4. We will not accept the renewal fee until all of the other conditions for renewal have been met.

5. This fee is subject to adjustment based on changes since the effective date of the Franchise Agreement in the annual average of the Consumer Price Index for All Urban Consumers ("CPI"), published by the Bureau of Labor Statistics of the United States Department of Labor, or the highest similar future index if these figures become unavailable.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Standard Pizzeria

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee[1]	$30,000	Lump sum; non-refundable	When you sign the Franchise Agreement (subject to state law)	Us
Grand Opening advertising [2]	$7,500 to $10,000	Lump sum; non-refundable	During the first 60 days after you open	Advertisers and other suppliers
Training expenses [3]	$1,500 to $2,500	As incurred	During training	Travel and lodging vendors
Lease, construction and leasehold improvements – net of landlord contribution [4]	$81,500 to $354,000	As incurred	Before opening	Contractor, landlord and suppliers
Equipment, furniture, fixtures and signage [5]	$140,000 to $190,000	As arranged	Before opening	Suppliers
Point of Sale systems and telephones [6]	$10,000 to $18,500	As arranged	Before opening	Suppliers
Professional fees – architect [7]	$10,000 to $15,000	As incurred	Before opening	Architect
Professional fees – legal and accounting [8]	$5,000 to $10,000	As incurred	Before opening	Attorneys and accountants
Delivery Vehicles [9]	$18,000 to $44,000	As arranged (lease or purchase)	Before opening	Designated vehicle dealers
Inventory and supplies to begin operating [10]	$7,500 to $20,000	As arranged	Before opening	Designated and approved vendors
Liquor license and deposits [11]	$5,000 to $15,000	Lump sum	Before opening	State alcohol beverage control agency and city authorities
Other licenses, permits and deposits [12]	$2,500 to $5,000	As incurred	Before and during opening	Government agencies and utilities
Insurance deposits and premiums [13]	$2,500 to $5,000	As incurred	As arranged	Insurance company
Additional funds – 3 months [14]	$20,000 to $40,000	As incurred	After opening	Employees, landlord, other vendors as needed
TOTAL[15]	**$386,000 to $759,000**			

Pronto (Take Out and Delivery) Pizzeria

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee[1]	$30,000	Lump sum; non-refundable	When you sign the Franchise Agreement (subject to state law)	Us
Grand Opening advertising [2]	$7,500 to $8,500	Lump sum; non-refundable	During the first 60 days after you open	Advertisers and other suppliers
Training expenses [3]	$1,500 to $2,500	As incurred	During training	Travel and lodging vendors
Lease, construction and leasehold improvements – net of landlord contribution [4]	$85,000 to $110,000	As incurred	Before opening	Contractor, landlord and suppliers
Equipment, furniture, fixtures and signage [5]	$100,000 to $135,000	As arranged	Before opening	Suppliers
Point of Sale systems and telephones [6]	$7,500 to $10,000	As arranged	Before opening	Suppliers
Professional fees – architect [7]	$5,000 to $10,000	As incurred	Before opening	Architect
Professional fees – legal and accounting [8]	$5,000 to $8,000	As incurred	Before opening	Attorneys and accountants
Delivery Vehicles [9]	$18,000 to $36,000	As arranged (lease or purchase)	Before opening	Designated vehicle dealers
Inventory and supplies to begin operating [10]	$7,500 to $15,000	As arranged	Before opening	Designated and approved vendors
Liquor license and deposits [11]	$5,000 to $10,000	Lump sum	Before opening	State alcohol beverage control agency and city authorities
Other licenses, permits and deposits [12]	$2,000 to $5,000	As incurred	Before and during opening	Government agencies and utilities
Insurance deposits and premiums [13]	$2,000 to $5,000	As incurred	As arranged	Insurance company
Additional funds – 3 months [14]	$15,000 to $30,000	As incurred	After opening	Employees, landlord, other vendors as needed
TOTAL[15]	**$300,000 to $420,000**			

Area Development Program

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Development Fee[1]	$15,000 to $60,000	Lump sum	When you sign the ADA (subject to state law)	Us
TOTAL	**$15,000 to $60,000**			

1. This fee must be paid in full at the time indicated. However, if you are converting an existing pizza restaurant to a Big Mama's & Papa's standard or Pronto pizzeria, you would receive a conversion credit of $10,000 applied against the Initial Franchise Fee and you pay the adjusted balance of the Initial Franchise Fee ($20,000) when you sign your Franchise Agreement. If you sign an ADA but do not open Outlets according to the Development Schedule of your ADA, your ADA will be terminated but you will still be able to operate your Outlets under their Franchise Agreements as a multi-outlet franchisee. To be eligible to sign the Franchise Agreement and the ADA, you must provide us with reasonable proof of your financial ability to make the initial investment described above, and you must authorize us to conduct a credit check to confirm your financial ability to purchase and develop the Outlet.

2. You must spend at least $7,500 within first 60 days to build local customer awareness of your Outlet. Recommendations on how to promote the grand opening of your Outlet will be provided by us, including promotional ideas, sample advertising copy and flier design.

3. Training typically is accomplished in 14 days in Los Angeles County, California and at your Outlet or another operating Big Mama's & Papa's Pizzeria. These expenses represent (i) the wages, travel and living expenses for you and your staff during training, and (ii) reimbursement for the expenses of the Big Mama's & Papa's Opening Team.

4. You will need to rent a suitable retail site for your Outlet and the rent or lease deposit amount will vary depending on the location. A security deposit and first month's rent (typically varying from $4,000 to $15,000) are standard requirements to execute a commercial lease, and the estimate above includes the initial month of rent and the deposit. Standard pizzerias are preferably "end-cap locations" (at the far end of a shopping mall or strip center) with 1,800 to 2,500 square feet of floor space, outdoor seating and ample customer parking access. The smaller Pronto pizzerias are also preferably end-cap locations with 900 to 1,300 square feet of floor space and outdoor seating. You will need to build-out of your leased space according to our requirements. The cost for leasehold improvements rate will generally be between $180 and $200 per square foot. The amounts listed in this type of expenditure are estimates that are based on basic build out of our Outlet design but do not include many variables related to the pre-existing condition of any one location. The cost of your build-out may be reduced by a Tenant Improvement ("TI") allowance or rebate from the landlord, which varies depending on the terms of each lease agreement. However, you will be required in most cases to complete the build-out, satisfy all related invoices to contractors and service providers in order to qualify for the TI rebate from the landlord.

5. Equipment and operational materials you will need to purchase include pizza ovens (including oven extension permitting you to bake the Giant Sicilian Pizza), refrigerator, freezer, prep tables, hand sinks, small ware, cooking and serving utensils, tables, chairs, shelving, and signs. The cost of equipment ranges from $80,000 to $140,000 at a standard pizzeria and from $75,000 to $125,000 at a Pronto pizzeria. The cost of operational materials at both a standard pizzeria and a Pronto pizzeria ranges from $1,500 to $3,000. The quantity, size, type and cost of signs will vary substantially per lease space and in accordance to stipulations of each landlord and local governmental regulations. These estimates also include the average filing fees for obtaining the necessary sign permits.

6. This includes an electronic point-of-sale system and supporting equipment, cash register, set-up fee and telephone communication equipment.

7. Architectural renderings and related services will be required for the build out of the Outlet.

8. This includes professional legal and accounting fees to review the franchise agreement, lease and setting up the Outlet.

9. You will have to obtain an approved delivery vehicle with an approved roof carrier that allows you to deliver the 54" Big Sicilian pizza and 36" Big Papas pizzas, and having Big Mama's & Papa's Pizzeria

logos and related identification affixed to the vehicle and the roof carrier. You may lease or purchase this vehicle.

10. This refers to the initial inventory of Big Mama's and Papa's Products, condiments, fresh vegetables, bread products, various sauces and toppings, other authorized products to be sold in the Outlet, proprietary pizza boxes, other printed materials (such as business cards and brochures), other paper products, operational materials, referral gifts, promotional items and other items of merchandise and supplies you must stock in order to open for business.

11. You must obtain necessary licenses to permit you to serve beer (we recommend craft beers) and wine at or (if permitted in your state) delivered from your Outlet. You may not serve or deliver alcoholic beverages other than beer and wine from your Outlet.

12. You must obtain a business license from your city or county and you must file a certificate with the appropriate government agency in your county or state indicating you will be doing business under our trademarks. You may also be required to obtain health permits and other permits, pay utility deposits and other deposits with vendors, and cover other prepaid expenses before you can begin operating your Outlet.

13. As an independently owned and operated franchisee, you are responsible for all costs or liabilities arising from the operation of your Outlet and it imperative that you carry adequate insurance to protect yourself. You must obtain the insurance coverage required by the Franchise Agreement from a carrier with a rating of "A VII" or better by A. M. Best Company. The currently required *minimum* coverage and limits of insurance are (i) General Liability at minimum limits of $1,000,000 per occurrence / $3,000,000 annual aggregate, (ii) Auto Liability at minimum limits of $1,000,000 combined single limit covering all owned, hired and non-owned vehicles, and (iii) Workers' Compensation to meet the statutory coverage of the state where your Outlet is located. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella or excess policies. All insurance policies will name you as named insured and (excepting Workers' Compensation insurance policies) will name us and our parent entities and affiliates of these companies now existing or which may hereafter exist as additional insureds, including their employees, officers and directors on additional insured endorsement forms. The costs of premiums will vary based on location of the Outlet and any prior claim history. The required coverage and limits are subject to change.

14. Although we do not require minimum funds for you to start your business, there are some expenses you will incur when you begin your franchise operations, such as inventory, supplies and employees. It is always a good idea to have some cash reserves available to cover initial operating expenses. This estimates the additional funds you will need for your first three months of operation. These expenses include payroll costs. We relied on the cumulative experience of our executive officers in determining these figures.

15. Although we cannot assure you this will happen, if you do not open for business, you may receive a refund from suppliers for unused inventory, unspent advertising and canceled insurance. Otherwise the payments listed in the table above are nonrefundable. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8: <u>RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES</u>

Required Purchases of Goods or Services, including Computer and Point of Sale System

You must purchase or lease a SpeedLine Solutions point of sale ("POS") system supplied by SpeedLine Solutions, Inc., with associated software for your Outlet and enter into a software license agreement on the designated vendor's then-current form. We have no obligation to provide or assist you in obtaining the POS system. You are responsible for all ongoing maintenance and repairs and upgrades to the POS system. You may, but are not required to purchase, use and maintain a personal computer system for use at the Outlet. We require you to maintain an e-mail account and connect the POS system to a dedicated telephone line (or other communications medium we specify) at all times and be capable of accessing the Internet via a third party network we designate in the Manual or otherwise in writing.

You must purchase items bearing our trademarks only from designated vendors or approved suppliers. Also, you must use in the development and operation of your Outlet those fixtures, items of equipment, including food preparation and storage equipment, display cases, cash registers, storefront, supplies and signs that we have approved as meeting our specifications and standards for appearance, function, design, quality and performance. You must place or display at the premises of your Outlet (interior and exterior) only such signs, emblems, lettering, logos, and display materials that we approve in writing. All equipment leases will be between you and the lessor. Under no circumstances can you sign any lease as if you were us, or on our behalf.

Franchisor or its Affiliates Acting as Approved Suppliers

We do not sell or lease any goods, services, supplies or equipment related to establishing operating the franchised business. However, our parent BMPP (or its affiliated entities) may provide proprietary sauces, pizza dough and blended cheeses to Outlets. Otherwise, BMPP does not sell or lease any goods, services, supplies or equipment related to establishing and operating the franchised business.

Some of our officers own an interest in BMPP. Otherwise, there are no suppliers in which any of our officers owns an interest.

Approved Suppliers and Approval of Alternative Suppliers

You may be required to purchase only from other manufacturers or producers designated or approved by us in writing other specified food and beverage items to maintain consistency in quality and for other considerations, including specific requirements for proper refrigeration on vehicles used to deliver Big Mama’s and Papa’s Products. We will provide a written list of these proprietary or selected items and approved manufacturers or producers. We will also notify you of any additions to or deletions from this list.

We only designate or approve suppliers who demonstrate to our satisfaction the ability to meet our standards and specifications, who possess adequate quality control and capacity to supply your needs promptly and reliably, and who have been approved by us in the Confidential Operations Manual (the “Manual”) or otherwise in writing. Designation of a supplier may be conditioned on factors established by us, including performance relating to frequency of delivery, standards of service, and payment or other consideration to us or parties designated by us. We may designate a single supplier or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers. We may require you to cooperate with third-party delivery services picking up orders of Big Mama’s and Papa’s Products for delivery to retail customers.

The current list of approved products and suppliers is found in the Manual. We may make changes to these lists or other parts of the Manual, which we will provide to you. If you desire to purchase products other than those provided by approved suppliers, you must submit to us a written request for approval of the proposed supplier together with such evidence of conformity with our specifications and program specifications as we may reasonably require. We will have the right to require that our representative be permitted to inspect the supplier's facility and that samples from the supplier be delivered for evaluation and testing, either to us or to an independent testing facility designated by us. A charge not to exceed the reasonable costs of evaluation and testing must be paid by you. Our criteria for supplier approvals are contained in the Manual. Within 60 days after our receipt of the completed request or completion of the evaluation and testing (if required by us), we will notify you in writing of our approval or disapproval of the proposed supplier. Approval will not be unreasonably withheld. You must not sell or offer for sale any products or services from a proposed supplier until you receive our written approval of the proposed supplier.

We may revoke our approval of particular products or suppliers if we determine in our sole discretion that the products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing or selling any disapproved product.

We may also consider the impact of an additional supplier (and consequent reductions in supplier volume and increase in distribution expense) on the overall supply chain being utilized by the system.

Issuance of Specifications and Standards

We issue specifications and standards regarding authorized Big Mama's and Papa's Products and services to its franchisees through the Manual and other communications in writing or by email. We also issue specifications and standards regarding authorized Big Mama's and Papa's Products to our designated and approved suppliers in writing or by email. We may modify these specifications and standards at any time but only after delivering written notification of the modifications and providing its franchisees or suppliers a reasonable amount of time to implement the modifications.

Revenue from Franchisee Purchases

In 2020, we did not derive revenue, rebates or other material consideration because of required purchases or leases by Big Mama's & Papa's Pizzeria franchisees or as rebates. In 2020, BMPP received $387,530 (representing 13% of its total revenues for 2020 because of purchases by Big Mama's & Papa's Pizzeria franchisees, or as rebates. In 2020, BMPP collected on behalf of its franchisees revenues from web sales and gift cards, and after deducting royalties and other amounts due, BMPP distributed the balance of these revenues to its franchisees.

Payments to us, our designees, and our approved suppliers, or under our specifications (i) in establishing your Outlet will range from 7.3% to 18.5% of your total initial investment and (ii) in operating your Outlet will range from 20% to 30% of your total monthly expenses.

Cooperatives

We are not presently involved in any purchasing or distribution cooperatives.

Negotiated Purchase Arrangements

We do not negotiate purchase arrangements or price terms with suppliers for the benefit of franchisees, although we may do so in the future.

Material Benefits Based on Franchisee Purchases

We do not provide any material benefits to you based on your purchase of particular products or services for your use of particular suppliers.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in franchise agreement	Section in area development agreement	Disclosure document item
a.	Site selection and acquisition/lease	7.1, 7.2	Exhibit 1	6,11
b.	Pre-opening purchases/leases	7.2, 7.3	2.2	8
c.	Site development and other pre-opening requirements	7.1, 7.2	2.1	6, 7, 11
d.	Initial and ongoing training	6.1-6.4	Not applicable	11
e.	Opening	3.3, 7.2, 7.3	2.1, Exhibit 1	11
f.	Fees	4.1-4.7, 5.2, 12.2	3.1,3.2	5, 6
g.	Compliance with standards and policies/ operating manual	8.1-8.3	Not applicable	11
h.	Trademarks and proprietary information	8.8, 9.1-9.5	5.2	13,14
i.	Restrictions on products/services offered	3.2, 3.4, 8.1, 8.13	1.1, 1.5	16
j.	Warranty and customer service requirements	3.3, 8.1	Not applicable	11
k.	Territorial development and sales quotas	Not applicable	1.2, 2.4, Exhibit 1	12
l.	Ongoing product/service purchases	7.3	Not applicable	8
m.	Maintenance, appearance and remodeling requirements	5.2, 7.2, 8.5	Not applicable	11
n.	Insurance	8.10	Not applicable	6, 8
o.	Advertising	4.3, 7.4, 8.8, 8.13, 10.1, 10.2	5.2	6,11
p.	Indemnification	16.2	Not applicable	6
q.	Owner's participation/management/ staffing	3.6, 6.1, 6.2, 8.1, 12.6	Not applicable	11,15
r.	Records and reports	8.7	Not applicable	6
s.	Inspections and audits	8.7, 8.11	Not applicable	6,11
t.	Transfer	12.1-12.7	4.1, 4.2	17
u.	Renewal	5.2, 5.3	1.3, 1.4	17
v.	Post-termination obligations	11.2, 15.1, 15.2	6.2	17
w.	Non-competition covenants	11.1-11.3	5.1	17
x.	Dispute resolution	14.1-14.5	7.1-7.5	17
y.	Compliance with anti-terrorism and other federal laws	16.12	Not applicable	Not applicable

ITEM 10: FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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

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

Pre-Opening Assistance

Before you open your business, we will:

(1) Designate your franchise territory (see section 3.1 and Exhibit 1 of the Franchise Agreement).

(2) Provide you with initial training and orientation in the Big Mama's & Papa's Pizzeria system and how to operate the Outlet (see section 6.1 of the Franchise Agreement and the Training Program described below in this Item 11). Your General Manager and Principal Equity Owners must successfully complete initial training to our satisfaction before you can open your Outlet.

(3) Provide you with a general plan for the layout, furnishing and equipping of your Outlet, together with a written schedule of all Big Mama's and Papa's Products, and other foods, food items and beverages that must be sold at your Outlet and a list of approved and designated suppliers (see section 7.2(a) of the Franchise Agreement).

(4) Assist you in selecting a site for your Outlet. Although we do not typically pre-select the site for your Outlet, we must give our final consent to the location before your Outlet can be placed there (see section 7.2(a) of the Franchise Agreement). You and your landlord may be required by us to complete and sign a rider or addendum to the lease that (i) grants us an option to assume your position as lessee under the lease for the Outlet premises if you are in material default of either the lease for the Outlet premises (including an obligation of the landlord to notify us if you are in default) or the Franchise Agreement, and (ii) requires the landlord to fully cooperate with us in completing de-identification of the Outlet if the Franchise Agreement is terminated or expires without being renewed. You have 365 days after signing the Franchise Agreement to locate an acceptable site for your Outlet. We will review and either consent to or decline the proposed site for your Outlet within 10 business days after you provide us with its address. If you are unable to locate an acceptable site within 365 days after signing the Franchise Agreement or within 180 days after we consent to the location of the site, we can cancel the Franchise Agreement without any liability to us (see section 7.2 of the Franchise Agreement).The factors we consider in consenting to a site for the Outlet include general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings and lease or rental terms. We do not typically own and lease to you the premises on which the Outlet will be located. Our review and consent to the location of the Outlet is no guarantee or assurance that you will be successful there.

(5) Provide you with a copy of the confidential Manual (see section 7.2 of the Franchise Agreement).

Length of Time to Open the Outlet

We estimate the typical length of time between the signing of the Franchise Agreement (when you make your first payment to us for the franchise) and the opening of your Outlet will be 210 days. Factors that may affect this time period include the satisfactory completion of initial training by your designated attendees, location of an acceptable site, ability to obtain an appropriate lease, financing arrangements, compliance with zoning and local ordinances, weather conditions, shortages, the contractor's ability to complete construction of the Outlet, and delivery and installation of equipment, fixtures and signs. If we consent to the site for your Outlet but you do not begin operating your Franchised Business within 365 days after you sign the Franchise Agreement, we can cancel the Franchise Agreement (see section 7.2(a) of the Franchise Agreement), and if we do so under those circumstances, we are not obligated to refund your initial franchise fee and development fee under an ADA.

Post-Opening Assistance

During the operation of the franchised business, we:

(1) Will provide you with access to, and integrate information about your Outlet into, the Big Mama's & Papa's Pizzeria website (see section 6.2(a) of the Franchise Agreement).

(2) Will be reasonably available by phone and e-mail for guidance in the operation and management of your Outlet (see section 6.2 of the Franchise Agreement). However, we do not provide you with assistance in hiring, supervising or discharging employees, nor do we provide any advice on employment law or regulations, except to strongly recommend you engage the services of an attorney competent to advise you on employment law matters in your state.

(3) May visit you periodically at no cost to you to provide additional sales and administrative review and assistance, including assistance with establishing and using administrative, bookkeeping, accounting and inventory control procedures. If you request this assistance and we agree to provide it, you must reimburse us for the cost of our representative's transportation and lodging. We may also, at our discretion, charge an additional training fee of up to $750 per day for optional Big Mama's & Papa's Pizzeria training courses, seminars, conferences or other programs that you or your representatives attend. The nature, frequency and duration of this assistance by our representatives will be in our sole discretion. (See section 6.2 of the Franchise Agreement.)

(4) In connection with your ongoing obligation to maintain the Outlet in accordance with our standards, will notify you if the general state of repair, appearance or cleanliness of your Outlet or its fixtures, equipment or signs do not meet our standards, and specify the action you must take to correct the deficiency (see section 8.11 of the Franchise Agreement).

(5) May conduct a system-wide mandatory meeting (or annual convention) not more than once a year in California or other place in the United States. Attendance of at least one Principal Equity Owner at these meetings will be mandatory (and is highly recommended for other Principal Equity Owners). You must pay the cost of travel, hotel and meal expenses for your attendees at these mandatory meetings. (See section 6.3 of the Franchise Agreement.)

(6) May recommend retail prices for specific Big Mama's and Papa's Products and other products and services we authorize for sale at your Outlet (to enhance uniformity in the delivery of goods and services to retail customers by our franchises and the strength of our Marks in inter-brand competition), and if we do so, you may not advertise or promote (whether by telephone, printed materials or any other media, including, without limitation, social media) retail prices that are inconsistent with these recommended prices. (See section 8.1(c) of the Franchise Agreement.)

Advertising Program for the Franchise System

Beginning on the opening date of your Outlet, you must pay us a Marketing and Promotion Fee of 3% of your semi-monthly Gross Revenues (section 4.3(a) of the Franchise Agreement). Marketing and Promotion Fees are due and payable on the 1st and 16th day of each month. We are not required to spend any Marketing and Promotion Fees in or near your Outlet, although we may do so. Marketing and Promotion Fees collected from Big Mama's & Papa's Pizzeria franchisees will be spent for national and regional advertising and promotional campaigns designed to promote and enhance the value of the Big Mama's & Papa's Pizzeria trademarks and their general public recognition and acceptance. Big Mama's & Papa's Pizzerias owned by entities affiliated with BMPP and us will contribute Marketing and Promotion Fees at the same rate that Big Mama's & Papa's Pizzeria franchisees do. Any Marketing and Promotion Fees collected but not expended in a calendar year will roll over for use in the next calendar year. In 2020, we neither collected nor expended any Marketing and Promotion Fees.

Marketing and Promotion Fees will be paid by EFT into a separate bank account of ours specifically designated for Big Mama's & Papa's Pizzeria advertising and promotion activities. This separate marketing and advertising bank account is not audited. However, if you request in writing an accounting of advertising expenditures within 90 days after the end of a calendar year, we will provide you within 30 days after receiving a written request with an unaudited financial statement of the advertising account's annual receipts and expenditures relating to the calendar year. No interest on the amounts on deposit will be imputed for your benefit or paid to you. We administer this separate marketing and advertising bank account and the national advertising program, and we will receive a fee of 15% of the annual aggregate Marketing and Promotion Fees for doing so.

We will provide general advertising programs and sales promotion, campaign and sample advertising materials. You may develop advertising materials for your own use, at your own cost. But we must approve all advertising materials in advance and in writing. You grant us a the right to use the name, image and likeness of you, all Principal Equity Owners and any of your affected employees, for commercial purposes in connection with the marketing and promotion of the Marks, Big Mama's and Papa's Products, any Big Mama's & Papa's Pizzeria and the Big Mama's & Papa's Pizzeria system. (See section 9.1(d) of the Franchise Agreement.)

We intend to use the Internet (including our website), social media, targeted print media, television, regional and national marketing campaigns in our advertising efforts, and you must participate in Big Mama's & Papa's Pizzeria system-wide promotions and social media programs (such as reimbursements to franchisees for free pizza promotions on the Big Mama's & Papa's Pizzeria website, and school fundraising and group discount promotions). We reserve the right to use other media to market and promote the Big Mama's & Papa's Pizzeria trademarks. We may be using in-house advertising personnel to do these projects and we may hire advertising and public relations firms to assist us in these efforts.

You must participate in BMPP's "The Ultimate Guarantee" program, under which customers can return a pizza (provided no more than 30% of the pizza was consumed by the customer) to an Outlet within one hour of delivery (or reject a pizza at time of delivery) for a full refund (up to $50) if the customer is unsatisfied for any reason. (See section 8.1(k) of the Franchise Agreement.) You must report each refund under The Ultimate Guarantee by e-mail to BMPP's website. BMPP reserves the right to deny access to The Ultimate Guarantee by any customer that BMPP believes is abusing the program (and if it does so, BMPP will notify you in writing). Further details about The Ultimate Guarantee are contained in the Operations Manual.

At your sole cost and liability against third party claims, you must also participate in all Big Mama's & Papa's Pizzeria authorized pizza promotions (including free pizza on a customer's birthday, gift and loyalty cards, "free upload pizzas", "Pizza Challenge" and "Big Pizza Action" for 28", 36" and 54" Pizzas, details of all of which will be provided to you at Initial Training), and designated charity, school fundraising and group discount programs as described in BMPP's website. (See section 8.1(l) of the Franchise Agreement.)

We are not presently involved in any advertising cooperatives. However, we reserve the right to create advertising cooperatives in the future. If we do so, outlets owned by or affiliated with us will contribute to the cooperative on the same basis as Big Mama's & Papa's Pizzeria franchisees. We have the right to require cooperatives we create to change, dissolve or merge.

We require you to spend at least $7,500 on the Grand Opening Advertising and promotion event in connection with the opening of your Outlet sometime during the first 60 days after your Outlet opens (see section 4.3(c) of the Franchise Agreement). Also, beginning the 2nd full calendar month after your Outlet opens for business, we require that you spend at least 2% of your Gross Revenues on the local advertising and promotion of your Outlet (see section 4.3(d) of the Franchise Agreement).

On a national or regional basis, we may impose an assessment on all affected Big Mama's & Papa's Pizzeria franchisees for special advertising or promotional activities if franchisees owning two-thirds of all affected franchised Outlets agree to this assessment, confirmed in writing by each franchisee (see section 4.3(e) of the Franchise Agreement).

You are obligated to maintain and occasionally refurbish the Outlet to conform to our currently effective "Trade Dress" (as defined in the Franchise Agreement) and color standards for Big Mama's & Papa's Pizzeria franchised outlets. This maintenance and refurbishment may require expenditures by you on structural changes, installing new equipment, remodeling, redecoration and modifications, or to accommodate new Big Mama's and Papa's Products. You must maintain all equipment and furnishings used at the Outlet in good working order and make repairs or perform maintenance as needed. You also must make all upgrades to equipment and any technology used in the Outlet that we may require, and we may periodically require you to update the Trade Dress (possibly including installation of new color schemes, logos, signage or other visual elements) used at the Outlet. Details on Trade Dress updates will be contained in the Manual or as otherwise provided to you in writing. We anticipate that Trade Dress updates will be required no more frequently than once every five years.

Although you are not obligated to spend a designated portion of your gross revenues on the local marketing, advertising and promotion of your franchised territory, we recommend you do this where appropriate. Any advertising of your franchised territory must be done in compliance with the guidelines contained in the Manual.

Although we are not obligated to do so, we may provide you with general advertising programs and sales promotion, campaign and sample advertising materials. You may develop advertising materials for your own use, at your own cost. But we must approve all advertising materials in advance and in writing.

Electronic Cash Registers and Computer Requirements

You must purchase and use in your Outlet the specified POS system we require (see section 8.4 of the Franchise Agreement). We currently require the SpeedLine POS system. We estimate the costs for this POS system and supporting equipment and accessories to range from $10,000 to $18,500 for a Standard Pizzeria and $7,500 to $10,000 for a Pronto location. You will use this POS system to complete point-of-sale transactions and track your weekly sales. You must keep up to date on the POS system, including accessing and completing all online training on the POS software as recommended by the supplier. We must have independent access through the Internet to your POS system, and there are no contractual limits on our independent access to the information and data stored on your POS system. You are responsible for all ongoing maintenance and repairs and upgrades. If we replace the POS system (will not happen during the first 12 months your Outlet is open), you will receive a 90-day notice, and the cost will not exceed $15,000. We anticipate that the annual cost of optional or required maintenance, updating, operating or support contracts regarding the POS system is $5,000 annually.

You may but are not required to purchase, use and maintain a personal computer system for use at the Outlet. We also require you to maintain an e-mail account and connect the POS system to a dedicated Internet line (or other communications medium we specify) at all times and be capable of accessing the Internet via a third party network designated by us in the Manual or otherwise in writing. You must allow us to access your POS system on a daily or other basis at the times and manner determined by us or our designated affiliate, with or without notice, and to retrieve transaction information (including sales, sales mix, usage and other operations data) that we deem appropriate. You must always have and maintain adequate anti-virus software in any computer you use to communicate with us directly or through our master website or intranet.

Operations Manual

We will loan you one copy of our Manual (containing a total of 192 pages) and other applicable manuals during the relevant phases of initial training (see section 8.2 of the Franchise Agreement). The Manual contains mandatory and suggested specifications, standards and procedures for operation of your Outlet.

We will modify the Manual, and you must comply with these changes when you receive them. This Manual is confidential and remains our property. If you lose or allow the unauthorized duplication of the Manual or any other confidential manuals or proprietary materials loaned to you by us, you will be deemed to be in violation of this Agreement and all other agreements you have with us (see section 8.2 of the Franchise Agreement) and we would be entitled to recover damages from you).

The following is the Table of Contents of the Manual as of the date of this disclosure document:

Topic	Number of Pages
PREOPENING PROCEDURES Getting Started Architectural Façades Licenses, Permits, Registrations & Insurance System Requirements Human Resources	30
POLICIES & OPERATIONS Hours of Operation Food Service Sanitation Pests & Food Contamination Sanitation & Housekeeping Procedures General Operations Restaurant Operational Checklist	37
FINANCIAL OBLIGATIONS Your Obligations Our Obligations	4
ACCOUNTING, REPORTS & RECORDS Financial Reporting	2
TRADEMARKS & LOGOS Service Mark Sample of the Marks Use of the Marks	9
GRAPHIC STANDARDS	3
APPROVED SUPPLIERS Approved Equipment & Suppliers List Kitchen Equipment Small Equipment	7
RECIPES	48
APPENDIX	50
Total Pages	**192**

Currently, we have no policy under which we will render services to you not required by your Franchise Agreement (or other agreements with us) or the Manual.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Day 1 – History and Philosophy of Big Mama's & Papa's Overview of Operations Manual Big Mama's & Papa's Equipment Orientation Front of the House and Delivery Customer Service	6.5	3	Los Angeles or Orange County, California, and designated Outlet
Day 2 – Menu Items and Recipes Web Use First Aid Training (Owner and Manager Training Certificate) Sanitization and County Health Codes Front of the House and Delivery Customer Service	6.5	3	Los Angeles or Orange County, California, and designated Outlet
Days 3 and 4 – Making Pizzas and Slices Pizza Make Line Training for all Styles of Pizzas Front of the House and Delivery Customer Service	7	12	Los Angeles or Orange County, California, and designated Outlet

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Day 5 – 20 Question Test on Days 3 and 4 Training Egg Gondola/Mafia Cake/Calzones/Gluten Free Front Counter Customer Service/Delivery Orders Pizza Make Line Training for Egg Gondola/Mafia Cake/Calzones/Gluten Free Receive Test Results	3.5	6	Los Angeles or Orange County, California, and designated Outlet
Day 6 – 20 Question Test on Day 5 Training Salads Front Counter Customer Service/Delivery Orders Salad Station – Making all Types of Salads Receive Test Results	3.5	6	Los Angeles or Orange County, California, and designated Outlet
Day 6 – 20 Question Test on Day 5 Training Salads Front Counter Customer Service/Delivery Orders Salad Station – Making all Types of Salads Receive Test Results	3.5	6	Los Angeles or Orange County, California, and designated Outlet
Day 7 – 20 Question Test on Day 6 Training Sandwiches Front Counter Customer Service/Delivery Orders Sandwich Station – Making all types of Sandwiches Receive Test Results	3.5	6	Los Angeles or Orange County, California, and designated Outlet
Day 8 – DAY OFF	0	0	
Day 9 – 20 Question Test on Day 7 Training Appetizers Front Counter Customer Service/Delivery Orders Appetizer Station – Making all types of Appetizers Receive Test Results	3.5	6	Los Angeles or Orange County, California, and designated Outlet
Day 10 – 20 Question Test on Day 9 Training Pasta Front Counter Customer Service/Delivery Orders Pasta Station – Making Approved Pastas Receive Test Results	3.5	6	Los Angeles or Orange County, California, and designated Outlet
Day 11 – 20 Question Test on Day 10 Training Hands On Work Front of the House Hands On Work Pizzas Hands On Work Salads/Sandwiches/Pasta Receive Test Results	1	9	Los Angeles or Orange County, California, and designated Outlet
Day 12 – Hands On Work Front of the House Hands On Work Pizzas Hands On Work Salads/Sandwiches/Pasta	0	10	Designated Outlet
Day 13 – DAY OFF to Review Training and Manual and Prepare for Final Test on all Training	8	0	Los Angeles or Orange County, California
Day 14 – Final 175 Question Test on All Training Receive Test Results and Grades (a score of less than 69% is a failing grade)	3	0	Los Angeles or Orange County, California

The training program above is effective as of the date of this disclosure document. Initial training is typically provided within 30 days before your Outlet opens and is typically scheduled on a monthly basis. All classroom training takes place in Los Angeles, California, or another training center we designate. All on-the-job training takes place in a company-owned or franchised pizzeria in Los Angeles County, California.

The instructional material consists of appropriate handouts and information directly from the Manual. Currently, our initial training instructor is Aro Agakhanyan, our President who has been with us for six years, and who has 29 years of experience in the subject matters he teaches. The initial training instructor is assisted by Big Mama's & Papa's Pizzeria operations specialists, each of whom have at least two years' experience in the pizza business and other of our or BMPP's employees. Most of the time it is reasonable to complete the training in 14 days, but it is up to our President whether the program will be completed in a different time frame.

The Initial Training Program is mandatory for your General Manager and at least one of your Principal Equity Owners. The successful completion of initial training by your General Manager and designated Principal Equity Owner to our satisfaction is a condition to your opening of an Outlet to the public and must be done within 180 days after you sign the Franchise Agreement.

Additional on-site training at your Outlet may be provided when you open your Outlet. We may provide you with proprietary information and related materials for use in training your staff. These materials are our sole property and must be returned to us when you are finished with them. We will conduct both oral and practical evaluations and issue a Certificate of Completion upon successful completion at the conclusion of the training.

No additional training programs or refresher courses are required. However, you can request additional on-site training or assistance at any time. We may provide this training or assistance at our option, but the Franchise Agreement does not require us to do so.

We may periodically conduct an annual conference, convention or training session, and if we do, we will determine its duration, curriculum and location (section 6.3 of the Franchise Agreement). Attendance of at least one Principal Equity Owner at these meetings will be mandatory (and is highly recommended for your General Manager and all other Principal Equity Owners).

You must pay all the expenses incurred by your trainees are attendees in connection with the Initial Training Program and any other training, conferences, conventions or other meetings your trainees attend, including, for example, their salaries, transportation costs, meals, lodging and other living expenses (section 6.1(e) of the Franchise Agreement).

ITEM 12: TERRITORY

You will receive an exclusive territory ("Territory") within a defined area surrounding your Outlet based on population density (typically varying from one-half mile in densely populated urban areas to five miles in rural areas) as we determine and as specified in your Franchise Agreement. By "exclusive" Territory we mean that so long as you continue to fulfill your material obligations under your Franchise Agreement (as reasonably determined by us), we will not grant a Big Mama's & Papa's Pizzeria franchise to any other person nor will we or any of our affiliated entities operate an Outlet within your Territory. You may face competition from (i) other franchisees and outlets that we own outside your Territory or (ii) from other channels of distribution or competitive brands that we control.

You may relocate your Outlet with our written consent, which will not be unreasonably withheld. Not less than 90 days before the desired date of relocation (unless prior notice is impractical because of a required relocation in which event your notice must be given as soon as possible), you must make a written request for consent to relocate, describing the reasons for the relocation and providing complete written details respecting any proposed new location. Within 20 business days after we receive your request, we will either approve or disapprove in writing such closure or relocation in our sole discretion. If we disapprove of a proposed relocation, you may request an alternative proposed new location.

If you execute an ADA, you will be granted an exclusive (so long as the ADA is in effect) right to open a mutually agreed number of additional Outlets under a mutually agreed development schedule. If you fail to achieve the development schedule, you may still open Outlets within the development area but will lose the exclusive right to do so, and we may allow others to open additional Outlets within the development area. You must enter into a separate Franchise Agreement for each additional Outlet you open under the ADA, and these agreements will grant a separate exclusive Territory within a defined area surrounding each Outlet. Otherwise, we do not grant you options, rights of first refusal or similar rights to open additional Outlets under the Franchise Agreement or the ADA, and you may not open additional Big Mama's & Papa's Pizzeria businesses or engage in activities that are equivalent to the franchised business outside the Territory.

We do not currently, nor do we have any plans in the future to, operate or franchise businesses under a different trademark that will sell goods or services similar to those you will offer. However, we reserve the right to develop other systems involving similar or dissimilar services or goods, under dissimilar service marks, trademarks and trade names belonging to us, without necessarily granting you any rights in those systems. We reserve all rights to market and sell Big Mama's and Papa's Products under our principal trademarks or different trademarks at venues other than Outlets and through other channels of distribution (including the Internet), within your Territory and anywhere else. We are not required to pay you compensation for soliciting or accepting orders in your Territory at venues other than Outlets or through other channels of distribution.

You may only offer and sell Big Mama's and Papa's Products to customers at your Outlet and within your Delivery Area, and you are restricted from delivering or advertising Big Mama's and Papa's Products outside your Delivery Area without our prior written consent. You may not engage in any mail order solicitations, catalog sales, telemarketing or television solicitation programs, or use any other advertising media outside of your territory without our prior written approval. Also, you may not offer or sell Big Mama's and Papa's Products directly or indirectly through the Internet, except as authorized by us in the Manual or otherwise in writing. We will publish all website content and we will list your Outlet location on our master web site. We will maintain the "Uniform Resource Locator" (or "URL") for the Big Mama's & Papa's Pizzeria website and you may never own any Internet domain name that contains any of the Marks. Under no circumstances are you authorized to establish your own personal websites or social media sites using our trademarks or advertising your Outlet.

Although we have no current plans to do so, we and our affiliated companies reserve the right to offer and sell other types of franchises that are not directly competitive with the Big Mama's & Papa's Pizzeria franchise.

The continuation of your franchise rights to the Territory does not depend on your attaining a minimum level of sales, revenues or market penetration or another contingency. The continuation of your exclusive rights to develop Outlets under the ADA does depend on your meeting the development schedule described in the ADA. Neither the Territory granted by the Franchise Agreement nor the development area described in the ADA may be altered except if you and we mutually agree. You will maintain rights to your Territory and the development area described in the ADA even if the population in those geographic areas increases.

ITEM 13: TRADEMARKS

You are licensed to operate and identify the Outlet under the principal trademark "Big Mama's & Papa's Pizzeria" and logotype displayed on the cover of this disclosure document (both of which are owned by BMPP) and other current or future trademarks.

The principal trademark "Big Mama's & Papa's Pizzeria" was registered by BMPP on the Principal Register of the United States Patent and Trademark Office ("USPTO"), on May 2, 2006, in class 043 (restaurant services), registration number 3088170.

There are presently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending interference, opposition or cancellation proceedings involving our trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of trademarks listed in this Item in a manner material to the franchise. There is no pending material federal or state court litigation regarding our use or ownership rights in the trademarks. All required affidavits have been filed.

All trademarks are owned by BMPP, which granted us a trademark license (the "Trademark License") and right to use the principal trademark and related trademarks, service marks, trade names, logos and symbols (collectively the "Marks") in granting licenses to Big Mama's & Papa's Pizzeria franchisees to use the Marks. The Trademark License will continue until it is terminated. If the Trademark License were to be terminated, Big Mama's & Papa's Pizzeria franchisees would have the right to continue to use the Marks while operating their franchised Outlets under their Franchise Agreements for not less than the existing term of the Franchise Agreement. Except as described above, no agreements limit our rights to use or license the use of the Marks.

You must follow our rules when you use the Marks. You cannot use our Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of any unauthorized product or service, or in any manner that we have not authorized in writing.

BMPP has the right to control any administrative proceedings or litigation involving a trademark licensed to you by us. You must notify us promptly when you learn about an alleged infringement, unfair competition, unauthorized third-party use of or challenge to your use of the trademarks. We then will promptly take the action we think appropriate. We and BMPP will indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition or similar claims about the trademarks. But neither we nor BMPP has any obligation to defend or indemnify you if the claim against you relates to your use of the trademarks in violation of the Franchise Agreement.

If you learn that any third-party whom you believe is not authorized to use our trademarks is using them or any variant of them, you must promptly notify us. We or BMPP will determine whether to take any action against the third party.

At your cost and expense, you must modify or discontinue the use of a trademark if we or BMPP modifies or discontinues it. You have no rights to compensation or otherwise under the Franchise Agreement if we require you to modify or discontinue using a trademark. You may not directly or indirectly contest our or the trademark owners' rights to the trademarks, trade secrets or business techniques that are part of our business.

There are no infringing uses or superior previous rights known to us that can materially affect your use of the Marks in this state or any other state in which the franchised business is to be located.

The Franchise Agreement provides that if you or your employees, agents and subcontractors or any other party who you may contract with create any materials containing or associated with the Marks, including artwork, graphics, layouts, slogans, domain names, other names, titles, text or similar materials, these will become the sole property of the trademark owners, including trademark rights.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own rights in, or licenses to, patents or copyrights that are material to the franchise, and you do not receive the right to use any item covered by a patent or copyright. However, we assert a common law copyright on the contents of the Manual, and only you or your authorized employees can have access to and use the proprietary information in the Manual.

You must immediately notify us if you become aware of any infringement or inappropriate use of the Manual. We will then take whatever action we deem appropriate, and will control any litigation, to protect our copyright in the Manual. You will have no power, right or authority to settle or compromise any such claim, suit or demand by a third party or to intervene to stop misuse, without our prior written consent. We will defend, compromise or settle at our discretion any claim, suit or demand relating to our copyrights and take steps to stop misuse at our cost and expense, using attorneys selected by us, and you agree to cooperate fully in such matters. If the infringement or inappropriate use results from your negligence or willful action, you must reimburse us all our expenses in protecting our copyright. Otherwise, we will indemnify you and hold you harmless from and against all judgments resulting from any claim, suit or demand arising from your authorized and use of the copyrights in accordance with the terms of the Franchise Agreement.

The Franchise Agreement provides that if you or your employees, agents and subcontractors or any other party who you may contract with create any materials containing or associated with the Marks, including artwork, graphics, layouts, slogans, domain names, other names, titles, text or similar materials, these will become the sole property of the trademark owners, including copyrights.

We do not currently have any pending patent applications that are material to the franchise.

Our Proprietary Rights in Other Confidential Information

You may never reveal any of our confidential proprietary information or trade secrets to another person or use it for another person or business. You may not copy any of our confidential proprietary information or disclose it to a third party except as we authorize. You must also promptly tell us when you learn about unauthorized use of any of our confidential proprietary information. We are not obligated to take any action but will respond to your notification of unauthorized use as we think appropriate.

The Franchise Agreement grants us the right at any time to use the name, image and likeness of you and all Principal Equity Owners for commercial purposes in connection with the marketing and promotion of the Marks, Big Mama's and Papa's Products, any Big Mama's & Papa's Pizzeria retail location and the Big Mama's & Papa's Pizzeria System, without any form of compensation or remuneration. Under the Franchise Agreement you also agree (i) to have any affected employee of yours who is not a Principal Equity Owner sign a release in the form contained in the Manual that authorizes us to also use the employee's name, image and likeness for the purposes described the preceding sentence, without compensation or remuneration, and (ii) to provide us with a copy of such signed release.

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

We are seeking franchisees whose Principal Equity Owners plan personally participate in the direct "on premises" management and operation of your Outlet. Each Principal Equity Owner (and their spouse if applicable) signs a Guarantee of Franchise Agreement (attached as Exhibit 3 of the Franchise Agreement) requiring them to ensure that all obligations of the franchisee under the Franchise Agreement (including provisions related to payments to franchisor, confidentiality and non-competition) are fulfilled.

You must employ at least one designated General Manager (if you are a sole proprietor, this will be you, and if you are an entity, this will be a Principal Equity Owner of at least 50% of the franchisee entity) who has successfully completed our initial training program.

You must disclose the identity of the General Manager to us and if he or she is for any reason no longer acting as General Manager, you must notify us immediately and in writing. The General Manager cannot have an interest or business relationship with any of our business competitors. The General Manager must devote his or her full time during normal business hours to the management, operation and development of the Franchised Business. We do not require your General Manager to have any ownership interest in your business, although he or she may do so. The General Manager and other key employees of a franchised Big Mama's & Papa's Pizzeria may be required to sign a non-competition agreement equivalent to the non-competition agreement contained in your Franchise Agreement.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell at your Outlet only Big Mama's and Papa's Products and other goods and services that we designate as required for all franchisees or have approved.

We have the right to change and add other authorized goods and services that you will be required to offer. And, we may require you to comply with other requirements, such as training, marketing or insurance, before we will allow you to offer additional goods or services. There are no limits on our right to do so except that the additional investment required of you for equipment, supplies and initial inventory will not exceed $50,000 in any three-year period.

Except for applicable laws restricting discrimination against customers based on public policy, there are no restrictions on the customers to whom you may sell Big Mama's and Papa's Products and related products at your Outlet.

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 disclosure document.

	Provision	Section in franchise agreement	Section in area development agreement	Summary
a.	Length of the franchise term	5.1	1.3	The initial term of the Franchise Agreement is 10 years. The term of the ADA is until all Outlets have been opened under the Development Schedule.
b.	Renewal or extension of the term	5.2	Not Applicable	If you are in good standing, you can add additional 10-year terms upon written notice delivered to us not less than 120 days before the end of the existing Franchise Agreement term. However, we are not obligated to renew your Franchise if one or more of the conditions in section 5.2(c) of the Franchise Agreement apply to you.
c.	Requirements for franchisee to renew or extend	5.2	Not Applicable	Sign our then current Franchise Agreement modified for renewal ("Renewal Franchise Agreement") or an addendum to your existing Franchise Agreement extending its term, remodel your Offices (if necessary) and pay renewal fee. You are qualified for renewal if you are in full compliance with your operating requirements, all fees due us are paid and you are not in breach of any term of your Franchise Agreement. The Renewal Franchise Agreement may have materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	13.1	1.3	If we are in material breach (beyond any applicable cure periods), you can terminate your franchise agreement.
e.	Termination by franchisor without cause	Not applicable	Not applicable	Not applicable.
f.	Termination by franchisor with cause	13.1	6.1	We can terminate the Franchise Agreement only if you are in material default of that agreement (we cannot terminate the Franchise Agreement merely because we terminate an ADA that we executed with you). We can terminate the ADA if you (or your affiliated entity) fail to meet the development schedule or you are in material breach of any Franchise Agreement that you (or your affiliated entity) executed with us. (This provision is subject to state law.)

	Provision	Section in franchise agreement	Section in area development agreement	Summary
g.	"Cause" defined – curable defaults	13.3	6.1	You have 30 days after notice to cure monetary defaults and other defaults (including defaults under a lease for your Outlets) that can be cured. (This provision is subject to state law.)
h.	"Cause" defined – non-curable defaults	13.2	Not applicable	Non-curable defaults: your bankruptcy or insolvency; your abandonment of the franchised business; you make material misrepresentations relating to your acquisition of the Franchise or you engage in conduct that reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the Big Mama's & Papa's System; you fail, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchise; after curing any default, you engage in the same noncompliance whether or not such noncompliance is corrected after notice; you repeatedly fail to comply with one or more material requirements of the Franchise Agreement, whether or not corrected after notice; the Franchised Business or your Office is seized, taken over, or foreclosed by a government official, creditor, lien holder or lessor, or that a final judgment against you remains unsatisfied for 30 days; you are convicted of a felony or any other criminal misconduct that is relevant to the operation of the Franchise; we make a reasonable determination that your continued operation of the Franchise will result in an imminent danger to public health or safety. (This provision is subject to state law.) There are no non-curable defaults under the ADA.
i.	Franchisee's obligations on termination or non-renewal	15.1	6.2	Obligations include removal of our Brand and other trademarks, return of all confidential and proprietary information and erasure of all copies of confidential and proprietary information and payment of amounts due (also see r. in this Table, below).
j.	Assignment of contract by franchisor	12.1	Not Applicable	No restriction on our right to assign. (However, no assignment will be made except to an assignee that in good faith and judgment of the franchisor is willing and financially able to assume our obligations as franchisor under the Franchise Agreement.)
k.	"Transfer" by franchisee – defined	12.2	4.2	Any partial or complete assignment, sale, transfer, or encumbrance or any interest in your Franchise Agreement, your Store or any of its assets, and certain changes in ownership of you if you are an entity. This includes any transfer to a corporation, partnership, limited liability company, or other entity; any conversion, dissolution, merger, consolidation, or other reorganization, or sale or other transfer of any shares or membership units to a person or entity that is not an existing shareholder or member, or any sale of assets or

	Provision	Section in franchise agreement	Section in area development agreement	Summary
k.	"Transfer" by franchisee – defined [continued]			change in the chief executive, operating, or financial officer or any manager; any change in or withdrawal of any partner or conversion, merger, consolidation, or other reorganization or any dissolution of the partnership; and any transfer from one person to any other. Under the ADA, no transfer is permitted except to an entity formed by an individual area developer to operate Stores under the ADA provided the entity is owned 100% by the individual area developer.
l.	Franchisor's approval of transfer by franchisee	12.2	4.1	We have the right to approve all transfers (including transfers of (i) more than 50% of the equity or (ii) controlling interest in a franchisee entity), but we will not unreasonably withhold approval. The ADA may not be assigned by the Area Developer except to an entity entirely owned by the former area developer.
m.	Conditions for franchisor approval of transfer	12.2	4.1	New franchisee qualifies, transfer fee paid, purchase agreement approved, training arranged, release signed by you, and current Franchise Agreement signed by new franchisee (see r. below). Within 60 days after our receipt of all necessary information and documentation required under the Franchise Agreement, or as specified by written agreement between us and you, we will notify you of the approval or disapproval of the proposed transfer of the Franchise by you. This notice will be in writing and delivered to you by business courier. The ADA may not be assigned by the Area Developer except to an entity entirely owned by the former area developer.
n.	Franchisor's right of first refusal to acquire franchisee's business	12.3	Not Applicable	We can match any legitimate offer for your business, but we have no right of first refusal if the transfer is (i) between or among individuals (including their immediate family members) who have guaranteed obligations under a Small Business Administration loan or (ii) a transfer of less than 100% of the equity interest of a franchisee entity). The ADA may not be assigned by the Area Developer except to an entity entirely owned by the former area developer and no right of first refusal exists.
o.	Franchisor's option to purchase franchisee's business	15.2(d)	Not Applicable	Within 30 days after the termination, expiration or non-renewal of the Franchise Agreement, we have the option, but not an obligation, to purchase all or any portion of your reusable inventory, apparel containing the Marks, proprietary equipment, parts, fixtures and furnishings owned and used by you in your franchised operation. (This provision is subject to state law.) We have no right or obligation to purchase your assets upon termination or expiration of the ADA.

	Provision	Section in franchise agreement	Section in area development agreement	Summary
p.	Death or disability of franchisee	12.6	Not Applicable	Franchise must be assigned by estate to approved buyer within 270 days. During any period of your incapacity or until the business is sold, we can place an interim manager in your Outlet, and you must pay us the manager's salary, transportation, lodging and related living expenses, and our management administration fee.
q.	Non-competition covenants during the term of the franchise	11.1, 11.3	5.1	No involvement in competing business anywhere.
r.	Non-competition covenants after the franchise is terminated or expires	11.2, 11.3	5.1	No competing business for two years within 25 miles of your Outlet or any other Big Mama's & Papa's Pizzeria outlet or other retail location (this obligation also applies to you if you assign your franchise). The ADA refers to the non-competition covenant in the last Franchise Agreement you sign. (This provision is subject to state law.)
s.	Modification of the agreement	8.2, 16.14(c)	9.2	No modifications generally, but Manual subject to change. (This provision is subject to state law.)
t.	Integration/merger clause	16.14	9.10	Only the Franchise Agreement, ADA and other agreements you sign with us and the requirements, procedures, and policies in the Manual are binding (subject to state law). Any representations or promises outside of the disclosure document, Franchise Agreement and ADA may not be enforceable. Nothing in the Franchise Agreement, ADA or in any related agreement disclaims or is intended to disclaim representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	14.1-14.5	7.1-7.5	Except for certain claims, the parties agree in the Franchise Agreement to submit disputes (not including your failure to pay us sums due or an act of yours allowing us to immediately terminate the Franchise Agreement) initially to a meeting in person of our executive officers and your Principal Equity Owners at our principal executive office (without our respective legal counsel) within five business days after a party requests this meeting to conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement. If this meeting does not resolve the dispute (or the meeting does not occur), within 10 business days after the meeting takes place (or should have taken place), the parties may submit the dispute to a mutually acceptable mediator who is a State Bar of California Board of Legal Specialization Certified Specialist in Franchise and Distribution Law. If a mediation takes place but does not resolve the dispute or if no mediation occurs, the dispute will be resolved by arbitration by and before JAMS, Inc., in accordance with its Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than $250,000) or its Comprehensive Arbitration Rules and

	Provision	Section in franchise agreement	Section in area development agreement	Summary
u.	Dispute resolution by arbitration or mediation [continued]			Procedures (if the amount in controversy is $250,000 or more). Or, if the parties agree, the dispute may be submitted to arbitration conducted by another mutually acceptable arbitrator.
v.	Choice of forum	14.1-14.3	7.1-7.3	Arbitration proceedings will take place in Los Angeles County, California. Mediation proceedings may take place at any mutually agreed location. Any litigation proceedings will take place in an appropriate court in California.
w.	Choice of law	16.13	9.1	The Federal Arbitration Act governs the arbitration of disputes under the Franchise Agreement and the ADA. Otherwise, the laws of the state where the Outlet is located govern the Franchise Agreement and the laws of the state where the Development Area is located govern the ADA.

ITEM 18: PUBLIC FIGURES

We do not currently pay or provide any other benefit to any other public figure for the right to use his or her name to promote the sale of Big Mama's & Papa's Pizzeria franchises.

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 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.

We do not make any representation about a franchisee's future financial performance or the past financial performance of company-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 our President, Mr. Aro Agakhanyan, Big Mamas and Papas Franchising, LLC, 231½ North Brand Boulevard, Glendale, California 91203, phone number 1-323-661-2929; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System wide Outlet Summary For years 2018 to 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	18	18	0
	2019	18	16	-2
	2020	16	16	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Company-Owned	2018	1	1	0
	2019	1	1	0
	2020	1	1	0
Total Outlets	**2018**	**19**	**19**	**0**
	2019	**19**	**17**	**-2**
	2020	**17**	**17**	**0**

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For years 2018 to 2020

State	Year	Number of Transfers
California	2018	5
	2019	6
	2020	0
Totals	**2018**	**5**
	2019	**6**
	2020	**0**

Table No. 3

Status of Franchised Outlets For years 2018 to 2020

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
California	2018	18	0	0	0	0	0	18
	2019	18	0	1	1	0	0	16
	2020	16	0	0	0	0	0	16
Totals	**2018**	**18**	**0**	**0**	**0**	**0**	**0**	**18**
	2019	**18**	**0**	**1**	**1**	**0**	**0**	**16**
	2020	**16**	**0**	**0**	**0**	**0**	**0**	**16**

We have no franchised Outlets in the United States, but our parent BMPP has franchises in California (reflected in the table above). All franchised Outlets listed in the table above are licensed by our parent entity BMPP, which no longer offers or sells franchises.

Table No. 4

Status of Company-Owned Outlets For years 2018 to 2020

State or Country	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
Totals	**2018**	**1**	**0**	**0**	**0**	**0**	**1**
	2019	**1**	**0**	**0**	**0**	**0**	**1**
	2020	**1**	**0**	**0**	**0**	**0**	**1**

We do not operate any Outlets. Our parent BMPP owns and operates one company-owned Outlet in Los Angeles County, California.

Table No. 5
Projected New Franchised Outlets As Of December 31, 2020

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	2	0
Totals	**0**	**2**	**0**

Exhibit C lists, as of December 31, 2020, the names, addresses and telephone numbers of all Big Mama's & Papa's Pizzeria franchise Outlets, and the names and telephone numbers of any franchisees that have signed franchise agreements but not yet opened their Outlets.

Exhibit D lists, as of December 31, 2020, the contact information of every Big Mama's & Papa's Pizzeria franchisee that had an Outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement during our most recently completed fiscal year, or that has not communicated with us within the 10 weeks ending on the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Big Mama's & Papa's Pizzerias. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you. However, during the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We have not created, sponsored or endorsed any trademark-specific franchisee organizations associated with the Big Mama's & Papa's Pizzeria franchise system being offered. There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21: FINANCIAL STATEMENTS

Exhibit B to the disclosure document contains our audited financial statements for the fiscal years ended December 31, 2020, December 31, 2019, and December 31, 2018.

ITEM 22: CONTRACTS

The following agreements and other required exhibits are attached to this disclosure document as listed below:

Exhibit A-1 - Franchise Agreement
Exhibit A-2 - Area Development Agreement

ITEM 23: RECEIPTS

You will find copies of a detachable receipt in Exhibit I at the very end of this disclosure document.

BIG MAMA’S & PAPA’S PIZZERIA

FRANCHISE AGREEMENT

EXHIBIT A-1

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FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is made and executed as of ___________________, 20 __ (the "Effective Date"), by and among Big Mamas and Papas Franchising, LLC, a California limited liability company, doing business as "Big Mama's & Papa's Pizzeria" ("Franchisor"), and ____________________________________ ____ ("Franchisee"), with reference to the following facts:

RECITALS

An entity affiliated with Franchisor (the "Owner of the Marks") owns the Big Mama's & Papa's Pizzeria trademarks, service marks and other intellectual property and all rights in respect thereof. The Owner of the Marks has authorized Franchisor to license them to Big Mama's & Papa's Pizzeria franchisees.

Franchisee desires to be franchised and licensed by Franchisor to use Franchisor's "System" (as defined in Article I below), "Marks" (as defined in Article I below) and goodwill to conduct the "Franchised Business" (as defined in Article I below) at a specific "Outlet" (as defined in Article I below and identified in Exhibit 1 attached) operated by Franchisee.

Franchisor is willing to grant Franchisee a "Franchise" (as defined in section 3.1 hereof), in accordance with the provisions of this Agreement and the Confidential Operations Manual.

I. DEFINITIONS

Abandoned. The term "Abandoned" means cessation of operation of the Franchised Business for a period of five consecutive business days, without Franchisor's prior written consent. A repeated pattern of inactivity at Franchisee's Outlet for periods of less than five consecutive business days may result in the Franchised Business being deemed Abandoned by Franchisee if in Franchisor's judgment such inactivity adversely impacts the Franchised Business. However, Franchisee's Outlet will not be deemed Abandoned if the inactivity is due to natural disasters or other matters reasonably beyond Franchisee's control, provided that Franchisee gives Franchisor notice of any such closure within five business days after the initial occurrence of the event resulting in such inactivity, and Franchisee acknowledges in writing that such inactivity is due to one of the foregoing causes, and provided further that Franchisee re-establish the Franchised Business and be fully operational within 180 days after the initial occurrence of the event resulting in such inactivity, or such longer period as Franchisor may permit.

Anniversary Year. The term "Anniversary Year" means the 12-month period between the "Opening Date" (as defined in this Article I) and the first anniversary of the Opening Date and between each succeeding anniversary.

Big Mama's and Papa's Products. The term "Big Mama's and Papa's Products" means specialty and proprietary pizzas (including Big Mama's® 28" Pizza, Big Papa's® 36" Pizza, Big Mama's® Slice, Giant Sicilian® Pizza and Egg Gondola Pizza), all prepared in accordance with Franchisor's recipes using proprietary sauces, spices, cheese blends and dough.

Confidential Information. The term **"**Confidential Information" means information, know-how, and materials that are of value to Franchisor (or other third party, as applicable) and treated as confidential by Franchisor and is disclosed or made known or available to Franchisee or its employees or agents. Without limiting the generality of the foregoing, the term "Confidential Information" includes, without limitation: (i) the Confidential Operations Manual; (ii) all technical and non-technical information, including without limitation, information concerning finances, financing and capital raising plans, accounting or marketing, business opportunities, affiliate lists, business plans, forecasts, predictions, projections, recipes, products, research, development, and know-how; (iii) "Intellectual Property" (as defined in this Article I), the Marks, Big Mama's and Papa's Products, insignias, designs, and materials subject to copyright, patent, or trademark registration; (iv) any developments, inventions, improvements, additions, modifications, enhancements, derivatives, ideas, reports, analyses, opinions, studies, data or other materials or work product, whether prepared by Franchisor or otherwise, that contain or are based upon the "Proprietary Information" (as defined in this Article I); (v) information regarding customers and potential customers of the Franchised Business, including customer lists, names, needs or desires with respect to the products or services offered, contracts and their contents and parties, the type and quantity of products and services provided or sought to be provided to customers and potential customers of the Franchised Business and other non-public information relating to customers and potential customers; (vi) information regarding any of Franchisor's business partners or affiliates and their services, including names, representatives, proposals, bids, contracts and their contents and parties, the type and quantity of products and services received by the discloser, and other non-public information relating to business partners; (vii) information regarding personnel, including compensation and personnel files; and (viii) any other non-public information that a competitor of Franchisor could use to the competitive disadvantage of Franchisor.

Confidential Operations Manual. The term "Confidential Operations Manual" means the manual or manuals (regardless of title) containing Franchisor's trade secrets and the policies and procedures to be adhered to by Franchisee in performing under this Agreement, including all amendments and supplements thereto provided to Franchisee from time to time.

Control. The term "Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

Consumer Price Index. The term "Consumer Price Index" (or "CPI") means the annual average of the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor (or the highest similar future index if these figures become unavailable).

Delivery Area. The term "Delivery Area" means the area described in Exhibit 1 to this Agreement, within which Franchisee is authorized to make deliveries of Big Mama's and Papa's Products.

Delivery Vehicle. The term "Delivery Vehicle" means an approved model (new or used) of an automobile displaying the Brand (and containing a designated proprietary pizza transport accessory) in accordance with the specifications contained in the confidential "Operations Manual" (as defined below), that Franchisee purchases or leases from a dealer. The Delivery Vehicle is used to distribute Big Mama's and Papa's Products to customers within the Delivery Area.

Force Majeure. The term "Force Majeure" means a natural disaster (such as tornado, earthquake, hurricane, flood, fire or other natural catastrophe); strike, lockout or other industrial disturbance; war, terrorist act, riot, or other civil disturbance; epidemic; or other similar force which Franchisee could not by the exercise of reasonable diligence have avoided; provided however, neither an act or failure to act by any federal, state, county, municipal and local governmental and quasi-governmental agency, commission or authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender, landlord, or other person will be a Force Majeure, except to the extent such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise a Force Majeure. To avoid any potential misunderstanding, Franchisee's financial inability to perform or insolvency will not be a Force Majeure.

Franchised Business. The term "Franchised Business" means the sale to retail customers at or delivered from the Outlet of items from a proprietary menu featuring Big Mama's and Papa's Products, as well as a selection of distinctive pastas, salads, sandwiches, desserts, beverages and other authorized goods and services pursuant to the business methods and procedures set forth by Franchisor for the operation of such a retail business, using the recipes, packaging techniques, Marks, operational techniques, service concepts and Proprietary Information owned or authorized to be used by and identified with Franchisor and its affiliated companies.

General Manager. The term "General Manager" means the individual (may be a Principal Equity Owner) who has been designated by Franchisee as the person responsible for the day-to-day operation of the Outlet, and who has successfully completed "Initial Training" (as defined in this Article I).

Gross Revenues. The term "Gross Revenues" means all revenues, however generated or received, derived by Franchisee from operating the Franchised Business at or through Franchisee's Outlet, excluding only applicable sales or use taxes and legitimate refunds, and not modified for uncollected accounts.

Initial Training. The term "Initial Training" means training in the System provided by Franchisor, as described in and required by section 6.1 hereof.

Intellectual Property. The term "Intellectual Property" means creations of the mind, including inventions, literary and artistic works, designs, symbols, names and images owned by Franchisor and used in the Franchised Business or at the Outlet.

Intellectual Property Rights. The term "Intellectual Property Rights" means all past, present, and future rights of the following types, which may exist or be created under the laws of any jurisdiction in the world: (i) rights associated with works of authorship, including exclusive exploitation rights, copyrights and moral rights; (ii) trademark and trade name rights and similar rights; (iii) trade secret rights; (iv) patent and industrial property rights; (v) other proprietary rights in intellectual property of every kind and nature; and (vi) rights in or relating to registrations, renewals, extensions, combinations, divisions, and reissues of, and applications for, any of the rights referred to in clauses (i) through (v) of this paragraph.

Marks. The term "Marks" means the proprietary marks that are associated with the System and associated designs in respect of which registrations have been obtained from or applied for with the United States Patent and Trademark Office, as well as all common law trademarks and service marks, trade names, logos, insignias, designs and other commercial symbols which Franchisor now or hereafter is authorized to use and uses or authorizes others to use to identify the Franchised Business. Franchisor will provide Franchisee with a schedule of Marks Franchisee is required or authorized to use under this Agreement and update this schedule as necessary.

Opening Date. The term "Opening Date" means the day Franchisee opens its Outlet, furnished, inventoried and equipped in accordance with Franchisor's requirements, and Franchisee begins operating the Franchised Business at Franchisee's Outlet.

Outlet. The term "Outlet" means a full fast casual pizza restaurant at a location Franchisor consents to and which is operated by Franchisee and exclusively dedicated to the operation of the Franchised Business under the Marks and in accordance with the System.

Principal Equity Owner. The term "Principal Equity Owner" means each person who owns 20% or more of Franchisee.

Proprietary Information. The term "Proprietary Information" means, refers to, and includes Trade Secrets and Confidential Information of Franchisor (or if any other third party provided such information to or on behalf of Franchisor). No formal identification of Proprietary Information will be required. Without limiting the generality of the foregoing, Proprietary Information may take the form of documentation, drawings, specifications, software, technical or engineering data and other forms, and may be communicated orally, in writing, by electronic means or media, by visual observation and by other means.

Suggestions. The term "Suggestions" means any new products or services, specifications, suggestions or other feedback made by Franchisee or Principal Equity Owners relating to the Outlet or to modify the System.

System. The term "System" means comprehensive marketing and operational systems prescribed by Franchisor to be used in the conduct of the Franchised Business, as set forth in this Agreement and the Confidential Operations Manual. The System includes (i) the Marks, (ii) know-how relating to Big Mama's and Papa's Products, (iii) advertising, marketing and sales programs and techniques, (iv) training programs, and (vi) related materials, artwork, graphics, layouts, slogans, names, titles, text and other Intellectual Property Rights that Franchisor makes available to Franchisee. In its sole discretion, Franchisor may improve or change the System from time to time (including but not limited to adding to, deleting or modifying elements of the System and amending the Confidential Operations Manual) for the intended purpose of making the System more effective, efficient, economical or competitive; adapting to or taking advantage of competitive conditions, opportunities, technology, materials or local marketing needs and conditions; enhancing the reputation or public acceptance of the System; or better serving the public.

Territory. The term "Territory" means the designated and agreed geographical area surrounding Franchisee's Outlet as set forth in Exhibit 1 attached hereto.

Trade Dress. The term "Trade Dress" means the unique and distinctive layout, design and color schemes relating to the Outlet, and the textures, sizes, designs, shapes, and placements of words, graphics, and decorations on products and packaging related to Big Mama's and Papa's Products.

Trade Secret. The term "Trade Secret" means information constituting a trade secret within the meaning of the Uniform Trade Secrets Act, as amended from time to time.

Transfer. The term "Transfer" means a sale, assignment, transfer, conveyance, pledge, mortgage, encumbrance, abandonment, elimination or giving away, voluntarily or involuntarily, by operation of law or otherwise.

II. THE FRANCHISED BUSINESS

2.1 Franchisor's Business.
Franchisor is engaged in the administration, development, operation and licensing of businesses that operate Outlets offering the Franchised Business, using the Marks, operational techniques, service concepts and proprietary information owned or authorized to be used by and identified with Franchisor and its affiliated companies. Franchisor's activities in general, and the System (including proprietary products and services; logos; equipment and operations; designs and layouts for the Outlets; marketing and advertising, specialty retail items and promotional activities) are undertaken to develop, maintain and enhance the Marks and Franchisor's business reputation.

2.2 The Franchise System.
Franchisor has developed and supervises the System and all Big Mama's & Papa's Pizzeria retail locations to be operated under the Marks operated in accordance with the provisions of Big Mama's & Papa's Pizzeria franchise agreements and Franchisor's Confidential Operations Manual, as periodically amended.

III. GRANT OF FRANCHISE

3.1 Grant of Franchise.

(a) By their respective signatures below, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, a license ("Franchise") to participate in and use the System to conduct the Franchised Business at the Outlet and within Franchisee's Territory and Delivery Area as described in Exhibit 1 attached hereto, in strict accordance with this Agreement and the Confidential Operations Manual, from the Effective Date until the end of the term hereof, and any additional term unless sooner terminated. So long as Franchisee complies with this Agreement, Franchisor will not authorize another Big Mama's & Papa's Pizzeria franchisee to operate, or itself operate, a Big Mama's & Papa's Pizzeria retail outlet in Franchisee's Territory.

(b) Franchisor is executing this Agreement in reliance that the Principal Equity Owners and other individuals identified in Exhibit 2 of this Agreement are the sole holders of a legal or beneficial interest in Franchisee. Franchisor must be given prior notice in writing, together with supporting documents, if there is any proposed change of (i) the equity ownership of Franchisee, (ii) management personnel of Franchisee, or (iii) control of Franchisee's entity, or if there is any proposed corporate reorganization including any merger, sale, transfer (whether part of or whole) of the assets, business or undertakings of Franchisee. Franchisor will not unreasonably withhold its consent to any such proposed change or reorganization. However, if Franchisor rejects Franchisee's request for a proposed change or requires a variation of the proposed change, Franchisee must comply with Franchisor's decision, and Franchisee's failure to do so may result in termination of this Agreement without liability to Franchisor.

(c) Each Principal Equity Owner (and their respective spouses, if applicable), must execute the Guarantee of Franchise Agreement attached as Exhibit 4 of this Agreement.

(d) Franchisee acknowledges that Franchisor may have granted and may in the future operate or grant other licenses and franchises for other retail and wholesale food service businesses outside the Territory. FRANCHISEE MAY NOT USE FRANCHISOR'S MARKS, OPERATIONAL TECHNIQUES, SERVICE CONCEPTS OR PROPRIETARY INFORMATION IN CONNECTION WITH ANY BUSINESSES OR SERVICES OTHER THAN THE FRANCHISED BUSINESS CONDUCTED BY FRANCHISEE AT THE OUTLET WITHOUT FRANCHISOR'S EXPRESS PRIOR WRITTEN PERMISSION, WHICH PERMISSION, IF GRANTED, WILL BRING SUCH BUSINESSES OR SERVICES WITHIN THE SCOPE OF THE FRANCHISED BUSINESS AND SUBJECT REVENUES THEREFROM TO PAYMENT OF ROYALTY AND MARKETING AND PROMOTION FEES.

3.2 Reserved Rights.

(a) Nothing contained herein accords Franchisee any right, title or interest in or to the Marks, System, marketing and operational techniques, service concepts, proprietary information or goodwill of Franchisor or associated with the System, except such rights as may be granted hereunder. **THIS AGREEMENT GRANTS FRANCHISEE ONLY THE RIGHT TO OPERATE THE FRANCHISED BUSINESS AT FRANCHISEE'S OUTLET AND NOWHERE ELSE UNLESS FRANCHISOR SPECIFICALLY ALLOWS FRANCHISEE TO OFFER BIG MAMA'S AND PAPA'S PRODUCTS ELSEWHERE. ALL OTHER RIGHTS ARE RETAINED BY AND RESERVED TO FRANCHISOR.**

(b) Franchisor reserves the right to develop other systems involving similar or dissimilar services or goods, under dissimilar service marks, trademarks and trade names belonging to Franchisor, without necessarily granting Franchisee any rights in those systems. Franchisor reserves all rights to market and sell Big Mama's and Papa's Products at venues other than Outlets and through other channels of distribution anywhere, including within Franchisee's Territory and Delivery Area.

3.3 Promotion and Development of Franchisee's Outlet.
Franchisee must (i) diligently and effectively promote, market and engage in the Franchised Business at its Outlet; (ii) develop, to the best of its ability, the potential for future Franchised Business within Franchisee's Territory and Delivery Area; and (iii) devote and focus a substantial portion of Franchisee's attentions and efforts to such promotion and development.

3.4 Extent of Grant.

(a) Franchisee understands and agrees that Franchisee is licensed hereby only for the operation of the Franchised Business at and from Franchisee's Outlet and only within Franchisee's Delivery Area (unless Franchisor specifically agrees otherwise on a case-by-case basis). Franchisee must offer and sell at Franchisee's Outlet and in Franchisee's Delivery Area only Big Mama's and Papa's Products and other goods and services that Franchisor designates as required or approved for all franchisees. Franchisor has the right to change and add other authorized goods and services, which Franchisee will then be required to offer. There are no limits on Franchisor's right to make changes to the offerings, except that the additional investment required of Franchisee for equipment, supplies and inventory will not exceed $50,000 in any 12 consecutive months.

(b) All online orders of Big Mama's and Papa's Products to be picked up at or delivered from Franchisee's Outlet may only be made through Franchisor's website. All telephone orders of Big Mama's and Papa's Products to be picked up at or delivered from Franchisee's Outlet may only be made through Franchisor's designated toll-free telephone number. Payments for online and telephone orders must be made by credit card payable to Franchisor or Franchisor's affiliated entity. After deducting Royalty due under section 4.2 below and other payments due Franchisor, the balance will be remitted to Franchisee's designated bank account by electronic funds transfer pursuant to section 4.4 below on the second business day of every other week.

(c) Franchisee may not deliver Big Mama's and Papa's Products (or other products or services ordered from Franchisee's Outlet or otherwise associated with the Marks) outside Franchisee's Delivery Area without Franchisor's prior written consent. Franchisee doing so without Franchisor's consent will be a material breach of this Agreement. The first two times Franchisee delivers outside the Delivery Area, Franchisor will send Franchisee a warning by letter or email. If Franchisee makes an unauthorized delivery outside the Delivery Area a third time (and each additional time after that), Franchisee must attend a retraining session of up to 5 hours at a location in southern California that Franchisor designates, pay Franchisor a $300 penalty and Franchisor may reduce Franchisee's Delivery Area by as much as 75%.

(d) Franchisee may not sublicense, sublease, subcontract or enter any management agreement, concession agreement, partnership agreement or joint venture agreement providing for, the right to operate the Franchised Business or to use the System granted pursuant to this Agreement.

3.5 Electronic Execution and Copies.

(a) Executed counterparts of this Agreement (or any portion of this Agreement) may be delivered by any of the parties by fax, electrical, digital, magnetic, optical, electromagnetic, or similar capability regardless of the medium of transmission (any such medium is referred to in this section 3.5(a) and the following section 3.5(b) as "electronic"), and such delivery will be effective and binding upon such party, and will not in any way diminish or affect the legal effectiveness, validity or enforceability of this Agreement.

(b) Franchisee acknowledges and agrees Franchisor may create an electronic record of any or all agreements, correspondence or other communication between Franchisor and Franchisee or involving third parties, and Franchisor may thereafter dispose of or destroy the original of any such document or record. Any such electronic record will be inscribed on a tangible medium or stored in an electronic or other medium and be retrievable in perceivable form and will be maintained in and readable by hardware and software generally available. Notwithstanding any statute, regulation or other rule of law to the contrary, Franchisee agrees any such electronic version of this or any other agreement or correspondence between the parties will have the same legal effect, validity and enforceability as an original of any such document, even if the original of such document has been disposed of or intentionally destroyed.

3.6 Obligations of Entity Franchisee.

(a) If Franchisee is an entity, Franchisee must provide Franchisor at the Effective Date with a copy of its organizational document and by-laws, shareholders' agreement, operating agreement or other agreement between the equity owners.

(b) If Franchisee is an entity, Franchisee must place the following legend on all certificates evidencing an equity interest:

"THE TRANSFER OF THE EQUITY INTEREST IN THE ENTITY REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A FRANCHISE AGREEMENT DATED __________________, 20___, BETWEEN THIS ENTITY AND BIG MAMAS AND PAPAS FRANCHISING, LLC. REFERENCE IS MADE TO SUCH FRANCHISE AGREEMENT AND THE RESTRICTIVE PROVISIONS CONTAINED THEREIN AND AS MAY BE OTHERWISE SET FORTH IN THE ORGANIZATIONAL DOCUMENTS AND OPERATING AGREEMENTS OF THIS ENTITY."

IV. INITIAL AND ON-GOING PAYMENTS BY FRANCHISEE

4.1 Initial Franchise Fee.

(a) The "Initial Franchise Fee" for a single franchised Outlet is $30,000. (However, if this Agreement is for a second or subsequent Outlet owned by Franchisee under the terms of an Area Development Agreement ("ADA") that Franchisee executed, a credit will be applied against the Initial Franchise Fee in the amount specified in the ADA and Franchisee must pay Franchisor the balance.)

(b) The Initial Franchise Fee (and all other payments to Franchisor for goods or services received from Franchisor before Franchisee's Outlet opens for business) is due and payable in full, by cashier's check or money order or wire transfer to Franchisor's bank account, when Franchisee signs this Agreement. **The Initial Franchise Fee is fully earned by Franchisor when paid.**

(c) If Franchisee is an existing pizza operator that has been operating for at least one year and is converting to the Big Mama's & Papa's Pizzeria brand and system, Franchisor will reduce the Initial Franchise Fee by $10,000 as a conversion allowance to defray the costs of rebranding, new equipment and Trade Dress.

(d) If one or more Principal Equity Owners is an active member of the U.S. Armed Forces or is a veteran of the U.S. Armed Forces who was honorably discharged within the past 10 years, Franchisor will discount the Initial Franchise Fee by 50% and Franchisee would pay $15,000.

(e) If before Franchisee's successful completion of initial training, either (i) Franchisor decides, in its sole discretion, that Franchisee should not operate a Big Mama's & Papa's Pizzeria business, or (ii) Franchisee does not obtain Franchisor's consent to the location of Franchisee's Outlet within 90 days after the Effective Date (see section 7.2 below), Franchisor may cancel this Agreement, without any liability to Franchisor, except that Franchisor will refund Franchisee's Initial Franchise Fee less any expenses Franchisor incurred relating to this Agreement. **Once Franchisee's initial Outlet opens for business, the Initial Franchise Fee (and, if applicable, the "Development Fee" paid under an ADA) is not refundable.**

(f) Except for the Initial Franchise Fee, any stated dollar amount in this Agreement may be adjusted in Franchisor's discretion based on changes in the CPI since the Effective Date.

4.2 Royalty.

(a) Beginning on the Opening Date, Franchisee must pay Franchisor a "Royalty" of 5% of Franchisee's Gross Revenues.

(b) Royalties are due and payable on a semi-monthly basis on the 1st and 16th of each month (unless that day is a banking holiday, in which case the Royalties are due and payable on the next business day). Royalties will be calculated on the Gross Revenues received during the semi-monthly periods ending on the 15th and last day of each month. Semi-monthly payments of Royalties are to be accompanied by a revenue report in the form prescribed by Franchisor.

(c) Commencing with the third full calendar month after the Opening Date, the minimum semi-monthly Royalty Franchisee must pay to Franchisor will be $750.

4.3 Marketing, Advertising and Promotion.

(a) Beginning on the Opening Date, Franchisee must pay Franchisor a "Marketing and Promotion Fee" of 3% of Franchisee's Gross Revenues.

(b) Marketing and Promotion Fees are due and payable on a semi-monthly basis on the 1st and 16th of each month (unless that day is a banking holiday, in which case the Marketing and Promotion Fees are due and payable on the next business day). Marketing and Promotion Fees will be calculated on the Gross Revenues received during the semi-monthly periods ending on the 15th and last day of each month.

(c) During the 60 days after the Opening Date, Franchisee must spend in Franchisee's Territory at least $7,500 on the grand opening advertising and promotion of Franchisee's Outlet, using the grand opening advertising and promotional program that Franchisor approves, including the "soft opening" to be held on or about the Opening Date and the grand opening event. Not later than 75 days after the Opening Date, Franchisee must provide Franchisor with a report itemizing Franchisee's expenditures on the grand opening advertising and promotion of Franchisee's Outlet.

(d) Commencing with the second full calendar month after the Opening Date, Franchisee must (i) spend at least 2% of Franchisee's monthly Gross Revenues on the local marketing, advertising and promotion of Franchisee's Outlet, using marketing and promotional materials pre-approved or otherwise authorized in writing by Franchisor ("Local Advertising"); and (ii) report to Franchisor by the third business day of each month all details of Franchisee's Local Advertising in the preceding month in the manner specified in the Confidential Operations Manual.

(e) On a regional or system-wide basis, Franchisor may impose an additional assessment upon affected franchisees for special designated advertising or promotional activities if two-thirds of all affected franchised Outlets agree to such additional assessment by affirmative vote.

(f) Franchisee must fully participate with any gift card, customer loyalty, referral and other contests and promotions Franchisor arranges for, requires or authorizes Big Mama's & Papa's Pizzeria franchisees to participate in. Details regarding such contests and promotions will be set forth in the Confidential Operations Manual.

(g) Franchisor determines the cost, form of media, content, format, production, timing (including regional or local concentration and seasonal exposure), location and all other matters relating to regional or system-wide advertising (including advertising paid from Marketing and Promotion Fee contributions), public relations and promotional campaigns.

(h) Franchisor may designate geographic areas for the purpose of establishing local or regional advertising cooperatives ("Cooperatives"). If Franchisor does so and the Outlet is within the territory of an existing Cooperative at the time the Outlet opens for business, Franchisee will immediately become a member of the Cooperative. Each member will be entitled to one vote for each franchised Big Mama's & Papa's Pizzeria Outlet they own. If a Cooperative applicable to the Outlet is established during the term of this Agreement, Franchisee will become a member no later than 30 days after the date approved by Franchisor for the Cooperative to commence operation. Franchisee will not be required to be a member of more than one Cooperative.

4.4 Electronic Funds Transfer.
Franchisor requires payment of the Royalty and Marketing and Promotion Fees by electronic funds transfer ("EFT"), through the Automated Clearing House ("ACH") electronic network for financial transactions (or such other automatic payment mechanism Franchisor may designate) directly from Franchisee's account into Franchisor's operating account. Franchisee must (i) execute and deliver to Franchisor's bank required pre-authorized check forms and other instruments or drafts to enable Franchisor to draw directly from Franchisee's bank account all fees payable under the terms of this Agreement and (ii) open and maintain a single bank account for such payments (with overdraft protection from Franchisee's operating account) always keeping the minimum balance in such

account as Franchisor may reasonably designate. Franchisee must not alter or close this account except upon Franchisor's prior written approval. Any failure by Franchisee to implement such EFT system in strict accordance with Franchisor's instructions will constitute a material breach of this Agreement.

4.5 Fees Fully Earned: No Setoff on Payments.
All payments made by Franchisee to Franchisor pursuant to this Article IV are fully earned and non-refundable (except as provided in section 4.1(d) above) when paid. All payments to be made by Franchisee to Franchisor will made be without setoff, deduction, defense, counterclaim or claims in recoupment.

4.6 Late Fee; Interest on Delinquent Payments.

(a) Any payment of Royalty and Marketing and Promotion Fees not received by Franchisor when due will be a material breach of this Agreement and will be subject to a late charge of 5% of the amount past due. Franchisor and Franchisee agree that the late charge of 5% of the amount past due is reasonable because (i) as a result of any such late payment, Franchisor will incur certain costs and expenses (including administrative costs, collection costs, loss of interest, and other direct and indirect costs in an uncertain amount); and (ii) it would be impractical or extremely difficult to fix in advance the exact amount of costs and expenses Franchisor would incur.

(b) In addition to a late payment penalties, all delinquent amounts will bear interest from the date payment was due at an annual percentage rate ("APR") of 18% (unless interest rates on delinquent payments in the state in which Franchisee's Outlet is located are limited by law to a lower APR, in which case that lower APR will apply), immediately payable upon the demand of Franchisor, and Franchisee must also reimburse Franchisor immediately upon demand for all reasonable costs of collection relating to delinquent amounts.

4.7 No Accord or Satisfaction.
If Franchisee pays, or Franchisor otherwise receives, a lesser amount than the full amount provided for under this Agreement for any payment due hereunder, such payment or receipt will be applied against the earliest amount due Franchisor. Franchisor may accept any check or payment in any amount without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere will constitute or be construed as an accord or satisfaction.

V. INITIAL TERM AND RENEWAL TERMS

5.1 Initial Term.
The initial term of this Agreement (applicable solely to the Outlet franchised hereunder) commences on the Effective Date and expires on the 10th anniversary of the Opening Date, unless sooner terminated pursuant to the provisions of this Agreement.

5.2 Renewal Terms.

(a) Upon written notice delivered to Franchisor not less than 120 days before the end of the existing term hereof, Franchisee may renew its rights granted under this Agreement for additional 10-year terms commencing on the expiration date of the previous term, subject to the provisions of sections 5.2(b) through 5.2(g) below.

(b) At the time of renewal, Franchisee must (i) then be solvent (which means that Franchisee is able to pay its debts as and when promised by Franchisee and that Franchisee has assets that are greater than its debts), (ii) not have abandoned the Outlet, (iii) not be operating the Franchise in a manner that endangers public health or safety or materially harms the Big Mama's & Papa's Pizzeria brand or reputation, and (iv) not have knowingly submitted false or incomplete reports to Franchisor during the expiring term.

(c) Notwithstanding section 5.2(a) above, Franchisor is not obligated to renew Franchisee's rights granted under this Agreement for an additional term if one or more of the following applies or occurs:

(i) Franchisee gives Franchisor written notice of Franchisee's intention not to renew this Agreement at least 180 days before the expiration of the initial term or any successor term;

(ii) during the 180 days prior to expiration of the Franchise, Franchisor permits Franchisee to sell the rights to operate the Franchised Business at the Outlet to a purchaser meeting Franchisor's then current requirements for granting new Franchises or (if Franchisor is not granting a significant number of new Franchises) the then current requirements for granting renewal Franchises;

(iii) termination of this Agreement would be permitted pursuant to sections 13.1 or 13.2 hereof;

(iv) Franchisee and Franchisor agree not to renew the Franchise;

(v) Franchisor withdraws from distributing its products or services through Franchises in the geographic market served by Franchisee, provided that:

(A) Upon expiration of the Franchise, Franchisor agrees not to seek to enforce any covenant of the non-renewed franchisee not to compete with Franchisor or other franchisees of Franchisor; and

(B) The failure to renew is not for the purpose of converting the business conducted by Franchisee pursuant to this Agreement to operation by employees or agents of Franchisor for Franchisor's own account;

(vi) at the time of renewal, Franchisee or any Principal Equity Owner has been convicted of a felony or a crime involving moral turpitude, consumer fraud or any other offense that is reasonably likely, in Franchisor's judgment, to have a materially adverse effect on the Marks, the System, or the goodwill associated with the Marks or System; or

(vii) Franchisor and Franchisee fail to agree to changes or additions to the terms and conditions of this Agreement, if such changes or additions would result in renewal of this Agreement on substantially the same terms and conditions on which Franchisor is then customarily granting renewal franchises, or if Franchisor is not then granting a significant number of renewal Franchises, the terms and conditions on which Franchisor is then customarily granting original franchise agreements. Franchisor may give Franchisee written notice of a date (which must be at least 30 days from the date of such notice) on or before which a proposed written agreement of the terms and conditions of the renewal Franchise must be accepted in writing by Franchisee. Such notice, if given not less than 180 days before the end of the Franchise term, may state that in the event of failure of such acceptance by Franchisee, the notice will be deemed a notice of intention not to renew at the end of the Franchise term.

(d) As a condition to renewing Franchisee's rights, duties and obligations hereunder, not later than 90 days before the end of the term that is expiring, Franchisee and Franchisor must sign either (i) Franchisor's then-current standard Franchise Agreement modified by addendum to remove provisions that only apply to a new franchisee, such as initial franchise fee and initial training requirements ("Renewal Franchise Agreement") or (ii) an addendum to this Agreement extending its term for an additional 10 year term. **IN ADDITION TO NOT GRANTING ANY ADDITIONAL RIGHTS BEYOND THOSE GRANTED IN THIS AGREEMENT, THE RENEWAL FRANCHISE AGREEMENT MAY CONTAIN OTHER TERMS THAT ARE SUBSTANTIALLY DIFFERENT FROM THOSE IN THIS AGREEMENT.** The Renewal Franchise Agreement, when executed, will supersede this Agreement.

(e) At the time of renewal, Franchisee must have satisfied all monetary obligations owed by Franchisee to Franchisor and to Franchisor's affiliates and all other material obligations under this Agreement, and Franchisor may examine Franchisee's books and records to verify compliance with this requirement anytime during normal business hours within 60 days of Franchisee's renewal date.

(f) Before or not later than 90 days after Franchisee's execution of a Renewal Franchise Agreement for an additional term, Franchisee must make such physical modifications to Franchisee's Outlet as are reasonably necessary so that they are substantially consistent with the then current System requirements, and so that they can accommodate new Big Mama's and Papa's Products, if any. Franchisee must also bring Franchisee's Outlet and equipment, materials and supplies into compliance with the standards then applicable to new Big Mama's & Papa's Pizzeria franchises.

(g) When Franchisee signs the Renewal Franchise Agreement, Franchisee must pay Franchisor a "Renewal Fee" of $5,000.

5.3 Month to Month Extension; Longer Notice of Expiration Required by Law.

(a) At Franchisor's option, to be exercised in Franchisor's sole and absolute discretion, if the renewal procedures described in section 5.2 above have not been completed, Franchisor may extend this Agreement on a month-to-month basis by notifying Franchisee that Franchisor is doing so. Any month-to-month extension will continue until Franchisor gives Franchisee at least 30 days' notice that the Franchise rights must be formally renewed in accordance with section 5.2 or this Agreement will expire and be terminated.

(b) If applicable law requires Franchisor to give a longer period of notice to Franchisee than herein provided prior to the expiration of the initial term or any successor term, Franchisor will give such additional required notice. If Franchisor does not give such required additional notice, this Agreement will remain in effect on a month-to-month basis only until Franchisee has received such required additional notice.

VI. TRAINING AND ASSISTANCE

6.1 Initial Training.

(a) It is critically important for Franchisee's General Manager and Principal Equity Owners to understand the Franchised Business and the System, and for Franchisee's General Manager and other key employees to have been trained how to operate the Franchised Business. Accordingly, Franchisor will provide to Franchisee's General Manager and at least one of Franchisee's Principal Equity Owners, an initial training program, providing an orientation to the System and instructions on how to operate the Franchised Business. Unless there are extenuating circumstances which, in Franchisor's reasonable determination, justify a delay (including Force Majeure), Franchisee's required trainees must attend the next Initial Training offered by Franchisor. Franchisee may not open and operate Franchisee's Outlet until Franchisee's General Manager has satisfactorily completed Initial Training. Franchisee acknowledges and agrees only Franchisor may determine whether Franchisee's General Manager satisfactorily completes Initial Training.

(b) The failure of Franchisee's General Manager to complete Initial Training to Franchisor's satisfaction will be grounds for termination of this Agreement; provided, however, before this Agreement is so terminated, Franchisee's General Manager who fails to successfully complete Initial Training will be offered the opportunity to retake Initial Training or Franchisee may send a replacement General Manager, approved by Franchisor, to the next available Initial Training program. Franchisee must pay Franchisor a fee of $1,500 for each Initial Training attended by a retaking or replacement General Manager.

(c) The Initial Training course will be structured to provide practical training in the implementation and operation of the Franchised Business and may include such topics as System procedures, standards, marketing and customer service techniques, reports and equipment maintenance. Franchisor will determine the contents and manner of conducting the Initial Training.

(d) There is no separate fee payable to Franchisor for the Initial Training program provided to Franchisee's initial General Manager, two kitchen managers/chefs/shift leaders and Franchisee's Principal Equity Owners. Franchisee may be required to pay Franchisor a fee of $1,500 for each additional attendee of Initial Training, and Franchisor has the sole right to approve any additional attendee of Initial Training.

(e) All costs and expenses (including travel, lodging and meals) of Franchisee's attendees of Initial Training will be Franchisee's sole responsibility. All persons attending Initial Training on Franchisee's behalf must have a demonstrable relationship to the management and operation of Franchisee's Outlet.

6.2 Training and Assistance after Opening.

(a) After Franchisee opens and begins operating its Outlet, Franchisor will provide Franchisee with access to, list Franchisee's Outlet on, and integrate other information about Franchisee's Outlet into, the Big Mama's & Papa's Pizzeria website, which may include access to a password protected, digital copy of the Confidential Operations Manual (any future updates or modifications to Franchisee's presence on the Big Mama's & Papa's Pizzeria website may be at Franchisee's cost and expense).

(b) After Franchisee opens and begins operating the Franchised Business at the Outlet, Franchisor will provide Franchisee with telephone and e-mail assistance at Franchisee's request or otherwise as Franchisor deems necessary to instruct in all phases of the operation of the Franchised Business. Franchisor's representatives may visit Franchisee's Outlet from time to time, but the frequency and duration of any such visits by Franchisor's representatives is in Franchisor's sole discretion. In addition, Franchisor will be available on an ongoing basis at Franchisor's principal place of business for consultation and guidance regarding the operation and management of the Outlet and the Franchised Business. Other than providing Franchisee general guidelines for tax and federal employment compliance in the Confidential Operations Manual, Franchisor does not provide Franchisee with assistance in contracting with agents or hiring employees.

(c) After Franchisee opens and begins operating the Franchised Business at the Outlet, and upon reasonable notice, Franchisor may require attendance of Franchisee's designated personnel at training courses, seminars, conferences or other programs other than Initial Training or mandatory meetings (described in section 6.3 below) that Franchisor deem to be relevant or appropriate to the operation of the Franchised Business. Franchisee specifically agrees that only persons trained by Franchisor or under Franchisor's supervision will have overall responsibility for the operation of the Outlet and Franchised Business, and that Franchisee will send its General Manager to Franchisor for additional training if Franchisor requests this. Franchisor may at its discretion charge Franchisee an additional training fee of up to $750 per day for Big Mama's & Papa's Pizzeria training courses, seminars, conferences or other programs that Franchisor requires Franchisee or Franchisee's representatives to attend.

(d) Franchisor may but is not required to make available to Franchisee optional staff training courses, seminars, conferences or other programs, at a suitable location selected by Franchisor. Franchisor may charge Franchisee a separate fee of up to $750 per day for this optional training.

(e) In addition to updates to the Confidential Operations Manual, Franchisor may provide Franchisee with additional materials relating to the Franchised Business. Franchisor may also from time to time make available to Franchisee for purchase other materials relevant to the Outlet, the Franchised Business and the System.

(f) All costs and expenses (including travel, hotel and meal) of Franchisee's attendees at any post-opening training, conferences or meetings will be Franchisee's sole responsibility. All persons attending post-opening training, conferences or meetings on Franchisee's behalf must have a demonstrable relationship to the management and operation of Franchisee's Outlet.

(g) In the event of a Transfer of Franchisee's rights, duties and obligations under this Agreement (which must be done in full compliance with section 12.2 of this Agreement), the transferee must be trained by Franchisor as a condition of Franchisor's consent to such Transfer. The transferred Franchise may not be operated by the transferee until Franchisor accepts the transferee in writing as being qualified to operate the Outlet and the Franchised Business and Franchisor has otherwise consented to the Transfer in accordance with this Agreement.

6.3 Mandatory Meetings.
Not more often than once each year, Franchisor may conduct a system-wide meeting or series of regional meetings to discuss Big Mama's & Papa's Pizzeria business activities or other matters relating to the Franchised Business. Attendance of a Principal Equity Owner at these meetings will be mandatory (and is highly recommended for Franchisee's General Manager and Franchisee's other Principal Equity Owners). Franchisor may limit the number of Franchisee's attendees at these meetings. Franchisee must pay the cost of travel, lodging and meal expenses for Franchisee's attendees at these mandatory meetings. The mandatory meetings referenced in this section 6.3 are in addition to any voluntary convention or sales conference that may be coordinated by Franchisor.

6.4 Proprietary Materials.
At Initial Training and other training programs and conferences, Franchisor may provide Franchisee with Proprietary Information, as well as training materials, training curricula and related materials for Franchisee's use in training Franchisee's staff. All these items are and will remain Franchisor's sole and exclusive property. Franchisee must not, nor allow its employees or others to, copy, reproduce, disseminate or otherwise reveal to third parties any Proprietary Information and related materials, without Franchisor's express prior written consent.

VII. OPENING OF OUTLET AND FRANCHISED BUSINESS

7.1 Franchisee's Outlet.
The Franchised Business may only be operated by Franchisee at or from Franchisee's Outlet. If Franchisee's Outlet has not been identified when Franchisee signs this Agreement, the exact location of Franchisee's Outlet will be inserted into a restated Exhibit 1 attached to this Agreement as soon as its location has been determined. To promote the orderly and timely service of Big Mama's & Papa's Pizzeria customers, Franchisee may not cater or deliver Big Mama's and Papa's Products outside Franchisee's Delivery Area without Franchisor's prior written consent. Due to landlord obligations under other leases or other restrictions imposed by government authorities, not

all Big Mama's and Papa's Products may be available to be offered to customers at some Outlets (including Franchisee's Outlet).

7.2 Building Out Franchisee's Outlet.

(a) Premises acceptable to Franchisor where Franchisee's Outlet will be operated must be located and secured by Franchisee and reviewed and consented to by Franchisor within 365 days after the Effective Date. Within 15 days thereafter Franchisor will review and either consent to or disapprove the location (and if Franchisor disapproves, Franchisee must promptly propose an alternative location). If Franchisee has not located a site for Franchisee's Outlet that is acceptable to Franchisor within 365 days after the Effective Date, Franchisor may cancel this Agreement on the basis of Franchisee's failing to find an acceptable site and if Franchisor does so, Franchisor will refund Franchisee's Initial Franchise Fee, less any expenses Franchisor incurred in processing Franchisee's Franchise and this Agreement up to the date of cancellation.

(b) Franchisee must build out Franchisee's Outlet (and commence operation of the Franchised Business there) within 180 days after Franchisor approves the Outlet premises, using architects, project managers, contractors, subcontractors, architectural plans and key equipment suppliers designated by Franchisor (or one of Franchisor's affiliated companies) or otherwise reasonably acceptable to Franchisor. Franchisee must commence operation of the Franchised Business at Franchisee's Outlet as soon as practicable after Franchisee's receipt of a certificate of occupancy (or equivalent document) from the responsible local government authority. If after Franchisee has located and secured suitable premises (that Franchisor consents to) for its Outlet, Franchisee has not commenced operation of the Franchised Business within 365 days after the Effective Date, Franchisor may terminate this Agreement effective on written notice and if Franchisor does so, Franchisee will not be entitled to receive any refund of the Initial Franchise Fee. If this Agreement is for a second or subsequent Outlet owned by Franchisee under the terms of an ADA Franchisee executed, Franchisee must commence operation of the Franchised Business at the Outlet within the time period specified in the Development Schedule included in the ADA. Franchisor may give Franchisee one-month extensions to open the Outlet beyond the mandatory dates specified above in this section 7.2(b) if Franchisor deems in its sole discretion that Franchisee has made diligent efforts to open, but was unable to do so due to reasons beyond Franchisee's reasonable control.

(c) Franchisor may, but is not obligated to, assist Franchisee in the site selection process. However, Franchisor reserves the sole right of final review and consent to any location of the Outlet. Franchisor uses available demographic information to evaluate the site and the area in which it is located, and analyze area income figures, traffic patterns, visibility, population density, competition, zoning, parking, accessibility and other related, relevant circumstances. Franchisor's final review and consent to the location of Franchisee's Outlet is not a guarantee that a Big Mama's & Papa's Pizzeria business can be successfully operated there or anywhere else.

(d) Franchisor will provide Franchisee with a sample prototype layout for the Outlet. At Franchisee's sole expense, Franchisee must employ architects, designers, engineers or others designated or approved by Franchisor to complete, adapt, modify or substitute the sample plans and specifications for the Outlet. The architect must submit a complete set of final plans and specifications to Franchisor before commencing construction of the Outlet. Franchisor will review these plans and specifications promptly and accept them as stated or provide Franchisee with Franchisor's comments on the plans and specifications. Franchisor will have complete and uncontested control over the design of the Outlet and Franchisee may not modify the design or choose third party designers without Franchisor's express written consent. Franchisee may not commence construction of the Outlet until Franchisor consents in writing to the final plans, specifications and contractors to be used in constructing the Outlet. Franchisor will consult with Franchisee, to the extent Franchisor deems necessary, on the construction and equipping of the Outlet (and Franchisor may require the Outlet to have a certain color scheme and decorative trade dress), but it is and will remain Franchisee's sole responsibility to diligently construct, equip and otherwise make ready, and then open the Outlet. Franchisee is responsible, at Franchisee's expense, for obtaining all zoning classifications, permits, clearances, certificates of occupancy and center clearances which may be required by governmental authorities and to comply with all covenants, conditions, easements, and restrictions of record.

(e) Franchisee must use licensed general contractors, designers, vendors and architects accepted by Franchisor before performing construction work at Franchisee's Outlet. Franchisor expressly disclaims any representation or warranty of the quality of any goods or services provided by architects, contractors, or any other persons or entities which Franchisor may refer to Franchisee, including any warranty as to merchantability or fitness for any particular purpose. Franchisor is not responsible for delays in the construction, equipping or decoration of the Outlet or for any loss resulting from the Outlet design or construction since Franchisor has no control over the landlord or developer and numerous construction-related problems which could occur, consequently delaying the opening of Franchisee's Outlet. Franchisor must approve in writing all changes in the Outlet plans prior to construction of the Outlet or the implementation of such changes.

(f) Franchisor must have access to Franchisee's Outlet while work is in progress. Franchisor may make video records of construction in process and may require such reasonable alterations to or modifications in the construction of the Outlet that Franchisor deems necessary. Franchisee's failure to promptly commence and diligently complete the design, construction, inventorying, equipping and opening of the Outlet will be a material breach of this Agreement. If Franchisee does not complete the build out of the Outlet in a reasonable time, Franchisor can complete the build out, all expenses of which will then be paid or reimbursed to Franchisor by Franchisee. Before the Outlet opens to retail customers and before final inspections by any governmental agency, Franchisor will complete a final "walk through" inspection of the Outlet and issue a written consent to open. Any deficiencies noted by Franchisor because of this inspection must be corrected by Franchisee within 30 days or this Agreement may be terminated without any liability to Franchisor.

(g) Unless otherwise agreed to in writing by Franchisee and Franchisor, Franchisee has the sole responsibility for locating, securing and obtaining suitable premises for Franchisee's Outlet. Franchisee and Franchisee's landlord will be required by Franchisor to execute a rider to Franchisee's lease (or other written agreement or written understanding incorporated in, or attached as a rider to, the lease) that (i) grants Franchisor an option to assume Franchisee's position as lessee under the lease for the Outlet premises if Franchisee is in material breach of either the lease for the Outlet premises (including an obligation of the landlord to notify Franchisor if Franchisee is in such breach) or this Agreement, (ii) grants Franchisor the right to assign the lease to a *bona fide* franchisee of the System after assuming the lease, and (iii) requires the landlord to fully cooperate with Franchisor in completing de-identification of the Outlet if this Agreement is terminated or expires without being renewed and Franchisor does not exercise its option to assume the lease for the Outlet premises.

(h) Franchisor has the right to regularly inspect Franchisee's Outlet and any other site where Franchisee conducts the Franchised Business.

7.3 Equipment and Inventory.

(a) Throughout the term of this Agreement, Franchisee must maintain the minimum amount of inventory of Big Mama's and Papa's Products and other supplies as specified in the Confidential Operations Manual. Within the timeframes that Franchisor specifies before the Opening Date, Franchisee must also order from (and if necessary pre-pay to) designated or approved suppliers the required or recommended (i) proprietary equipment, (ii) initial inventory of Big Mama's and Papa's Products and other supplies and accessories necessary for Franchisee to provide Big Mama's and Papa's Products to Franchisee's customers, (iii) required furniture, fixtures and non-proprietary equipment, and (iv) additional items as specified in the Confidential Operations Manual, with delivery scheduled for not later than two business days before the Opening Date. Thereafter, Franchisee must buy replacement or additional inventory, furniture, fixtures, equipment, accessories and other authorized items only from vendors designated by Franchisor or suppliers approved by Franchisor.

(b) Franchisee must also purchase non-proprietary fixtures, furnishings, equipment, POS System, computer hardware, software and peripheral equipment as specified in the store development materials and the Confidential Operations Manual, in adequate quantities and sufficiently in advance to allow Franchisee to fully operate Franchisee's Outlet on the Opening Date.

(c) Franchisee must buy interior and exterior signs, other materials containing the Marks, and employee uniforms and other apparel containing the Marks only from vendors or suppliers designated or approved by Franchisor.

(d) Franchisee must also purchase non-proprietary supplies, paper goods, services, packaging, forms and other products and supplies to constitute Franchisee's complete initial inventory of such items as specified in the Confidential Operations Manual, with delivery scheduled for not later than two business days before the Opening Date.

(e) Franchisor and its affiliated entities reserve the right to derive and receive revenues, rebates or other material consideration from required purchases or leases by System franchisees, and to retain for itself or use such revenues, rebates or other material consideration as Franchisor deems appropriate.

7.4 Delivery Vehicle.
Franchisee must purchase or lease at least two Delivery Vehicles, which must be the make and model specified by Franchisor in the Confidential Operations Manual, and in good operating condition and appearance. Decals or other signage displaying the Marks and other identifying marks must be placed on the Delivery Vehicles in accordance with Franchisor's specifications. Franchisee is responsible for all operating and other expenses associated with Franchisee's Delivery Vehicles. If this Agreement is terminated for any reason, Franchisee must immediately remove the Marks and any logos and other identifying marks from all of Franchisee's Delivery Vehicles.

7.5 Marketing and Advertising Boundaries.
The marketing and advertising boundaries within which Franchisee is to operate under this Agreement are determined by Franchisor and may be changed by Franchisor or overlap with the territories and delivery areas of other Big Mama's & Papa's Pizzeria franchised outlets as market conditions or type of media warrant, all in Franchisor's sole discretion (and such marketing and advertising boundaries may exceed the Delivery Area provided herein). Franchisee may not directly promote, advertise or otherwise market the Outlet outside the boundaries of the Delivery Area or other marketing or advertising boundary that Franchisor designates, unless Franchisor gives express written permission for Franchisee to do so.

VIII. OPERATION OF FRANCHISED BUSINESS

8.1 Operational Requirements.

(a) At all times, and subject to applicable state law and regulations, Franchisee must be, or employ, a General Manager who will devote his or her entire time during normal business hours, as defined in the Confidential Operations Manual, to the management, operation and development of the Franchised Business. The General Manager must ensure that Franchisee fulfill its obligations to Franchisee's customers in a timely and professional manner and he or she may not engage in any other business requiring his or her active participation during normal business hours. At least one Principal Equity Owner must participate personally in the direct operation of the Outlet.

(b) Franchisee must sell to customers at Franchisee's Outlet Big Mama's and Papa's Products and other food and beverages specified in Franchisor's then authorized menu, and related products and accessories supplied by designated vendors and approved suppliers for resale by Franchisee at Franchisee's Outlet in accordance with this Agreement and the Confidential Operations Manual (as periodically amended by Franchisor).Franchisee must only operate the Franchised Business at Franchisee's Outlet, in strict accordance with the procedures set forth in the Confidential Operations Manual or otherwise provided to Franchisee by Franchisor in writing. Franchisee must maintain an adequate level of supplies and inventory to properly operate Franchisee's Outlet. Online ordering by customers of Big Mama's and Papa's Products may only be made through the authorized page on Franchisor's website. Franchisee must use the standard signs and formats that Franchisor prescribes in operating the Outlet and conducting the Franchised Business. Franchisee must cooperate with third-party delivery services picking up orders of Big Mama's and Papa's Products for delivery to retail customers within the Delivery Area.

(c) To protect and maintain the integrity, reputation and goodwill of the System and the Marks, Franchisor requires that Franchisee comply with the methodology Franchisor prescribes in providing Big Mama's and Papa's Products to customers, including specific requirements for proper refrigeration on Delivery Vehicles and other vehicles of third-party delivery services used to deliver Big Mama's and Papa's Products. To enhance uniformity in the delivery of goods and services to retail customers by Franchisor's franchisees and the strength of Franchisor's Marks in inter-brand competition, and subject to applicable federal and state antitrust laws, Franchisor may recommend retail prices for specific Big Mama's and Papa's Products and other products and services Franchisor authorize for sale at Franchisee's Outlet. If Franchisor does so, Franchisee may not advertise or promote (whether by telephone, printed materials or any other media, including social media) retail prices that are inconsistent with these recommended prices. Also, to the extent permitted by federal and state law applicable to the Outlet, Franchisor may designate maximum and minimum retail prices to be charged for Big Mama's and Papa's Products.

(d) Franchisee's Outlet must be open on a full-time basis in accordance with the hours of operation as designated in the Confidential Operations Manual. The obligation to remain open will not apply if Franchisee experiences a Force Majeure.

(e) If the Outlet is configured for the on-premises consumption or off-site delivery of beer and wine, Franchisee must obtain and maintain the necessary licenses and permits from Franchisee's state or local agency regulating the on-premises sale and consumption or off-site delivery of beer and wine to permit Franchisee to offer and sell at the Outlet or deliver within the Delivery Area beer and wine as authorized in the Confidential Operations Manual (or otherwise by Franchisor in writing). The costs of these licenses and permits vary, but it is Franchisee's responsibility to determine exactly what this beer and wine license will cost. Franchisee may not serve at, or deliver from, the Outlet alcoholic beverages other than beer and wine. Franchisee must always supervise its employees to make sure Franchisee's customers are served and consume alcoholic beverages responsibly. Franchisee must also always employ and maintain enough security personnel on and near the Outlet premises to provide adequate care and custody of Franchisee's customers.

(f) Franchisee must promptly satisfy any *bona fide* indebtedness that Franchisee incurs in operating the Outlet and the Franchised Business. Contractors, subcontractors, vendors and suppliers providing services to Franchisee must be paid in accordance with the terms of their agreements with Franchisee.

(g) Franchisee must notify Franchisor in writing within 10 business days after Franchisee receives actual notice of the commencement of any investigation, action, suit, or other proceeding, or the issuance of any order, writ, injunction, award, or other decree of any court, agency, or other governmental authority that pertains to the Outlet or the Franchised Business, or that may adversely affect Franchisee's operations at the Outlet or Franchisee's ability to meet its obligations under this Agreement.

(h) If anything occurs at the Outlet or in the Delivery Area that causes or may cause harm or injury to retail customers or Franchisee's employees, or that may damage the System, Marks, or image or reputation of the Franchised Business or Franchisor or Franchisor's affiliates, Franchisee must immediately inform Franchisor's designated contact person as instructed in the Confidential Operations Manual by telephone, e-mail, text or other electronic messaging medium authorized by Franchisor for this purpose. Franchisee must cooperate fully with Franchisor in any response to an incident described in this section 8.1(h).

(i) If there is any *bona fide* dispute as to any liability for taxes assessed or other indebtedness, Franchisee may contest the validity of the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, Franchisee may not permit a tax sale or seizure by levy or similar writ or warrant, or attachment by a creditor to occur against the premises of the Outlet or any of its improvements.

(j) Without Franchisor's prior written consent, Franchisee may not engage in any "Co-branding" with other businesses nor allow subtenants in the Outlet. Franchisor is not required to approve any Co-branding chain or arrangement except in Franchisor's discretion, and only if Franchisor recognizes that Co-branding chain as an approved co-brand for operation within the System. Unauthorized Co-branding and subtenants include the operation of an independent business, product line or operating system owned or licensed by another entity (not Franchisor) featured or incorporated within Franchisee's Outlet or the Franchised Business operated by Franchisee in the Territory or Delivery Area or adjacent to the Outlet and operated in a manner likely to cause the public to perceive it to be related to the Outlet and Franchised Business licensed to Franchisee hereunder.

(k) Franchisor may open commissaries for the purpose of selling and supplying Big Mama's and Papa's Products and related food products and non-food products (such as pizza boxes, paper plates, cups and food wrappers on which the Marks are reproduced.

(l) Franchisee agrees to participate in all Big Mama's & Papa's Pizzeria promotions described in Franchisor's website and all Franchisor-authorized charitable fundraising and group discount programs. (m) Franchisee must not accept cash payments from customers at the Outlet which are not reported to Franchisor or incorrectly reported. If this occurs, Franchisor can assess a fine of $500 each time it happens and declare Franchisee in material breach of this Agreement.

(n) Franchisee agrees to diligently consider customer reviews and respond to customer indications of dissatisfaction with services rendered by Franchisee in a diligent and professional manner and agrees to cooperate with representatives of Franchisor in any investigation undertaken by Franchisor of complaints respecting Franchisee's activities.

8.2 Confidential Operations Manual.

(a) Franchisee must operate the Franchised Business in accordance with the Confidential Operations Manual, a copy of which will be loaned to Franchisee (and Franchisee may be given access to a digital copy of the Confidential Operations Manual on or through Franchisor's website). Franchisee may also be provided with a hard copy of all or portions of the Confidential Operations Manual at Initial Training or afterwards. Franchisor has the right to modify the Confidential Operations Manual at any time by the addition, deletion or other modification of the provisions thereof. All such additions, deletions or modifications are effective on the next business day after delivery to Franchisee or the digital copy maintained on Franchisor's website is changed.

(b) All additions, deletions or modifications to the Confidential Operations Manual are equally applicable to all similarly situated Big Mama's & Papa's Pizzeria franchisees. As periodically modified by Franchisor, the Confidential Operations Manual will be deemed to be an integral part of this Agreement and references to the Confidential Operations Manual made in this Agreement, or in any amendments or exhibits hereto, are deemed to mean the Confidential Operations Manual. However, the Confidential Operations Manual, as periodically modified or amended by Franchisor, will not alter Franchisee's fundamental status and rights under this Agreement. If there is any discrepancy or dispute about the version of the Confidential Operations Manual that Franchisee may have printed and maintain, the master copy of the Confidential Operations Manual that Franchisor maintains at its headquarters and available on Franchisor's website will be the controlling version and will supersede all prior versions.

(c) If Franchisee loses printed portions of, or allows unauthorized access to or duplication of, the Confidential Operations Manual or any other confidential manuals or proprietary materials loaned to Franchisee by Franchisor, Franchisee must request a replacement within three business days, and Franchisee will be deemed to be in material breach of this Agreement and all other agreements Franchisee has with Franchisor and its affiliated entities.

(d) Upon the expiration, termination or cancellation of this Agreement for any reason, Franchisee, the General Manager and any other employee having possession thereof, must immediately return to Franchisor any printed portions of the Confidential Operations Manual then in Franchisee's or their possession. Except as specifically permitted by Franchisor, at no time may Franchisee or Franchisee's employees or agents (i) make, or cause to be made, any copies or reproductions of all or any portion of the Confidential Operations Manual, (ii) give online access to the Confidential Operations Manual to unauthorized persons, or (iii) disclose any part of the Confidential Operations Manual to any other person except Franchisee's authorized employees and agents when required in the operation of the Outlet and the Franchised Business. Franchisee must also permanently erase anything relating to Franchisor or the Franchised Business from any computers and other media storage devices Franchisee retain after expiration, cancellation or termination of this Agreement.

8.3 Menu and Standards of Operation.

(a) A standard menu format is required by Franchisor and must be used by Franchisee. Any changes, additions or deletions in the menu format to be used at the Outlet must be approved in writing by Franchisor prior to its use by Franchisee. Franchisee agrees to indemnify and hold Franchisor and Franchisor's affiliated entities, equity owners, managers, officers, employees and agents harmless from and against all losses, damages, costs or expenses, including attorney's fees, resulting from any change Franchisee makes in the standard menu or for any deviation of Franchisee's products from the descriptions contained in Franchisor's approved menu. Franchisor may change the standard menu format at any time.

(b) To enhance the customer experience at the Outlet and to protect Franchisor's reputation, Franchisor is entitled to prescribe standard uniforms and attire for all of Franchisee's personnel. Franchisee is required to obtain such uniforms and attire only from an e-store set up by Franchisor or from other designated or approved manufacturers or distributors.

(c) Franchisee agrees that Franchisor, Franchisee and everyone else involved in the System benefits from the maintenance of the highest standards of uniformity, quality, similar appearance and prominent display of the Marks at Franchisee's Outlet and elsewhere in Franchisee's Territory and Delivery Area. Therefore, Franchisee agrees to maintain the uniform standards of quality, appearance and display of the Marks in strict accordance with this Agreement and the Confidential Operations Manual as it may be periodically revised, or as Franchisor may otherwise direct in writing. To assist Franchisor in maintaining consumer brand recognition through advertising and an effective network of franchisees, Franchisee specifically agrees it will not display the Marks except in the manner Franchisor authorizes.

8.4 Point of Sale System.

(a) Franchisee must purchase, use and maintain the computerized point of sale cash collection system and integrated business computer (including all related hardware and software) as specified in the Confidential Operations Manual or otherwise by Franchisor in writing for use at the Outlet (the "POS System"). The POS System must always be powered on and connected to a dedicated high-speed communications medium specified by Franchisor, capable of accessing the Internet for the purpose of implementing software, transmitting and receiving data, accessing the Internet in the manner designated by Franchisor in the Confidential Operations Manual or otherwise in writing. Franchisee must obtain and maintain an annual maintenance agreement with the manufacturer or distributor of the POS System. The POS System must be electronically linked to Franchisor. Franchisor may electronically access the POS System and any of Franchisee's Internet domain names or email addresses on a daily or other basis at such times and in such manner as determined by Franchisor, with or without notice, to retrieve such transaction information including sales, sales mix, usage and other operations data as Franchisor deems appropriate. Franchisee must ensure that only adequately trained employees conduct transactions using the POS System. Within a reasonable time upon Franchisor's request, Franchisee must apply for and maintain debit cards, credit cards or other non-cash systems existing or developed in the future to enable customers to purchase Big Mama's and Papa's Products via such procedure, as specified by Franchisor. Franchisor may require Franchisee to update, upgrade or replace the POS System, including hardware or software, periodically upon written notice; however, Franchisee will not be required to replace the POS System any more frequently than once every three years (unless the POS System has been impaired by actions of Franchisee or Franchisee's employees). The POS System must also be configured and enabled to send daily and weekly sales reports to the email address provided by Franchisor.

(b) Franchisor may designate the computer software to be used in the operation of the POS System ("Designated Software"). If Franchisor does so, Franchisee must license or sublicense such Designated Software from Franchisor's designee and enter into a software license agreement on the software licensor's then-current form and pay any related license or maintenance fees. Franchisee may also be required to purchase any upgrades, enhancements or replacements to the Designated Software. Franchisee must incorporate any required modifications or additions within 30 days after receiving written notice from Franchisor, unless a longer time period is stated in the notice

(c) Franchisee may not install, and must prohibit others from installing, unauthorized software on the POS System. Franchisee must take all commercially reasonable measures to ensure no malicious code, malware or other unauthorized code or software is installed on, or transmitted by, the POS System. Franchisee must always communicate to Franchisor all passwords, access keys and other security devices or systems necessary to permit Franchisor to access the POS System and obtain the data Franchisor is permitted to obtain under this Agreement, including accounting, sales, marketing, client and other information to assist in and support the operation of the Franchised Business.

(d) All information on the POS System, including customer data and contact information, is Franchisor's property and Franchisee consents to Franchisor using this information in any way Franchisor sees fit, including to market other products and services not constituting Big Mama's and Papa's Products or other products and services specifically authorized by Franchisor.

(e) Franchisor may disclose information relating to Franchisee's operation of the Franchised Business, including, but not limited to, Gross Revenues, customer counts, and other related data, to future prospective franchisees.

8.5 Maintenance, Upgrades and Refurbishments to the Outlet.

(a) Franchisor requires Franchisee to maintain and periodically refurbish the Outlet to conform to the then-current building design, Trade Dress, and color schemes then applicable for an Outlet. Such maintenance and refurbishment may require expenditures by Franchisee on, among other things, structural changes, installing new equipment, remodeling, redecoration and modifications to existing improvements and such modifications as may be necessary to comply with System-wide standards then in effect for Outlets or to accommodate new Big Mama's and Papa's Products. Accordingly, Franchisee must (i) maintain all equipment used at the Outlet on an as needed basis, (ii) immediately and completely resolve to Franchisor's satisfaction any maintenance deficiencies Franchisor identifies and (iii) make all upgrades to equipment and any technology used in Outlet that Franchisor may require. (b) Franchisor may periodically require Franchisee to update the Trade Dress used at the Outlet. Such updates will be contained in the Confidential Operations Manual or otherwise provided to Franchisee in writing. Such updates may require Franchisee to install new color schemes, logos, signage or other visual elements. Franchisor anticipates that such Trade Dress updates will be required no more frequently than once every five years.

(c) Franchisee will always be required to make upgrades and refurbishments to the Outlet before renewing the Franchise pursuant to section 5.2(f) of this Agreement. Otherwise, Franchisor will only require the types of modifications and expenditures described in sections 8.5(a) and 8.5(b) if Franchisor makes a good faith determination that the Outlet is substantially inconsistent with prevailing System-wide standards (including the Trade Dress, safety issues regarding customers and employees, the overall condition of the Outlet, or the type, quality or condition of the equipment needed to adequately prepare, promote and sell Big Mama's and Papa's Products) and that, because of its appearance or condition, the Outlet is either (i) not adequately positioned to promote and sell Big Mama's and Papa's Products as then required or (ii) damaging the integrity of the Big Mama's & Papa's Pizzeria image, brand or Marks.

8.6 Relocation of Franchisee's Outlet.

(a) If Franchisee desires to relocate the Outlet, Franchisee may do so provided that not less than 90 days prior to the desired date of relocation (unless prior notice is impractical because of a required relocation in which event notice must be given as soon as possible), Franchisee makes a written request for consent to relocate, describing the reasons for the relocation and providing complete written details respecting any proposed new location.

(b) Within 20 business days after receiving Franchisee's request, Franchisor will either approve or disapprove in writing such closure or relocation. If Franchisor disapproves a proposed relocation, Franchisee may request an alternative proposed new location for Franchisee's Outlet pursuant to the provisions of this section 8.6.

(c) Franchisee and the landlord may be required to execute a rider to Franchisee's lease for the new location for the Outlet (or other agreement or written understanding) that (i) grants Franchisor an option to assume Franchisee's position as lessee under the lease for the relocated Outlet premises if Franchisee is in material breach of either the lease for the relocated Outlet premises (including an obligation of the landlord to notify Franchisor if Franchisee is in such breach) or this Agreement, (ii) grants Franchisor the right to assign the lease to a *bona fide* franchisee of the System after assuming the lease and (iii) requires the landlord to fully cooperate with Franchisor in completing de-identification of the relocated Outlet in the event this Agreement is terminated or expires without being renewed and Franchisor does not exercise its option to assume the lease for the relocated Outlet premises.

8.7 Record Keeping and Reporting Requirements.

(a) Not later than 10 business days after Franchisor requests them, Franchisee must submit to Franchisor financial or statistical reports, records, statements or information as required in the Confidential Operations Manual or otherwise by Franchisor in writing. All financial or statistical information Franchisee provides to Franchisor must be accurate and correct in all material respects.

(b) Within 90 days after the end of each of Franchisee's fiscal years (or any permitted extension for filing same), Franchisee must submit to Franchisor a copy of the Schedule C or equivalent portion of Franchisee's federal tax return that relates to the Outlet and Franchisee's operation of the Franchised Business.

(c) On the Effective Date (and any time thereafter that this date changes), Franchisee must notify Franchisor of Franchisee's fiscal year end date.

(d) Franchisor has the right to use any financial or statistical information Franchisee provides to Franchisor, as Franchisor deems appropriate, including sharing the information with potential investors in Franchisor, buyers of Franchisor, lenders, attorneys, accountants and advisors on a need to know basis and with an acknowledgment by them the information is only being provided in connection with the transaction between Franchisor and the disclosee and is not for public dissemination. However, Franchisor will not identify Franchisee, Franchisee's Outlet or Franchisee's Territory as the source of the information, and will not disclose any of this information except (i) with Franchisee's written consent, (ii) as required by law or compulsory order or (iii) in connection with audits or collections under this Agreement.

(e) Franchisee must maintain and preserve all books, records and accounts of or relating to the Franchised Business for at least five years after the close of the fiscal year to which the books records and accounts relate.

8.8 Signs and Display Materials.

(a) All signs, display materials and other materials containing the Marks must be in full compliance with the specifications provided in, and in conformity with, the Confidential Operations Manual. Franchisor will designate or approve the suppliers of such signs, display materials and other materials containing the Marks in accordance with Confidential Operations Manual guidelines.

(b) Subject to applicable governmental ordinances, regulations and statutes, Franchisee agrees to post and maintain, at the Outlet, entirely at Franchisee's expense, any minimum signage recommended by Franchisor. Any signage containing the Marks will be designed by a vendor Franchisor designates and manufactured by a vendor Franchisor designates or approves.

8.9 Telephone Number for the Outlet.
Franchisor will obtain and list a telephone number for Franchisee's Outlet ("Outlet Telephone Number") in accordance with procedures prescribed by the Confidential Operations Manual. Franchisee acknowledges that Franchisor owns all rights to the Outlet Telephone Number and that at the time of termination or expiration of this Agreement, for any reason, Franchisor will cancel or re-assign the Outlet Telephone Number and de-list Franchisee from any applicable telephone directory or other telephone number listing service.

8.10 Insurance.

(a) Franchisee must have in effect on the Opening Date and maintain during the term of this Agreement comprehensive general liability insurance, automobile insurance, and other insurance that is legally required for Franchisee to operate Franchisee's business (*i.e.*, workers' compensation insurance) or that is reasonably prudent for Franchisee's type of business. Policy coverage requirements and limitations and other terms relating to insurance will be set forth in the Confidential Operations Manual. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII which are authorized to do business in the state where Franchisee's Outlet is located, unless otherwise approved in writing by Franchisor. Any policies of insurance that Franchisee maintains must contain a separate endorsement naming Franchisor and the Owner of the Marks (and Franchisor's other affiliated companies identified by Franchisor in writing), and their respective shareholders, members, managers, directors, officers, employees, and agents as additional insureds to the full extent of coverage provided under the insurance policies. Franchisee's insurance coverage will be primary as respects Franchisor, the Owner of the Marks, and other affiliated companies identified by Franchisor in writing, and their respective shareholders, members, managers, directors, officers, employees, and agents. Any insurance or self-insurance maintained by Franchisor, the Owner of the Marks, and other affiliated companies identified by Franchisor in writing, and their respective shareholders, members, managers, directors, officers, employees, and agents will be excess of Franchisee's insurance and will not contribute with it. Franchisee must provide Franchisor a copy of the policy and endorsement upon issuance and upon every renewal. Franchisee hereby grants Franchisor a waiver of any right of subrogation which any insurer of Franchisee may acquire against Franchisor by virtue of payment of any loss under such insurance. This provision applies regardless of whether Franchisor has received a waiver of subrogation endorsement from the insurer. Franchisee's obligation to obtain and maintain the foregoing policies of insurance in the amount specified will not be limited in any way by reason of any insurance that may be maintained by Franchisor, nor will Franchisee's procurement of required insurance relieve it of liability under the indemnity provisions set forth in section 16.2 of this Agreement. Franchisee's insurance procurement obligations under this section 8.10 are separate and independent of Franchisee's indemnity obligations under section 16.2 of this Agreement.

(b) Within 30 days after the Opening Date and promptly after each succeeding anniversary of the Opening Date, Franchisee must promptly notify Franchisor of all claims against Franchisee or Franchisor under said policies of insurance and deliver to Franchisor a certificate evidencing such insurance is in full force and effect. Such insurance certificate must contain a statement to the effect the certificate cannot be canceled without 30 days (10 days for non-payment) prior written notice to Franchisee and to Franchisor. Franchisee must notify Franchisor in writing immediately regarding any cancellation, non-renewal or reduction in coverage or limits.

(c) Franchisee's failure, for any reason, to procure and maintain the insurance coverage required under this Agreement, will be deemed a material breach of this Agreement.

8.11 Review and Inspection.

(a) Franchisor has the right to send representatives at reasonable intervals at any time (announced or unannounced) during normal business hours to Franchisee's Outlet (or any other facility from which Franchisee sells Big Mama's and Papa's Products or any other offices relating to Franchisee's operation of the Outlet or conduct of the Franchised Business) to review and inspect Franchisee's operations, business methods, service, management and administration at the Outlet or relating to the Franchised Business, to determine the quality thereof and the faithfulness of Franchisee's compliance with the provisions of this Agreement and the Confidential Operations Manual and to ensure Franchisee is in compliance with System standards prescribed by Franchisor.

(b) Franchisor and its designated agents also have the right upon 10 days prior notice to examine, copy and audit the books and records relating to the Outlet and Franchisee's operation of the Franchised Business. If an examination or audit discloses any underpayment of any fee, Franchisee must promptly pay the deficient amount plus interest calculated daily from the due date until paid at an APR of 18% (unless interest rates on delinquent payments in the state in which Franchisee's Outlet is located are limited by law to a lower APR, in which case that lower APR will apply). If an examination or audit discloses an underpayment or understatement of any amount due Franchisor by 5% or more, or if the examination or audit is made necessary by Franchisee's failure to furnish required information or documents to Franchisor in a timely manner, or it takes Franchisor's auditors an unreasonable amount of time (more than eight hours) to assemble Franchisee's records for audit, Franchisee must reimburse Franchisor for the cost of having Franchisee's books and records examined or audited (this remedy will be in addition to any other rights or remedies Franchisor has under this Agreement or otherwise, including Franchisor's right to terminate this Agreement).

(c) Franchisee must fully cooperate in permitting Franchisor's representatives to access Franchisee's Outlet (or any other facility from which Franchisee sells Big Mama's and Papa's Products or any other offices relating to Franchisee's conduct of the Franchised Business) during normal business hours to conduct reviews and inspections, and to render such assistance as Franchisor's representatives may reasonably request. Upon notice from Franchisor or Franchisor's representatives, Franchisee must immediately begin such steps as may be necessary to correct any deficiencies noted during any such inspection. Within 10 business days after any such inspection, Franchisor's representatives may re-inspect Franchisee's Outlet (or other facility, if applicable) to ensure noted deficiencies have been corrected. If the deficiencies have not been corrected by the time of the initial re-inspection, Franchisor's representatives may make additional re-inspections every five business days thereafter until noted deficiencies have been corrected.

8.12 Compliance with Laws.

(a) Franchisee must always (i) operate the Outlet and the Franchised Business in compliance with all applicable laws, rules and regulations of applicable government authorities, (ii) comply with all applicable wage, hour and other laws and regulations of federal, state or local governments, (iii) prepare and file all necessary tax returns, and (iv) pay promptly all taxes imposed upon Franchisee or upon Franchisee's business or property. Franchisee represents and warrants it will obtain and always maintain the permits, certificates or licenses necessary to operate the Outlet and conduct the Franchised Business in the city, county and state where the Outlet is located.

(b) Franchisee must immediately notify Franchisor of any litigation, arbitration, disciplinary action, criminal proceeding, or any other legal proceeding or action brought against or involving Franchisee, or any entity affiliated with Franchisee, or any agent, employee, owner, director or partner of Franchisee, which notification must include all relevant details in respect thereof, according to the procedures set forth in the Confidential Operations Manual.

8.13 Web Site and Internet Marketing.

(a) During the term of this Agreement, Franchisee will use the Big Mama's & Papa's Pizzeria website and any other Internet or social media only as specifically authorized by Franchisor in section 6.2(a) of this Agreement, the Confidential Operations Manual or otherwise in writing to market the Franchised Business conducted at Franchisee's Outlet and in the Delivery Area. Franchisee may not during the term of this Agreement (i) establish an independent website or social networking media outlet dedicated to marketing the Franchised Business, or (ii) register an Internet domain or social networking media outlet name using any of the Marks.

(b) Any alternative distribution methods and programs Franchisee would like to use to engage in the Franchised Business, including e-commerce, web sites, Internet sub-dealers, telesales and telemarketing, or any other non-retail method of distribution, is subject to Franchisor's prior written approval, which approval will be in Franchisor's sole discretion.

8.14 Intranet.

(a) Franchisor may, at its option, establish and maintain an "Intranet" through which (i) Big Mama's & Papa's Pizzeria franchisees may communicate with each other, (ii) Franchisor and Franchisee may communicate with each other and (iii) Franchisor may disseminate the Confidential Operations Manual, updates thereto and other confidential information. Franchisor has full discretion and control over all aspects of any such Intranet, including the content and functionality thereof. Franchisor will have no obligation to maintain the Intranet indefinitely and may dismantle it at any time without liability to Franchisee.

(b) If establishes an Intranet, Franchisee must use it in strict compliance with the standards and specifications, protocols and restrictions Franchisor establishes regarding such use. Such standards and specifications, protocols and restrictions may provide, restrict or otherwise relate to (i) the use of abusive, slanderous or otherwise offensive language in electronic communications, (ii) communications between or among Big Mama's & Papa's Pizzeria franchisees that disparage Franchisor or endorse or encourage breach of any Big Mama's & Papa's Pizzeria franchise agreement, or other agreement with Franchisor or Franchisor's affiliates, (iii) confidential treatment of materials that Franchisor transmits via the Intranet, (iv) password protocols and other security precautions, including limitations on the number and types of employees who may be granted access to the Intranet, (v) grounds and procedures for Franchisor's suspending or revoking a Big Mama's & Papa's Pizzeria franchisee's access to the Intranet, and (vi) a privacy policy governing Franchisor's access to and use of electronic communications that franchisees post to the Intranet. Franchisee acknowledges that, as administrator of the Intranet, Franchisor can access and view any communication that any person posts on the Intranet. Franchisee further acknowledges that the Intranet facility and all communications posted to it are Franchisor's property, free of any claims of privacy or privilege that Franchisee or any other person may assert.

(c) Franchisee must establish and continually maintain (during all times that the Intranet is operational and until the termination of this Agreement) an electronic connection (the specifications of which will be specified in the Confidential Operations Manual) with the Intranet that allows Franchisor to send messages to, and receive messages from Franchisee, subject to Franchisor's standards and specifications.

8.15 Franchise Advisory Council.
At its option, Franchisor may establish a franchise advisory council (the "FAC") composed of franchisees of the System. In addition to other functions requested by Franchisor, the FAC would serve as a representative committee for franchisees of the System and facilitate and coordinate the sharing of information and ideas between franchisees of the System and Franchisor. If appointed or elected to do so, Franchisee (or Franchisee's designee) must, at Franchisee's own expense, participate as a member of the FAC. Franchisor reserves the right to set reasonable standards for appointment or election to the FAC and Franchisee acknowledges if Franchisor establishes the FAC, Franchisee may be required to pay a fee or otherwise contribute to the FAC as the FAC leadership may require. Franchisee acknowledges the role of the FAC is advisory only, and Franchisor is not obligated to implement the FAC's recommendations. Neither Franchisee nor Franchisee's designee will have the right to be appointed or elected (and if appointed or elected, to continue) to serve on the FAC if Franchisee is in material breach of this Agreement or is not current in its financial obligations to Franchisor, Franchisee's landlord, suppliers and vendors.

IX. PROPRIETARY MARKS

9.1 License of the Marks.

(a) Franchisor hereby grants Franchisee the right during the term hereof to use and display the Marks in accordance with the provisions contained in this Agreement and in the Confidential Operations Manual, solely in connection with Franchisee's operation of the Franchised Business at the Outlet, in the Territory and in the Delivery Area. Neither Franchisee nor any Principal Equity Owner nor any employee, agent, or representative thereof may use, display or permit the use or display of trademarks, trade names, service marks, insignias or logo types other than the Marks and other trademarks and service marks approved for use by Franchisor in connection with the Franchised Business. Neither Franchisee nor any Principal Equity Owner nor any employee, agent, or representative thereof may use or display the Marks and Intellectual Property in connection with the operation of any business or other activity that is outside the scope of the Franchised Business. Franchisee may only use the Marks and Intellectual Property on the Internet or other electronic media in the manner and as specifically authorized by Franchisor in the Confidential Operations Manual or otherwise in writing. Franchisee agrees to be responsible for and supervise all its employees and agents to insure the proper use of the Marks and Intellectual Property in compliance with this Agreement.

(b) Franchisee acknowledges and agrees (i) Franchisee's use of the Marks and Intellectual Property is a temporary authorized use under this Agreement, (ii) the Owner of the Marks retains all ownership interests in the Marks, and (iii) Franchisor and the Owner of the Marks retain all ownership of the goodwill generated by the Marks. Franchisee acknowledges that the use of the Marks outside the scope of the terms of this Agreement without Franchisor's written consent is an infringement of the Owner of the Marks' and Franchisor's exclusive right, title and interest in and to the Marks and Intellectual Property. Franchisee agrees that as between Franchisee and Franchisor, all rights to use the Marks and Intellectual Property within the franchised System are Franchisor's exclusive property. Franchisee now asserts no claim and will hereafter assert no claim to any goodwill, reputation or ownership thereof because of Franchisee's use thereof or otherwise. It is expressly understood and agreed that ownership and title of the Trade Dress, Confidential Operations Manual and Franchisor's other manuals, bulletins, instruction sheets, forms, methods of operation and goodwill are and, as between Franchisee and Franchisor, remain vested solely in Franchisor, and the use thereof is only co-extensive with the term of this Agreement.

(c) Franchisee agrees that during the term of the Franchise, and after any assignment, expiration or termination of the Franchise, Franchisee will not, directly or indirectly, commit an act of infringement or contest or aid others in contesting the validity, distinctiveness, secondary meaning, ownership or enforceability of the Marks or Intellectual Property, or take any other action in derogation of the Marks or Intellectual Property, and that no monetary amount will be assigned as attributable to any goodwill associated with Franchisee's use of the System, the Marks or Intellectual Property.

(d) Franchisee hereby grants Franchisor the right at any time to use the name, image and likeness of Franchisee and all Principal Equity Owners for commercial purposes in connection with the marketing and promotion of the Marks, Franchisor's Intellectual Property, Big Mama's and Papa's Products, any Big Mama's & Papa's Pizzeria business location and the System, without any form of compensation or remuneration. Franchisee also agrees (i) to have any affected employee of Franchisee who is not a Principal Equity Owner sign a release in the form contained in the Confidential Operations Manual authorizing Franchisor to also use the employee's name, image and likeness for the purposes described in this section 9.1(d), without compensation or remuneration, and (ii) to provide Franchisor with a copy of such signed release. The terms of this section 9.1(d) survive termination or expiration of this Agreement.

[Franchisee's Initials: _______]

(e) Franchisee acknowledges that Franchisor prescribes uniform standards respecting the nature and quality of Big Mama's and Papa's Products provided by Franchisee in connection with which the Marks are used. Nothing herein gives Franchisee any right, title or interest in or to any of the Marks, except a mere privilege and license during the term hereof to display and use the same and Franchisee agrees that all of Franchisee's use of the Marks under this Agreement inures to Franchisor's benefit and the benefit of the Owner of the Marks.

(f) Franchisee agrees that all materials associated with Franchisor, Big Mama's and Papa's Products or other services, artwork, graphics, layouts, slogans, names, titles, text or similar materials incorporating, or being used in connection with, the Marks which may be created by Franchisee, Franchisee's employees, agents and subcontractors and any other party with whom Franchisee may contract to have such materials produced pursuant to this Agreement will become the sole property of the Owner of the Marks, including copyright and trademark rights. In furtherance thereof, Franchisee hereby and irrevocably assigns to Franchisor all such materials, artwork, graphics, layouts, slogans, names, titles, text or similar materials, whether presently or hereafter existing. Furthermore, Franchisee agrees on behalf of itself, its employees, its agents, its subcontractors and any other party with whom Franchisee may contract to have such materials produced, to promptly execute all appropriate documents in this regard. Franchisee acknowledges and agrees that as between Franchisee and Franchisor, all Suggestions (and all Intellectual Property Rights in and to the Suggestions) are owned exclusively by Franchisor, except as otherwise set forth herein. Franchisee's Suggestions will not entitle Franchisee to any Intellectual Property Rights in and to the System and the System will not become a joint work of authorship because of

Franchisee's Suggestions under any circumstances. Franchisee's Suggestions will be considered as a "work for hire" (as defined under the United States Copyright Act), and such Suggestions will be owned by and for the benefit of Franchisor. To the extent that any such Suggestions by Franchisee may not constitute a work for hire, Franchisee hereby grants, assigns and transfers all right, title and interest in and to such Suggestions, including all rights in and to the Intellectual Property therein, to Franchisor and agrees to execute all further documents and things reasonably required by Franchisor to effect and record such assignment. If Franchisee has any such rights that cannot be assigned to Franchisor, Franchisee waives the enforcement of such rights, and if Franchisee has any rights which cannot be assigned or waived, Franchisee hereby grants to Franchisor an exclusive, irrevocable, perpetual, worldwide, fully paid license (with right to sublicense through multiple tiers) to such rights. Franchisee acknowledges there are, and may be, future rights that Franchisee may otherwise become entitled to with respect to the Suggestions not yet existing, as well as new uses, media, means and forms of exploitation throughout the universe exploiting current or future technology yet to be developed, and Franchisee specifically intends the foregoing assignment of rights to Franchisor will include all such now known or unknown uses, media and forms of exploitation throughout the universe.

(g) If necessary, Franchisee agrees to join with Franchisor and share the expenses in any application to enter Franchisee as a registered or permitted user, or the like, of the Marks with any appropriate governmental agency or entity. Upon termination, expiration or cancellation of this Agreement for any reason whatsoever, Franchisor may immediately apply to cancel Franchisee's status as a registered or permitted user and Franchisee hereby consents to the cancellation and agrees to join in any cancellation petition. Franchisee will bear the expense of any cancellation petition.

9.2 Franchisee's Business Name.

(a) In connection with Franchisee's operation of the Outlet, Franchisee agrees that at all times and in all advertising, promotions, signs and other display materials, on Franchisee's letterheads, business forms, and at the Outlet and other authorized business sites, in all of Franchisee's business dealings related thereto and to the general public, Franchisee will identify the Franchised Business solely under a trade name containing the Mark "Big Mama's & Papa's Pizzeria" and authorized by Franchisor ("Business Name") together with the words "INDEPENDENTLY OWNED AND OPERATED" on Franchisee's letterhead, contract agreements, invoices, advertising and other written materials containing the Marks as Franchisor may direct.

(b) Franchisee must file and keep current a fictitious business name statement, assumed name certificate or similar document regarding Franchisee's Business Name in the county or other designated jurisdiction in which Franchisee is conducting business and at such other places as may be required by law. Before Franchisee commences engaging in the Franchised Business under the Marks, Franchisee must supply evidence satisfactory to Franchisor that Franchisee has complied with relevant laws regarding the use of fictitious or assumed names.

(c) On expiration or sooner termination of this Agreement, Franchisor may, if Franchisee does not do so, execute in Franchisee's name and on Franchisee's behalf all documents necessary, in Franchisor's judgment, to end and cause a discontinuance of the use by Franchisee of the Marks and Business Name registrations and Franchisor is hereby irrevocably appointed and designated as Franchisee's attorney-in-fact to do so.

(d) Franchisee further agrees it will not identify itself as (i) Franchisor, (ii) a subsidiary, parent, division, shareholder, partner, joint venture, agent or employee of Franchisor or the Owner of the Marks or (iii) any of Franchisor's other franchisees.

(e) If Franchisee is an entity, it cannot use the Marks "Big Mama's and Papa's" or "BMPP" in its legal name.

9.3 Trade Secrets and Proprietary Information.

(a) Under this Agreement, Franchisor is granting Franchisee access to the Proprietary Information, and Franchisor's other confidential data and information. Franchisee acknowledges that the material and information now and hereafter provided or revealed to Franchisee pursuant to this Agreement (including in particular, but without limitation, the contents of the Confidential Operations Manual) are Franchisor's confidential trade secrets and are revealed in confidence, and Franchisee expressly agrees to keep and respect the confidences so reposed, both during the term of this Agreement and thereafter. Franchisor expressly reserves all rights with respect to the Marks, Proprietary Information, methods of operation and other proprietary information, except as may be expressly granted to Franchisee hereby or in the Confidential Operations Manual. Franchisor will disclose to Franchisee certain Trade Secrets as reasonably needed for the operation by Franchisee of the Franchised Business by loaning to Franchisee, for the term of this Agreement, the Confidential Operations Manual and other written materials containing the Trade Secrets, through training and assistance provided to Franchisee hereunder, and by and through the performance of Franchisor's other obligations under this Agreement.

(b) Franchisee acknowledges that Franchisor is the sole owner of all Proprietary Information, including the Trade Secrets; that such information is being imparted to Franchisee only because of Franchisee's special status as a franchisee of the System; and that the Proprietary Information is not generally known to Franchisor's industry or the public at large and is not known to Franchisee except by reason of such disclosure. Franchisee further acknowledges that Franchisee will acquire no interest in the Proprietary Information disclosed to Franchisee, other than the right to use it in the development and operation of the Outlet during the term of this Agreement.

(c) Franchisee agrees that Franchisee will not do or permit any act or thing to be done in derogation of any of Franchisor's rights in connection with the Marks, either during the term of this Agreement or thereafter, and that Franchisee will use these only for the uses and in the manner franchised and licensed hereunder and as herein provided. Furthermore, Franchisee and Franchisee's employees and agents will not engage in any act or conduct that impairs the goodwill associated with the Marks.

(d) Franchisee agrees to indemnify and hold harmless Franchisor from all "Losses" (as defined in section 16.2(d) below), which Franchisor may sustain from any unauthorized use or disclosure of Proprietary Information or Marks by Franchisee or its employees and agents. Franchisee further agrees and acknowledges that the disclosure or use of Proprietary Information or Marks in a manner not authorized by this Agreement will cause immediate and irreparable damage to Franchisor that would be impossible or inadequate to measure and calculate and could not be fully remedied by monetary damages. Accordingly, Franchisor has the right to specifically enforce this Agreement and seek injunctive or other equitable relief as may be necessary or appropriate to prevent such unauthorized disclosures or use without the necessity of proving actual damages by reason of any such breach or threatened breach of this Agreement. Franchisee further agrees that no bond or other form of security is required to obtain such equitable relief and Franchisee hereby consents to the issuance of such injunction and to the ordering of specific performance. Franchisee further agrees and acknowledges that such remedies are in addition to any other rights or remedies, whether at law or in equity, which may be available to Franchisor, including monetary damages.

(e) 18 USC Section 1833(b) states: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, Franchisor and Franchisee will each have the right to disclose in confidence Trade Secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Franchisor and Franchisee also have the right to disclose Trade Secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. Section 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. Section 1833(b).

9.4 Modification of Marks and Trade Dress.
Franchisor may add to, substitute or modify any Marks or the Trade Dress from time to time, by directive in the Confidential Operations Manual. Franchisee agrees to accept, use, display, or cease using, as may be applicable, the Marks and Trade Dress, including but not limited to, any such modified or additional trade names, trademarks, service marks, logo types and commercial symbols, and must within 30 days of receiving notification, commence to implement such changes and use its best efforts to complete such changes as soon as practicable.

9.5 Mark Infringement Claims and Defense of Marks.

(a) If Franchisee receives notice or otherwise becomes aware of any claim, suit or demand, threatened or pending, against Franchisee by any party other than Franchisor, the Owner of the Marks or any of Franchisor's affiliates on account of any alleged infringement, unfair competition or similar matter arising from Franchisee's use of the Marks in accordance with the terms of this Agreement, or any misuse of the Marks by third parties on the Internet or otherwise, Franchisee agrees to immediately notify Franchisor of such claim, suit, demand or misuse. Franchisee will have no power, right or authority to settle or compromise such claim, suit or demand by a third party or to intervene to stop misuse, without Franchisor's prior written consent. Franchisor will defend, compromise or settle at Franchisor's discretion any such claim, suit or demand and take steps to stop misuse at Franchisor's cost and expense, using attorneys selected by Franchisor or the Owner of the Marks, and Franchisee agrees to cooperate fully in such matters.

(b) Franchisor will indemnify Franchisee and hold Franchisee harmless from and against all judgments resulting from any claim, suit or demand arising from Franchisee's authorized and use of the Marks or Franchisor's Intellectual Property in accordance with the terms of this Agreement. Franchisor has the sole discretion to determine whether a similar trademark or service mark that is being used by a third party is confusingly similar to the Marks or Franchisor's Intellectual Property being used by Franchisee or constitutes a misuse of the Marks or Franchisor's Intellectual Property, and whether and what subsequent action, if any, should be undertaken with respect to such similar trademark or service mark or misuse.

(c) Franchisee hereby indemnifies Franchisor and holds Franchisor harmless from and against all judgments resulting from any claim, suit or demand arising from Franchisee's unauthorized and improper use of the Marks or Franchisor's Intellectual Property.

X. MARKETING AND PROMOTION

10.1 Use of Marketing and Promotion Fees.

(a) Franchisor will expend, for the purposes of national, regional or local marketing, advertising, cooperative advertising, market research, public relations and promotional campaigns designed to promote and enhance the value of the Marks and general public recognition and acceptance thereof, an amount equal to the aggregate Marketing and Promotion Fees stated in section 4.3 hereof and collected from all Big Mama's & Papa's Pizzeria franchisees less a 15% administrative fee. No interest on unexpended Marketing and Promotion Fees will be imputed for Franchisee's benefit or payable to Franchisee. If requested by Franchisee in writing not later than March 31 of any calendar year, Franchisor will provide Franchisee not later than May 31 of the same calendar year with a statement of receipts and expenditures of the aggregate Marketing and Promotion Fees relating to the preceding calendar year, certified to be correct by one of Franchisor's officers.

(b) In Franchisor's sole discretion and as Franchisor deems appropriate, Franchisor is obligated to spend the Marketing and Promotion Fees collected from Franchisee and all other Big Mama's & Papa's Pizzeria franchisees (less Franchisor's 15% administrative fee) on regional, local or national media or other marketing techniques or programs designated to promote the Marks and the retail sale of Big Mama's and Papa's Products and other aspects of the Big Mama's & Papa's Pizzeria brand, creative and production costs, and for other purposes deemed appropriate by Franchisor to enhance and promote the general recognition of Big Mama's & Papa's Pizzeria franchises. These may include branding and marketing studies, initiatives and research; test marketing new products or concepts; franchisee compliance with System standards and practices through a "mystery shopper" program; the development of marketing strategies, tools, initiatives, and materials; public relations; market research; annual conferences (excluding the expenses of Franchisor's principals and employees to travel to such conferences); and occasional selective regional and local advertising.

10.2 Advertising Content and Costs.

With respect to local, regional or system-wide advertising, Franchisor determines the cost, form of media, content, format, production, timing (including regional or local concentration and seasonal exposure), location and all other matters relating to advertising, public relations and promotional campaigns.

XI. NON-COMPETITION COVENANTS

11.1 Exclusive In-Term Dealing.

(a) Franchisee acknowledges it will receive valuable specialized training and access to Proprietary Information, including information regarding the operational, sales, promotional and marketing methods and techniques of the System and Franchisor's Trade Secrets. In consideration for the use and license of such valuable information, Franchisee agrees that it will not during the term of this Agreement operate, manage, own, assist or hold an interest in (direct or indirect as an employee, officer, director, shareholder, manager, member, partner or otherwise), or engage in, any competing business selling goods or offering services equivalent to Big Mama's and Papa's Products or the Franchised Business, without Franchisor's express prior written consent, which consent may be withheld in Franchisor's sole and absolute discretion.

(b) It is the intention of both Franchisee and Franchisor that Franchisee maximizes the Franchised Business within the Territory, and any action of Franchisee that diverts business to another entity or diminishes the Franchised Business being conducted in the Territory or Delivery Area will be a material breach of this Agreement. Accordingly, neither Franchisee nor any Principal Equity Owner may, either directly or indirectly, for itself or themselves, or through, on behalf of, or in conjunction with, any person, persons, partnership, corporation or other entity, (i) divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or (ii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

11.2 Post Termination Non-Competition Covenants.

(a) For a period of two years after the date ("Termination Date") this Agreement is terminated, is canceled, or expires without renewal pursuant to section 5.2 of this Agreement, Franchisee agrees that neither Franchisee nor any Principal Equity Owner will (either directly or indirectly, for itself or themselves, or through, on behalf of, or in conjunction with, any person, persons, partnership, corporation or other entity) operate, manage, own, assist or hold an interest in (direct or indirect as an employee, officer, director, shareowner, partner or otherwise), or engage in, any competing business selling goods or offering services equivalent to Big Mama's and Papa's Products or the Franchised Business, within a radius of 25 miles of Franchisee's Territory or any other authorized retail location selling Big Mama's and Papa's Products, without Franchisor's express prior written consent, which consent may be withheld in Franchisor's sole and absolute discretion. Following termination or expiration of this Agreement, Franchisee must always refrain from any use, direct or indirect, of any Proprietary Information or Trade Secrets.

(b) If any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement or the parties hereto limits Franchisor's rights under section 11.2(a) above, then the section will be deemed amended (or deleted) to conform to the requirements of such laws and regulations, but in such event (unless deleted) the provisions of the Agreement thus affected will be amended only to the extent necessary to bring it within the requirements of the law or regulation.

11.3 General Provisions Regarding Non-Competition Covenants.

(a) Franchisee acknowledges that the restrictions contained in this Article XI are reasonable and necessary to protect Franchisor's legitimate interests, and in the event of violation of any of these restrictions, Franchisor is entitled to recover damages including, without limitation, Royalties, Marketing and Promotion Fees and other fees that would have been payable if such business were included in the Franchised Business, and an equitable accounting of all earnings, profits and other benefits arising from such violation, which rights and remedies will be cumulative and in addition to any other rights or remedies to which Franchisor is entitled at law or in equity.

(b) Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from and against all Losses which Franchisor may sustain from any breach of this Article XI by Franchisee, any Principal Equity Owner, or Franchisee's General Manager. Franchisee further agrees that a breach of the non-competition covenants set forth above will cause immediate and irreparable damage to Franchisor that would be impossible or inadequate to measure and calculate and could not be fully remedied by monetary damages. Accordingly, Franchisor has the right to specifically enforce this Agreement and seek injunctive or other equitable relief as may be necessary or appropriate to prevent such breach or continued breach without the necessity of proving actual damages by reason of any such breach or threatened breach of this Agreement. Franchisee further agrees that no bond or other security will be required in obtaining such equitable relief and hereby consents to the issuance of such injunction and to the ordering of specific performance. Franchisee further acknowledges that such remedies are in addition to any other rights or remedies, whether at law or in equity, which may be available to Franchisor, including monetary damages.

(c) This Article XI applies to Franchisee, all Principal Equity Owners, and Franchisee's General Manager.

(d) Each provision of this Article XI is independent of each other provision of this Agreement. If any provision of this Article XI is held unreasonable or unenforceable by any court, agency or other tribunal of competent jurisdiction, Franchisee agrees to be bound to the maximum extent permitted by law with respect to that provision (which will be deemed restated accordingly), and agrees to be bound by all other provisions of this Article XI.

XII. ASSIGNMENT

12.1 Assignment by Franchisor.
Franchisor has the right to Transfer this Agreement and all of Franchisor's rights and privileges hereunder ("Assignment by Franchisor") to any other person, firm or corporation ("Franchisor's Assignee") provided that (i) at the time of Assignment by Franchisor, Franchisor's Assignee will be financially responsible and economically capable of performing the obligations of franchisor hereunder; and (ii) Franchisor's Assignee will expressly assume and agree to perform such obligations. Upon the effective date of the Assignment by Franchisor and thereafter, Franchisor will be relieved of all obligations or liabilities under this Agreement.

12.2 Assignment by Franchisee.

(a) This Agreement is being executed by Franchisor in reliance upon and in consideration of the unique skills and qualifications of Franchisee and the Principal Equity Owners and the trust and confidence reposed in them by Franchisor. Therefore, neither Franchisee's interest in this Agreement and the Franchise granted hereunder, nor all or substantially all the assets of the Outlet, nor a controlling or non-controlling interest in Franchisee (if an entity), may be assigned, transferred, shared or divided, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, in any manner (collectively, "Assignment by Franchisee"), without Franchisor's prior written consent and, except for any transfer of a non-controlling interest, subject to Franchisor's right of first refusal provided for in section 12.3 hereof. Franchisor's consent to a specific Assignment by Franchisee is not cumulative and will not apply to any subsequent assignments, in respect of each of which Franchisee must comply with this section 12.2.

(b) Prior to any Assignment by Franchisee, Franchisee must notify Franchisor of Franchisee's intent to sell, transfer or assign the Franchise, all (or substantially all) the assets of the Outlet, or a controlling or non-controlling interest in Franchisee (if an entity). The notice must be in writing, delivered to Franchisor in accordance with section 16.1 hereof and include the following:

(i) the proposed transferee's name and address;

(ii) a copy of all agreements related to the sale, assignment, or transfer of the Franchise, the assets of the Outlet, or the controlling interest in Franchisee (if an entity); and

(iii) the proposed transferee's application for approval to become the successor franchisee (this application must include all forms, financial disclosures and related information generally used by Franchisor when interviewing prospective new franchisees, if Franchisor makes those forms available to Franchisee. If the forms are not readily available, Franchisee must request that Franchisor deliver the forms to Franchisee by business courier in accordance with section 16.1 hereof within 15 calendar days). As soon as practicable after the receipt of the proposed transferee's application, Franchisor will notify, in writing, Franchisee and the proposed transferee of any additional information or documentation necessary to complete the transfer application. If Franchisor's then-existing standards for the approval of new or renewing franchisees are not readily available to Franchisee when Franchisee notifies Franchisor of Franchisee's intent to sell, transfer, or assign the Franchise, all or substantially all the assets of the Outlet, or a controlling or non-controlling interest in Franchisee (if an entity), Franchisor will communicate the standards to Franchisee within 15 calendar days.

(c) Within 60 days after the receipt of all necessary information and documentation required pursuant to section 12.2(b) above, or as specified by other written agreement between Franchisor and Franchisee, Franchisor will notify Franchisee of the approval or disapproval of the proposed Assignment by Franchisee. The notice will be in writing and delivered to Franchisee by business courier in accordance with section 16.1 hereof. Should Franchisor elect not to exercise Franchisor's right of first refusal, or should such right of first refusal be inapplicable, as herein provided, Franchisor's consent to the proposed Assignment by Franchisee will be deemed approved, unless disapproved by Franchisor in writing and for reasons permitted by the law governing this Agreement. If the proposed sale, assignment or transfer is disapproved, Franchisor shall include in the notice of disapproval a statement setting forth the reasons for the disapproval. Franchisor may impose, among other things, the following conditions precedent to Franchisor's consent to any such Assignment by Franchisee (these conditions are consistently applied to similarly situated franchisees operating under the Franchise brand):

(i) the assignee of Franchisee ("Franchisee's Assignee") must complete Franchisor's application for a franchise, and in connection therewith, Franchisee and Franchisee's Assignee must fully disclose in writing all terms and conditions of the Assignment by Franchisee;

(ii) Franchisee's Assignee and the principal equity owners of Franchisee's Assignee demonstrate that it or they have the skills, qualifications, moral and ethical reputation, and economic resources necessary, in Franchisor's sole judgment, to conduct the business contemplated by this Agreement;

(iii) Franchisee's Assignee and each principal equity owner of Franchisee's Assignee expressly assume in writing for Franchisor's benefit all of Franchisee's obligations under this Agreement;

(iv) Franchisee's Assignee executes the then current form of Franchise Agreement being used by Franchisor for the remainder of the term of this Agreement or, in Franchisor's sole discretion, for the initial term of the then current form of Franchise Agreement;

(v) Franchisee must have complied fully as of the date of any such Assignment by Franchisee with all of Franchisee's material obligations to Franchisor, whether under this Agreement or any other agreement, arrangement or understanding with Franchisor;

(vi) Franchisee's Assignee agrees (A) a General Manager successfully trained by Franchisor must at all times be employed to operate the Outlet and (B) Franchisor's Initial Training program described in section 6.1 hereof and any other training or orientation programs then required by Franchisor will be satisfactorily completed by other necessary personnel within 30 days after the execution by Franchisee's Assignee of a Franchise Agreement, provided, however, Franchisee's Assignee must also agree to pay for all expenses related to this training, including any fee Franchisor charges for training (at the rate in effect at the time of transfer), travel, lodging and meal expenses; and

(vii) at least 10 days before the transfer, Franchisee pays Franchisor a non-refundable "Transfer Fee" of $10,000 (subject to adjustment in Franchisor's discretion based on corresponding changes in the CPI since the Effective Date).

(d) Franchisee does not have a right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever (except that with Franchisor's consent, which will not be unreasonably withheld, Franchisee may pledge a security interest in this Agreement in connection with a Small Business Administration loan), nor subfranchise or otherwise transfer, or attempt to subfranchise or otherwise transfer the Franchised Business, or to transfer or subfranchise a portion but not all of Franchisee's rights hereunder without Franchisor's express prior written consent, which may be withheld for any reason in Franchisor's sole discretion.

(e) Any attempt by Franchisee to assign the Franchise, all (or substantially all) the assets of the Outlet, or a controlling interest in Franchisee (if an entity) in violation of this section 12.2 is void and will (i) constitute a material breach of this Agreement, (ii) cause this Agreement (and in Franchisor's sole discretion any or all other agreements between Franchisee and Franchisor, or between Franchisee and Franchisor's affiliates) to be subject to immediate termination without further notice, and (iii) confer no rights or interest whatsoever under this Agreement upon any other party.

(f) Upon Franchisor's consent to any Assignment by Franchisee, Franchisee must bring all accounts with Franchisor current and transfer to Franchisee's assignee all service agreements or contracts signed by customers of the Franchised Business conducted at Franchisee's Outlet. Also, Franchisee must (i) execute an agreement among Franchisee, Franchisor and Franchisee's assignee effecting the Assignment by Franchisee, which will include a mutual release between Franchisee and Franchisor and (ii) enter into an assignment of the lease for the Outlet premises (including an assignment to the assignee of Franchisee's rights, title and interest to telephone numbers and utilities respecting the Outlet).

12.3 Right of First Refusal.

(a) Except for a Transfer (i) to Franchisee's heirs, personal representatives or conservators in the case of death or legal incapacity as provided in section 12.6 hereof or (ii) between or among individuals (including their immediate family members) who have guaranteed obligations under a Small Business Administration loan, Franchisee's right to Transfer Franchisee's entire interest in the Franchise granted by this Agreement under section 12.2 hereof is subject to Franchisor's right of first refusal, which will be exercised in accordance with the terms of this section 12.3.

(b) Franchisee must deliver to Franchisor a written notice setting forth (i) all terms and conditions of any *bona fide* offer relating to a proposed Assignment by Franchisee, and (ii) all available information concerning Franchisee's Assignee including a detailed summary of how the proposed assignee meets Franchisor's qualifications for a new Big Mama's & Papa's Pizzeria franchisee, and any other related information requested by Franchisor. If the specified terms and conditions include consideration of a non-monetary nature, such consideration must be expressed in reasonably equivalent monetary terms, and if it involves matters that cannot be stated in monetary terms, such consideration will not be considered in connection with Franchisor's right of first refusal.

(c) Within 15 days after Franchisor's receipt of such notice (or if Franchisor requests additional information, within 10 days after receipt of such additional information), Franchisor may either (i) consent or withhold Franchisor's consent to such Assignment by Franchisee, in accordance with section 12.2 hereof, or (ii) at Franchisor's option, accept the Assignment by Franchisee itself or on behalf of Franchisor's nominee upon the terms and conditions specified in the notice.

(d) If Franchisor elects not to exercise its right of first refusal and consent to the Assignment by Franchisee, Franchisee will for a period of 60 days, and subject to the provisions of section 12.2 hereof, be free to assign this Agreement to such proposed Assignee upon the terms and conditions specified in said notice. If, however, these terms are modified in any material manner (as determined by Franchisor), or if said 60-day period expires, Franchisor will again have such right of first refusal with respect thereto and Franchisee will again be required to comply with section 12.3(b) above. Detailed terms of assignment must be delivered to Franchisor no later than 72 hours following the close of escrow or other consummation of the transaction.

12.4 Transfers to Certain Family Members.
Franchisee or a Principal Equity Owner, if a natural person, may with Franchisor's consent, which will not be unreasonably withheld, transfer the Franchised Business or an equity interest in Franchisee's franchised entity to such person's immediate family member (defined as a spouse or person having equivalent rights under applicable federal or state law, parent, sibling, niece, nephew, descendant or spouse's descendant) provided that adequate provision is made for the management of the Franchised Business and the transferor guarantees, in form and substance satisfactory to Franchisor, the performance of the transferee's obligations under this Agreement. No transfer under this section 12.4 will be subject to Franchisor's right of first refusal set forth in section 12.3 hereof or the Transfer Fee set forth in section 12.2(b)(vii) hereof. However, Franchisee must comply with sections 12.2(b)(i) through (vi) and (to the extent applicable) section 12.2(c) above, as well as provide full disclosure of the terms of said transfer and deliver to Franchisor no later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to Franchisor no less than three business days following the close of the transaction.

12.5 Transfers to Affiliated Entities.
Franchisee or a Principal Equity Owner may without Franchisor's consent, upon 30 days prior written notice to Franchisor, Transfer the Franchised Business or an equity interest in Franchisee's franchised entity to an entity that is (i) organized for the purpose of operating the Franchised Business and (ii) owned in the same proportionate amount of ownership as prior to such Transfer, provided that adequate provision is made for the management of the Franchised Business. No Transfer under this section 12.5 will be subject to Franchisor's right of first refusal set forth in section 12.3 hereof or the Transfer Fee set forth in section 12.2(b)(vii) hereof. However, Franchisee must comply with sections 12.2(b)(i) through (vi) and (to the extent applicable) section 12.2(c) above, as well as provide full disclosure of the terms of said transfer and deliver to Franchisor no later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to Franchisor no less than three business days following the close of the transaction. Also Franchisee acknowledges and agrees that any Transfer to an affiliate will not relieve Franchisee from its obligations under this Agreement.

12.6 Transfers upon the Death or Incapacity of an Individual Franchisee or Majority Equity Owner.

(a) Notwithstanding the foregoing, in the event of Franchisee's death or legal incapacity if Franchisee is an individual, or the death or legal incapacity of a Principal Equity Owner of Franchisee owning a majority equity interest ("Majority Equity Owner") in Franchisee (if an entity), the transfer of Franchisee's or the deceased Majority Equity Owner's interest in this Agreement to his or her spouse, parent or adult children, will not be deemed Assignment by Franchisee, provided a qualified and trained General Manager remains employed at the Outlet or another responsible management employee or agent of Franchisee satisfactorily trained by Franchisor will be responsible for the Franchised Business.

(b) In the event of an individual Franchisee's death or the death of a Majority Equity Owner, such person's interest in this Agreement or its equity interest in the franchise entity must Transfer as soon as practicable (but not more than 270 days) after the date of death in accordance with such person's will or, if such person dies without a will, in accordance with laws of intestacy governing the distribution of such person's estate, provided that adequate provision is made for the management of the Franchised Business. If Franchisor determines (i) there is no imminent sale to a qualified successor or (ii) there is no heir or other Principal Equity Owner capable of operating the Franchise, Franchisor may (but is not obligated to) immediately commence operating the Outlet on Franchisee's behalf for a period of up to 90 days, renewable as Franchisor deems necessary for up to one year and Franchisor will periodically discuss the status with the heirs of the decedent. For such management assistance, Franchisee or the successor in interest must pay a reasonable *per diem* management fee/charge to Franchisor for serving as the interim manager.

(c) No Transfer under this section 12.6 will be subject to (i) Franchisor's right of first refusal set forth in section 12.3 hereof or (ii) the Transfer Fee set forth in section 12.2(b)(vii) above, although such refusal right and Transfer Fee will be applicable to any subsequent Transfer by Franchisee's (or a Majority Equity Owner's) heirs, personal representatives or conservators. However, Franchisee must comply with sections 12.2(b)(i) through (vi) and (to the extent applicable) section 12.2(c) above, as well as provide Franchisor with full disclosure of the terms of said transfer not later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to Franchisor no less than three business days following the close of the transaction.

12.7 Consent of Franchisor to Transfers.
Except as otherwise provided in this Agreement and subject to Franchisor's right of first refusal provided in section 12.3 hereof, Franchisee or an Principal Equity Owner may consummate any Transfer of a direct or indirect interest in this Agreement, the Outlet or the economic benefits derived therefrom, or any equity interest in Franchisee's franchised entity, not permitted by the preceding sections 12.4, 12.5 and 12.6, only after written notice to Franchisor and only with Franchisor's written consent, which will not be unreasonably withheld.

XIII. DEFAULT AND TERMINATION

13.1 General.

(a) This Agreement may be terminated unilaterally by Franchisor or Franchisee only for cause, which for purposes of this Agreement means a material violation of this Agreement and includes any failure of a party to substantially comply with any obligation, duty or promise under this Agreement, including those acts or omissions specified in sections 13.2 and 13.3 hereof. If Franchisor is in material breach of this Agreement, Franchisee may terminate this Agreement by giving Franchisor prior written notice setting forth the asserted breach of this Agreement and giving Franchisor 30 days in which to cure the breach. If Franchisee is in material breach of this Agreement, Franchisor may exercise Franchisor's right to terminate this Agreement in accordance with this Article XIII. If Franchisor becomes insolvent or declares bankruptcy, Franchisee will continue to have the right to operate under this Agreement until and unless a court issues an order otherwise. If because of the nature of the breach, it would be unreasonable for Franchisor to be able to cure the breach within 30 days, Franchisor will be given additional time (up to 30 additional days) as is reasonably necessary to cure said breach, upon condition that Franchisor must, upon receipt of such notice from Franchisee, immediately commence to cure such breach and continue to use best efforts to do so.

(b) A material breach of this Agreement by Franchisee means any action or omission by Franchisee seriously impairing or adversely affecting the System, Franchisor or the relationship created by this Agreement.

(c) Notwithstanding anything contained herein to the contrary, in those circumstances under which Franchisor has the right to terminate this Agreement, Franchisor also has the option, to be exercised in its sole discretion, to choose alternative remedies to its right to terminate the entire Agreement.

(d) Notwithstanding anything contained herein to the contrary, in those circumstances under which Franchisor has the right to terminate this Agreement, Franchisor also has the right to exercise all remedies available to it at law or in equity, including specific performance and damages (including punitive damages). All rights and remedies provided herein are in addition to and not in substitution of all other rights and remedies available to a party at law or in equity.

13.2 Immediate Termination.

(a) Franchisor has the right to immediately terminate this Agreement upon notice to Franchisee without an opportunity to cure if:

(i) Franchisee admits its inability to pay its debts as they come due, or Franchisee or the business to which the Franchise relates (A) has been the subject of an order for relief in bankruptcy, (B) is judicially determined to be insolvent or (C) has all or a substantial part of its assets assigned to or for the benefit of any creditor;

(ii) Franchisee Abandons the Franchise by failing to operate the Outlet for five consecutive business days during which Franchisee is required to operate the business under the terms of this Agreement, or any shorter period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Franchise, unless such failure to operate is due to fire, flood, earthquake or other similar causes beyond Franchisee's control;

(iii) Franchisor and Franchisee agree in writing to terminate the Franchise;

(iv) Franchisee makes any material misrepresentations relating to the acquisition of the Franchise or Franchisee engages in conduct that reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the System;

(v) Franchisee fails, for a period of 10 business days after notification of noncompliance, to comply with any federal, state or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the Franchise;

(vi) after curing any failure in accordance with section 13.3 below, Franchisee engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(vii) Franchisee repeatedly fails to comply with one or more material requirements of this Agreement, whether or not corrected after notice;

(viii) the Franchised Business or the business premises of the Franchise are seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lien holder or lessor, provided that a final judgment against Franchisee remains unsatisfied for 30 days (unless an appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in the Franchised Business, and it is not discharged within five days of such levy;

(ix) Franchisee is convicted of a felony or any other criminal misconduct (including intentional conversion of cash proceeds received from Franchisee's customers but not reported as Gross Revenues) which is relevant to the operation of the Franchise;

(x) an audit or investigation conducted by Franchisor (A) discloses that Franchisee knowingly maintained false books or records, or submitted false reports to Franchisor, or knowingly understated Franchisee's Gross Revenues or withheld the reporting of any of Franchisee's Gross Revenues, or (B) reveals an underreporting or under recording error on any single occasion of 5% or more; or

(xi) Franchisor makes a reasonable determination that Franchisee's continued operation of the Franchise will result in an imminent danger to public health or safety.

(b) The parties recognize that some breaches may involve conduct which undermines the basis for the Agreement such that the expectation of full and proper contract performance cannot be restored, even if the specific activity giving rise to the claim of breach has ended. In such cases, no period of "cure" will be required. However, the termination will not take effect for 10 days to enable the parties to consider whether other alternatives may be possible.

(c) If Franchisee's rights under this Agreement are terminated by Franchisor because of an event described in section 13.2(a) above, section 14.1 below is not applicable, and Franchisor may immediately commence an action under section 14.2 or 14.3 below, as applicable, to collect damages or otherwise enforce its rights.

13.3 Termination After Notice.

(a) Except as provided in section 13.2 above, Franchisor may terminate this Agreement only for good cause (as defined in section 13.1(a) above) after giving Franchisee prior written notice setting forth the asserted breach of this Agreement and giving Franchisee 30 days in which to cure the breach. Upon receipt of a notice of default, Franchisee must immediately commence diligently to cure said breach, and if Franchisee cures said breach within 30 days, Franchisor's right to terminate this Agreement will cease. If because of the nature of the breach, it would be unreasonable for Franchisee to be able to cure the breach within 30 days, Franchisee will be given additional time (up to 30 additional days) as is reasonably necessary in Franchisor's determination to cure said breach, upon condition that Franchisee must, upon receipt of such notice from Franchisor, immediately commence to cure such breach and continue to use Franchisee's best efforts to do so.

(b) If Franchisee's rights under this Agreement are terminated by Franchisor for material breach, Franchisor may, at Franchisor's option, declare Franchisee in breach of all franchise agreements and other agreements Franchisee has executed with Franchisor, and terminate Franchisee's rights under those other agreements as well.

(c) If Franchisee's rights under this Agreement are terminated by Franchisor for Franchisee's failure to make any payment due under this Agreement, section 14.1 below is not applicable, and Franchisor may immediately commence an action under section 14.2 below to collect damages or otherwise enforce its rights.

(d) The description of any breach in any notice served by Franchisor hereunder upon Franchisee in no way precludes Franchisor from specifying additional or supplemental breaches in any action, arbitration, mediation, hearing or suit relating to this Agreement or the termination thereof.

(e) If Franchisee and Franchisor agree to mutually terminate this Agreement, Franchisee must return a signed counterpart of any document Franchisor prepares to effect the termination not later than 10 days after Franchisee receives it, or the mutual agreement to terminate will be voidable by Franchisor, and Franchisor may thereafter immediately and unilaterally terminate this Agreement and require payment of all sums due and payable to Franchisor at the date of termination.

13.4 Description of Default.
The description of any breach in any notice served by Franchisor hereunder upon Franchisee in no way precludes Franchisor from specifying additional or supplemental breaches in any action, arbitration, mediation, hearing or suit relating to this Agreement or the termination thereof.

13.5 Statutory Limitations.
Notwithstanding anything to the contrary in this Article XIII, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement or the parties hereto limits Franchisor's rights of termination hereunder or requires longer notice periods than those set forth herein, and if the parties are prohibited by law from agreeing to the shorter periods set forth herein, then this Agreement will be deemed amended to conform to the requirements of such laws and regulations, but in such event the provisions of the Agreement thus affected will be amended only to the extent necessary to bring it within the requirements of such law or regulation.

13.6 Extended Cure Period.
Notwithstanding anything contained herein to the contrary, including section 13.3(c) hereof, in those circumstances under which Franchisor has the right to terminate this Agreement, Franchisor also has the right, to be exercised in its sole discretion, to grant to Franchisee in writing only, in lieu of termination of this Agreement, an extended period of time to cure the breach which gave rise to Franchisor's right to terminate, but in no event may such extended cure period exceed six months from the last day of the cure period otherwise applicable to such breach. Franchisee acknowledges that Franchisor's election to grant an extended cure period to Franchisee will not operate as a waiver of any of Franchisor's rights hereunder.

13.7 Franchisor's Right to Cure Franchisee's Defaults.

(a) In addition to all other remedies herein granted, if Franchisee breaches in the performance of any of Franchisee's obligations or breaches any term or condition of this Agreement or any related agreement involving third parties, Franchisor may, at Franchisor's election, immediately or at any time thereafter, without waiving any claim for breach hereunder and without notice to Franchisee, cure the breach for Franchisee's account and on Franchisee's behalf, and all costs or expenses including attorney's fees incurred by Franchisor on account thereof are due and payable by Franchisee to Franchisor on demand.

(b) If Franchisor terminates this Agreement for cause, Franchisor has the right (but not the obligation) to assume the lease for the Outlet premises and to purchase Franchisee's assets pursuant to section 15.2(d) below.

13.8 Waiver and Delay.
No waiver by Franchisor of any breach or series of breaches in performance by Franchisee and no failure, refusal or neglect of Franchisor either to exercise any right, power or option given to Franchisor hereunder or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement or the Confidential Operations Manual, constitutes a waiver of the provisions of this Agreement or the Confidential Operations Manual with respect to any subsequent breach thereof or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

13.9 Recovery of Lost Royalty.
If this Agreement is terminated because of Franchisee's material breach, based on the estimated time it takes for a replacement franchise outlet to achieve a similar revenue stream, in addition to any other damages or relief, Franchisor is entitled to recover damages equal to the amount of the Royalty actually paid by Franchisee, or what Franchisee was obligated to pay, whichever is greater, (i) during the 12 months prior to the date this Agreement was terminated or (ii) if the Opening Date is less than 12 months before the Termination Date, during the time since the Opening Date.

13.10 Collection Costs.
Franchisor is entitled to reimbursement from Franchisee upon Franchisor's demand of all costs Franchisor has incurred (including reasonable attorneys' fees and investigator's fees) to enforce Franchisor's rights under this Agreement, including actions to collect any amounts due and delinquent hereunder.

13.11 Continuance of Business Relations.
Any continuance of business relations between Franchisee and Franchisor after termination of this Agreement will not be construed as a renewal, extension or continuation of this Agreement.

XIV. DISPUTE RESOLUTION

14.1 Initial Steps to Resolve a Dispute; Mediation.

(a) Franchisor and Franchisee have entered a long-term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship succeed, considering the overall best interests of the entire Big Mama's & Papa's system, as contemplated by this Agreement. To that end, Franchisee and Franchisor acknowledge that Franchisee and Franchisor need to attempt to resolve disagreements or disputes before such disagreements or disputes negatively impact the relationship. Good faith communications between Franchisee and Franchisor are important aspects of that obligation. The parties hereby pledge and agree that they will first attempt to resolve any dispute, claim or controversy arising out of or relating to this Agreement or any alleged breach hereof, including any claim that this Agreement or any part hereof is invalid, illegal or otherwise voidable or void (collectively, "Dispute") by first having Franchisor's executive officers and Franchisee's Principal Equity Owners meet in person within five business days after a party notifies the other party that a Dispute has arisen at Franchisor's principal executive office (without their respective legal counsel) to conduct a good faith discussion and negotiation of the issues with the express intention of arriving at a settlement ("Settlement Conference"). Franchisor may proceed to terminate this Agreement in either of the following two situations without a settlement meeting or mediation proceeding: (i) if there is any breach of this Agreement by Franchisee that may result in an immediate termination of this Agreement pursuant to section 13.2 above, or (ii) if Franchisee fails to pay any sums due Franchisor under this Agreement which may result in termination of this Agreement pursuant to section 13.3 above. Also, if a party refuses to participate in the Settlement Conference or mediation within the respective time frames set forth in this section 14.1, the other party may immediately commence an arbitration proceeding pursuant to section 14.2 below.

(b) If the parties are unable to settle the Dispute at the Settlement Conference, then within 10 business days after the date the Settlement Conference took place (or should have taken place), Franchisee and Franchisor may submit the dispute to non-binding mediation conducted by and before a mediator who is a State Bar of

California Board of Legal Specialization Certified Specialist in Franchise and Distribution Law at a location in California mutually agreeable to both parties. If the Dispute is not referred to mediation within 10 business days after the Settlement Conference took place (or should have taken place), the Dispute may be immediately submitted to binding resolution through arbitration proceedings pursuant to section 14.2 below. Any mediation proceedings should be completed within 60 days following the date either party first gives notice of mediation. The fees and expenses of the mediator will be shared equally by the parties. The mediator will be disqualified as a witness, expert or counsel for any party with respect to the Dispute and any related matter.

(c) Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement. The entire mediation process will be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible will not be excluded from discovery or admission because of its use in the mediation. The fees charged by a mediator and any other related fees and costs will be divided equally between the parties.

14.2 Arbitration.

(a) Except as specifically provided in sections 13.2(c) and 13.3(c) above, any Dispute between Franchisor (or its affiliated entities) and Franchisee (or its Principal Equity Owners or affiliated entities) not settled through the procedures described in section 14.1 above, or any determination of the scope or applicability of this agreement to arbitrate, will be resolved through binding arbitration by and before JAMS, Inc. ("JAMS"), in accordance with its Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than $250,000) or its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is $250,000 or more), or if the parties in dispute mutually agree, through binding arbitration by any other mutually agreeable arbitrator. It is explicitly agreed by both of the parties hereto that (i) no arbitration of any Dispute may be commenced except in accordance with this section 14.2 and (ii) any question regarding this section 14.2, including its existence, validity, scope or termination will be decided by the arbitrator.

(b) All hearings and other proceedings will take place at the JAMS business location in Los Angeles County, California, or other county where Franchisor's headquarters is then located, or if Franchisor so elects, at the JAMS business location nearest where Franchisee's principal place of business is then located. Absent exceptional circumstances determined by the arbitrator to justify a delay or the agreement of all parties to the Dispute, the arbitration hearings under this section 14.2 must commence within six months of the filing of the demand for arbitration.

(c) Either party may present briefs and affidavits of witnesses who are unable to attend hearings. A limited amount of discovery is permitted within the discretion of the arbitrator (including affidavits, interrogatories and depositions). The arbitrator will have the right to award or include in the award any relief that the arbitrator deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance and injunctive relief, provided that the arbitrator will not have the right to declare any Mark generic or otherwise invalid or to award punitive damages. If either party fails to appear or participate in the arbitration proceeding, the other party will be entitled to a default judgment award. The arbitration award will be final and binding on the parties, and judgment on the award may be entered in any federal or state court having jurisdiction.

(d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL CLAIMS BROUGHT UNDER THIS AGREEMENT WILL BE BROUGHT IN AN INDIVIDUAL CAPACITY. THIS AGREEMENT MAY NOT BE CONSTRUED TO ALLOW OR PERMIT THE CONSOLIDATION OR JOINDER OF OTHER CLAIMS OR CONTROVERSIES INVOLVING ANY OTHER FRANCHISEES OR PERMIT SUCH CLAIMS OR CONTROVERSIES TO PROCEED AS A CLASS ACTION, CLASS ARBITRATION, COLLECTIVE ACTION, OR ANY SIMILAR REPRESENTATIVE ACTION. NO ARBITRATOR WILL HAVE THE AUTHORITY UNDER THIS AGREEMENT TO ORDER ANY SUCH CLASS OR REPRESENTATIVE ACTION. BY SIGNING BELOW, FRANCHISEE EXPRESSLY AGREES TO WAIVE ALL SUBSTANTIVE AND PROCEDURAL RIGHTS THAT IT MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE OR OTHER SIMILAR BASIS.

(e) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ALL RIGHTS THEY MAY HAVE TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. ACCORDINGLY, THE ARBITRATOR WILL HAVE NO POWER TO ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY.

(f) This arbitration provision is deemed to be self-executing and will remain in full force and effect after expiration or termination of this Agreement.

(g) The provisions of this section 14.2 are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect after (and notwithstanding) the expiration or termination of this Agreement. Furthermore, this section 14.2 will be construed as independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of such provisions are unlawful in any way, the court is respectfully requested to modify or interpret such provisions to the minimum extent necessary to comply with the law.

[Franchisor's Initials: _______ Franchisee's Initials: ________]

14.3 Injunctive Relief.
Any party has the right in a situation where there is an imminent threat of harm to the legal rights of a party and damages would not be adequate relief to seek a temporary restraining order and temporary or preliminary injunctive relief from a court of competent jurisdiction in California, without the necessity of first complying with sections 14.1 and 14.2 above or posting any bond, and if bond is nevertheless required by a court of competent jurisdiction, the parties agree that the sum of $1,000 will be a sufficient bond. If an arbitration proceeding has already commenced pursuant to section 14.2 above when a party seeks injunctive relief, then the party seeking such injunctive relief agrees to contemporaneously submit the merits of its dispute to the arbitrator. The existence of a proceeding commenced under section 14.1 or 14.2 above will in no event abate or otherwise affect the ability of party to seek injunctive relief under this section 14.3. Franchisee acknowledges that its failure to comply fully with any of the terms of this Agreement respecting the obligations regarding examinations, audits and the Marks could cause irreparable damage to Franchisor or other affiliated persons or entities, and Franchisor or Franchisor's affiliates are empowered to seek injunctive relief to protect the Marks. This covenant is independent, severable and enforceable notwithstanding any other rights or remedies that any party may have.

14.4 Legal Fees and Expenses.
The prevailing party in any arbitration or litigation to resolve a dispute between any of the parties hereto will be entitled to recover from the losing party reasonable legal fees (and incurred costs of the prevailing party's counsel) and all other "Expenses" (as defined in section 16.2(e) below) incurred by the prevailing party in bringing or defending such arbitration, action or proceeding or enforcing any resulting award or judgment (including without limitation arbitration or court filing fees, expert and other witness fees, discovery expenses and compensation payable to the arbitrator), whether incurred prior to or in preparation for or in contemplation of the filing of the action or thereafter. The prevailing party will be determined by the arbitrator or court. This section 14.4 is (i) intended to be expressly severable from the other provisions of this Agreement, (ii) intended to survive any judgment, and (iii) not to be deemed merged into the judgment.

14.5 Survival.
The terms of this Article XIV survive termination, expiration or cancellation of this Agreement.

XV. OBLIGATIONS AND RIGHTS UPON TERMINATION OR EXPIRATION

15.1 Franchisee's Obligations.

(a) In the event of termination, cancellation or expiration of this Agreement whether by reason of Franchisee's breach, default, non-renewal, lapse of time or other cause, in addition to any other obligations provided for in this Agreement, Franchisee must forthwith discontinue the use or display of the Marks in any manner whatsoever, and Franchisee may not thereafter operate or do business under the Marks or any other Big Mama's & Papa's Pizzeria brand or any other name or in any manner that might tend to give the general public the impression that Franchisee is in any way associated or affiliated with Franchisor, or any of the businesses conducted by Franchisor or the Owner of the Marks, including without limitation repainting the business premises in a distinctively different color and removing or rearranging distinctive elements of the Trade Dress. Franchisee must contact online review sites and other online directories and websites which have made reference to Franchisee's Outlet during the 18 months prior to the date this Agreement terminates, is cancelled or expires, and request the removal of all use of the trademarks in connection with the former Big Mama's & Papa's franchised Outlet (and the physical address of the former Outlet) and all use of former reviews from the period Franchisee was a Big Mama's & Papa's Pizzeria franchisee. And, Franchisee also must comply with section 15.2 respecting the return to Franchisor of certain materials and must not thereafter use, in any manner, or for any purpose, directly or indirectly, any of the Proprietary Information, Trade Secrets, procedures, techniques, or materials acquired by Franchisee by virtue of the relationship established by this Agreement, including, without limitation, (i) any training or other materials, manuals, bulletins, instruction sheets, or supplements thereto, or (ii) any equipment, videotapes, videodiscs, forms, advertising matter, devices, insignias, slogans or designs used from time to time in connection with the Franchised Business.

(b) If there is a termination, cancellation or expiration as described in section 15.1(a) above, Franchisee must comply with section 11.2 of this Agreement respecting post-termination competition and promptly:

(i) remove at Franchisee's expense all signs erected or used by Franchisee and bearing the Marks, or any word or mark indicating that Franchisee is associated or affiliated with Franchisor;

(ii) erase or obliterate from letterheads, stationery, printed matter, advertising or other forms used by Franchisee the Marks and all words indicating that Franchisee is associated or affiliated with Franchisor;

(iii) permanently discontinue all advertising stating or implying Franchisee is associated or affiliated with Franchisor or the System (if Franchisee engages in any business thereafter, Franchisee must use trade names, service marks or trademarks that are significantly different from those under which Franchisee had done business and must use sign formats that are significantly different in color and type face; and take all necessary steps to ensure that Franchisee's present and former employees, agents, officers, shareholders and partners observe the foregoing obligations); and

(iv) assign all interest and right to use all telephone numbers and all telephone and social media listings applicable to the Outlet in use at the time of such termination to Franchisor and take all actions necessary to change all such telephone numbers immediately and change all such telephone and social media listings as soon as possible.

(c) If Franchisee fails or omits to make or cause to be made any removal or change described in section 15.1(b)(i) through 15.1(b)(iv) above, then Franchisor will have the right within 15 days after written notice to enter Franchisee's Outlet or other premises from which the Franchised Business is being conducted without being deemed guilty of trespass or any other tort, and make or cause to be made such removal and changes at Franchisee's expense, which expenses Franchisee agrees to pay to Franchisor promptly upon demand. Effective on the Termination Date, Franchisee hereby irrevocably appoints Franchisor as Franchisee's lawful attorney upon termination of this Agreement with authority to file any document in the name of and on Franchisor's behalf for the purpose of terminating all of Franchisee's rights in any trade name Franchisee have used containing any of the Marks.

15.2 Franchisor's Rights as Franchisor.

(a) The termination, cancellation, expiration or assignment of this Agreement will be without prejudice to any of Franchisor's rights against Franchisee and such termination, cancellation, expiration or assignment will not relieve Franchisee of any of Franchisee's obligations to Franchisor existing at the time of termination, cancellation, expiration or assignment or terminate those obligations of Franchisor which, by their nature, survive the termination, cancellation, expiration or assignment of this Agreement.

(b) As soon as practicable after the termination, expiration or non-renewal of this Agreement, Franchisor may direct all applicable vendors and suppliers to immediately cease providing Franchisee with inventory, supplies, equipment, marketing materials, email access, website access, accessories and other items comprising or to be used to provide Big Mama's and Papa's Products.

(c) On or immediately after the Termination Date, Franchisee is obligated to return, at no expense to Franchisor, all copies of the Confidential Operations Manual, all other Big Mama's & Papa's Pizzeria proprietary materials and any other items that were supplied by Franchisor for Franchisee's use in connection with the operation of the Franchised Business. Franchisee must also permanently erase anything relating to Franchisor or the Franchised Business from any computers and other media storage devices Franchisee retains after expiration, cancellation or termination of this Agreement.

(d) Within 30 days after termination, expiration or non-renewal of this Agreement, Franchisor will have the option, but not the obligation, to purchase all or any portion of Franchisee's reusable inventory, apparel containing the Marks, proprietary equipment, parts, supplies, fixtures and furnishings owned and used by Franchisee in

Franchisee's franchised operation. Franchisor will be permitted to deduct and withdraw from the purchase price to be paid to Franchisee all sums then due and owing to Franchisor. The purchase price for Franchisee's reusable inventory and apparel containing the Marks will be at Franchisee's cost for said items. The purchase price for the proprietary equipment, parts, fixtures and furnishings will be the fair market value thereof. In determining the fair market value of such items Franchisee and Franchisor agree to exclude any factor or increment for goodwill or going concern value. The purchase price to be paid to Franchisee will be paid in cash at the closing of any purchase which will occur no less than 30 days from the date Franchisor exercise Franchisor's option, unless Franchisee and Franchisor are unable to agree on the fair market value of the assets to be purchased. If Franchisee and Franchisor are unable to reach agreement within a reasonable time as to the fair market value of the items Franchisor has agreed to purchase, Franchisee and Franchisor will jointly designate an independent appraiser, and the appraiser's determination will be binding. Franchisee and Franchisor must each pay 50% of the fee charged by the independent appraiser.

XVI. GENERAL TERMS AND PROVISIONS

16.1 Notices.

(a) All notices that the parties hereto are required or may desire to give under or in connection with this Agreement must be in writing and (unless personally delivered by an agent of the sending party) must be sent by reliable overnight courier, for delivery on the next business day and addressed as follows:

(i) If to Franchisor:

BIG MAMAS AND PAPAS FRANCHISING, LLC
231 1/2 N BRAND BLVD
GLENDALE CA 91203-2609
Phone: (323) 661-2929

(ii) If to Franchisee:

____
____
____
Phone:

(b) Notices between Franchisee and Franchisor will be deemed given the earlier of (i) the next business day after deposit with a reliable overnight courier, properly addressed and marked for delivery on the next business day, or (ii) when delivered in person by an agent of the sending party.

(c) Any change in the addresses listed in section 16.1(a) above must be sent to the other party as soon as practicable after the change occurs by reliable overnight courier.

(d) Any notices sent to Franchisee which include a statement of intent to terminate or not renew the Franchise must provide (i) the reasons why and (ii) the effective date of such termination or nonrenewal or expiration.

16.2 Indemnity.

(a) Franchisee and its Principal Equity Owners, jointly and severally, hereby agree to protect, defend and indemnify Franchisor, and all of Franchisor's past, present and future owners, affiliates, officers, directors, employees, attorneys and designees, and each of them, and hold them harmless from and against all Losses arising out of or in connection with any "Proceeding" (as defined in section 16.2(f) below) concerning Franchisee's intentional tort or negligence, or the intentional tort or negligence of Franchisee's agents, servants or representatives, relating to Franchisee's development, maintenance or operation of the Outlet and the Franchised Business, except if caused by Franchisor's intentional misfeasance, gross negligence or material breach of any terms of, or Franchisor's obligations arising under, this Agreement.

(b) Franchisor hereby agrees to protect, defend and indemnify Franchisee, its Principal Equity Owners, other owners, affiliates, officers, directors, employees and attorneys and each of them, from any Losses any of them may incur because of any third party Proceeding arising out of Franchisor's intentional misfeasance, gross negligence or material breach of Franchisor's obligations under this Agreement, except if caused by the intentional misfeasance of, gross negligence of, or material breach by, Franchisee (or any of its Principal Equity Owners, or other owners, affiliates, officers, directors, employees or attorneys of Franchisee) of any terms of, or Franchisee's obligations arising under, this Agreement.

(c) For the indemnification to be effective, each indemnified party ("Indemnified Party") will give the indemnifying party ("Indemnifying Party") reasonable notice of each claim or loss for which the Indemnified Party demands indemnity and defense, except that failure to provide such notice will not release the Indemnifying Party from any obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure. The Indemnifying Party will assume, at its sole cost and expense, the defense of such Proceeding through legal counsel reasonably acceptable to the Indemnified Party, except that the Indemnified Party may at its option and expense select and be represented by separate counsel. The Indemnifying Party will have control over the Proceeding, including the right to settle; provided, however, the Indemnifying Party will not, absent the written consent of the Indemnified Party, consent to the entry of any judgment or enter into any settlement that: (i) provides for any admission of liability on the part of the Indemnified Party or relief other than the payment of monetary damages for which the Indemnifying Party will be solely liable; or (ii) adversely affects the rights of the Indemnified Party under this Agreement, or (iii) does not release the Indemnified Party from all Proceedings and "Losses" (as defined in section 16.2(d) below) in respect thereof. In no event will the Indemnified Party be liable for any Losses that are compromised or settled in violation of this section 16.2. The Indemnifying Party's duty to defend is independent of its duty to indemnify. Each indemnified party must submit all its claims to its insurers in a timely manner. Any payments made by an indemnified party will be net of benefits received by any indemnified party on account of insurance in respect of such claims.

(d) The term "Losses" means, refers to, and includes all "Expenses" (as defined in section 16.2(e) below), liabilities, obligations, losses, fines, penalties, costs, or damages including all reasonable out of pocket fees and disbursements of legal counsel in the investigation or defense of any of the same or in asserting any party's respective rights hereunder but excluding punitive damages (unless resulting from third party claims).

(e) The term "Expenses" means, refers to, and includes, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding casts, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses will also include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the person being indemnified because of the actual or deemed receipt of any payments under this Agreements, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent.

(f) The term "Proceeding" means, refers to, and includes any threatened pending or completed suit, claim, demand, action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether civil, criminal, administrative or investigative.

(g) The indemnification provided in this section 16.2 is a continuing right and will survive the expiration or termination of this Agreement. The parties hereto further acknowledge and agree that they intend the indemnification provided in this section 16.2 to be interpreted and enforced in a manner providing the fullest extent of indemnification to the Indemnified Party now or hereafter permitted by law.

16.3 Franchisee's Relationship to Franchisor as Franchisee.

(a) It is expressly agreed by the parties they intend by this Agreement to establish between themselves the relationship of franchisee and franchisor. It is further agreed neither Franchisee nor any Principal Equity Owner has the authority to create or assume in Franchisor's name or on Franchisor's behalf, any obligation, express or implied, or to act or purport to act as agent or representative on Franchisor's behalf for any purpose whatsoever. Neither Franchisee (nor any Principal Equity Owner) nor Franchisor is the employer, employee, agent, partner, fiduciary or co-venturer of or with the other, each being independent. Franchisee and all Principal Equity Owners jointly and severally agree none will hold itself out as Franchisor's agent, employee, partner or co-venturer or the Owner of the Marks.

(b) All employees or agents hired or engaged by or working for Franchisee will be only the employees or agents of Franchisee and will not for any purpose be deemed employees or agents of Franchisor or the Owner of the Marks, nor subject to Franchisor's control; and in particular, Franchisor will have no authority to exercise control over the hiring or termination of these employees, independent contractors, or others who work for Franchisee, their compensation, working hours or conditions, or their day-to-day activities, except to the extent necessary to protect the Marks. Franchisee and Franchisor agree to file their own tax, regulatory and payroll reports with respect to their respective employees or agents and operations.

16.4 No Third-Party Beneficiaries.
This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity (other than financing sources to whom Franchisor may have granted or consented to a collateral assignment of this Agreement) will be entitled to any rights hereunder by virtue of so-called "third party beneficiary rights" or otherwise.

16.5 Survival of Covenants.
The covenants contained in this Agreement that by their terms require performance by the parties after the expiration, termination, cancellation or assignment of this Agreement will be enforceable notwithstanding said expiration, termination, cancellation or assignment.

16.6 Successors and Assigns.
Subject to restrictions on Assignment by Franchisee contained herein, this Agreement is binding upon Franchisor and Franchisee and inures to the benefit of their respective successors and assigns.

16.7 Joint and Several Liabilities.
If Franchisee consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to Franchisor are joint and several.

16.8 Titles for Convenience Only.
Section titles used in this Agreement are for convenience only and do not affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement.

16.9 Gender.
All terms used in any one number or gender will extend to mean and include any other number and gender as the facts, context or sense of this Agreement or any section may require.

16.10 Severability; Partial Invalidity.
Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between (i) any provisions of this Agreement or the Confidential Operations Manual and (ii) any present or future statute, law, ordinance, regulation or judicial decision, contrary to which the parties have no legal right under this Agreement, the latter will prevail, but in such event the provision of this Agreement or the Confidential Operations Manual thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any part, article, section, sentence or clause of this Agreement or the Confidential Operations Manual is held to be indefinite, invalid or otherwise unenforceable, that specific language will be deemed deleted but the remaining parts thereof will continue in full force and effect.

16.11 Counterparts.
This Agreement may be executed in multiple copies, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same instrument.

16.12 Compliance with U.S. Anti-Terrorism and Other U.S. Federal Laws.

(a) Franchisee certifies that neither it nor any Principal Equity Owners or employees of Franchisee, or anyone else who is associated with Franchisee is not listed in the Annex to Executive Order 13224 (available at http://treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html). Franchisee covenants not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, the Principal Equity Owners, employees or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee and each of the Principal Equity Owners will comply with and assist Franchisor as much as possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee certifies, represents and warrants that none of Franchisee's respective property or interests is subject to being "blocked" under any of the

Anti-Terrorism Laws and that Franchisee and the Principal Equity Owners are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws. Franchisee specifically acknowledges and agrees that its indemnification responsibilities as provided in this Agreement also pertain to its obligations under this section 16.12. Any misrepresentation by Franchisee under this section 16.12 or any violation of the Anti-Terrorism Laws by Franchisee, any of the Principal Equity Owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement Franchisee executed with Franchisor or one of Franchisor's Affiliates. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists, and any other requirements of any United States governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

(b) Neither Franchisee nor any Principal Equity Owner conducts any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under any applicable Anti-Terror Legislation.

(c) Neither Franchisee nor any Principal Equity Owner nor any employee of either is named as a "Specially Designated National" or "Blocked Person" as designated by the U.S. Department of the Treasury's Office of Foreign Assets Control and published at www.treas.gov/offices/enforcement/ofac/sdn/. Franchisee acknowledges that Franchisee is not directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States of America, nor does Franchisee or any Principal Equity Owner act directly or indirectly on behalf of the government of any country that is subject to an embargo imposed by the United States of America. Franchisee agrees that Franchisee will notify Franchisor in writing immediately of the occurrence of any event that renders the foregoing representations and warranties of this section 16.12 incorrect.

[Franchisee's Initials: _______]

16.13 Governing Law.
The Federal Arbitration Act (9 U.S.C. §1 *et seq.*) governs the arbitration of disputes under this Agreement. Otherwise, the laws of the state where the Outlet is located govern this Agreement and all related matters, documents and agreements, without regard to conflicts of laws. If any provision of this Agreement is impermissible under a governing law, the provision will be deemed amended to conform to that law while maintaining to the maximum extent possible the original intent of the provision, or if the provision as amended cannot substantially maintain the original intent, then the provision will be deemed deleted.

16.14 Entire Agreement.

(a) The parties to this Agreement each acknowledge and warrant to each other that they wish to have all terms of this business relationship defined solely in and by this written Agreement and the Confidential Operations Manual. Recognizing the costs on all parties which attend uncertainty, the signatories to this Agreement each confirm that neither wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements or non-contract writings (which have been or may in the future be exchanged between them) serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, the signatories each agree and promise each other that this Agreement, the Confidential Operations Manual, and the representations made by Franchisor in the Big Mama's & Papa's Pizzeria franchise disclosure document ("FDD") that was provided to Franchisee, supersede and cancel any prior or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements, understandings or any other term), by any of the parties or by anyone acting on their behalf, with respect to the rights and obligations of the parties to this Agreement or the relationship between them. Each signatory to this Agreement agrees and promises the other that they have placed, and will place, no reliance on any such discussions or writings.

(b) In accordance with the foregoing section 16.14(a), the parties to this Agreement agree that this Agreement, and the Confidential Operations Manual, constitutes the entire agreement between the parties and contain all terms, conditions, rights and obligations of the parties with respect to the Franchised Business contemplated by this Agreement and any other aspect of the relationship between the parties; provided however, that nothing in this Agreement or in any related agreement or writing is intended to disclaim the representations made in the FDD that was provided to Franchisee.

(c) This Agreement cannot be modified or changed except by written instrument signed by all parties hereto.

XVII. EFFECTIVENESS OF AGREEMENT

This Agreement will become effective upon its execution by Franchisee and Franchisor. HOWEVER, THIS AGREEMENT IS NOT BINDING ON FRANCHISOR UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY FRANCHISOR.

XVIII. ACKNOWLEDGMENTS AND REPRESENTATIONS

18.1 Acknowledgments and Representations.

(a) Franchisee hereby represents and warrants that all statements in this section 18.1 are true and accurate.

(b) Franchisee does not seek to obtain the Franchise for speculative or investment purposes and has no present intention to sell or transfer or attempt to sell or transfer the Franchised Business or the Franchise within 12 months after the Opening Date.

(c) Franchisee understands and acknowledges the value to the System of uniform and ethical standards of quality, appearance and service described in and required by the Confidential Operations Manual and the necessity of operating the Franchised Business under the standards set forth in the Confidential Operations Manual. Franchisee represents that it has the capabilities, professionally, financially and otherwise, to comply with Franchisor's standards.

(d) If Franchisee is an entity, Franchisee is duly organized and qualified to do business in the state and any other applicable jurisdiction within which the Outlet is located.

(e) Franchisee's execution of this Agreement will not constitute or violate any other agreement or commitment to which Franchisee is a party.

(f) Any individual executing this Agreement on Franchisee's behalf is duly authorized to do so and the Agreement constitutes a valid and binding obligation of Franchisee and all of Franchisee's Principal Equity Owners.

(g) Franchisee and its Principal Equity Owners (i) carefully read this Agreement and all other related documents to be executed by Franchisee concurrently or in conjunction with the execution hereof, (ii) conducted an independent investigation of the business contemplated by this Agreement, (iii) obtained, or had the opportunity to obtain, the advice of counsel in connection with the execution and delivery of this Agreement, (iv) understand the nature of this Agreement, and (v) intend to comply with the terms hereof and be bound hereby. Franchisee also recognizes that the Franchise involves significant risks, making the success of the Outlet largely dependent on Franchisee's abilities, attention, and consistent and regular participation in the operation of the Franchised Business at the Outlet. Franchisor expressly disclaims the making of, and Franchisee agrees that Franchisee has not received or relied on, any representation or warranty from Franchisor regarding the likelihood of Franchisee's success at Franchisee's Outlet or in Franchisee's operating the Franchised Business.

(h) IN ENTERING INTO THIS AGREEMENT, FRANCHISEE HAS NOT RELIED ON ANY REPRESENTATION BY FRANCHISOR, OR ANY OF FRANCHISOR'S OFFICERS, MANAGERS, DIRECTORS, PARTNERS, SHAREHOLDERS, EMPLOYEES OR AGENTS, CONCERNING THE FRANCHISED BUSINESS CONTRARY TO THE TERMS OF THIS AGREEMENT, THE DOCUMENTS INCORPORATED INTO THIS AGREEMENT (OR ATTACHED TO IT), OR THE FDD THAT WAS PROVIDED TO FRANCHISEE.

(i) Franchisee agrees that complete and detailed uniformity among Franchisor's franchisees under varying conditions may be inadvisable, impractical or impossible, and accordingly agree that Franchisor, in its sole discretion, may modify or vary aspects of the System as to any franchisee or group of franchisees based on, for example, local sales potential, demographics, competition, business practices or other conditions. Franchisee further agrees that Franchisor has no obligation to disclose or offer the same or similar variances to Franchisee. Franchisee is aware that other Big Mama's & Papa's Pizzeria franchisees may operate under different agreements and, consequently, that Franchisor's obligations and rights as to those franchisees may differ materially in certain circumstances.

(j) Franchisee received an FDD and a copy of this Agreement at least 15 calendar days before it signed this Agreement.

(k) Franchisee made no payment to Franchisor before Franchisee signed this Agreement.

(l) Franchisee and each Principal Equity Owner acknowledge that in operating the System, Franchisor must consider the needs of the System as a whole, and the need to protect the Marks, even if Franchisor's actions are contrary to Franchisee's individual interests as a franchisee.

18.2 Additional Information Respecting Franchisee and Franchisee's Principal Equity Owners.

(a) Franchisee must fully complete the schedule attached as Exhibit 2 of this Agreement with required information about Franchisee's Principal Equity Owners.

(b) The address (written notice of any change in this information after the Effective Date must be delivered to Franchisor pursuant to section 16.1 hereof) where Franchisee's financial and other records are maintained is either [ ] the same address as provided in section 16.1 hereof, or [ ] the following address:

____

____.

IN WITNESS WHEREOF, and each signatory being jointly and severally liable, the parties hereto executed this Agreement as of the Effective Date.

FRANCHISEE:

____

By: ______________________________

____

[PRINTED NAME AND TITLE]

FRANCHISOR:

BIG MAMAS AND PAPAS FRANCHISING, LLC

By: ______________________________

Ararat Agakhanyan, CEO

List of Exhibits to Franchise Agreement:

Exhibit 1 – Territory, Delivery Area and Location of Outlet

Exhibit 2 – Names and Addresses of Principal Equity Owners

Exhibit 3 – Guarantee of Franchise Agreement

EXHIBIT 1 - TERRITORY, DELIVERY AREA AND LOCATION OF OUTLET

The Territory is either [ ] a radius of ___ miles around the Outlet or [ ] the geographical area surrounding the Outlet as depicted in a map attached to this Exhibit 1.

The Delivery Area is the geographical area surrounding the Outlet as depicted in a map attached to this Exhibit 1.

The Outlet is located at:

____

____

____

(If the address of the Outlet is unknown when this Agreement is signed, as soon as the address is determined it will be inserted later into the space above or added by addendum attached to this Exhibit 1.)

EXHIBIT 2 - NAMES AND ADDRESSES OF PRINCIPAL EQUITY OWNERS

If Franchisee is an entity, list below the names, residential addresses and respective percentage equity ownership interests of each Principal Equity Owner:

1. ______________________________

____

____

______ **%**

2. ______________________________

____

____

______ **%**

3. ______________________________

____

____

______ **%**

4. ______________________________

____

____

______ **%**

5. ______________________________

____

____

______ **%**

EXHIBIT 3 - GUARANTEE OF FRANCHISE AGREEMENT

In consideration of the execution by Franchisor of the Franchise Agreement (the "Franchise Agreement") dated __________________, 20 ___ between Big Mamas and Papas Franchising, LLC ("Franchisor") and ____ ("Franchisee") and for other good and valuable consideration, each of the undersigned "Principal Equity Owners" (as defined in the Franchise Agreement), and their spouses (if applicable), for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

If more than one person has executed this Guarantee of Franchise Agreement ("Guarantee"), the term "the undersigned", as used herein, refers to each such person, and the liability of each of the undersigned hereunder will be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by every covenant, term, condition, agreement and undertaking contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

The undersigned further hereby agree that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (i) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (ii) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (iii) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (iv) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned.

Notice to or demand upon Franchisee or any of the undersigned will be deemed notice to or demand upon Franchisee and all the undersigned, and no notice or demand need be made to or upon any of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned will not relieve any other guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, related to the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, will not modify or amend this Guarantee, which will be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

The Lanham Act (15 U.S.C. §1051 et seq.) governs any issue involving Franchisor's proprietary trademarks. To the extent applicable, the laws of the state where the Store is located govern all issues involving modification of this Guarantee while it is in effect. Otherwise, this Guarantee and the legal relations among the parties hereto will be governed by and construed in accordance with the laws of the State of California. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of California or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in the Superior Court of the State of California, County of Los Angeles or the United States District Court for the Central District of California. Guarantors hereby waive and covenant never to assert or claim that this venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of *forum non conveniens*). Guarantors further hereby waive and covenant never to assert or claim that such courts lack personal jurisdiction over Guarantors. In the event both such courts lack jurisdiction to enter any requested injunctive relief, an action or proceeding requesting such relief may be brought before any court having jurisdiction to grant such relief.

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions will nevertheless be effective.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Franchise Agreement.

PRINCIPAL EQUITY OWNERS	SPOUSES OF PRINCIPAL EQUITY OWNERS (if applicable)
x ______________________	x ______________________
______________________ Printed Name of Principal Equity Owner	______________________ Printed Name of Spouse
x ______________________	x ______________________
______________________ Printed Name of Principal Equity Owner	______________________ Printed Name of Spouse
x ______________________	x ______________________
______________________ Printed Name of Principal Equity Owner	______________________ Printed Name of Spouse
x ______________________	x ______________________
______________________ Printed Name of Principal Equity Owner	______________________ Printed Name of Spouse
x ______________________	x ______________________
______________________ Printed Name of Principal Equity Owner	______________________ Printed Name of Spouse

BIG MAMA'S & PAPA'S PIZZERIA

AREA DEVELOPMENT AGREEMENT

EXHIBIT A-2

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AREA DEVELOPMENT AGREEMENT

This Area Development Agreement ("Agreement") is made and executed on _______________, 20___ (the "Effective Date") by and between ____ ("Franchisee") and Big Mamas and Papas Franchising, LLC, a California limited liability company, doing business as Big Mama's & Papa's Pizzeria ("Franchisor").

Franchisee is concurrently entering into a Franchise Agreement with Franchisor, under the terms of which Franchisee is being granted a right to open and operate a Big Mama's & Papa's Pizzeria retail outlet at a location that Franchisor has consented to ("Outlet"), under the Big Mama's & Papa's Pizzeria trademarks and in accordance with Franchisor's business format.

In consideration of the mutual promises, covenants, agreements and conditions contained in this Agreement, and other good and valuable consideration, Franchisee and Franchisor hereby agree as follows.

I. GRANT OF RIGHTS TO OPEN ADDITIONAL OUTLETS

1.1 Right to Open Additional Outlets.

(a) Subject to the terms and conditions contained herein, Franchisor hereby grants to Franchisee the right to, and Franchisee hereby agrees to, establish and operate (itself or by an entity ("Affiliated Entity") that Franchisee owns which Franchisor has granted the right to open a specific Outlet) a specified number of additional Outlets in accordance with the schedule of openings attached hereto as Exhibit 1 (the "Development Schedule") and within the geographical area (the "Development Area") indicated in Exhibit 1. If the required number of Outlets have not been opened in the Development Area in accordance with the Development Schedule, Franchisor may cancel this Agreement and the Franchisee will no longer have any right to solicit third party franchisees to operate single Outlet franchises in the Development Area (however, on a non-exclusive basis, Franchisee or an Affiliated Entity may open additional Outlets that Franchisor consents to).

(b) So long as Franchisee's obligations under the Development Schedule are being met on a timely basis and until this Agreement terminates, Franchisor will not itself operate an Outlet within the Development Area, nor allow any of its affiliates or other Big Mama's & Papa's franchisees to do so.

(c) If Franchisor becomes insolvent or declares bankruptcy or is no longer authorized to offer and sell franchises in Franchisee's state because of a lapse of applicable franchise registration or other reason, Franchisee will continue to have the right to operate under this Agreement unless a federal or state court issues an order otherwise.

1.2 Franchise Agreements.

(a) When Franchisee (or its Affiliated Entity) opens an additional Outlet under the Development Schedule, Franchisee (or its Affiliated Entity) must enter into Franchisor's then current form of Franchise Agreement for that additional Outlet. So long as Franchisee is in good standing under this Agreement, Franchisee (or its Affiliated Entities) will continue to have the right to open and operate Outlets in the Development Area in accordance with the Development Schedule.

(b) Each Franchise Agreement executed pursuant hereto will provide that Franchisor and its affiliates may not open or operate, or franchise or license the operation of, any Big Mama's & Papa's retail business site within the protected "Territory" (a defined area surrounding the Outlet) of the Outlet opened by Franchisee (or its Affiliated Entity) pursuant to such Franchise Agreement.

1.3 Term.

The term of this Agreement commences on the Effective Date and, unless sooner terminated by Franchisee's material breach hereof, will continue until Franchisee and its Affiliated Entities have opened all Outlets to be developed in accordance with the Development Schedule, at which time this Agreement becomes moot and will terminate. There will be no extensions or renewal periods relating to the Development Schedule unless done so in writing. Notwithstanding the above, Franchisee may terminate this Agreement upon 30 days written notice to Franchisor. Upon termination of this Agreement, Franchisee will no longer have the exclusive right to open future Outlets in the Development Area under the Development Schedule.

1.4 Effect of Expiration.
Unless an additional development right has been agreed to pursuant to section 2.4 hereof and a restated or revised Development Schedule has been initialed by Franchisee and Franchisor, upon the expiration or termination of this Agreement, (i) neither Franchisee nor its Affiliated Entities will have any further right to construct, equip, own, open or operate additional Outlets that are not, at the time of such termination or expiration, the subject of a then existing Franchise Agreement between Franchisee (or its Affiliated Entity) and Franchisor which is then in full force and effect, and (ii) Franchisor or its affiliates may thereafter themselves construct, equip, open, own or operate, and license others to (or grant development rights to) construct, equip, open, own or operate Outlets anywhere, subject only to the territorial rights granted under an applicable Franchise Agreement for an Outlet.

1.5 No Subfranchising Rights.
Neither Franchisee nor any of its Affiliated Entities has the right under this Agreement to execute subfranchised Big Mama's & Papa's Pizzeria franchise agreements with anyone. Any third-party franchisee in the Development Area will sign directly with Franchisor and neither Franchisee nor any of its Affiliated Entities will be a signatory to said Franchise Agreement.

II. DEVELOPMENT OBLIGATIONS

2.1 Development Obligations.

(a) Franchisee (or its Affiliated Entity) must construct, equip and open each additional Outlet not later than the date specified in Exhibit 1 applicable to the Outlet, and thereafter continue to operate the Outlet or assign it with Franchisor's consent to another Big Mama's & Papa's Pizzeria franchisee.

(b) Any Outlet developed hereunder that is open and operating and which has been assigned to an affiliate of Franchisee, or to another Big Mama's & Papa's Pizzeria franchisee, or to a third party with Franchisor's consent will continue to be considered as partial satisfaction of Franchisee's obligations under the Development Schedule for so long as the assignee remains in good standing under the Franchise Agreement relating to that Outlet.

2.2 Timing of Execution of Leases and Franchise Agreements.

(a) Notwithstanding anything to the contrary contained herein, on or before the date that is 90 days before the date an Outlet is required to be opened, Franchisee (or its Affiliated Entity) must execute a lease and Franchise Agreement for the Outlet and pay the balance of the Initial Franchise Fee under the Franchise Agreement for that Outlet.

(b) Regarding the location, equipping, opening and operation of an Outlet that Franchisee (or its Affiliated Entity) is opening under the Development Schedule, Franchisee (or its Affiliated Entity) must comply with the Franchise Agreement that is applicable to that Outlet.

2.3 Force Majeure.

(a) The term "*Force Majeure*" means natural disasters (such as tornadoes, earthquakes, hurricanes, floods, fires or other natural catastrophes); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Franchisee could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by any federal, state, county, municipal and local governmental and quasi-governmental agency, commission or authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender, landlord, or other person will be a *Force Majeure*, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act that is otherwise a *Force Majeure*. For the avoidance of doubt, Franchisee's financial inability to perform or Franchisee's insolvency will not be a *Force Majeure* hereunder.

(b) Subject to Franchisee's continuing compliance with section 2.3(c) below, should Franchisee be unable to meet Franchisee's development obligation for a scheduled additional Outlet solely as the result of a *Force Majeure* which results in Franchisee's inability to construct or operate the Outlets pursuant to the terms of this Agreement, the date on which the scheduled additional Outlet is to be opened will be extended by an amount of time equal to the time period during which the *Force Majeure* exists.

(c) In the event of the occurrence of a *Force Majeure*, Franchisee must notify Franchisor in writing within 10 business days following commencement of the alleged *Force Majeure* of the specific nature and extent of the *Force Majeure*, and how it has impacted Franchisee's performance hereunder. Franchisee must continue to provide us with updates and all information as may be requested by Franchisor, including Franchisee's progress and diligence in responding to and overcoming the *Force Majeure*.

(d) Franchisor will not be liable to Franchisee for any consequential damages, including lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by Franchisee because of Franchisor's gross negligence or intentional misfeasance.

2.4 Termination of Development Schedule and Additional Development Rights.

(a) Once Franchisee or its Affiliated Entities open all Outlets specified in the Development Schedule, this Agreement becomes moot and unless a new Development Schedule is agreed to by the parties, Development Schedule, the Development Schedule is deemed completed and unless a new Development Schedule is agreed to by the parties, the exclusive right of Franchisee to open and operate Outlets in the Development Area will automatically terminate. However, all rights under each Franchise Agreement that Franchisee (or its Affiliated Entity) executed respecting the Outlets remain in full force and effect and Franchisee will maintain the non-exclusive right to open and operate Outlets in the Development Area. If Franchisee desires to engage in further development in excess of the obligations initially committed to under the Development Schedule, Franchisee must at the earlier of (i) 180 days prior to the scheduled expiration of the term hereof or (ii) the date on which acceptance of the proposed site for the last Outlet required to meet the Development Schedule is issued, notify Franchisor in writing of Franchisee's desire to develop Outlets and present its plan for such development over a new term, setting forth the number of proposed Outlets and the deadlines for the development of each of them within such proposed term. Franchisor has the sole discretion to determine whether such additional development is desirable, and if Franchisor agrees to allow Franchisee or its Affiliated Entities to develop Outlets, it will be subject to the conditions set forth in section 2.4(b) below. Otherwise, the development rights granted under this Agreement may not be extended.

(b) Franchisee's rights to additional development described in this section 2.4 are subject to Franchisee's fulfillment of the following conditions:

(i) Franchisee (and each of Franchisee's affiliates that have developed or operate Outlets) must have fully performed all of Franchisee's obligations under this Agreement and all other agreements between Franchisee (or the applicable affiliate) and Franchisor.

(ii) Franchisee must have demonstrated to Franchisor Franchisee's financial capacity to perform the additional development obligations set forth in any restated or revised Development Schedule. In determining if Franchisee is financially capable, Franchisor will apply the same criteria to Franchisee as Franchisor apply to prospective Big Mama's & Papa's Pizzeria Area Development developers at that time.

(iii) Franchisee and Franchisor must agree to, and initial, a restated or revised Development Schedule.

III. FEES AND PAYMENTS

3.1 Development Fee.

(a) When Franchisee signs this Agreement, Franchisee must pay Franchisor the sum of $_____________________ as a "Development Fee" for Franchisor granting Franchisee the exclusive right to open the number of additional Outlets specified in the Development Schedule. The Development Fee is computed by multiplying the number of additional Outlets by $15,000 (for example, if Franchisee agrees to open three additional Outlets pursuant to the Development Schedule, the Development Fee would be $45,000).

(b) If Franchisee does not successfully complete initial franchise training required by the first Big Mama's & Papa's Pizzeria Franchise Agreement Franchisee executes, Franchisor will refund Franchisee's Development Fee, less any expenses Franchisor incurred relating to this Agreement. **Otherwise, the Development Fee is not refundable**.

3.2 Franchise Agreements for Additional Outlets.
Each additional Outlet to be opened pursuant hereto will require execution by Franchisee and Franchisor of a separate Franchise Agreement (using Franchisor's then current form thereof) respecting that additional Outlet, with a credit of $15,000 to be applied against the initial franchise fee due under that Franchise Agreement and Franchisee would then pay the remaining balance of the initial franchise fee.

IV. TRANSFER OR ASSIGNMENT

4.1 Assignability.

(a)Franchisor has executed this Agreement in reliance upon and in consideration of the singular personal qualifications, trust and confidence that Franchisor reposes in Franchisee. Accordingly, although Franchisee may assign individual Franchise Agreements, Franchisee may not assign this Agreement except as provided in Section 4.2 below.

(b) Franchisor may assign this Agreement in Franchisor's sole discretion and without Franchisee's consent, and Franchisee acknowledges that Franchisor is permitted to do so without liability or obligation to Franchisee, and Franchisee expressly and specifically waives any claims, demands or damages arising from or related to any such assignment.

4.2 Transfers from Franchisee to an Affiliated Entity.

(a) Upon not less than 30 days' prior written notice to Franchisor, Franchisee may without Franchisor's consent assign and transfer this Agreement to an entity that is (i) organized to operate as a developer of Outlets and (ii) entirely owned by Franchisee.

(b) Any assignment and transfer by Franchisee of the rights, duties and obligations under this Agreement to an Affiliated Entity must be evidenced by a written instrument, in form reasonably satisfactory to Franchisor, under the terms of which said business entity expressly assumes all of Franchisee's obligations hereunder, whether accrued at the time of such assignment or arising thereafter, and the assignee agrees to be bound by all the terms and provisions of this Agreement to the same extent and in the same manner as Franchisee is. A copy of said instrument, executed by both Franchisee and said business entity must be delivered to Franchisor before the effective date of the transfer.

V. NON-COMPETITION

5.1 Restriction on Competitive Activities.
During the term of this Agreement and for one year after it is terminated or expires, Franchisee and each of its "Principal Equity Owners" (as defined in the Initial Franchise Agreement) must comply with the non-competition covenants contained in the last effective Franchise Agreement executed by Franchisee (or its Affiliated Entity) and Franchisor.

5.2 Website and Unauthorized Advertising.
During the term of this Agreement, neither Franchisee nor any of its Principal Equity Owners may establish a website or register an Internet domain name using, or otherwise advertise on the Internet or anywhere else, the trademark "Big Mama's & Papa's Pizzeria", or any combination or derivations thereof, or similar marks, or any other trademarks of ours, except as Franchisor specifically authorizes in writing.

VI. DEFAULT AND TERMINATION

6.1 General.
In addition to a termination pursuant to section 2.4 above, this Agreement may be terminated by Franchisor if Franchisee (i) fails to substantially comply with any obligation, duty or promise under this Agreement, including failure to open an Outlet within the time specified in the Development Schedule, after being given a notice of default and reasonable opportunity to cure the default (no more than 30 days), or (ii) is in material breach of any Franchise Agreement that Franchisee (or its Affiliated Entity) executed with Franchisor.

6.2 Operation of Opened Outlets after Termination or Expiration.
If Franchisor terminates this Agreement for the reasons described in section 6.1 above, Franchisee (or its Affiliated Entities) will be able to maintain ownership and operation of the Outlets which Franchisee (or its

Affiliated Entities) has developed so long as Franchisee is not in material breach of the applicable Franchise Agreements; however, Franchisee will forfeit (i) any further exclusive rights under the Development Schedule and this Agreement, and (ii) any rights to have a credit applied against the Initial Franchise Fee for Outlets that were not developed.

VII. DISPUTE RESOLUTION

7.1 Initial Steps to Resolve a Dispute; Mediation.

(a) Franchisor and Franchisee have entered a long-term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship succeed, considering the overall best interests of the entire Big Mama's & Papa's system, as contemplated by this Agreement. To that end, Franchisee and Franchisor acknowledge that Franchisee and Franchisor need to attempt to resolve disagreements or disputes before such disagreements or disputes negatively impact the relationship. Good faith communications between Franchisee and Franchisor are important aspects of that obligation. The parties hereby pledge and agree that they will first attempt to resolve any dispute, claim or controversy arising out of or relating to this Agreement or any alleged breach hereof, including any claim that this Agreement or any part hereof is invalid, illegal or otherwise voidable or void (collectively, "Dispute") by first having Franchisor's executive officers and Franchisee's Principal Equity Owners meet in person within five business days after a party notifies the other party that a Dispute has arisen at Franchisor's principal executive office (without their respective legal counsel) to conduct a good faith discussion and negotiation of the issues with the express intention of arriving at a settlement ("Settlement Conference"). If a party refuses to participate in the Settlement Conference or mediation within the respective time frames set forth in this section 7.1, the other party may immediately commence an arbitration proceeding pursuant to section 7.2 below.

(b) If the parties are unable to settle the Dispute at the Settlement Conference, within 10 business days after the date the Settlement Conference took place (or should have taken place), Franchisee and Franchisor may submit the dispute to non-binding mediation conducted by and before a mediator who is a State Bar of California Board of Legal Specialization Certified Specialist in Franchise and Distribution Law at a location in California mutually agreeable to both parties. If the Dispute is not referred to mediation within 10 business days after the Settlement Conference took place (or should have taken place), the Dispute may be immediately submitted to binding resolution through arbitration proceedings pursuant to section 7.2 below. Any mediation proceedings should be completed within 60 days following the date either party first gives notice of mediation. The fees and expenses of the mediator will be shared equally by the parties. The mediator will be disqualified as a witness, expert or counsel for any party with respect to the Dispute and any related matter.

(c) Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement. The entire mediation process will be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible will not be excluded from discovery or admission because of its use in the mediation. The fees charged by a mediator and any other related fees and costs will be divided equally between the parties.

7.2 Arbitration.

(a) Any Dispute between Franchisor (or its affiliated entities) and Franchisee (or its Principal Equity Owners or Affiliated Entities) not settled through the procedures described in section 7.1 above, or any determination of the scope or applicability of this agreement to arbitrate, will be resolved through binding arbitration by JAMS, Inc. ("JAMS"), in accordance with its Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than $250,000) or its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is $250,000 or more), or if the parties in dispute mutually agree, through binding arbitration by any other mutually agreeable arbitration organization. It is explicitly agreed by both of the parties hereto that (i) no arbitration of any Dispute may be commenced except in accordance with this section 7.2 and (ii) any question regarding this section 7.2, including its existence, validity, scope or termination will be decided by the arbitrator.

(b) All hearings and other proceedings will take place at the JAMS business location in Los Angeles County, California, or other county where Franchisor's headquarters is then located, or if Franchisor so elects, at the JAMS business location nearest where Franchisee's principal place of business is then located. Absent exceptional circumstances determined by the arbitrator to justify a

delay or the agreement of all parties to the Dispute, the arbitration hearings under this section 7.2 must commence within six months of the filing of the demand for arbitration.

(c) Either party may present briefs and affidavits of witnesses who are unable to attend hearings. A limited amount of discovery is permitted within the discretion of the arbitrator (including affidavits, interrogatories and depositions). The arbitrator will have the right to award or include in the award any relief that the arbitrator deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance and injunctive relief, provided that the arbitrator will not have the right to declare any Mark generic or otherwise invalid or to award punitive damages. If either party fails to appear or participate in the arbitration proceeding, the other party will be entitled to a default judgment award. The arbitration award will be final and binding on the parties, and judgment on the award may be entered in any federal or state court having jurisdiction.

(d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL CLAIMS BROUGHT UNDER THIS AGREEMENT WILL BE BROUGHT IN AN INDIVIDUAL CAPACITY. THIS AGREEMENT MAY NOT BE CONSTRUED TO ALLOW OR PERMIT THE CONSOLIDATION OR JOINDER OF OTHER CLAIMS OR CONTROVERSIES INVOLVING ANY OTHER FRANCHISEES OR PERMIT SUCH CLAIMS OR CONTROVERSIES TO PROCEED AS A CLASS ACTION, CLASS ARBITRATION, COLLECTIVE ACTION, OR ANY SIMILAR REPRESENTATIVE ACTION. NO ARBITRATOR WILL HAVE THE AUTHORITY UNDER THIS AGREEMENT TO ORDER ANY SUCH CLASS OR REPRESENTATIVE ACTION. BY SIGNING BELOW, FRANCHISEE EXPRESSLY AGREES TO WAIVE ANY SUBSTANTIVE OR PROCEDURAL RIGHTS THAT FRANCHISEE MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE OR OTHER SIMILAR BASIS.

(e) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ALL RIGHTS THEY MAY HAVE TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. ACCORDINGLY, THE ARBITRATOR WILL HAVE NO POWER TO ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY.

(f) This arbitration provision is deemed to be self-executing and will remain in full force and effect after expiration or termination of this Agreement.

(g) The provisions of this section 7.2 are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect after (and notwithstanding) the expiration or termination of this Agreement. Furthermore, this section 7.2 will be construed as independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of such provisions are unlawful in any way, the court is respectfully requested to modify or interpret such provisions to the minimum extent necessary to comply with the law.

[Franchisor’s Initials: _______ Franchisee’s Initials: ________]

7.3 Injunctive Relief.
Any party has the right in a situation where there is an imminent threat of harm to the legal rights of a party and damages would not be adequate relief to seek a temporary restraining order and temporary or preliminary injunctive relief from a court of competent jurisdiction in California, without the necessity of first complying with sections 7.1 and 7.2 above or posting any bond, and if bond is nevertheless required by a court of competent jurisdiction, the parties agree that the sum of $1,000 will be a sufficient bond (this amount may be adjusted by changes in the Consumer Price Index since the Effective Date). If an arbitration proceeding has already commenced pursuant to section 7.2 above when a party seeks injunctive relief, then the party seeking such injunctive relief agrees to contemporaneously submit the merits of its dispute to the arbitrator. The existence of a proceeding commenced under section 7.1 or 7.2 above will in no event abate or otherwise affect the ability of party to seek injunctive relief under this section 7.3. Franchisee acknowledges that its failure to comply fully with any of the terms of this Agreement respecting the obligations regarding examinations, audits and the Marks could cause irreparable damage to Franchisor or other affiliated persons or entities, and Franchisor or Franchisor's affiliates are empowered to seek injunctive relief to protect the Marks. This covenant is independent, severable and enforceable notwithstanding any other rights or remedies that any party may have.

7.4 Legal Fees and Expenses.
The prevailing party in any arbitration or litigation to resolve a dispute between any of the parties hereto will be entitled to recover from the losing party reasonable legal fees (and incurred costs of the prevailing party’s

counsel) and all other expenses incurred by the prevailing party in bringing or defending such arbitration, action or proceeding or enforcing any resulting award or judgment (including without limitation arbitration or court filing fees, expert and other witness fees, discovery expenses and compensation payable to the arbitrator), whether incurred prior to or in preparation for or in contemplation of the filing of the action or thereafter. The prevailing party will be determined by the arbitrator or court. This section 7.4 is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and is not to be deemed merged into the judgment.

7.5 Survival.
The terms of this Article VII survive termination, expiration or cancellation of this Agreement.

VIII. NOTICES

8.1 Notices.

(a) All notices that the parties hereto are required or may desire to give under or in connection with this Agreement must be in writing and (unless personally delivered by an agent of the sending party) must be sent by reliable overnight courier, for delivery on the next available business day and addressed as follows:

(i) If to Franchisor, to:

BIG MAMAS AND PAPAS FRANCHISING, LLC
231 1/2 N BRAND BLVD
GLENDALE CA 91203-2609
Phone: 1-323-661-2929

(ii) If to Franchisee, to:

____
____
____
Phone: 1-

(b) Unless previously delivered in person by an agent of the sending party, notices between Franchisee and Franchisor will be deemed given the next business day after deposit with a reliable overnight delivery service, properly addressed and marked for delivery on the next available business day.

(c) Any change in the addresses listed in section 8.1(a) above must be sent to the other party as soon as practicable after the change occurs by reliable overnight delivery service or in person by an agent of the sending party.

IX. GENERAL TERMS AND PROVISIONS

9.1 Governing Law.
The laws of the state where the Development Area is located govern this Agreement, without regard to conflicts of laws. If any provision of this Agreement is impermissible under the governing law, the provision will be deemed amended to conform to that law while maintaining to the maximum extent possible the original intent of the provision.

9.2 Modification.
This Agreement cannot be modified or changed except by a written instrument signed by both parties hereto.

9.3 Waiver and Delay.
No waiver by Franchisor of any breach or series of breaches or defaults in performance by Franchisee and no failure, refusal or neglect by Franchisor either to exercise any of its rights hereunder or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement, will constitute a waiver of the provisions of this Agreement with respect to any subsequent breach thereof or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

9.4 Severability; Partial Invalidity.
Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law.

Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance, regulation or judicial decision, contrary to which the parties have no legal right under this Agreement, the latter will prevail, but in such event the provision of this Agreement thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any part, article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision will be deemed appropriately modified, and the remaining parts thereof will continue in full force and effect.

9.5 Titles for Convenience Only.
Section titles used in this Agreement are for convenience only and will not be deemed to affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement.

9.6 No Third-Party Beneficiaries.
This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity (other than financing sources to whom Franchisor has granted or consented to a collateral assignment of this Agreement) will be entitled to any rights under so-called "third party beneficiary rights".

9.7 Survival of Covenants.
The covenants contained in this Agreement that by their terms require performance by the parties after the expiration or termination of this Agreement will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

9.8 Successors and Assigns.
Subject to the restrictions on any assignment by Franchisee contained herein, this Agreement is binding upon (i) Franchisor and inures to the benefit of its successors and assigns and (ii) Franchisee and inures to the benefit of its successors and assigns.

9.9 Counterparts.
This Agreement may be executed in multiple counterparts, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same instrument.

9.10 Entire Agreement.
This Agreement contains all terms and conditions agreed upon by Franchisee and Franchisor regarding the subject matter hereof, provided however, that nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Big Mama's & Papa's Pizzeria franchise disclosure document that was provided to Franchisee. No other agreements oral or otherwise will be deemed to exist or to bind any of the parties hereto and all prior agreements and understandings are superseded hereby. Franchisee acknowledges that it executed this Agreement without reliance upon any unauthorized representation or promise.

IN WITNESS WHEREOF, the parties executed this Agreement as of the Effective Date.

FRANCHISEE:	**FRANCHISOR:**
___________________________________	BIG MAMAS AND PAPAS FRANCHISING, LLC
By: ________________________________	By: ________________________________ Ararat Agakhanyan, CEO
___________________________________ [PRINTED NAME AND TITLE]	

EXHIBIT 1 - DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

The initial Outlet (or Outlet 1) is to be opened and operated under the concurrently signed Franchise Agreement. Additional Outlets will be opened at other sites Franchisor reviews and consents to, all of which will be located in the "Development Area" described either [ ] in the map immediately following this Exhibit 1 or [ ] as follows:

____
____
____

Franchisee (or its Affiliated Entities) must open (and thereafter maintain) Outlets in accordance with the following schedule (if more than five Outlets are committed to be opened, the schedule will be expanded appropriately):

NUMBER OF OUTLET	DATE BY WHICH OUTLET MUST BE OPENED
1	
2	
3	
4	
5	

Franchisor may defer a scheduled opening date in the table above if Franchisor determines, in its sole discretion, that Franchisee (or its Affiliated Entity) made a diligent effort to open an Outlet according to the schedule but was unable to do so for reasons beyond Franchisee's (or its Affiliated Entity's) reasonable control.

BIG MAMA'S AND PAPA'S

FINANCIAL STATEMENTS

EXHIBIT B

Big Mamas and Papas Franchising, LLC
Audited Financial Statements

For the year ended December 31, 2020

Der Vartanian & Associates, Accountancy Corporation

Big Mamas and Papas Franchising, LLC

Contents

Der Vartanian & Associates, Accountancy Corporation
Certified Public Accountants
License # COR 4982

1670 Hillhurst Ave, Suite 200
Los Angeles, CA 90027
e-mail brian@netcpa.com

Tel: (818) 244-7700
Tel: (818) 242-9755
Fax: (818) 244-8132

Independent Auditor's Report

To the Managing Members of
Big Mamas and Papas Franchising LLC

We have audited the accompanying financial statements of Big Mamas and Papas Franchising LLC (the Company) which comprise the balance sheet as of December 31, 2020, and the related statements of income and changes in members' equity, and cash flow for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Mamas and Papas Franchising LLC as of December 31, 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.

Der Vartanian & Associates, Accountancy Corporation
Los Angeles, California
March 30, 2021

Big Mamas and Papas Franchising, LLC

Balance Sheet

For the Year Ended December 31, 2020

	2020
Assets	
Current Assets:	
Cash	$ 14,134
Total current assets	14,134
Total Assets	14,134
Liabilities	
Liabilities:	
Interest Payable	201
Penalties Payable	9,410
Taxes Payable	2,400
Total Liabilities	12,011
Member's Equity	
Additional Paid in Capital	10,000
Retained Earnings	256
Net Income	(8,133)
Total Member's Equity	2,123
Total Member's Equity & Liabilities	$ 14,134

See Accompanying Notes to Financial Statements

Big Mamas and Papas Franchising, LLC

Statement of Income

For the Year Ended December 31, 2020

	2020
Revenues:	
Franchise fees	$ -
Royalties	-
Other Income	-
Total Revenues	$ -
Operating expenses:	
Advertising and promotions	-
Bank Service Charges	122
Interest Expenses	201
Penalties	9,410
Office expenses	-
Travel, meals and entertainment	-
Total operating expenses	9,733
Income (loss) before taxes	(9,733)
Total income (loss) before income taxes	(9,733)
Provision for State income taxes	2,400
Income (loss) after taxes	(12,133)
Other Non-Taxable Income	
EIDL Grant	4,000
Total Other Non-Taxable Income	4,000
NET LOSS	**$ (8,133)**

Big Mamas and Papas Franchising, LLC

Statement of Changes in Members' Equity

For the Year Ended December 31, 2020

		2020
Members' equity, beginning of year	$	256
Net (loss)		(8,133)
Distributions		-
Additional Paid in Capital		10,000
Members' equity, end of year	$	2,123

See Accompanying Notes to Financial Statements

Big Mamas and Papas Franchising, LLC

Statement of Cash Flow

For the Year Ended December 31, 2020

		2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$	(8,133)
Adjustments to reconcile net loss to		
net cash provided by (used for) operations		
Bad debt expenses		-
(Increase) decrease in:		
Accounts Receivable		-
Increase (decrease) in:		
Taxes Payable		2,400
Penalties Payable		9,410
Interests Payable		201
Net Cash provided (used) by financing activities		3,878
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional Paid in Capital		10,000
Net cash provided (used) by financing activities		10,000
NET INCREASE (DECREASE) IN CASH		**13,878**
CASH - beginning of year		256
CASH - end of year	**$**	**14,134**
Supplemental Information		
Taxes Paid	**$**	-

Note 1 - Summary of Significant Accounting Policies

The summary of significant accounting policies of Big Mamas and Papas Franchising, LLC (the Company) is presented to assist in the understanding of the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

History and organization - Big Mamas and Papas Franchising LLC was organized in California on September 23, 2011. The Company was organized for the purpose of franchising pizzeria originally founded in 1992 at Burbank, California known as "Big Mama's and Papa's Pizzeria."

Big Mamas and Papas Franchising LLC is a business whose planned operations is to operate and sell franchises. The Company is currently developing marketing strategies to sell franchises and penetrate U.S. Market with its unique operational techniques, service, concepts, and proprietary information.

As of December 31, 2020, Big Mamas and Papas had franchised, licensed and operated 17 outlets around California (1 company-owned and 16 franchise-operated).

Franchise operations are regulated by the Federal Trade Commission (FTC) and various state laws regulating the offer and sale of franchises. The FTC's franchise rule and various state laws require that the Company furnish a franchise disclosure document ("FDD") containing certain information to prospective franchisees. The Company must also complete franchise registration, pursuant to state law, in those states where franchises are planned to be sold.
The Company is registered by Federal State Commission.

Basis of Accounting - The accompanying financial statements have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and cash equivalents - For purposes of reporting cash flows, cash includes amounts on hand and amounts on deposit at financial institutions. The Company defines cash equivalents as short-term, liquid investments with an original maturity of three months or less.
The Company had no cash equivalents as of December 31, 2020.

Use of estimates - Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Advertising costs - Advertising costs are charged to operating expenses as incurred or at the time the advertising first takes place. There were no advertising costs for the year ended December 31, 2020.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes - The Company has elected to be treated as a Partnership for federal and state income tax purposes. The Company's taxable income or losses, as well as certain other tax attributes, are passed through directly to the Company's members and are reported in each member's individual income tax return. Consequently, the financial statements do not include any provision for federal and state income tax expense.

The Company's and members' income tax filing are subject to examination by federal and state taxing authorities. Because application of tax laws and regulations for many types of transactions is susceptible to varying interpretations, amounts reported in the accompanying financial statements could be changed at a later date upon final determination by taxing authorities. No such examinations by taxing authorities are presently in process.

The federal income tax returns of the Company are subject to examination by the IRS, generally for a period of three years from the date filed.

The Company is required to recognize, measure, classify, and disclose in the financial statements uncertain tax positions taken or expected to be taken in the Company's tax returns. Management has determined the Company does not have any uncertain tax positions associated unrecognized benefits that materially impact the financial statements or related disclosures. Since Tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will bot be challenged by the taxing authorities and that the Company will Not be subject to additional tax, penalties and interest as a result of such challenge.

As of December 31, 2020, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

As discussed above, the Company is not a tax paying entity, however because of late filing of 2018 and 2019 federal income taxes returns, the Company was assessed penalties for late filing, in an amount of $8,490.

California Limited Liabilities Companies (LLC's) that are classified as partnerships are subject to a $800 tax for the privilege of doing business in the State. In addition to the annual tax, California imposes an annual fee based on total income from all sources that is reportable to State. The Caompany did not file the 2018 - 2019 tax returns on time. The FTB had assessed penalties and interest in addition to original minimum tax due ot $800 per year. The Company's tax liabilities are $2,400, assessed penalties are $920 and interest is $201.

For the year ended December 31, 2020, state income tax expense consists of California annual tax of $800.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition - In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. On January 1, 2019, the Company adopted ASC 606. The following schedule shows company's revenues:

Revenues	31-Dec-20
Franchise Fees	$ -
Royalties	-
Other Income	-
Total Revenues	$ -

Franchise fees are recognized when a franchised pizzeria begins operations, at which the Company has performed their obligations related to such fees. Fees received pursuant to development agreements which grant the right to develop franchised pizzeria in future periods in specific geographic areas are deferred and recognized on a prorate basis as the franchised pizzeria subject to development agreements begins operations. Continuing franchise royalties are based on a percentage of franchise sales and recognized when earned.
In general, the Company's franchise agreements provide for a franchise fee for each opened franchised location. Franchisees pay continuing royalty fees of 5% of gross revenues and marketing and promotion fees, which are based on 3% of gross revenues.

Franchise agreements are for 10-year terms, with subsequent additional 10-year renewals available subject to approval and payment of renewal fee of $5,000. A franchisee may generally renew its agreement upon expiration. The Company recognizes renewal fees in income when a renewal agreement becomes effective.

Initial franchise fees, which may be up to $30,000, are generally recognized when substantially all services or conditions relating to the franchise sale have been performed or satisfied by the Company. Services provided by the Company include assistance in site selection, personnel training, and implementation of a uniform system which has high standards of services and quality control system.

The company did not enter into any franchise contract and did not receive royalties for the year eneded December 31, 2020.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Substantially all of the Company's current assets and liabilities are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying value that approximate fair value because of the short term nature of the instrument. The recorded value of these financial instruments approximated fair value at December 31, 2020.

NOTE 3 - EIDL Grant

In response to COVID-19, CARES ACT provided grants to small business owners named Economic Injury Disaster Loan (EIDL). These advances were treated as tax-free grants and did not need to be paid back. The Company received grant of $4,000 during the year 2020 and is treated as Other Non-Taxable Income.

NOTE 4 - SUBSEQUENT EVENTS

COVID-19 - The Company's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in an adverse impact on the Company's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Company's customers and revenue.

Date of management review - The Company has evaluated subsequent events through the date of which the financial statements were available to be issued. Through that date, management has determined that the Company did not have any material recognizable or non-recognizable subsequent events.

Der Vartanian & Associates, Accountancy Corporation
Certified Public Accountants
License # COR 4982

1670 Hillhurst Ave, Suite 200
Los Angeles, CA 90027
e-mail brian@netcpa.com

Tel: (818) 244-7700
Tel: (818) 242-9755
Fax: (818) 244-8132

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S

To whom it may concern:

We consent to the inclusion in the Franchise Disclosure Document issued by Big Mamas and Papas Franchising, LLC ("Franchisor") on March 30, 2021, as it may be amended, of our report dated March 30, 2021, relating to the financial statements of Franchisor for the year ended December 31, 2020.

Der Vartanian & Associates Accountancy Corporation
Los Angeles, CA
March 30, 2021

Big Mamas and Papas Franchising, LLC

Audited Financial Statements

For the year ended December 31, 2019

Der Vartanian & Associates, Accountancy Corporation

Big Mamas and Papas Franchising, LLC

Contents

Der Vartanian & Associates, Accountancy Corporation
Certified Public Accountants
License # COR 4982

1670 Hillhurst Ave, Suite 200
Los Angeles, CA 90027
e-mail brian@netcpa.com

Tel: (818) 244-7700
Tel: (818) 242-9755
Fax: (818) 244-8132

Independent Auditor's Report

To the Managing Members of
Big Mamas and Papas Franchising LLC

We have audited the accompanying financial statements of Big Mamas and Papas Franchising LLC (the Company) which comprise the balance sheet as of December 31, 2019, and the related statements of income and changes in members' equity, and cash flow for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Mamas and Papas Franchising LLC as of December 31, 2019 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.

Der Vartanian & Associates, Accountancy Corporation
Los Angeles, California
February 18, 2020

Big Mamas and Papas Franchising, LLC

Balance Sheet

For the Year Ended December 31, 2019

	2019
Assets	
Current Assets:	
Cash	$ 256
Total current assets	256
Total Assets	$ 256
Member's Equity	
Member's Equity	$ 256
Total Member's Equity	$ 256

Big Mamas and Papas Franchising, LLC

Statement of Income

For the Year Ended December 31, 2019

		2019
Revenues:		
Franchise fees and royalties	$	5,794
Total Revenues		5,794
Operating expenses:		
Advertising and promotions		104
Bank Service Charges		40
Dues and Subscriptions		710
Legal and professional fees		17,934
Office expenses		239
Travel, meals and entertainment		9
Total operating expenses		19,036
Income (loss) before taxes		(13,242)
Total income (loss) before income taxes		(13,242)
Provision for State income taxes		800
NET LOSS	**$**	**(14,042)**

Big Mamas and Papas Franchising, LLC

Statement of Changes in Members' Equity

For the Year Ended December 31, 2019

	2019
Members' equity, beginning of year	$ 16,454
Net (loss)	(14,042)
Distributions	(2,156)
Members' equity, end of year	$ 256

Big Mamas and Papas Franchising, LLC
Statement of Cash Flow
For the Year Ended December 31, 2019

		2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$	(14,042)
Adjustments to reconcile net loss to		
net cash provided by (used for) operations		
Bad debt expenses		-
(Increase) decrease in:		
Accounts Receivable		-
Increase (decrease) in:		
Accounts Payable		-
Due to Members		-
Net Cash provided (used) by financing activities		(14,042)
CASH FLOWS FROM FINANCING ACTIVITIES		
Members' distribution		(2,156)
Net cash provided (used) by financing activities		(2,156)
NET INCREASE (DECREASE) IN CASH		**(16,198)**
CASH - beginning of year		16,454
CASH - end of year	**$**	**256**
Supplemental Information		
Cash paid for state taxes	**$**	**800**

See Accompanying Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

The summary of significant accounting policies of Big Mamas and Papas Franchising, LLC (the Company) is presented to assist in the understanding of the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

History and organization - Big Mamas and Papas Franchising LLC was organized in California on September 23, 2011. The Company was organized for the purpose of franchising pizzeria originally founded in 1992 at Burbank, California known as "Big Mama's and Papa's Pizzeria."

Big Mamas and Papas Franchising LLC is a business whose planned operations is to operate and sell franchises. The Company is currently developing marketing strategies to sell franchises and penetrate U.S. Market with its unique operational techniques, service, concepts, and proprietary information.

As of December 31, 2019, Big Mamas and Papas had franchised, licensed and operated 22 outlets around California (3 company-owned and 19 franchise-operated).

Franchise operations are regulated by the Federal Trade Commission (FTC) and various state laws regulating the offer and sale of franchises. The FTC's franchise rule and various state laws require that the Company furnish a franchise disclosure document ("FDD") containing certain information to prospective franchisees. The Company must also complete franchise registration, pursuant to state law, in those states where franchises are planned to be sold.
The Company is currently going through the registration process.

Basis of Accounting - The accompanying financial statements have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and cash equivalents - For purposes of reporting cash flows, cash includes amounts on hand and amounts on deposit at financial institutions. The Company defines cash equivalents as short-term, liquid investments with an original maturity of three months or less.
The Company had no cash equivalents as of December 31, 2019.

Use of estimates - Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Advertising costs - Advertising costs are charged to operating expenses as incurred or at the time the advertising first takes place. Advertising costs for the year ended December 31, 2019 were $104.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes - The Company has elected to be treated as a Partnership for federal and state income tax purposes. The Company's taxable income or losses, as well as certain other tax attributes, are passed through directly to the Company's members and are reported in each member's individual income tax return. Consequently, the financial statements do not include any provision for federal and state income tax expense.

The Company's and members' income tax filing are subject to examination by federal and state taxing authorities. Because application of tax laws and regulations for many types of transactions is susceptible to varying interpretations, amounts reported in the accompanying financial statements could be changed at a later date upon final determination by taxing authorities. No such examinations by taxing authorities are presently in process.

The federal income tax returns of the Company are subject to examination by the IRS, generally for a period of three years from the date filed.

The Company is required to recognize, measure, classify, and disclose in the financial statements uncertain tax positions taken or expected to be taken in the Company's tax returns. Management has determined the Company does not have any uncertain tax positions associated unrecognized benefits that materially impact the financial statements or related disclosures. Since Tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will bot be challenged by the taxing authorities and that the Company will Not be subject to additional tax, penalties and interest as a result of such challenge.

As of December 31, 2019, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the year ended December 31, 2019, no interest or penalties were incurred.

California Limited Liabilities Companies (LLC's) that are classified as partnerships are subject to a $800 tax for the privilege of doing business in the State. In addition to the annual tax, California imposes an annual fee based on total income from all sources that is reportable to State.

For the year ended December 31, 2019, state income tax expense consists of California annual tax of $800.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition - Franchise fees are recognized when a franchised pizzeria begins operations, at which the Company has performed their obligations related to such fees. Fees received pursuant to development agreements which grant the right to develop franchised pizzeria in future periods in specific geographic areas are deferred and recognized on a prorate basis as the franchised pizzeria subject to development agreements begins operations. Continuing franchise royalties are based on a percentage of franchise sales and recognized when earned.

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Substantially all of the Company's current assets and liabilities are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying value that approximate fair value because of the short term nature of the instrument. The recorded value of these financial instruments approximated fair value at December 31, 2019.

NOTE 3 - FRANCHISING

In general, the Company's franchise agreements provide for a franchise fee for each opened franchised location. Franchisees pay continuing royalty fees of 5% of gross revenues and marketing and promotion fees, which are based on 3% of gross revenues.

Franchise agreements are for 10-year terms, with subsequent additional 10-year renewals available subject to approval and payment of renewal fee of $5,000. A franchisee may generally renew its agreement upon expiration. The Company recognizes renewal fees in income when a renewal agreement becomes effective.

Initial franchise fees, which may be up to $30,000, are generally recognized when substantially all services or conditions relating to the franchise sale have been performed or satisfied by the Company. Services provided by the Company include assistance in site selection, personnel training, and implementation of a uniform system which has high standards of services and quality control system.

NOTE 4 - SUBSEQUENT EVENTS

Date of management review - The Company has evaluated subsequent events through the date of which the financial statements were available to be issued. Through that date, management has determined that the Company did not have any material recognizable or non-recognizable subsequent events.

Der Vartanian & Associates, Accountancy Corporation
Certified Public Accountants
License # COR 4982
1670 Hillhurst Ave, Suite 200
Los Angeles, CA 90027
e-mail brian@netcpa.com
Tel: (818) 244-7700
Tel: (818) 242-9755
Fax: (818) 244-8132

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S

To whom it may concern:

We consent to the inclusion in the Franchise Disclosure Document issued by Big Mamas and Papas Franchising, LLC ("Franchisor") on February 18, 2020, as it may be amended, of our report dated February 18, 2020, relating to the financial statements of Franchisor for the year ended December 31, 2019.

Der Vartanian & Associates Accountancy Corporation
Los Angeles, CA
February 18, 2020

BIG MAMAS AND PAPAS FRANCHISING, LLC

dba

Independent Auditor’s Report and Financial Statements

December 31, 2018 and 2017

SCHILD&CO.,INC.
CERTIFIED PUBLIC ACCOUNTANTS

BIG MAMAS AND PAPAS FRANCHISING, LLC

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SCHILD&CO.,INC.
CERTIFIED PUBLIC ACCOUNTANTS
18426 Brookhurst St., Ste 205, Fountain Valley, CA 92708 – (714) 587-2477 Phone – (714) 587-2476 Fax

INDEPENDENT AUDITOR'S REPORT

To the Managing Members of
Big Mamas and Papas Franchising LLC

We have audited the accompanying financial statements of Big Mamas and Papas Franchising LLC (the Company) which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of income and changes in members' equity, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Mamas and Papas Franchising LLC as of December 31, 2018 and 2017 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.

Fountain Valley, California
October 31, 2019

BIG MAMAS AND PAPAS FRANCHISING, LLC
Balance Sheets
December 31, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash	$ 16,454	$ 38,893
Total current assets	16,454	38,893
TOTAL ASSETS	**$ 16,454**	**$ 38,893**
MEMBERS' EQUITY		
Members' Equity	$ 16,454	$ 38,893
TOTAL MEMBERS' EQUITY	**$ 16,454**	**$ 38,893**

BIG MAMAS AND PAPAS FRANCHISING, LLC

Statements of Income
For the Years Ended December 31, 2018 and 2017

	2018	2017
REVENUES:		
Franchise fees and royalties	$ -	$ -
Total Revenues	-	-
Operating expenses:		
Office expenses	3,741	8,605
Legal and professional fees	3,660	15,481
Taxes and licenses	202	524
Travel, meals and entertainment	36	580
Bad debts	-	3,500
Insurance	-	3,311
Management expense	-	1,879
Advertising and promotions	-	1,165
Total operating expenses	7,639	35,045
Income (loss) before taxes	(7,639)	(35,045)
Total income (loss) before income taxes	(7,639)	(35,045)
Provision for State income taxes	800	800
NET LOSS	**$ (8,439)**	**$ (35,845)**

BIG MAMAS AND PAPAS FRANCHISING, LLC

Statements of Changes in Members' Equity
For the Years Ended December 31, 2018 and 2017

	2018	2017
Members' equity, beginning of year	$ 38,893	$ 82,738
Net income (loss)	(8,439)	(35,845)
Distributions	(14,000)	(8,000)
Members' equity, end of year	**$ 16,454**	**$ 38,893**

BIG MAMAS AND PAPAS FRANCHISING, LLC

Statements of Cash Flows

For the Years Ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (8,439)	$ (35,845)
Adjustments to reconcile net loss to		
net cash provided by (used for) operations:		
Bad debt expenses	3,500	-
(Increase) decrease in:		
Accounts receivable	(3,500)	3,500
Increase (decrease) in:		
Accounts payable	-	(1,980)
Due to Members	-	(970)
Net cash provided (used) by operating activities	(8,439)	(35,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Members' distribution	(14,000)	(8,000)
Net cash provided (used) by financing activities	(14,000)	(8,000)
NET INCREASE (DECREASE) IN CASH	**(22,439)**	**(43,295)**
CASH - beginning of year	38,893	82,188
CASH - end of year	**$ 16,454**	**$ 38,893**
SUPPLEMENTAL INFORMATION		
Cash paid for state taxes	**$ 800**	**$ 800**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Big Mamas and Papas Franchising LLC (the Company) is presented to assist in the understanding of the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

History and organization – Big Mamas and Papas Franchising LLC was organized in California on September 23, 2011. The Company was organized for the purpose of franchising pizzeria originally founded in 1992 at Burbank, California known as "Big Mama's and Papa's Pizzeria.

Big Mamas and Papas Franchising LLC is a business whose planned principal operations is to operate and sell franchises. The Company is currently developing marketing strategies to sell franchises and penetrate U.S. Market with its unique operational techniques, service, concepts, and proprietary information.

As of December 31, 2018, Big Mamas and Papas had franchised, licensed and operated 22 outlets around California (3 company-owned and 19 franchisee-operated).

Franchise operations are regulated by the Federal Trade Commission (FTC) and various state laws regulating the offer and sale of franchises. The FTC's franchise rule and various state laws require that the Company furnish a franchise disclosure document ("FDD") containing certain information to prospective franchisees. The Company must also complete franchise registration, pursuant to state law, in those states where franchises are planned to be sold. The Company is currently going through the registration process.

Basis of accounting – The accompanying financial statements have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and cash equivalents – For purposes of reporting cash flows, cash includes amounts on hand and amounts on deposit at financial institutions. The Company defines cash equivalents as short-term, liquid investments with an original maturity of three months or less. The Company had no cash equivalents as of December 31, 2018 and 2017.

Use of estimates – Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Advertising costs – Advertising costs are charged to operating expenses as incurred or at the time the advertising first takes place. Advertising costs for the years ended December 31, 2018 and 2017 were $-0 and $1,165, respectively.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes – The Company has elected to be treated as a Partnership for federal and state income tax purposes. The Company's taxable income or losses, as well as certain other tax attributes, are passed through directly to the Company's members and are reported in each member's individual income tax return. Consequently, the financial statements do not include any provision for federal or state income tax expense.

The Company's and members' income tax filing are subject to examination by federal and state taxing authorities. Because application of tax laws and regulations for many types of transactions is susceptible to varying interpretations, amounts reported in the accompanying financial statements could be changed at a later date upon final determination by taxing authorities. No such examinations by taxing authorities are presently in process.

The federal income tax returns of the Company are subject to examination by the IRS, generally for a period of three years from the date filed.

The Company is required to recognize, measure, classify, and disclose in the financial statements uncertain tax positions taken or expected to be taken in the Company's tax returns. Management has determined that the Company does not have any uncertain tax positions associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company will not be subject to additional tax, penalties and interest as a result of such challenge.

As of December 31, 2018, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended December 31, 2018 and 2017, no interest or penalties were incurred.

California Limited Liabilities Companies (LLC's) that are classified as partnerships are subject to a $800 tax for the privilege of doing business in the State. In addition to the annual tax, California imposes an annual fee based on total income from all sources that is reportable to State.

For the years ended December 31, 2018 and 2017, state income tax expense consists of California annual tax of $800.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition – Franchise fees are recognized when a franchised pizzeria begins operations, at which the Company has performed their obligations related to such fees. Fees received pursuant to development agreements which grant the right to develop franchised pizzeria in future periods in specific geographic areas are deferred and recognized on a prorate basis as the franchised pizzeria subject to development agreements begins operations. Continuing franchise royalties are based on a percentage of franchise sales and recognized when earned.

NOTE 2 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Substantially all of the Company's current assets and liabilities are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying value that approximate fair value because of the short term nature of the instrument. The recorded value of these financial instruments approximated fair value at December 31, 2018 and 2017.

NOTE 3 – FRANCHISING

In general, the Company's franchise agreements provide for a franchise fee for each opened franchised location. Franchisees pay continuing royalty fees of 5% of gross revenues and marketing and promotion fees, which are based on 3% of gross revenues.

Franchise agreements are for 10-year terms, with subsequent additional 10-year renewals available subject to approval and payment of renewal fee of $5,000. A franchisee may generally renew its agreement upon expiration. The Company recognizes renewal fees in income when a renewal agreement becomes effective.

Initial franchise fees, which may be up to $30,000, are generally recognized when substantially all services or conditions relating to the franchise sale have been performed or satisfied by the Company. Services provided by the Company include assistance in site selection, personnel training, and implementation of a uniform system which has high standards of services and quality control system.

NOTE 4 – SUBSEQUENT EVENTS

Date of management review – The Company has evaluated subsequent events through the date of which the financial statements were available to be issued. Through that date, management has determined that the Company did not have any material recognizable or non-recognizable subsequent events.

SCHILD&CO., INC.
CERTIFIED PUBLIC ACCOUNTANTS
18426 Brookhurst St., Ste 205, Fountain Valley, CA 92708 – (714) 587-2477 Phone – (714) 587-2476 Fax

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S

To Whom It May Concern:

We consent to the inclusion in the Franchise Disclosure Document issued by Big Mamas and Papas Franchising, LLC ("Franchisor") on October 31, 2019, as it may be amended, of our report dated October 31, 2019, relating to the financial statements of Franchisor for the years ended December 31, 2018 and 2017.

Schild & Co. Inc.

Fountain Valley, California
October 31, 2019

BIG MAMA'S AND PAPA'S

LIST OF FRANCHISE OUTLETS

EXHIBIT C

LIST OF FRANCHISE OUTLETS

There were no Outlets franchised by us in the United States that were open and operating on December 31, 2020.

The following Outlets in the United States were franchised by our parent entity BMPP and were open and operating on December 31, 2020:

STATE	CONTACT	ADDRESS	PHONE NO.
CALIFORNIA	Sean Gregory	321 E. Alameda Ave., Ste. 1, Burbank, CA 91502	(818) 841-8844
	Vaheh Yazidjian	10666 Zelzah Ave., Granada Hills, CA 91344	(818) 368-1111
	Alonzo Hernandez	8221 Canoga Ave. Los Angeles, CA 91304	(818) 710-9977
	Vartan Boranyan	2136 Colorado Blvd., Los Angeles, CA 90042	(323) 255-8500
	Steve Zeytounian	657 S. Flower St., Los Angeles, CA 90017	(213) 627-5556
	Gary Tono	5445 Hollywood Blvd., Los Angeles, CA 90027	(323) 661-1122
	Eduardo Leva	7353 W. Sunset Blvd., Los Angeles, CA 90046	(323) 851-8111
	Vartan Boranyan	814 N. Vermont Ave., Los Angeles, CA 90029	(323) 644-0003
	Raymond Bacshee	2307 Honolulu Ave., Montrose, CA 91020	(818) 957-7577
	Vartan Boranyan	5219 Lankershim Blvd., North Hollywood, CA 91601	(818) 766-2660
	Sargis Tarkhanyan	8323 Reseda Blvd., Ste. 101, Northridge, CA 91324	(818) 773-8833
	Zhirayr Kirakosyan	1772 E. Colorado Blvd., Pasadena, CA 91106	(626) 397-2727
	Chris Mehrabian	7802 Foothill Blvd., Ste. H, Sunland, CA 91040	(818) 352-8777
	Albert Gregory	19527 Ventura Blvd., Tarzana, CA 91356	(818) 344-8866
	Armen Oganesian	14419 Sherman Way, Van Nuys, CA 91405	(818) 787-6789
	Vartan Boranyan	8424 Santa Monica Blvd., Ste. D, West Hollywood, CA 90069	(323) 654-4040

As of December 31, 2020, no franchisees had signed franchise agreements, but not yet opened their outlets.

BIG MAMA'S AND PAPA'S

LIST OF TERMINATED FRANCHISES

EXHIBIT D

LIST OF TERMINATED FRANCHISES

No franchisee had an Outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement with us (or with BMPP) during 2020.

No franchisee has failed to communicate with us (or with BMPP) within the 10 weeks ending on the date of this disclosure document.

BIG MAMA'S AND PAPA'S

STATEMENT OF FRANCHISEE

EXHIBIT E

STATEMENT OF FRANCHISEE

Big Mamas and Papas Franchising, LLC and you are entering into a Franchise Agreement under the terms of which you will operate a Big Mama's & Papa's Pizzeria franchise outlet. *This Statement of Franchisee must be completed, signed and dated on the same day you sign your initial Big Mama's & Papa's Pizzeria Franchise Agreement.* (However, this Statement of Franchisee does not apply to any Franchise Agreement for an additional outlet being opened under an Area Development Agreement.)

A. The following dates are true and correct:

1. ________________, 20___ (Date)	__________ (Initials)	The date that I received a Franchise Disclosure Document ("FDD") about the Big Mama's & Papa's Pizzeria franchise.
2. ________________, 20___ (Date)	__________ (Initials)	The date that I signed the Big Mama's & Papa's Pizzeria Franchise Agreement (must be at least 15 days after the date in A.1).
3. ________________, 20___ (Date)	__________ (Initials)	The earliest date that I delivered cash, check or other consideration to a Big Mama's & Papa's franchise sales representative (must be at least 15 days after the date in A.1).

B. Representations:

1. No oral, written or visual claim or representation that contradicted or was not disclosed in the FDD was made to me, except:

____

____ Initial: ________

(If none, the franchisee must write none).

2. Except for any financial performance representation disclosed in Item 19 of the FDD, Big Mamas and Papas Franchising, LLC made no oral, written or visual claim or representation that stated or suggested any financial performance, sales, income or profit levels to me, except:

____

____ Initial: ________

(If none, the prospective franchisee must write none).

I/we certify the above is true and correct to the best of my/our knowledge.

By: ____________________________________ Date:_______________

By: ____________________________________ Date:_______________

BIG MAMA'S AND PAPA'S

STATE FRANCHISE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT F

STATE FRANCHISE ADMINISTRATORS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. The following are the state administrators responsible for the review, registration and oversight of franchises in these states:

California:
Commissioner of Financial Protection and Innovation,
Dept. of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, CA 95834
(866) 275-2677

Hawaii:
Business Registration Division,
Dept. of Commerce and Consumer Affairs
335 Merchant St., Rm. 203
Honolulu, HI 96813
(808) 586-2722

Illinois:
Office of the Attorney General
500 S. 2nd St.
Springfield, IL 62701
(217) 782-4465

Indiana:
Franchise Section
Securities Division
302 W. Washington St., Rm. E111
Indianapolis, IN 46204
(317) 232-6681

Maryland:
Office of the Attorney General
Securities Division
200 Saint Paul Pl.
Baltimore, MD 21202
(410) 576-6360

Michigan:
Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Bldg., 1st Flr.
525 W. Ottawa St.
Lansing, MI 48933
(517) 373-7117

Minnesota:
Department of Commerce
85 7th Pl. E., Ste. 280
Saint Paul, MN 55101
(651) 539-1600

New York:
NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Flr.
New York, NY 10005
(212) 416-8285

North Dakota:
Franchise Examiner
North Dakota Securities Department
600 E. Boulevard Ave.
State Capitol - 5th. Flr., Dept. 414
Bismarck, ND 58505
(701) 328-4712

Rhode Island:
Securities Division
Dept. of Business Regulation
1511 Pontiac Ave., Bldg. 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota:
Division of Insurance
Securities Regulation
124 S. Euclid Ave., Ste. 104
Pierre, SD 57501
(605) 773-3563

Virginia:
State Corporation Commission
Div. of Securities & Retail Franchising
1300 E. Main St., 9th Flr.
Richmond, VA 23219
(804) 371-9051

Washington:
Administrator
Dept. of Financial Institutions
Securities Division
150 Israel Rd. SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin:
Franchise Administrator
Division of Securities
Dept. of Financial Institutions
345 W. Washington Ave.
Madison, WI 53703
(608) 266-8557

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. If we register the franchise (or otherwise comply with the franchise investment laws) in any of these states, we will designate the following state offices or officials as our agents for service of process in those states:

California:
Commissioner of Financial Protection and Innovation,
Dept. of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, CA 95834
(866) 275-2677

Hawaii:
Hawaii Commissioner of Securities,
Dept. of Commerce and Consumer Affairs, Business Registration Div.
335 Merchant St., Rm. 205
Honolulu, HI 96813
(808) 586-2744

Illinois:
Illinois Attorney General
500 S. 2nd St.
Springfield, IL 62701
(217) 782-4465

Indiana:
Indiana Secretary of State
200 W. Washington St., Rm. 201
Indianapolis, IN 46204
(317) 232-6681

Maryland:
Maryland Securities Commissioner
200 Saint Paul Pl.
Baltimore, MD 21202
(410) 576-6360

Michigan:
Michigan Corporation & Securities Bureau
Department of Commerce
6546 Mercantile Way
Lansing, MI 48911
(517) 373-7117

Minnesota:
Minnesota Commissioner of Commerce
85 7th Pl. E., Ste. 500
Saint Paul, MN 55101
(651) 539-1600

New York:
New York Secretary of State
One Commerce Plaza
99 Washington Ave., 6th Flr.
Albany, NY 12231-0001
(518) 473-2492

North Dakota:
North Dakota Securities Commissioner
600 E. Boulevard Ave., 5th. Flr.
Bismarck, ND 58505
(701) 328-4712

Rhode Island:
Director
Rhode Island Dept. of Business Regulations
1511 Pontiac Ave., Bldg. 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota:
Division of Insurance
Securities Regulation
124 S. Euclid Ave., Ste. 104
Pierre, SD 57501
(605) 773-3563

Virginia:
Clerk
Virginia State Corporation Commission
1300 E. Main St., 1st Flr.
Richmond, VA 23219
(804) 371-9733

Washington:
Dept. of Financial Institutions
Securities Division – 3rd Flr.
150 Israel Rd. SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin:
Administrator
Wisconsin Division of Securities
345 W. Washington Ave.
Madison, WI 53703
(608) 261-9555

BIG MAMA'S AND PAPA'S

STATE SPECIFIC ADDENDA

EXHIBIT G

CALIFORNIA

APPENDIX FOR CALIFORNIA FRANCHISEES

1. California Business and Professions Code sections 20000 through 20043 (the "Act") provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

2. Section 31125 of the California Corporations Code requires the franchisor to give you a disclosure document, approved by the Department of Financial Protection and Innovation before a solicitation of a proposed material modification of an existing franchise.

3. The Franchise Agreement requires binding arbitration. The arbitration will occur in Los Angeles County, California, with the costs being borne equally by both parties. Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provision of a franchise agreement that restricts venue to a forum outside of California.

4. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 *et seq.*)

5. The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California Law.

6. The Franchise Agreement requires you to execute a general release of claims upon transfer of the Franchise Agreement. California Corporations Code section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (Corporations Code §§31000-31516). Business and Professions Code section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000-20043).

7. The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

8. The agreements contain a liquidated damage clause, under Civil Code, Section 1671, certain liquidated damage clauses are enforceable.

9. Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

10. Neither the franchisor, nor any person or franchise broker listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934 (15 U.S.C.A. §78A *et seq.*), suspending or expelling these persons from membership in such association or exchange.

11. The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and the franchisee is open for business.

ADDENDUM TO FRANCHISE AGREEMENT FOR CALIFORNIA FRANCHISEES

The Franchise Agreement is amended as follows:

1. Section 4.1(b) is restated to read in full as follows:

"(b) The Initial Franchise Fee (and all other payments to Franchisor for goods or services received from Franchisor before Franchisee's Outlet opens for business) is due and payable in full, by cashier's check or money order or wire transfer to Franchisor's bank account, when Franchisor has completed all its pre-opening obligations under this Agreement and Franchisee's Outlet is open for business. **The Initial Franchise Fee is fully earned by Franchisor when paid.**"

2. In sections 4.6(b) and 8.11(b), "18%" is amended to "10%".

3. In sections 7.2(f), 13.1(a), 13.2(a)(viii) and 13.3(a), "30 days" is amended to "60 days".

4. Section 15.2(d) is restated to read in full as follows:

"(d) Upon a lawful termination or nonrenewal of this Agreement, Franchisor will purchase from Franchisee, at the value of price paid, minus depreciation, all inventory, supplies, equipment, fixtures, and furnishings purchased or paid for under the terms of this Agreement or any ancillary or collateral agreement by Franchisee to Franchisor or Franchisor's approved suppliers and sources, that are, at the time of the notice of termination or nonrenewal, in Franchisee's possession or used by Franchisee in the Franchised Business. Franchisor is not required to purchase any personalized items, inventory, supplies, equipment, fixtures, or furnishings not reasonably required to conduct the operation of the Franchised Business in accordance with this Agreement or any ancillary or collateral agreement or to which Franchisee, at the cessation of operation of the Franchised Business by Franchisee, cannot lawfully, or does not, grant Franchisor clear title and possession upon Franchisor's payment to Franchisee for the inventory, supplies, equipment, fixtures, or furnishings (we have the right to receive clear title to and possession of all items purchased from Franchisee under this section 15.2(d)). Franchisor may offset against the amounts owed to Franchisee under any such purchase under this section 15.2(d) any amounts Franchisee owes to Franchisor. Notwithstanding the foregoing however, Franchisor's requirement to purchase from Franchisee under this section 15.2(d) will not apply:

"(i) if Franchisee declines a *bona fide* offer of renewal from Franchisor;

"(ii) if Franchisor does not prevent Franchisee from retaining control of the Outlet or other principal place of the Franchised Business;

"(iii) to any termination or nonrenewal of the Franchise due to a publicly announced and nondiscriminatory decision by Franchisor to completely withdraw from all Franchise activity within the relevant geographic market area in which the Franchise is located;

"(iv) if Franchisor and Franchisee mutually agree in writing to terminate and not renew the Franchise; or

"(v) to any inventory, supplies, equipment, fixtures, or furnishings that are sold by Franchisee between the date of the notice of termination or nonrenewal, and the cessation of operation of the Franchised Business by Franchisee, pursuant to the termination or nonrenewal."

Date: ____________________	Date: ____________________
FRANCHISEE:	FRANCHISOR:
________________________________	BIG MAMAS AND PAPAS FRANCHISING, LLC
BY: ____________________________	BY: ____________________________
ITS: ____________________________	Ararat Agakhanyan, CEO

ADDENDUM TO AREA DEVELOPMENT AGREEMENT FOR CALIFORNIA FRANCHISEES

The Area Development is amended as follows:

1. Section 3.1(a) is restated to read in full as follows:

"(a) When Franchisor has completed all its pre-opening obligations under the first Big Mama's & Papa's Pizzeria Franchise Agreement Franchisee executes and Franchisee's initial Outlet is open for business, Franchisee must pay Franchisor the sum of $______________________ as a "Development Fee" for Franchisor granting Franchisee the exclusive right to open the number of additional Outlets specified in the Development Schedule. The Development Fee is computed by multiplying the number of additional Outlets by $15,000 (for example, if Franchisee agrees to open three additional Outlets pursuant to the Development Schedule, the Development Fee would be $45,000)."

Date: ______________________	Date: ______________________
FRANCHISEE:	FRANCHISOR:
____	BIG MAMAS AND PAPAS FRANCHISING, LLC
BY: _____________________________________	BY: _____________________________________
ITS: _____________________________________	Ararat Agakhanyan, CEO

BIG MAMA'S AND PAPA'S

STATE EFFECTIVE DATES

EXHIBIT H

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, Hawaii, 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:

State	**Effective Date**
California	Pending

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.

BIG MAMA'S AND PAPA'S

RECEIPTS

EXHIBIT I

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Big Mamas and Papas Franchising, LLC, offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Big Mamas and Papas Franchising, LLC, does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed in Exhibit F.

We have no franchise brokers. The name, address and telephone number of the franchise seller for this offering is: Erik Stroman, 231½ North Brand Boulevard, Glendale, California 91203; telephone (323) 661-2929.

Date of Issuance: March 30, 2021.

Big Mamas and Papas Franchising, LLC, authorizes the person identified in Item 1 to receive service of process for it in your state. I received a disclosure document dated March 30, 2021, that included the following Exhibits:

"A-1"	Franchise Agreement
	Exhibits to Franchise Agreement:
	Exhibit 1: Territory, Delivery Area, Location of Outlet
	Exhibit 2: Names and Addresses of Principal Equity Owners
	Exhibit 3: Guarantee of Franchise Agreement
"A-2"	Area Development Agreement
	Exhibit to Area Development Agreement:
	Exhibit 1: Development Area and Development Schedule
"B"	Financial Statements
"C"	List of Franchise Outlets
"D"	List of Terminated Franchises
"E"	Statement of Franchisee
"F"	State Franchise Administrators and Agents for Service of Process
"G"	State Specific Addenda
"H"	State Effective Dates
"I"	Receipts

DATED: ______________________
(Do not leave blank)

If a business entity:

____
(Name of Business Entity)

____
(Signature of Primary Contact Owner)

____
(Print Name and Title)

If an individual:

____
(Signature of Prospective Franchisee)

____
(Print Name)

Please date and sign this page, and then keep it for your records.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Big Mamas and Papas Franchising, LLC, offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Big Mamas and Papas Franchising, LLC, does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed in Exhibit F.

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"A-2"	Area Development Agreement *Exhibit to Area Development Agreement:* Exhibit 1: Development Area and Development Schedule
"B"	Financial Statements
"C"	List of Franchise Outlets
"D"	List of Terminated Franchises
"E"	Statement of Franchisee
"F"	State Franchise Administrators and Agents for Service of Process
"G"	State Specific Addenda
"H"	State Effective Dates
"I"	Receipts

DATED: ______________________
(Do not leave blank)

If a business entity:	If an individual:
______________________ (Name of Business Entity)	______________________ (Signature of Prospective Franchisee)
______________________ (Signature of Primary Contact Owner)	______________________ (Print Name)
______________________ (Print Name and Title)	

Please date and sign this page, and then return it to Big Mamas and Papas Franchising, LLC, either by mail to 231½ North Brand Boulevard, Glendale, California 91203 or by email to erik@bmppfranchise.com.