FRANCHISE DISCLOSURE DOCUMENT

Donatos Pizzeria, LLC
A Delaware limited liability company
935 Taylor Station Road
Columbus, Ohio 43230
(614) 416-7700
jbaldwin@donatos.com
www.donatos.com

The franchise is to operate a restaurant under the "Donatos Pizza®" name that features fresh, high quality pizzas, sandwiches and other foods in a distinctive setting and offers delivery services.

The total investment necessary to begin operation of a Donatos franchised business is $391,500 to $750,747. This includes $40,500 to $42,500 that must be paid to the franchisor or its affiliate. If this is the second Donatos franchised business, you choose to receive additional training services or you hire a Donatos Manager for your franchised business, you must pay the franchisor an additional $20,000 to $65,000.

If you acquire the right to develop a number of Donatos franchised businesses under a Development Rights Agreement, the initial development fee is 100% of the initial franchise fee ($30,000) for the first location, plus 50% of the initial franchise fee ($15,000) for each additional for each additional location that you agree to open under the Development Rights Agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jeff Baldwin, our Vice President of Development and Franchising, at 935 Taylor Station Road, Columbus, Ohio 43230 and (614) 416-7700.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov 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 of this Franchise Disclosure Document: April 22, 2022, amended June 28, 2022.

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 Item 20 or Exhibit I.
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?	Item 21 or Exhibit A 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 Donatos 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 Donatos franchisee?	Item 20 or Exhibits I and J 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 D.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration only in Ohio. Out-of-state arbitration 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 Ohio than in your own state.

2. **Spouse Guaranty.** If you are married, your spouse must sign a personal guarantee making them jointly and severally liable for all obligations of the Franchise, whether or not such spouse is involved in the operation of the Franchise business. This requirement places both you and your spouse's marital and personal assets, including your house, at risk if your Franchise fails.

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

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

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

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

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

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

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

d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

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

g) A provision which permits a franchise to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

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

TABLE OF CONTENTS

ITEM		PAGE
1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
2	BUSINESS EXPERIENCE	3
3	LITIGATION	5
4	BANKRUPTCY	5
5	INITIAL FEES	6
6	OTHER FEES	7
7	ESTIMATED INITIAL INVESTMENT	13
8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	18
9	FRANCHISEE'S OBLIGATIONS	22
10	FINANCING	25
11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	25
12	TERRITORY	39
13	TRADEMARKS	44
14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	46
15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	48
16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	49
17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	50
18	PUBLIC FIGURES	56
19	FINANCIAL PERFORMANCE REPRESENTATIONS	56
20	OUTLETS AND FRANCHISEE INFORMATION	69
21	FINANCIAL STATEMENTS	73
22	CONTRACTS	73
23	RECEIPTS	74

EXHIBITS

Exhibit A Financial Statements

Exhibit B Franchise Agreement

Exhibit C Development Rights Agreement
Exhibit D List of State Agencies/Agents for Service of Process
Exhibit E Operations Manual Table of Contents
Exhibit F TRIO System Standard Software License Agreement
Exhibit G Current form of General Release Agreement
Exhibit H Confidentiality Agreement
Exhibit I List of Franchisees
Exhibit J List of Franchisees Who Left the System
Exhibit K State-Specific Additional Disclosures and Riders
Exhibit L Disclosure Questionnaire

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT K.

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is Donatos Pizzeria, LLC ("we," "us," or "our"). "You" means the person to whom we grant a franchise. If you are a business entity such as a corporation or limited liability company, all of your owners will sign the Guaranty and Assumption of Obligations under which all provisions of the Franchise Agreement (Exhibit B) also will apply to your owners.

The Donatos concept was founded in 1963 by James Grote in Columbus, Ohio when he purchased an existing pizza restaurant. From that initial pizza restaurant, Grote crafted and developed the signature Donatos Pizza system and expanded to more than 100 company and franchise partner owned restaurants in Ohio, Indiana, Kentucky, and Michigan. In July 1999, McDonald's Corporation, through its affiliate and our predecessor, Donatos Pizzeria Corporation ("DPC"), acquired the assets and rights associated with the Donatos Pizza system. DPC incorporated in Delaware on April 29, 1999 and its principal business address was One Easton Oval, Suite 200, Columbus, Ohio 43219. In a transaction that closed on December 11, 2003, James Grote and Jane Grote Abell (through companies that they and their families control) acquired a majority of DPC's stock from McDonald's Corporation. In a related transaction DPC converted under the Delaware General Corporation Law and the Delaware Limited Liability Company Act to a limited liability company. We are that limited liability company, organized under Delaware law in November 2003. We are owned by our parent company, Destiny Investment Holdings, LLC, a Delaware limited liability company ("Holdings"), whose principal address is 935 Taylor Station Road, Columbus, Ohio 43230. Holdings is owned by an Ohio limited liability company, 8 Investments, LLC, with a principal address is 935 Taylor Station Road, Columbus, Ohio 43230.

Our principal business address is 935 Taylor Station Road, Columbus, Ohio 43230. If we have an agent in your state for service of process, we disclose that agent in Exhibit D. We operate under our corporate name and the trademarks described in Item 13 (the "Marks") and no other name. We have no parent companies and no affiliates that offer franchises in any line of business or provide products or services to our franchisees.

We own and operate, and grant franchises for, restaurants featuring fresh, high quality pizza, sandwiches, and other foods in a distinctive setting, featuring carry-out, pick-up window, curbside delivery, dine-in and delivery services, and operating to the public solely under the "Donatos Pizza®" name and other Marks. We call these brick and mortar restaurants "Donatos Pizza Restaurants," and we call the Donatos Pizza Restaurant that you will operate under the Franchise Agreement the "Restaurant." We call your Restaurant's personnel "Associates."

You will operate your Restaurant from a site that we have accepted and according to the standards, specifications, operating procedures and rules that we periodically establish for operating a Donatos Pizza Restaurant (excluding personnel and security-related policies and procedures) (the "Operating Standards"). Your Restaurant will offer all required products and services and may not offer any unauthorized products or services. You may, but are not required to, serve beer and/or liquor at your Restaurant. You also will have the right to provide delivery

services within a geographic area specified in the Franchise Agreement (the "Area of Primary Delivery Responsibility").

You will compete with other restaurants operating in your market area, including those offering products similar to those that your Restaurant offers. Many of these restaurants are franchise systems or chains. You will offer your products and services to the general public throughout the year. The restaurant industry in general and the market for pizza in particular, is very competitive in most markets.

We intend to focus our development efforts on candidates who will develop a number of Donatos Pizza Restaurants within a "Development Territory" under our Development Rights Agreement (Exhibit C). Before you sign the Development Rights Agreement, we and you will agree to the Development Territory, the number of Donatos Pizza Restaurants that you will develop in the Development Territory, and the timeframe within which you will develop them. There is a minimum requirement to develop at least three (3) Donatos Pizza Restaurants under a Development Rights Agreement. We and you (or your Affiliated Entity (defined in Item 15)) will sign our then current form of franchise agreement (which could differ from the Franchise Agreement described in this disclosure document) for each Donatos Pizza Restaurant and pay the initial fees according to the then-current franchise agreement. At the time of signing the Development Rights Agreement you will sign our current Franchise Agreement, which is attached to this Disclosure Document as Exhibit B, for the first Donatos Pizza Restaurant and pay the Development Fee which is calculated pursuant to the formula in Item 5 below.

DPC operated Donatos Pizza Restaurants from July 1999 until December 2003 and offered franchises for Donatos Pizza Restaurants from December 2002 until December 2003. DPC did not offer franchises in any other line of business. We have operated Donatos Pizza Restaurants since our formation and recapitalization on December 11, 2003 and have offered franchises for Donatos Pizza Restaurants (whether under the Donatos Pizzeria® or Donatos Pizza® name) since January 2005. We do not grant development agent rights nor do we engage sub-franchisors to sell franchises for our system of operations for Donatos Pizza Restaurants. We previously granted development agent rights in North Carolina and South Carolina, but all such rights have expired and there are no current franchisees operating under such agents.

We have created a new proprietary system whereby our pizzas and other menu items which are identified by our Marks and made pursuant to our requirements and specifications are offered and sold within Red Robin Restaurants for dine-in, pick-up and delivery service (such new system the "Nested Donatos System"). We have licensed the Nested Donatos System exclusively to Red Robin International, Inc. who may further sublicense the Nested Donatos System to its franchisees so that they may offer and sell the specific Donatos products from franchised Red Robin Restaurants. We are not offering or selling franchises to use the Nested Donatos System within Red Robin Restaurants or any other restaurants. We have recently licensed a limited number of our proprietary pizzas and menu items which are identified by our Marks and made pursuant to our requirements and specifications for preparation and sales by delivery-only through ghost kitchens in certain geographic markets. Such ghost kitchens may not offer on-site dining nor have signage identifying our Marks. We are not offering or selling franchises to open and operate ghost kitchens. Additionally, We also manufacture pizza dough through our unincorporated business division, which we sell through a distributor to our company-owned and franchised Donatos Pizza

Restaurants and other customers. Other than as described herein, we have no other business activities and have never offered franchises in other lines of business.

There are no regulations specific to the restaurant business, but you are required to comply with laws that apply generally to all businesses (including liquor laws, if applicable, and health and sanitation laws). You should investigate these laws.

Item 2

BUSINESS EXPERIENCE

Founder: James E. Grote

Mr. Grote has held the title of Founder with us since October 2010. He was our Chief Executive Officer from December 2003 until October 2010 and was our President from December 2003 until March 2007. Mr. Grote was DPC's Founder and Executive Chairman in Columbus, Ohio from December 1999 until December 2003. Mr. Grote founded the first Donatos Pizza Restaurant in 1963 and was the Chief Executive Officer and President of Donatos Pizzeria, Inc. ("DPI") in Columbus, Ohio from November 1975 until July 1999.

Executive Chairwoman and Chief Purpose Officer: Jane M. Grote Abell

Ms. Abell has been our Executive Chairwoman of the Board and Chief People Officer since October 2010. She was our President from March 2007 until October 2010 and was our Chief Operating Officer from December 2003 until October 2010. She was DPC's Chief People Officer in Columbus, Ohio overseeing its Human Resources needs from July 1999 until January 2002 and its Senior Vice President of Development from January 2002 until December 2003. Ms. Abell was DPI's Vice President of Human Resources in Columbus, Ohio from March 1996 until July 1999 and held various management positions with DPI from 1985 until July 1999.

Chief Executive Officer: Thomas Krouse

Mr. Krouse has been our President and Chief Executive Officer since October 2010. He was our President of Expansion Brands overseeing our Franchise Development and our Jane's Dough Food division from September 2009 until October 2010. Before that, Mr. Krouse was our Chief Concept and Strategy Officer from March 2007 until September 2009 and served as Chief Concept Officer from December 2003 until March 2007. He was DPC's Senior Vice President of Marketing in Columbus, Ohio from June 2000 until December 2003. Mr. Krouse held various management positions with Wendy's International, Inc. in Columbus, Ohio from February 1989 until May 2000, most recently serving as Vice President.

President: Kevin King

Mr. King has been our President since January 4, 2022. From May 2016 to December 2021, Mr. King was the Chief Development Officer for Smoothie King Franchises Inc., working in New Orleans, Louisiana between May 2016 to June 2018, and then working from Dallas, Texas between June 2018 through December 2021.

Chief Financial Officer: Douglas V. Kourie

Mr. Kourie, who is a Certified Public Accountant, has been our Chief Financial Officer since February 2004.

Vice President of Development and Franchising: Jeff Baldwin

Mr. Baldwin has been our Vice President of Development and Franchising since October 2015. From April 2002 until July 2015, Mr. Baldwin held various management positions with Tim Hortons in Dublin, Ohio, most recently serving as Senior Development Director U.S.A.

Vice President of Franchise Operations: Amos Durbin

Mr. Durbin has been our Vice President of Franchise Operations since February 2018. From August 2017 to February 2018, he was Regional Operations Director for the Midwest region of Dine Brands International. From January 2016 to August 2017 he was Franchise Business Consultant for the Midwest Region of Dine Brands International. From December 2014 to January 2016, Mr. Durbin was National Operations Manager for BFS, Inc. Prior to that, Mr. Durbin held various positions with Red Robin International from 2001 to 2014 across the United States.

Director of Franchise Sales: Eric Brown

Mr. Brown has been our Director of Franchise Sales since June 2022. From June 2021 to June 2022, he was the Director or New Business Development for Church's Texas Chicken in Atlanta, Georgia. From June 2020 to June 2021, he was the Director of Franchise Development for Slim Chickens in Fayetteville, Arkansas. And prior to that, from July 2016 to June 2020, he was the Director of Franchise Development for Inspire Brands in Minneapolis, Minnesota.

Senior Vice President of Marketing: Carol Pasquariello

Ms. Pasquariello joined Donatos in June 2020 as the Senior Vice President of Marketing. Prior to her current role as Senior Vice President of Marketing, she was the Vice President of Retail Marketing for Edible Arrangements from December 2019 to March 2020 in Atlanta, Georgia. Prior to that she was the Vice President of Anntie Anne's from March 2016 to March 2018 in Lancaster, Pennsylvania and before that she was the Director of Field Marketing and Customer Satisfaction for Pizza Hut, Inc. from April 2003 to December 2015 in Plano, Texas.

Vice President of People Services: Marie Nicole Stead

Ms. Stead has been the Vice President of People Services since October 2019. She was our Director of Associate Relations between August 2018 to October 2019. Prior to that she served as the Manager of Associate Relations from November 2016 to August 2018 and she was a District Manager for us between March 2012 and November 2016. All positions have been held in Columbus, Ohio.

Item 3

LITIGATION

The following suit is included in Item 3 of this disclosure document because certain officers were named defendants in the case:

DTD Pizza, LLC, *et at* v. Papa Murphy's International LLC, *et aL* (Washington Superior Court (Clark County), Case No. 14-2-00904-0) and Mitch and Kristen Brink, Brink Holdings, Inc., *et aL* v. Papa Murphy's International LLC, *et aL* (Washington Superior Court (Clark County), Case No. 14-2-01743-3)

These two related actions were commenced in April 2014 and June 2014, respectively, by separate groups of current and former franchisees against Papa Murphy's, certain members of its board of managers and executive team, and others in Washington Superior Court (Clark County), alleging misrepresentations involving financial performance representations in ITEM 19 of Papa Murphy's franchise disclosure document and the franchisees' local marketing obligations, among other things, and brought claims for violation of the Washington Franchise Investment Protection Act ("WFIPA"), fraud, negligent misrepresentation and breach of contract. The two actions were consolidated in September 2014 under Case Number 14-2-00904-0.

Each of the plaintiff groups entered into settlements with Papa Murphy's in which they dismissed all of their claims against defendants with prejudice and the action was dismissed in June 2020. The settlements are as follows: (1) one plaintiff group dismissed its claims against Papa Murphy's for no consideration; (2) two plaintiff groups agreed to pay amounts ranging from $5,000 to $8,000 to Papa Murphy's and remained in the system; (3) Papa Murphy's agreed to pay one plaintiff group's advertising costs for one year, agreed to allow the franchisee to develop an additional franchise, and agreed to return the franchisee's initial development fee of $10,000; (4) another plaintiff group agreed to remain in the system in exchange for Papa Murphy's paying 3.8% of the franchisees' sales towards local advertising for a period of two years and extending the franchise agreement's term for an additional ten years; (5) Papa Murphy's settled with fifteen different plaintiff groups and paid amounts ranging from $10,000 per group to $4 million per group; (6) Papa Murphy's agreed to purchase one plaintiff group's nine Papa Murphy's stores at an agreed upon value of the stores' assets plus $500,000; and (7) Papa Murphy's agreed to purchase seven plaintiff groups' Papa Murphy's stores at an agreed upon value of the stores' assets.

Other than as listed above, no other 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

FRANCHISE AGREEMENT

Initial Franchise Fee. You will pay us a non-refundable initial franchise fee when you sign the Franchise Agreement for each Restaurant you choose to develop. Your Initial Franchise Fee is $30,000 (the "Initial Franchise Fee"). If one of our existing franchisees refers you to us, we may pay a portion of these fees to the referring franchisee. This Initial Franchise Fee is uniform among all franchisees opening a traditional Donatos Pizza Restaurant. We have modified the Initial Franchisee Fee for franchisees of Non-Traditional Sites (as defined below) in the past. The Initial Franchise Fee is non-refundable and is fully earned by us when paid.

Donatos Manager Fee. Neither you nor any of your affiliates may hire any of our or our affiliate's hourly, assistant or general managers, regional managers, district supervisors or any executive level employee (each hereinafter a "Donatos Manager") to work for you or your affiliate without our approval. If we do approve, you must pay a fee to us (the "Manager Fee") to partially cover our and our affiliate's cost to locate and retrain the Donatos Manager's replacement. The cost of such Manager Fee ranges between $5,000 - $50,000, depending on a variety of factors, including the title and tenure of the manager brought on, and such standards are published internally and can be shared with you upon request. This fee is non-refundable and is fully earned by us when paid.

Software License Agreement. When you open a new Donatos Pizza Restaurant, then you will license the TRIO Software (defined in Item 11) from us. You must execute the TRIO System Standard Software License Agreement (attached as Exhibit F, the "TRIO Software Agreement") for use of the software in your Restaurant and you shall pay us a one-time license fee of $4,500 prior to installation, which is prior to the grand opening of your Restaurant. The TRIO license fee is uniformly charged for all new Donatos Pizza Restaurants, however, we have in the past waived the payment of the TRIO license fee in connection with the transfer of an existing Donatos Pizza Restaurant. This license fee is non-refundable and is fully earned by us when paid.

Computer System. When you open a new Donatos Pizza Restaurant, you are required to use our specified Computer System (as defined in Item 11) to operate the Restaurant. You will purchase a portion of the components of the Computer System directly from us as the re-seller of such equipment from our approved third party vendors and the remainder of the computer system directly from the approved third party vendors. The Computer System is more thoroughly described in Item 11, and the overall cost of the entire Computer System ranges between $16,000 - $21,000, depending upon the size of your Restaurant. We are currently the only approved supplier for the portion of the Computer System that we re-sell to you and the cost for such portion of the Computer System paid to us ranges between $6,000 - $8,000. The cost of the Computer System paid to us is not refundable and is fully earned by us when paid. The remaining portion and cost

of the Computer System may be refundable depending up the arrangement with the third party sellers.

DEVELOPMENT RIGHTS AGREEMENT

Development Fee. When you sign a Development Rights Agreement you must pay us a development fee equal to 100% of the Initial Franchise Fee ($30,000) for the first Restaurant to be developed plus 50% of the Initial Franchise Fee ($15,000) for each additional Restaurant to be developed thereunder (the "Development Fee"). However, in the event you acquire an existing Donatos Pizza Restaurant from us or a current franchisee and you sign a Development Rights Agreement in connection with such acquisition (such Development Rights Agreement referred to as an "Acquisition DRA"), you will pay to us a Development Fee equal to 50% of the Initial Franchise Fee for ($15,000) for each Restaurant to be developed thereunder. You will not be required to pay 100% of the Initial Franchise Fee at the time of executing the Acquisition DRA. The Acquisition DRA is the same form as the Development Rights Agreement, which is attached hereto as Exhibit C.

The Development Fee, which is not refundable under any circumstances and is fully earned by us when it is paid, is due in full when you sign a Development Rights Agreement. Unless you are executing an Acquisition DRA, you are required to sign a Franchise Agreement for the first Restaurant at the time you sign your Development Rights Agreement, but you will not be charged a separate Initial Franchise Fee under that initial Franchise Agreement. Unless you are executing an Acquisition DRA, the Development Fee includes your first Initial Franchise Fee due under that initial Franchise Agreement. If you are executing an Acquisition DRA, you will not be required to sign a Franchise Agreement for the first Restaurant at the time you sign the Acquisition DRA. You will sign the first Franchise Agreement at the time you secure a location for such new Restaurant. You will sign our then current form of franchise agreement and related documents for each Donatos Pizza Restaurant developed according the development schedule within the Development Rights Agreement, the terms of which may differ substantially from those in the Franchise Agreement attached to this disclosure document. We will apply $15,000 towards each Initial Franchise Fee then-charged under each such subsequent Franchise Agreement (which may be a different amount than the current Initial Franchise Fee of $30,000) you enter into between you and us under the Development Rights Agreement. This Development Fee is uniform among all developers executing a Development Rights Agreement and uniform among all developers signing an Acquisition DRA.

Item 6

OTHER FEES

Column 1 Type of fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Licensing Fee	4% of Net Sales [2],[7]	Due on the payment day of each week[3]	Based on Net Sales during the previous week. This fee covers, among other things, use of our Marks and operating system. (See Notes, 2, 3, and 7)

Column 1 Type of fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
National Marketing Fund Contribution	Up to 4% (currently 0.75%) of Net Sales[4], [7]	Due on the payment day of each week[3]	Based on Net Sales during the previous week. At a minimum, you are required to spend a total of 5% of your Net Sales each calendar quarter on advertising, marketing and promotion of your Restaurant (the "Marketing Spending Requirement"). We will apply your National Marketing Fund contribution to the minimum Marketing Spending Requirement. (See Notes 3, 4, 5 and 7).
Computer System	$6,000 to $8,000	Installments, as incurred, due upon receiving our invoice	If you open a new Restaurant, you must buy the a portion of the designated computer system from us as a re-seller of third party equipment. We describe the complete computer system in greater detail in Item 11. The cost of the complete computer system is $16,000 to $21,000 and is discussed in Item 7.
Proprietary Computer Software Maintenance and Support	Currently $200 per month, but could increase if our costs increase	Due on the 10th day of each month	This fee covers software bug fixes, upgrades, updates and our helpdesk support. We may charge reasonable fees for software, other technology, and other maintenance and support services at the rate we uniformly charge to other Donatos Pizza Restaurants.
TRIO Software License Fee	$4,500	Billed by Donatos prior to installation	You must pay us this amount as a one-time license fee for the use of the TRIO Software in your Restaurant.
Miscellaneous Computer Software Fees	Our then current charges, based on the project or task involved	As incurred	Applies if: (1) we perform service which was not the result of a programming error, (2) we must re-install the software, or (3) we make software corrections for difficulties or defects traceable to your errors or your computer system.
Reimbursement of Upgrading and Maintenance Costs	Our costs and expenses, plus 15% administrative fee, plus interest if applicable (see below)	Within 5 days after receiving our invoice	If you fail to maintain the Restaurant's (and its assets') condition and appearance, we may arrange for any necessary cleaning, upgrades, remodeling, decorating, repairs or maintenance.

Column 1 Type of fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Cooperative Advertising[6]	Typically between 1% and 4% of Net Sales (Advertising Cooperative members establish exact amount)	Established by Advertising Cooperative members	We may form or already have formed an Advertising Cooperative in your area. Contribution levels are subject to our approval. (See Note 6)
Additional Training or Assistance	Currently approximately $300 per person per day plus expenses, but could increase if our costs increase	As incurred	Applies only to training newly-hired Associates; additional or refresher training courses, periodic conventions and programs; and additional or special assistance or training that you or your Associates need or request. Cost of additional training depends on training required and experience level of trainer. We also may charge our costs for updated, additional or refresher training materials.
Training Fee [8]	Lesser of (i) $15,000, or (ii) our actual costs and expenses associated with providing the Opening Training	Lump Sum, as incurred	We provide the Opening Training to you at no additional costs for your first Restaurant. This fee is due only if (i) this is your second Restaurant, or (ii) this is not your first or second Restaurant but you desire to receive the Opening Training. You must pay us the Training Fee within 15 days of our final calculation of such fee. (See Note 8)
Fee for Hiring Donatos Manager	$5,000 - $50,000	As incurred	Due only if you or your affiliate (with our permission) hires our or our affiliate's Donatos Manager.
Transfer	$0-$15,000	Before transfer completed	$15,000 due upon transfer of Franchise Agreement or controlling ownership interest in business entity franchisee to a new owner or partner. $2,500 due upon transfer of Franchise Agreement for controlling ownership interest in business entity franchisee to an existing franchise owner. No charge if agreement transferred to or among family members or to an entity which you own and control, but we may pass along our costs.

Column 1 Type of fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Audit	Cost of inspection or audit	As incurred	Due only if you do not give us reports, supporting records or other required information on time or understate required Licensing Fee or National Marketing Fund contributions by more than 2%.
Interest	Lesser of 1.5% per month or highest commercial contract interest rate law allows	As incurred	Due on all overdue amounts more than 7 days late.
Insufficient Funds Charge	Our out-of-pocket expenses	As incurred	Due only if your account has insufficient funds to cover check or debit.
Product and Service Purchases	See Item 8	See Item 8	You will buy products and services from us, our affiliates, suppliers that we designate or approve, and vendors whose items meet our standards and specifications.
Management Fee	Up to 8% of Net Sales, plus costs and expenses	As incurred	Due if we manage Restaurant after your death or disability.
Costs and Attorneys' Fees[9]	Will vary with circumstances	As incurred	Due only if you do not comply with the Franchise Agreement or Development Rights Agreement. (See Note 9)
Indemnification[9]	Will vary with circumstances	As incurred	You must reimburse us if we incur costs from the Restaurant's operation; your business; your breach of the Franchise Agreement, Development Rights Agreement or Confidentiality Agreement; or noncompliance or alleged noncompliance with any law concerning the Restaurant's construction, design or operation. (See Note 9)
Online Ordering Transaction Fee	$0.35 to $0.50 per order placed online for your Restaurant	Due on the payment day of each week.[3]	We charge you a transaction fee for customer orders made or placed through our System Website which are then fulfilled by your Restaurant to cover a portion of our cost and expense in processing such payments (the "Online Order Fee"). Currently the fee is $0.35 per order, but we reserve the right to increase the fee to $0.50 per order.

Column 1 Type of fee[(1)]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
New Product or Supplier Testing	Cost of Testing	As incurred	This covers the costs of testing new products or inspecting new suppliers you propose (if we agree to the test).
Insurance	Actual cost of premiums, plus 20%	As incurred	Payable to us only if you do not maintain the insurance we require for the Restaurant and we elect to do so for you.

1/ Except for some product and service purchases (described in Item 8) and Advertising Cooperative payments (described in Item 11), all fees are imposed and collected by, and payable to, us. All fees are non-refundable. We have reduced some fees that certain long-standing franchisees pay. Otherwise, these fees are uniform.

2/ "Net Sales" means all revenues from sales and other revenue of whatever kind and nature in connection with the Restaurant, from all sources whether from check, cash, credit, charge account, debit account, exchange, barter or otherwise (including, without limitation, proceeds received from any business interruption or casualty insurance for loss of business due to a casualty or similar event), and includes the amounts received from the sale of goods, wares and merchandise, including sales of food (including Associate meals), beverages and tangible property of every kind and nature, promotional or otherwise and for services performed at or from the Restaurant (including any delivery fees charged to customers), together with the amount of all orders taken or received at the Restaurant, whether those orders are filled from the Restaurant or elsewhere. Net Sales does not include: (1) sales of goods for which cash is refunded, if those sales were previously included in Net Sales; (2) the amount of any sales tax that any federal, state, municipal or other governmental authority imposes directly on sales and you collect from customers, if the amount is added to or absorbed in the selling price and you actually pay the amount to the governmental authority; (3) the face value of coupons or discounts that customers redeem; or (4) the proceeds from the resale of restaurant equipment. We treat each charge or sale upon credit as a sale for the full price on the day during which the charge or sale is made, irrespective of the time when you receive payment (whether full, partial or at all). We include amounts paid by gift certificate, gift card or similar program in Net Sales when the gift certificate, other instrument or applicable credit is redeemed.

3/ We will collect weekly Licensing Fee payments, National Marketing Fund contributions, and the Online Order Fee on the day of the week that we periodically specify. We currently require you to pay all amounts due by automatic debit. We will debit your account for the Licensing Fee payments, National Marketing Fund contributions, the Online Order Fee and other amounts you owe us. Funds must be available in your account for withdrawal before each due date. We may require you to have overdraft protection for the account.

If you do not report the Restaurant's Net Sales for any week, we may debit your account for 120% of the Licensing Fee that we debited for the previous week. If the Licensing Fee we debit is less than the Licensing Fee you actually owe us (once we determine the

Restaurant's actual Net Sales for the week), we will debit your account for the balance. If the Licensing Fee we debit is greater than the Licensing Fee you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following week, without interest. We may require payment other than by automatic debit.

4/ We will periodically establish the National Marketing Fund contribution level, but it will not exceed 4% of Net Sales. Currently the National Marketing Fund contribution level is 0.75% of Net Sales. We will increase the National Marketing Fund when in the best interest of the entire franchise network and will solicit input from the Donatos Advisory Council before doing so.

5/ As noted above, you have a Marketing Spending Requirement for your Restaurant, requiring you to spend a minimum total of 5% of Net Sales each calendar quarter on advertising, marketing and promotion for the Restaurant. We credit your Marketing Spending Requirement with the amount you spend on your National Marketing Fund contributions, Advertising Cooperative contributions (see note 6 below), and other approved expenditures you make to advertise, market or promote your Restaurant. We will not, however, credit your Marketing Spending Requirement with amounts you spend for the Grand Opening Marketing Program (defined in Item 7) (other than Advertising Cooperative Contributions) or the face value of redeemed coupons or similar promotions. We may periodically vary the level of National Marketing Fund contributions, and your Advertising Cooperative (with our approval) may periodically vary your Advertising Cooperative contributions, so you will need to adjust your other advertising, marketing and promotion expenditures to spend at least the minimum of 5% of Net Sales. Your required National Marketing Fund and Advertising Cooperative contributions could, by themselves, exceed the Marketing Spending Requirement and therefore you may not be required to spend additional funds on other advertising efforts. You may, but are not required by us to, spend more than the Marketing Spending Requirement for your Restaurant in each calendar quarter.

6/ We may designate a geographic area in which 2 or more Donatos Pizza Restaurants are located as an area for an advertising cooperative (an "Advertising Cooperative"). The Advertising Cooperative's members are the owners of all Donatos Pizza Restaurants operating in the area, including us and our affiliates, if applicable. All material decisions of the Advertising Cooperative, including contribution levels (which also require our approval), will require the affirmative vote of 51% of all Donatos Pizza Restaurants operating within the Advertising Cooperative's area (including those that we and our affiliates operate, if applicable), with each restaurant receiving one vote. In some areas, we may have controlling voting power over the Advertising Cooperative, but your required Advertising Cooperative contribution will not exceed 5% of Net Sales.

7/ If the state or municipality in which your Restaurant is located prohibits or restricts our ability to collect Licensing Fees, National Marketing Fund contributions, or other amounts based on Net Sales derived from the sale of alcoholic beverages at the Restaurant, then we and you will renegotiate those provisions to provide the same basic economic effect to both us and you as our standard provisions provide.

8/ We provide you with a training team which travels on-site to your Restaurant to assist with training the Restaurant's Associates and help with the Restaurant's grand opening (the "Opening Training"). You are required to receive the Opening Training for the grand opening of the first and second Restaurant that you or your Affiliates open. The Opening Training is provided at no additional cost for the first Restaurant that you (or your Affiliates) open. We charge you a nonrecurring and nonrefundable training fee (the "Training Fee") for providing the Opening Training to you for your second Restaurant. At your option, you may choose to receive the Opening Training for any subsequent Restaurant that you (or your Affiliates) open after your second Restaurant, and you shall pay the Training Fee for receiving such training. The Training Fee shall be in an amount equal to the lesser of either (i) Fifteen Thousand Dollars ($15,000.00), or (ii) our actual costs and expenses associated with providing the Opening Training to you. The Training Fee is due within fifteen days of our notice to you of our final calculation of the Training Fee upon completion of the Opening Training. If our training team arrives at the Restaurant for the Opening Training and cannot begin work, whether because the Restaurant is not sufficiently developed to allow for training or for any other reason, then you must reimburse us for our additional expenses (including the training team's travel and living expenses) related to the delay, which would be in addition to any applicable Training Fee. We describe the Opening Training in Item 11. The Training Fee is uniformly charged to all franchisees opening their second Restaurant and for any subsequent Restaurant for which they elect to receive Opening Training.

9/ These fees also are due under the Development Rights Agreement.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Initial Franchise Fee (1)	$30,000	Lump sum	Upon signing Franchise Agreement	Us
Security Deposit Under Lease (2)	$0 to $10,883	Lump sum	Upon signing lease	Landlord
Three Months' Lease Rent and real estate expenses (2)	$6,000 to $20,000	Monthly	As agreed	Landlord

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Leasehold Improvements/ Construction (3)	$34,000 to $260,000	Lump sum	Before the Restaurant opens for business	Outside suppliers
Furniture, Fixtures, Equipment (4)	$233,000 to $274,364	Lump sum	Before the Restaurant opens for business	Outside suppliers
Computer System (5)	$16,000 to $21,000	Installments	Before the Restaurant opens for business	Us
TRIO Software License Fee	$4,500	Lump sum	Before the Restaurant opens for business	Us
Liquor License (6)	$0 to $10,000	Lump sum	Before the Restaurant opens for business	Governmental agencies and other third parties
Opening Inventory and Supplies (7)	$15,000 to $25,000	As agreed	Before the Restaurant opens for business	Us and outside suppliers
Grand Opening Marketing Program and Initial Marketing Expenses (8)	$25,000 to $30,000	As incurred	As incurred	Advertising sources and Advertising Cooperative
Training Expenses (9)	$1,000 to $20,000	As incurred	As incurred	Us and third parties
Miscellaneous Opening Costs (10)	$2,000 to $5,000	As incurred	As incurred	Third parties
Additional Funds – 3 months (11)	$25,000 to $40,000	As incurred	As incurred	Third parties
TOTAL (12)	$391,500 to $750,747			

Except for the security deposit under the Restaurant's lease, which typically is refundable if you comply with the lease during its term, and the costs for a liquor license, which might be refundable depending on the jurisdiction, none of these expenditures is refundable.

Explanatory Notes

1. We describe the Initial Franchise Fee in Item 5.

2. A typical Donatos Pizza Restaurant's premises range from 1,400 to 2,500 square feet and are located in-line within a commercial strip center. This table represents the estimated initial investment for a typical Donatos Pizza Restaurant of 1,800 square feet which accommodates 20 to 24 seats, although you may choose to build a stand-alone restaurant at an acceptable site or a restaurant with more or fewer seats. Unless we specify otherwise, each Donatos Pizza Restaurant must have a pick-up window.

Real estate costs including estimated amounts charged for rent, security deposits, utilities, taxes, insurance, and additional rent fees vary considerably from market to market and depend up a wide range of factors including the Restaurant's size, condition, location and demand for the premises among prospective lessees.

You might choose to purchase, rather than lease, real estate on which a building suitable for the Restaurant already is constructed or could be constructed. You may also choose a build-to-suit lease model, where significant portions of the leasehold improvements are paid to the Landlord as additional base rent. Real estate costs depend on many factors, including location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this initial investment table does not reflect the potential purchase cost of real estate or the costs of constructing a building suitable for the Restaurant.

3. This figure represents our estimate of your costs for the construction build-out and leasehold improvements based upon $100 per square foot to $130 per square foot for a typical Donatos Pizza Restaurant located inline within a commercial strip center and leasing 1,800 square feet to accommodate 20 to 24 seats. All leasehold improvements must conform to our standards and specifications. You are responsible for ensuring your final leasehold improvements conform not only to our specifications, but also all local laws and building codes. The cost for a build-out of your Restaurant will vary depending on the Restaurant's size, the condition of the Restaurant before you assume possession, current configuration of the leased premises facilities (i.e. HVAC, electrical, and plumbing), the market in which the Restaurant will operate, and the terms of your lease agreement which you are able to negotiate. Your ability to negotiate landlord contributions or allowances for your leasehold improvements will substantially impact your initial investment. Your total net cost to build-out your Restaurant may be significantly impacted by the level of tenant improvement allowances you negotiate and receive from your landlord.

This fee also includes estimated charges and expenses for architectural permit drawings, permits, construction, remodeling and decorating costs. This estimate does not include costs associated with constructing a building shell, extensive redesign, permitting variances, legal obstacles, or legal fees in negotiating your lease agreement. Additionally, this cost estimate assumes that your landlord will provide you with necessary following utility fixtures and connections for your premises, including water and sewer lines, electrical circuit breaker, one 120/208 volt 3 phase 4 wire 400 amp main electricity distribution panel, two-inch gas line (with half pound minimum pressure), telephone sleeves, and HVAC (calculated at approximately 1 ton

per 100 square foot) unit with distribution, duct work, grills and diffusers. If the landlord does not provide the foregoing utility fixtures, your initial cost for leasehold improvements may be greater than the estimate provided.

4. This figure is an estimate of the pretax costs for equipment, fixtures, signage and other fixed assets for your Restaurant. The estimates are based upon the equipment and fixtures necessary for a 1,800 square foot premise, accommodating 20 to 24 seats. Equipment, fixtures, and signage must conform to our standards and specifications. While the required equipment package for the kitchen and the 'back-of-house' of the Restaurant is relatively consistent regardless of the size of your premises, if you lease less than 1,800 square feet for your Restaurant, you will need less equipment and furniture for your dining room and signage purposes, allowing you to stay on the lower end of the estimate. If you lease more than 1,800 square feet for your Restaurant, you will need more equipment and furniture for your dining room, which will bring you the higher end of the estimate.

This estimate includes equipment such as 3 conveyor 170,000 BTU gas-fired impingement-driven conveyor ovens, but excludes delivery vehicles, the point-of sale equipment, and all Computer System components. The Restaurant's Associates will drive their own vehicles for deliveries and the costs for the Computer System are detailed in note 5 and Item 11 below. The layout and designs for a typical Restaurant do not require outdoor patio seating or a pick-up bar-counter. If you choose to include a pick-up bar and/or an outdoor patio space, you will need additional equipment, fixtures and equipment to furnish such areas which will be an additional cost, making your initial investment greater than the estimates provided. Additionally, we do not require you to have a dishwasher in our Restaurants. If you elect, or are required pursuant to local laws, to have a dishwasher in your Restaurant, you will incur additional costs which are greater than the estimate provided.

5. If you open a new Restaurant, you must buy the designated Computer System. You must buy a portion of the Computer System from us as resellers. We sell the Computer System components to you at cost without a mark-up, and such components cost between $6,000 - $8,000, depending upon the size of the Restaurant. You must purchase the remaining components of the Computer System from our designated and approved third party vendors with costs ranging between $10,000 - $13,000. We describe the Computer System in greater detail in Item 11.

6. We do not require Donatos Pizza Restaurants to obtain a license to serve beer and wine before opening, but you might choose to do so. We developed this estimate based on our and our predecessors' experience in obtaining liquor licenses in the states and municipalities in which we operate company-owned Donatos Pizza Restaurants. The costs for obtaining a liquor license in other jurisdictions (for example, in jurisdictions that consider a liquor license to be an asset that a licensee can resell) may be substantially higher, up to $100,000 or more.

7. This is for the initial inventory of products and supplies (including food items, beverages, paper products, uniforms, other production supplies and similar items) necessary to open the Restaurant according to our Operating Standards. The amount depends mostly on your Restaurant's size. Currently all inventory of products and supplies which we dictate are purchased through designated and approved third party suppliers, but we reserve the right to require you to purchase inventory from us.

8. You are required to execute a grand opening marketing program for the Restaurant in accordance with the Operating Standards for the grand opening of your Restaurant (the "Grand Opening Marketing Program"). The Grand Opening Program is approximately fifteen (15) weeks in duration, spanning two (2) to three (3) weeks before the Restaurant opens and twelve (12) to thirteen (13) weeks after the grand opening of the Restaurant. You must spend at least $25,000 on the Grand Opening Marketing Program any may spend more, but we do not require you to spend more than $30,000. All costs and expenses spent on the Grand Opening Marketing Program are in addition to the Marketing Spending Requirement for your Restaurant. We do not credit your Marketing Spending Requirement with amounts your spend on the Grand Opening Marketing Program.

9. This item estimates the reasonable travel and living expenses, including airfare, which you will incur when you and your Associates attend the initial training programs described in Item 11. It does not include any wages or salary for you or your Associates during training. This amount does not include the additional Training Fee which would be assessed by us for training of your second Restaurant or any subsequent Restaurant at which you choose to receive the Opening Training.

10. This covers miscellaneous opening costs and expenses, including costs for telephone service; deposits for gas, electricity, and similar items; costs for business licenses; legal and accounting expenses; and insurance premiums; and the initial web-based learning management system (LMS) monthly fees described in Item 11 in connection with the Donatos University training program. These miscellaneous costs are payable to third parties as incurred or as required by the third parties.

11. This item estimates your initial start-up expenses (other than the items identified separately in the table). These expenses include payroll costs during the Restaurant's operation but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your actual costs for initial start-up expenses during the Restaurant's first three (3) months of operation depend on how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products; the prevailing wage rate; competition; and the sales level reached during the initial period.

12. We relied on our predecessors' experience in operating Donatos Pizza Restaurants since 1963 to compile these estimates (including the estimate of additional funds). These estimates are the costs you can reasonably expect to incur in the opening of your first Restaurant. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

ESTIMATED INITIAL INVESTMENT UNDER DEVELOPMENT RIGHTS AGREEMENT

If you sign a Development Rights Agreement, you will pay a Development Fee equal to 100% of the Initial Franchise Fee ($30,000) for the first Restaurant to be developed plus 50% of

the Initial Franchise Fee ($15,000) for each additional Restaurant you agree to develop during the term of the agreement. However, in the event you acquire an existing Donatos Pizza Restaurant from us or a current franchisee and you sign a Development Rights Agreement in connection with such acquisition, you will pay to us a Development Fee equal to 50% of the Initial Franchise Fee for ($15,000) for each Restaurant to be developed thereunder. You will not be required to pay 100% of the Initial Franchise Fee at the time of executing the Acquisition DRA. The Development Fee, which is not refundable under any circumstances and is fully earned by us when it is paid, is due in full when you sign any Development Rights Agreement. Except for the Development Fee and approximately $5,000 in working capital that you initially might need to begin looking for acceptable sites, no initial investment is required to begin operating under the Development Rights Agreement.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

FRANCHISE AGREEMENT

Your Restaurant will operate according to our Operating Standards, which may regulate, among other things, the types, models, and brands of products and services your Restaurant uses; required and authorized products and services that the Restaurant offers; required and authorized product and service categories; methods of providing delivery service and other services; and designated and approved suppliers of these items and services, which may include or be limited to us and our affiliates, in which case you will acquire certain items for your Restaurant only from us and/or our affiliates at our specified prices. We may periodically modify and supplement the Operating Standards. If you fail to achieve minimum quality scores (as described in our Operations Manual) or otherwise satisfy our Operating Standards in any quality assurance inspection we conduct, that is a default under the Franchise Agreement.

Purchases from Us or Our Affiliates

The following are items or services that you currently must purchase from us or an affiliate. We may designate alternative suppliers in the future for these items, including, but not limited to, an affiliate of us.

Software. If you develop a new Donatos Pizza Restaurant, you will purchase the Computer System (as defined in Item 11) from us and you will license the TRIO Software from us. In the event you are acquiring an existing Donatos Pizza Restaurant, we may, in our sole discretion, waive such licensing fee. If you acquire an existing Donatos Pizza Restaurant you will license the Computer System's primary software from us, if it is different from the TRIO Software. We are currently the only approved supplier for the software.

Computer System. You are required to use our specified Computer System (as defined in Item 11) to operate the Restaurant. You will purchase a portion of the components of the Computer System directly from us as the re-seller of such equipment from our approved third party vendors. You will purchase the remaining balance of the Computer System components from our approved

third party vendors. The Computer System is more thoroughly described in Item 11. We are currently the only approved supplier for the portion of the Computer System that you must purchase from us.

Online Ordering System. We also have established an online ordering system on our System Website (defined in Item 11) that enables us to coordinate delivery service orders placed by customers of all Donatos Pizza Restaurants. As discussed in Item 6, we currently charge the Online Order Fee which is $0.35 per transaction for all orders placed on the online ordering system fulfilled by your Restaurant. We reserve the right to increase the Online Order Fee up to $0.50 per order. We may in the future establish a call center or other mechanism, that enables us or our designee to coordinate delivery service orders that customers of some or all Donatos Pizza Restaurants place. You agree to sign any participation agreement or similar document that we or our designee specifies to regulate your use of, and our (or our designee's) and your respective rights and responsibilities concerning, that online ordering system, call center or other mechanism, including responsibilities concerning payment of reasonable fees. We are currently the only approved supplier for the online ordering system.

Except as described above, there are no other goods or services for the Restaurant that you currently must buy or lease from us or one of our affiliates or for which we or one of our affiliates is an approved supplier or the only approved supplier.

Purchases from Approved Vendors

To maintain the quality of the goods and services that Donatos Pizza Restaurants sell and our system's reputation, we currently require that you buy all equipment, food products, beverage products, insurance, uniforms and certain operating supplies for your Restaurant only from our approved suppliers. Approved suppliers are required to supply products according to our standards for manufacturing processes and microbiological, food safety, and analytical performance measurements (the "Proprietary Supplier Specifications"). The Proprietary Supplier Specifications are our proprietary property and we provide them to approved suppliers and selected potential suppliers only under confidentiality and nondisclosure agreements. None of our officers owns any interest in any current supplier or vendor to the franchise system (except any ownership such officer may have in us and our affiliates).

Additionally, we currently require our franchisees to buy all pizza dough for their Restaurant from our approved third party distributors. We manufacture all such dough and pizza products and sell those products to our approved third party distributors. We do not make any sales of the pizza dough to you directly. Our approved third party distributors are currently the only approved suppliers for all pizza dough which can be used, sold and offered at your Restaurant.

Except as described above, there currently are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the franchised business that you must buy from us, our affiliates, or designated or approved suppliers. All other products and services that you buy or lease for your Restaurant need to meet our standards and specifications. We issue and modify standards and specifications based on our, our predecessors' and our franchisees' experience in developing and operating Donatos Pizza Restaurants. Our standards and specifications may impose minimum

requirements for delivery, performance, reputation, prices, quality, design, and appearance. Our Operations Manual or other communications will identify our standards and specifications. We will update the Operations Manual to reflect any modifications to the specifications or minimum standards.

Upon our request, or if you want to use any item or service that we have not yet evaluated or buy or lease from a supplier that we have not yet approved (for items and services that require supplier approval), we must receive sufficient information, specifications, and samples so we can determine whether the item or service complies with our Operating Standards and/or the supplier meets approved supplier criteria. We may charge you or the supplier our costs for the evaluation and will decide within a reasonable time, usually within 60 days after receiving all information we require. We usually will notify all franchisees in writing when we reject a supplier. We periodically will establish procedures for your requests and may limit the number of approved items, services, and/or suppliers as we think best. For example, we may limit the number of approved suppliers with whom you may deal, designate sources that you are required to use, and/or refuse any of your requests if we believe that doing so is in the best interests of the Donatos Pizza system. Supplier approval might depend on, among other things, product quality, prices, consistency, warranty, reliability, delivery frequency, service standards, financial capability, labor relations, customer relations, and concentration of purchases with limited suppliers to obtain better prices and service. Approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing.

We have the right to approve the terms of any lease or sublease for the Restaurant's site before you sign it. The lease must contain the terms and provisions that are reasonably acceptable to us. In certain cases we may require to you sign, and have the lessor under the lease or sublease for the Restaurant consent to, the Collateral Assignment of Lease attached to the Franchise Agreement. The Collateral Assignment of Lease gives us the right (but no obligation) to take over your interest in the lease if you default and contains other provisions to protect us as your franchisor.

After signing an approved lease, unless you buy an existing Donatos Pizza Restaurant, you will construct, install all trade dress and furnish all Operating Assets in, and otherwise develop the Restaurant according to our standards, specifications and directions. We have the right to approve the construction plans and specifications for the site.

We also have the right to approve any advertising, promotional, and marketing materials for your Restaurant and all agents or agencies that provide advertising, promotion or marketing services.

The purchases described above will constitute approximately 90% to 95% of your required initial purchases and approximately 65% to 70% of your ongoing required purchases in operating a Restaurant.

During our 2021 fiscal year, our revenue from selling products and services to franchisees was approximately $5,665,888, which represents approximately 4.6% of our total accrued revenue

of $121,926,686 for that year. These amounts include training fees and computer software support fees. We calculate these figures using our internal unaudited financial statements. None of our affiliates received any revenue from selling products or services to franchisees in 2021. Our affiliates received approximately $621,555 from leasing real estate to our existing franchisees during our most recent fiscal year, but our affiliates no longer lease real estate to franchisees for new Donatos Pizza Restaurants. We calculate these figures using our affiliate's internal unaudited financial statements.

We may derive revenue on items that you buy from us or our affiliates, and we (and our affiliates) also may receive payments, like promotional allowances, volume discounts and other payments, from suppliers on account of their dealings with you and other franchisees. During our 2021 fiscal year, we received $68,465 from suppliers based on franchisee purchases and leases from those suppliers. We contributed all of that amount to the National Marketing Fund. We currently plan to continue putting supplier payments based on franchisee purchases into the National Marketing Fund or passing them through to our franchisees, but we may change this policy. There currently are no purchasing or distribution cooperatives. We negotiate purchase arrangements with suppliers (including price terms) for franchisees for some required Restaurant items. In doing so, we seek to promote the overall interest of the franchise system and our company-owned Donatos Pizza Restaurants and our interest as the franchisor. We do not provide material benefits (like renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

Insurance

You must, at all time, maintain insurance as prescribed by law, and you must maintain the minimum insurance required below:

(a) workers' compensation insurance with statutory limits coverage required in the state in which the Restaurant is located and employer's liability insurance with coverage limits of $1,000,000 each accident for bodily injury and a coverage limit for bodily injury by disease of $1,000,000 per employee, subject to a per policy aggregate of $1,000,000;

(b) employment practices liability insurance with coverage limits of $500,000 per claim subject to a policy aggregate of $1,000,000 and a maximum policy deductible of $10,000 per claim;

(c) if the Restaurant will sell alcohol, liquor liability insurance with a $1,000,000 per occurrence/aggregate limit for bodily injury, property damage and loss of support. The policy must be endorsed to provide limited common law liability;

(d) commercial general liability insurance, written on an occurrence basis, including products/operations coverage in a form we approve with a combined bodily injury and property damage limit of at least $1,000,000 per occurrence, $2,000,000 in the aggregate;

(e) business automobile liability insurance including non-owned and hired vehicle coverage with limits of not less than $1,000,000 for bodily injury and property damage for each accident;

(f) business interruption or loss of income insurance equal to the average of 18 months of your net income and continuing expenses including License Fees and National Marketing Fees;

(g) excess or umbrella insurance with a limit of at least $1 million excess of comprehensive general liability and business automobile liability insurance; and

(h) all insurance required under any lease agreement you may enter for the lease of real estate for the Restaurant.

The carrier or carriers of all insurance must maintain an A. M. Best's rating of "A+" or maintain the highest available rating with another rating service similarly recognized in the industry. You must require that all insurance policies show Donatos Pizzeria, LLC as a loss payee as well as an additional insured. The cost of this coverage will vary depending upon the insurance carriers, the terms of payment and your history.

DEVELOPMENT RIGHTS AGREEMENT

To propose a site for a Donatos Pizza Restaurant, you will send us a complete site report and other materials demonstrating your (or your affiliate's) financial and operational ability to develop the site. Except as described in this paragraph, the Development Rights Agreement does not require you to buy or lease from us or designated or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate or comparable items related to establishing or operating your business under the Development Rights Agreement. However, the Franchise Agreement's requirements apply for each Donatos Pizza Restaurant you develop.

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 agreement	Disclosure document item
a. Site selection and acquisition/lease	Sections 2.A and 2.B of Franchise Agreement; Collateral Assignment of Lease; Section 7 of Development Rights Agreement	Items 7, 8 and 11

Obligation	Section in agreement	Disclosure document item
b. Pre-opening purchases/leases	Sections 2.C, 2.D, 2.E and 8.C of Franchise Agreement	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 2.C, 2.D, 2.E and 9.A of Franchise Agreement; Section 7 of Development Rights Agreement	Items 7, 8 and 11
d. Initial and ongoing training	Sections 4.A, 4.B, 4.C, 4.D and 4.E of Franchise Agreement; Section 1.2 of TRIO Software Agreement	Items 5, 6, 7 and 11
e. Opening	Section 2.E of Franchise Agreement	Item 11
f. Fees	Sections 2.D, 3, 4.A, 4.D, 4.E, 4.F, 4.G, 8.A, 8.C, 8.F, 9.B, 9.C, 11.B, 12.C(6), 12.E(2), 15.D and 15.C of Franchise Agreement; Section 5, of Development Rights Agreement; Section 7 of Confidentiality Agreement; Section 2 of TRIO Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Sections 2.C, 4.B, 4.C, 4.D, 4.F, 4.G, 4.H and 8 of Franchise Agreement; Sections 1.1, 2.1, 2.4, 2.5, 5.2, 5.3 and 5.7 of TRIO Software Agreement	Items 8, 11 and 16
h. Trademarks and proprietary information	Sections 5 and 6 of Franchise Agreement; Section 10 of Development Rights Agreement; Confidentiality Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 8.B, 8.C, 8.E and 8.F of Franchise Agreement	Items 8, 12 and 16
j. Warranty and customer service requirements	Section 8.B of Franchise Agreement	Item 12
k. Territorial development and sales quotas	Sections 1, 6, 7, 8, and 9 of Development Rights Agreement	Item 12
l. Ongoing product/service purchases	Section 8 of Franchise Agreement	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Section 2.D, 8.A of Franchise Agreement	Item 16

Obligation	Section in agreement	Disclosure document item
n. Insurance	Section 8.F of Franchise Agreement	Items 6, 7 and 8
o. Advertising	Section 9 of Franchise Agreement	Items 6, 7, 8, and 11
p. Indemnification	Section 15.D of Franchise Agreement; Section 13 of Development Rights Agreement; Section 7 of Confidentiality Agreement	Item 6
q. Owner's participation/ management/staffing	Sections 1.C, 4.A and 8.F(2) of Franchise Agreement	Items 11 and 15
r. Records and reports	Section 9.D and 10 of Franchise Agreement	Not applicable
s. Inspections and audits	Section 11 of Franchise Agreement	Item 6
t. Transfer	Section 12 of Franchise Agreement; Section 12 of Development Rights Agreement; Section 5.8 of TRIO Software Agreement	Items 6 and 17
u. Renewal	Section 1.B of Franchise Agreement; Section 3 of Development Rights Agreement	Item 17
v. Post-termination obligations	Section 14 of Franchise Agreement	Item 17
w. Non-competition covenants	Sections 7, 12.C(3), 12.C(10) and 14.E of Franchise Agreement; Section 13 of Development Rights Agreement	Item 17
x. Dispute resolution	Sections 17.F, 17.G and 17.H of Franchise Agreement; Section 13 of Development Rights Agreement	Item 17
y. Liquor license	Section 2.C of Franchise Agreement	Items 1 and 7
z. Disclaimer of warranties	Sections 2.A, 2.B, and 17.M of Franchise Agreement; Section 3.1 of TRIO Software Agreement	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.

Before you open the Restaurant, we will:

1. Accept a site for the Restaurant that meets our requirements, however, we do not engage in locating a site for you. In determining whether to accept a site you propose, we typically consider factors like demographics; traffic count; parking; ingress and egress; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. We typically will accept or not accept a location you propose within 60 days after receiving the complete site report and other materials we request, however we have a period of 90 days to complete our review and acceptance of the proposed site. If we reject a proposed site, you must continue to search and locate another site for approval. You will either have a site identified which has been approved by us at the time of execution of the Franchise Agreement or you will be given 120 days from the date of execution of the Franchise Agreement to locate an acceptable site for the Restaurant. If you cannot locate or identify an acceptable site within such 120 days you will lose your rights of exclusivity over the designated area in which are you searching for a site. If you cannot locate or identify an acceptable site within 180 days of executing the Franchise Agreement, you will be in material breach of the Franchise Agreement and we may terminate your Franchise Agreement. (Franchise Agreement – Section 2.A)

2. Consent to your proposed lease for the site of the Restaurant (if applicable) that meets our requirements, which must include our right to cure your default thereunder; however, we do not engage in negotiating the lease for you nor do we opine or provide any feedback as to other terms of the lease. We require you to sign, and obtain the landlord's consent to, the Collateral Assignment of Lease attached to the Franchise Agreement under which you will collaterally assign the lease to us as security for your timely performance of all Franchise Agreement obligations. (Franchise Agreement — Section 2.B)

3. Give you mandatory and suggested specifications and layouts for a Donatos Pizza Restaurant, including requirements for dimensions, design, image, interior layout, décor, specifications and color scheme. We also will approve the construction plans and specifications for the Restaurant's site that you prepare according to our requirements. It is your responsibility to prepare all required construction and remodeling plans and specifications and to construct, remodel and decorate the Restaurant's premises. You are solely responsible for complying with

all laws concerning the Restaurant's construction, design and operation, including the Americans with Disabilities Act and other laws regarding public accommodations for persons with disabilities. You are responsible for fixing any noncompliance or alleged noncompliance with any of these laws. (Franchise Agreement — Sections 2.C, 8.A, 8.D and 15)

4. Give you mandatory and suggested specifications for a new Computer System for the Restaurant. (Franchise Agreement — Section 2.D) We describe the Computer System later in this Item.

5. License to you the TRIO Software pursuant to the TRIO Software Agreement. We describe the Computer System and software, and the conditions under which you will use each type of software, later in this Item. (Franchise Agreement — Section 2.D)

6. As discussed in Item 8, identify the products, materials, supplies, and services for your development and operation of the Restaurant, minimum standards and specifications, and the designated and approved suppliers for these items (which might be limited to or include us and/or our affiliates). We currently provide some items directly and provide names of approved suppliers for some items. Our Operations Manual provides specifications for some items. We do not deliver or install any items. (Franchise Agreement — Sections 2.C and 8)

7. Provide you with online access to the Operations Manual, the current table of contents of which is Exhibit E. There is a total of 228 pages in the Operations Manual. (Franchise Agreement — Section 4.H)

8. Advise you on the Restaurant's Grand Opening Marketing Program. We will provide mandatory and suggested elements for the Grand Opening Marketing Program, and you must prepare and implement the program according to our standards. (Franchise Agreement — Section 9.A)

9. Provide training for you or your Operating Partner and other Restaurant Associates in the operation of a Donatos Pizza Restaurant. (Franchise Agreement — Section 4.A, 4.B) We describe this training later in this Item.

10. Send a training team to the Restaurant to provide the Opening Training which helps train your Associates and assist with the Restaurant's grand opening. The Opening Training is required for the opening of your (or your affiliates') first and second Restaurant. You may request that we provide the Opening Training to you for any subsequent Restaurants which you open. (Franchise Agreement — Section 3.C, 4.A, 4.B) We describe the Opening Training later in this Item.

11. If you sign the Development Rights Agreement, determine your Schedule and Development Territory. We also will review sites and the operational and financial qualifications of any Affiliated Entities you propose and typically will notify you of our acceptance within 45 days after receiving the complete site report and other materials we request. We describe our site review and acceptance procedures earlier in this Item.

12. If you sign the Development Rights Agreement, grant you (or your approved Affiliated Entities) franchises to operate Donatos Pizza Restaurants at accepted sites in the

Development Territory provided you are in compliance with the Development Rights Agreement and each Franchise Agreement between you (or your approved Affiliated Entity) and us. You or the approved Affiliated Entity must sign our then current form of franchise agreement and related documents for each Donatos Pizza Restaurant developed according to the Schedule (the "Updated Franchise Documents"), the terms of which may differ substantially from those in the Franchise Agreement attached to this disclosure document.

During your operation of the Restaurant, we will:

1. Advise you regarding the Restaurant's operation based on your reports or our inspections. We will advise you on standards, specifications, operating procedures and methods that Donatos Pizza Restaurants use; purchasing required or recommended Operating Assets, supplies and inventory; if you request and we agree, Associate training (although you are responsible for your Associates' terms and conditions of employment); and administrative, bookkeeping, and accounting procedures. We will guide you in our Operations Manual, in bulletins or other written materials, by electronic media, by telephone consultation, and/or during consultations at our office or the Restaurant. (Franchise Agreement — Sections 4.B and 4.C)

2. Provide you, at your request and expense, special guidance, assistance and training in addition to the guidance, assistance and training that we provide to franchisees generally. (Franchise Agreement — Section 4.B, 4.D)

3. Provide you access to one copy of the Operations Manual, which might be or include audiotapes, videotapes, computer disks, compact disks and/or written or intangible materials and which we may make available to you through various means, including the Internet. The Operations Manual contains our Operating Standards and information on your other obligations under the Franchise Agreement. The table of contents of the current Operations Manual is attached as Exhibit E. We may modify the Operations Manual periodically to reflect changes in Operating Standards, but these modifications will not alter your fundamental rights or status under the Franchise Agreement. You agree to keep your copy of the Operations Manual current and in a secure location at the Restaurant and communicate all updates to your Associates in a timely manner. If there is a dispute over its contents, our master copy of the Operations Manual controls. The Operations Manual is confidential and its disclosure is restricted to Restaurant Associates who need to know its contents. You may not copy, duplicate, record or otherwise reproduce any part of the Operations Manual. We may charge you for a replacement copy of the Operations Manual and/or for updates to the Manual. The table of contents of the current Operations Manual is attached as Exhibit E. This table of contents states the number of pages devoted to each topic and the total number of pages in the Manual. (Franchise Agreement – Section 4.H)

The Operating Standards do not include any personnel or security-related policies or procedures, which we may (at our option) make available to you in the Operations Manual or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your Restaurant's operations. You and we recognize that we neither dictate nor control labor or employment matters for you and your Associates and that we are not responsible for the safety and security of Restaurant Associates or patrons. (Franchise Agreement — Section 4.H)

At our option, we may post the Operations Manual on a restricted website to which you will have access. If we do so, you are required to periodically monitor the website for any updates to the Operations Manual or Operating Standards. Any passwords or other digital identifications necessary to access the Operations Manual on a website are part of our confidential information.

4. Issue and modify Operating Standards for Donatos Pizza Restaurants. We periodically may modify Operating Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in the Restaurant and/or incur higher operating costs. (Franchise Agreement — Section 8)

5. Let you use our confidential information. (Franchise Agreement — Section 6)

6. Let you use our Marks. (Franchise Agreement — Section 5)

7. Let you use our copyrighted materials. (Franchise Agreement — Section 6)

8. License to you the TRIO Software. (TRIO Software Agreement)

9. Periodically and at our option offer refresher training courses. (Franchise Agreement — Section 4.D)

10. Maintain and administer a formal national marketing fund (the "National Marketing Fund"). (Franchise Agreement — Section 9.B) We describe the National Marketing Fund below.

11. Maintain and administer one or more websites, mobile applications, social media accounts and other online presences to advertise, market and promote Donatos Pizza Restaurants and the products and services that they offer and sell (each a "System Website"). (Franchise Agreement — Section 9.E) We describe the System Website below.

Advertising and Marketing.

National Marketing Fund

We will periodically set the level of your National Marketing Fund contributions, up to 4% of Net Sales in accordance with the best interest of our brand and overall network of restaurants. We will use good faith efforts when deciding to change the fund contribution and solicit input from the Donatos Advisory Council. Currently, the National Marketing Fund contribution is 0.75% of Net Sales and we currently have no plans to raise it. Donatos Pizza Restaurants that we or our affiliates own will contribute to the National Marketing Fund on the same percentage basis as franchisees. We have the right to collect for deposit into the National Marketing Fund any advertising, marketing, or similar allowances that suppliers who deal with Donatos Pizza Restaurants pay to us and instruct us to use for advertising or marketing purposes.

We will designate all programs that the National Marketing Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The National Marketing Fund may pay for preparing and producing video, audio, and written materials and electronic media and using social media; maintaining and administering one or more System Websites; administering regional and

multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The National Marketing Fund may advertise in printed materials or on radio or television for local, regional or national circulation. We and/or regional or national advertising agencies will produce all advertising and marketing. The National Marketing Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost and will sell you multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling, and storage charges.

We may periodically receive input and feedback from an advisory council known as the Donatos Advisory Council ("DAC") regarding the disbursement of funds from the National Marketing Fund and the overall direction of the National Marketing Fund. The DAC also provides feedback on certain operational issues impacting Donatos Pizza Restaurants. The DAC currently has five (5) members. The three (3) franchisee-elected members serve 3-year terms and the two (2) members whom we appoint serve 2-year terms. Each franchisee currently casts one vote for the franchisee-elected DAC members, regardless of the number of locations that franchisee operates. We have the ultimate discretion as to all decisions regarding the National Marketing Fund and whether to follow the DAC's recommendations. We may alter the DAC's function and/or composition at any time, and may otherwise form, change or dissolve advertising councils that advise us on advertising policies (including the DAC). The National Marketing Fund may reimburse the travel and related expenses that DAC members incur in matters relating to the DAC's activities.

We will account for the National Marketing Fund separately from our other funds and not use the National Marketing Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the National Marketing Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for National Marketing Fund contributions. The National Marketing Fund is not our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the National Marketing Fund or any other reason. The National Marketing Fund may spend in any fiscal year more or less than the total National Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on National Marketing Fund contributions to pay costs before spending the National Marketing Fund's other assets. We will not use National Marketing Fund contributions principally to solicit new franchise sales. The National Marketing Fund currently is not audited, but we will prepare an annual, unaudited statement of National Marketing Fund collections and costs and give it to you upon written request. We may incorporate the National Marketing Fund or operate it through a separate entity when we think best. The successor entity will have all of the rights and duties described here. During our 2021 fiscal year, the National Marketing Fund spent its assets as follows:

Market –wide production and media placement expenses	80%
Administrative expenses	19%
Local store marketing	1%

We intend for the National Marketing Fund to maximize recognition of the Marks and patronage of Donatos Pizza Restaurants. Although we will try to use the National Marketing Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Donatos Pizza Restaurants, we need not ensure that National Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to National Marketing Fund contributions that Donatos Pizza Restaurants operating in that geographic area make or that any Donatos Pizza Restaurant benefits directly or in proportion to its National Marketing Fund contribution from the development or placement of advertising and marketing materials. We may use collection agents and institute legal proceedings to collect National Marketing Fund contributions at the National Marketing Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the National Marketing Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the National Marketing Fund.

We may at any time defer or reduce a franchisee's National Marketing Fund contributions (and can later reinstate them at any time) and, upon 30 days' prior written notice to you, reduce or suspend National Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the National Marketing Fund. If we terminate the National Marketing Fund, we will distribute all unspent monies to then existing franchisees, and us and our affiliates, in proportion to their, and our, respective contributions during the preceding 12 fiscal month period. (Franchise Agreement — Section 9.B)

Advertising Cooperatives

We may designate a geographic area in which 2 or more Donatos Pizza Restaurants are located as an area for an Advertising Cooperative. The Advertising Cooperative's members in any area are the owners of all of the Donatos Pizza Restaurants operating in the area, including us and our affiliates, if applicable. We will determine how any Advertising Cooperative is organized and governed, but the Cooperative's members are responsible for its administration. The Advertising Cooperative's members determine contribution levels, subject to our approval. However, your Cooperative contribution will not be less than 1% of Net Sales. All material decisions of the Advertising Cooperative, including contribution levels (which also require our approval), will require the affirmative vote of at least 51% of all Donatos Pizza Restaurants operating within the Cooperative's area (including, if applicable, those that we and our affiliates operate), with each restaurant receiving one vote. Advertising Cooperative members do not always contribute at the same rate. Advertising Cooperatives currently operate from written governing documents and prepare periodic financial statements which are available to the members. We may form, change, dissolve, or merge Advertising Cooperatives. (Franchise Agreement — Section 9.C)

Your Advertising and Marketing Requirements

As discussed in Item 6, you are required to spend the Marketing Spending Requirement each calendar quarter on advertising, marketing and promotion of your Restaurant, which is, at a minimum, an amount equal to 5% of your Net Sales. We credit your Marketing Spending Requirement with the amount you spend on your National Marketing Fund contributions, Advertising Cooperative contributions, and other approved expenditures you make to advertise, market or promote your Restaurant. We will not, however, credit your Marketing Spending

Requirement with amounts you spend for the Grand Opening Marketing Program (other than Advertising Cooperative Contributions) or the face value of redeemed coupons or similar promotions. We may periodically vary the level of National Marketing Fund contributions, additionally your Advertising Cooperative (with our approval) may periodically vary your Advertising Cooperative contributions, therefore, you will need to adjust your other advertising, marketing and promotion expenditures to spend the minimum of 5% of your Net Sales. Your required National Marketing Fund and Advertising Cooperative contributions could, by themselves, exceed the Marketing Spending Requirement thereby eliminating your requirement to spend additional funds on additional local advertising efforts. You may, but are not required by us to, spend more than the Marketing Spending Requirement for your Restaurant in each calendar quarter. (Franchise Agreement — Section 9.D)

Use of Marketing Materials

You (and your Advertising Cooperative) may only place and use advertising, promotional, and marketing materials and programs that are completely clear, factual, and not misleading and conform to the highest standards of ethical advertising and marketing and our policies. We may require you to send us samples of all advertising, promotional, and marketing materials before you use them, unless we have prepared or previously approved them within the last 6 months. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved and are responsible for ensuring that the materials comply with applicable laws. We also have the right to approve any agent or agencies that you or your Advertising Cooperative retains to provide any public relations, advertising, marketing or promotion services. We may require these agents or agencies to sign agreements concerning indemnification and related matters. (Franchise Agreement — Section 9.D)

System Website

At our option, we or our designee(s) may establish one or more System Websites. The System Website has an online ordering system through the internet and/or mobile applications that enables us to coordinate delivery service orders placed by customers of some or all Donatos Pizza Restaurants. As discussed in Item 6, we currently charge the Online Order Fee which is $0.35 per transaction for all orders placed on the online ordering system and fulfilled by your Restaurant. We reserve the right to increase the Online Order Fee up to $0.50 per order. We may periodically require you to give us information and materials for the System Website. We will own all intellectual property and other rights relating to the System Website, including the domain name, log of "hits" and any data that visitors supply. We may use the National Marketing Fund's assets to develop, maintain and update the System Website(s) and may implement and periodically modify Operating Standards relating to the System Website(s). We also may, at our option, discontinue all or any portion of the System Website(s).

Except for using social media according to our Operating Standards, you may not develop, maintain or authorize any other website, mobile application, other online presence or other electronic medium that mentions or describes you or your Restaurant or displays the Marks. You may not conduct commerce or directly or indirectly offer or sell products or services using any website, another electronic means or medium, or otherwise over the Internet. However, we may maintain websites and mobile applications other than the System Website and offer and sell

products under the Marks from the System Website, another website or otherwise over the Internet. (Franchise Agreement — Section 9.E)

Computer System

You are required to use our specified Computer System to operate the Restaurant. The "Computer System" is an integrated package of hardware, networking gear and other equipment, operating software and interconnection. The Computer System functions as the Restaurant's point-of-sale cash register system and incorporates various back-office functions like attendance, inventory and reporting. The Computer System will generate and store sales, payment, cost and other operational data. It will cost about $16,000 to $21,000 to buy the Computer System's components for three (3) POS registers and five (5) ordering stations. You will purchase all components of the Computer System directly from us as the re-seller of such equipment from our approved third party vendors.

No party has the contractual right or obligation to provide ongoing maintenance, repairs, upgrades or updates for the Computer System's hardware. Because costs vary widely from market to market, we are unable to estimate the current annual cost of maintenance, support, upgrades or updates for the hardware.

If you are developing a new Donatos Pizza Restaurant you must use the "TRIO Software." You will license the TRIO Software from us and sign the TRIO Software Agreement (Exhibit F). Some existing Donatos Pizza Restaurants (including some that we operate) also use the earlier version of that software, called the M.O.S.T. EDGE Software, however, all Donatos Pizza Restaurants (including ours) will transition into use of the TRIO Software. The M.O.S.T. EDGE Software and TRIO Software are our proprietary property. We currently provide maintenance and network support for the software for a fee of $200 per month, but may increase this fee if our costs increase.

We may periodically require you to change, upgrade or update the Computer System's components (including software). We may require you to obtain any additional Computer System components or upgrades: (i) within 60 days after you receive notice from us if the total cost of the modification is $2,500 or less, or (ii) within 6 months after you receive notice from us if the total cost of the modification is more than $2,500. No contract limits the frequency or cost of changes, upgrades or updates.

We may charge you reasonable fees for software or other technology that we license to you and for other Computer System maintenance and support services that we or our affiliates periodically provide to you, but we will charge you the same rate we uniformly charge to all other Donatos Pizza Restaurants, including our company-owned locations, for the same or similar products or services. We also may charge you for the Restaurant's share of fees and charges that software or other vendors periodically impose relating to the Computer System and the computer systems of other Donatos Pizza Restaurants. We will have independent, unlimited access to the information that the Computer System generates and tracks. Except for the approved Computer System, you may not, without our prior written consent, operate or use any other computer system at the Restaurant or in connection with the Restaurant. (Franchise Agreement — Section 2.D, TRIO Software Agreement)

You need not buy or use any computer system to operate under the Development Rights Agreement, however, each Restaurant you develop thereunder must comply with the foregoing Computer System requirements.

Opening

We estimate that it will be approximately 3 to 12 months between your signing the Franchise Agreement (which is when you first pay consideration for that franchise) and opening the Restaurant, but this depends on the time it takes to negotiate an approved lease; the site's location and condition; the Restaurant's construction schedule; the extent to which you need to upgrade or remodel an existing location; the delivery schedule for equipment and supplies; completing training; obtaining insurance and all required licenses and permits (including your liquor license); and complying with local laws and regulations. You may not open and begin operating the Restaurant until: (1) you have properly developed and equipped the Restaurant according to our standards and in compliance with all laws; (2) Restaurant Associates have completed pre-opening training to our satisfaction; (3) you have paid all amounts owed to us; (4) you have obtained all required licenses and permits, including (if applicable) a liquor license; (5) you give us copies of all required insurance policies; (6) you give us a copy of your signed lease for the Restaurant; (7) you give us a copy of your organizational documents and any other documents we deem necessary; (8) you give us completed documents for electronic funds transfer payments; and (9) we have conducted a pre-opening inspection and certified the Restaurant for opening. (Franchise Agreement — Section 2.E)

If the Restaurant is not open on or before the "Opening Date" that we list in an Exhibit to the Franchise Agreement, we may terminate the Franchise Agreement. The specific Opening Date will depend on a number of factors.

(a) If the Restaurant is open and operating on the date that you sign the Franchise Agreement — for example, because you are buying an existing Donatos Pizza Restaurant — then the Opening Date is the date that you sign the Franchise Agreement.

(b) If you are opening the Restaurant pursuant to a previously-signed Development Rights Agreement, then the Opening Date is the earlier of (i) 3 to 8 months after you sign the Franchise Agreement and (ii) the required opening date for the next Donatos Pizza Restaurant to be developed under that Development Rights Agreement.

(c) If you are not opening the Restaurant pursuant to a previously-signed Development Rights Agreement, then the Opening Date is 3 to 8 months after you sign the Franchise Agreement.

You will begin looking for sites and otherwise operating under the Development Rights Agreement as soon as you sign it.

Training and Certification

Training and Certification prior to the Grand Opening of your Restaurant.

When you sign a Franchise Agreement, we will provide our initial training program for you. Prior to the arrival of our grand opening training team for the Opening Training and your Restaurant opening for business, you and your staff must complete the following training regime to our satisfaction:

1. Franchise Partner Onboarding. Every franchise owner, regardless of their level of involvement in daily operations, must complete this training program.

2. Operational Management Training. Every franchisee, owner or partner working in or managing daily Restaurant operations and/or any general manager or assistant general manager hired to manage daily Restaurant operations is required to attend this training program. A minimum of three (3) managers must complete this training prior to opening. Managers of your Restaurant shall mean any position which has authority to direct personnel in your Restaurant and operate the Restaurant unsupervised.

3. Manager in Training (MIT). All Associates responsible for managing daily Restaurant operations when the owner, Operating Partner, or Manager is not present must complete this training. A minimum of one manager in training must complete training prior to opening.

4. Marketing Coordinator: All Associates responsible for managing marketing activities must complete this training. A minimum of one manager in training must complete training prior to opening.

Each owner of a franchisee entity is required to attend and satisfactorily complete our training programs. Additionally, each store owned and operated by a franchisee shall have 3 store managers (inclusive of the Operating Partner) attend our required training. Other than the fees described below for the LMS program, there is no charge for a franchisee owner to attend our initial training programs described below. You are responsible for the travel and living expenses (which can include airfare, transportation and room and board) incurred when they and their Associates attend the initial training programs. You are also responsible for paying the wages or salary for you or your Associates to attend training.

During all hours of operation, each Restaurant is required to have on-site at least one manager-level personnel staff member that has completed the Operational Management Training, or a Manager in Training. If we determine that you or any of your staff cannot complete training to our satisfaction, we may, at our option, either terminate the Franchise Agreement or require you to attend additional initial training at our then applicable charge.

Following is an outline of our three primary training programs and the approximate number of hours required to successfully complete the class. We custom tailor our program to the experience and capability of each trainee. As a result, some individuals may complete the program more quickly than the estimated times below. Classes schedules typically permit time for you to

return to your market and some topics may be taught in your restaurant during the grand opening process. Our initial training programs are offered multiple times a year. At our discretion, and for the safety of you and us, we may elect in our sole discretion to hold certain training classes online.

The following tables summarizes the training program:

ITEM 11 – TABLE:
Training Program

Franchise Partner Onboarding

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
New Store Opening Process	0	4	Certified Training Restaurant
Restaurant Flow and Function	0	4	Certified Training Restaurant
Developing 5 Market Access Points	0	16	Certified Training Restaurant
Grand Opening, Local Store Marketing and Catering Training	0	6	Certified Training Restaurant
Profitability Management Tools	0	8	Certified Training Restaurant
Donatos Intranet	0	6	Certified Training Restaurant
Company and Brand Culture Orientation	0	4	Certified Training Restaurant
Total	**0**	**48 hours/5 days**	

Operational Management Training

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Developing 5 Market Access Points	0	200 hours/ 4 weeks	Certified Training Restaurant
Shift Management • POS Profitability	0	50 hours/1 week	Certified Training Restaurant

• Back of House • IT Set Up			
New Store Opening Process	0	12	Certified Training Restaurant
Grand Opening, Local Store Marketing and Catering Training	0	8	Certified Training Restaurant
Donatos Intranet Business Management Training	4	4	Certified Training Restaurant
Company and Brand Culture Orientation	0	32	Certified Training Restaurant
Total	**4**	**306 hours/ 6 weeks**	

Manager In Training (MIT) program

SUBJECT	**HOURS OF CLASSROOM TRAINING**	**HOURS OF ON-THE-JOB TRAINING**	**LOCATION**
Developing 5 Market Access Points Shift Management • Tools/Resources • POS Profitability • Back of House • IT Set Up	0	302 hours/ 6 weeks	Certified Training Restaurant, Columbus, Ohio
Company and Brand Culture Orientation	0	4 hours	Certified Training Restaurant
Total	**0**	**306 hours/ 6 weeks**	Certified Training Restaurant, Columbus, Ohio

Marketing Coordinator

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Field Coordinators & Catering	0	24 hours hours/ 3 days	Home Office, Columbus, Ohio
Franchise Business Consultant	0	16 hours/ 2 days	Home Office, Columbus, Ohio
Field Marketing Manager	0	40 hours / 5 days	The Restaurant to be opened
Total	**0**	**80 hours/ 2 weeks**	Home Office, Columbus, Ohio

Currently there is no training required under the Development Rights Agreement. If you sign the Development Rights Agreement, you and your Associates are required to complete the training required under the Franchise Agreement before your first Restaurant opens to the public.

Our Vice President of Franchise Operations supervises all aspects of our training/certification program. He has been with us for 3 years and has 20+ years of experience in the restaurant and food operations industry. Other employees of Donatos also will assist with training, and we expect that they generally will have at least 2 to 3 years' experience in their appropriate subject areas. We use various manuals (including the Operations Manual and our MIT manual) and other handouts in our training programs. You are responsible for your Associates' travel, living and other expenses incurred while attending any training program.

Opening Training and Donatos University.

If the Restaurant is your and your affiliates' first Restaurant, we will provide the Opening Training whereby we sent a training team consisting of between 5 and 7 people (at our option) to assist with training during the Restaurant's grand opening process. The size of such training team may be amended in our sole discretion. The Opening Training is provided by us for no addition fee for the first Restaurant that you (or your Affiliates) open. You are required to receive the Opening Training (and pay the Training Fee) for the opening of your (or your Affiliate's) second Restaurant. At your option, you may choose to receive the Opening Training for any subsequent Restaurant that you open after your second Restaurant and you shall pay the Training Fee for receiving such training. The training team sent for the Opening Training will be supervised by our Franchise Services department and typically consists of current general managers and assistant general managers of existing Donatos Pizza Restaurants who usually have at least 2 to 3 years of experience in restaurant operations. The training team arrives for the Opening Training about a week before the grand opening and remains at the Restaurant in a limited capacity for up to 5 weeks as necessary, in our sole discretion. You will cover our expenses if the Restaurant or staff is not ready when the training team arrives, which will be in addition to any Training Fee which may be applicable. There is no set outline for this on-the-job training Opening Training, but the training team generally assists with all aspects of the Restaurant's day-to-day operations. No

Associates of yours are required to complete specific training or tasks to our satisfaction during the Opening Training and we will not have, nor exercise, control over your Associates at point during such Opening Training.

Donatos University is a web-based learning management system (LMS) which delivers content and tracks the progress of a curriculum designed to provide standard operating procedure instruction for all of your Associates. The system blends individual learning, knowledge checks and performance validation. The curriculum ranges from new associate job skill, safety and security instruction to management skills and career development and enrichment. The majority of the curriculum is Donatos brand specific; including operating standards.

We will provide basic job training courses to help you instruct your Associates how to perform their basic duties. This instruction will focus on teaching basic job skills and proficiency testing of your Associates. Additionally, you will learn how to administer the Donatos University web-based learning management system to track the progress of your Associates.

The web-based learning management system (LMS) is provided by a third party. You will be required to pay the third party an annual subscriber fee to access the content and tracking system. The annual subscriber fee is payable in advance and is based on usage for one store. Payments will only be accepted via Bank Draft (ACH) or Credit Card Payment via Automated Recurring Payments (ARP), with no invoice provided. Unless otherwise stated, the fees do not include any direct or indirect taxes of any nature. You are responsible for paying all taxes associated with your purchases hereunder. The annual fee per restaurant is no less than $500. In addition to the annual subscriber fee, you will be required to provide all of your Associates access to an internet connected computer or mobile device that meets our specifications.

Ongoing Training.

The Restaurant is required to have at all times at least two (2) managers who are fully qualified and have completed our training curriculum to our satisfaction. If the Restaurant's manager who has been trained by us leaves his or her position, you will have 90 days to appoint a replacement and ensure that the replacement begins the appropriate training program identified above.

We may require you and/or previously trained and experienced managers to attend training courses and periodic conventions. We may charge reasonable fees for these courses, conventions and programs. You are also responsible for all travel and living expenses. We may also charge the cost of printing, reproducing and delivering updated, additional or refresher training materials needed to operate your Restaurant.

If we determine that a Restaurant manager has failed to satisfactorily complete the then current training curriculum for his or her position in the Restaurant, or any additional or refresher training program, you agree to immediately hire a substitute manager and promptly arrange for him or her to complete the training curriculum to our satisfaction. If we provide this additional training at your Restaurant's location or at another location other than our approved training locations, you will reimburse our expenses (including travel and living expenses).

We also may periodically establish maximum prices for products that the Restaurant offers, and if we do, you may not exceed such maximum or minimum price for the particular product but may charge any price you determine for the product within the established maximum and minimum range.

Item 12

TERRITORY

FRANCHISE AGREEMENT

Each Restaurant is assigned to a specific location (the "Site"), either at the time of execution of the Franchise Agreement or within one hundred eighty (180) days. Relocating the Restaurant from the Site requires our prior written approval. We typically do not grant a relocation of a Restaurant during the term of the Franchise Agreement; however, in the event your Restaurant has (i) suffered a catastrophic event such as destruction or loss of the premises due to natural disasters or (ii) you lose occupancy rights to the approved site through no fault of your own, we may approve the relocation of the Site.

Franchisees who have not signed a Development Rights Agreement will sign a Franchise Agreement for one Restaurant. Before you sign the Franchise Agreement we will designate a "Site Selection Area" within which you must look for a site. We typically identify Site Selection Areas either using city boundaries or physical boundaries. There is no minimum size for a Site Selection Area. You must propose a suitable location within the Site Selection Area for the Site, obtain our acceptance of the Site and sign the lease that we have accepted for the Site. Your Site may not be located within any protected territory of any restaurant operated under the "Red Robin"® or "Red Gourmet Burgers and Brews"® brand name ("Red Robin Restaurants") which is either in existence or under construction at the time you execute the Franchise Agreement. After you sign a lease for the Site which we have accepted, we will define your "Area of Primary Delivery Responsibility." We determine your Area of Primary Delivery Responsibility based on an assessment of your likely ability to deliver pizzas to all locations within the Area of Primary Delivery Responsibility by driving no more than 8 minutes. There is no minimum size of an Area of Primary Delivery Responsibility. The Area of Primary Delivery Responsibility will be smaller than the Site Selection Area. Once we define the Area of Primary Delivery Responsibility you will have no further rights in those portions of the Site Selection Area that are outside the Area of Primary Delivery Responsibility.

If the population, demographics, drive times, or other market or economic conditions in the geographic area that includes all or part of your Area of Primary Delivery Responsibility change, and we determine (in our good faith judgment) that you are likely unable to deliver pizzas to all locations in the Area of Primary Delivery Responsibility by driving no more than 8 minutes, then we may, upon 30 days' written notice to you, modify your Area of Primary Delivery Responsibility to an area that we (in our good faith judgment) determine would likely enable you to deliver pizzas to all locations in the Area of Primary Delivery Responsibility by driving no more than 8 minutes. Otherwise we may not alter your Area of Primary Delivery Responsibility or territorial rights.

If you are fully complying with the Franchise Agreement and all other agreements between you and us (or any of our affiliates), then during the term of the Franchise Agreement, neither we nor any of our affiliates will operate, or grant a franchise for the operation of, a brick and mortar Donatos Pizza Restaurant that operates under the Marks or the Nested Donatos System which is physically located within your Area of Primary Delivery Responsibility, except for Donatos Pizza Restaurants at locations which are Non-Traditional Sites. "Non-Traditional Sites" shall mean captive market locations, which shall include, without limitation, venues in which foodservice is or may be provided or controlled by a master concessionaire or contract foodservice provider, industrial foodservice venues, businesses, any grocery stores, food courts, convention centers, zoos, amusement parks, military bases, hotels, universities, educational centers, hospitals, locations on limited access highways, car and truck rest stops, travel centers, airports, train stations, museums, casinos, or sports or entertainment venues or stadiums, whether existing when or constructed after you sign the Franchise Agreement. "Donatos Core Products" means any ready-to-eat products (including fully-baked pizza) that are identified by the Marks and that we periodically designate as core products to be offered and sold by all Donatos Pizza Restaurants. However, products (including pizza) that are not ready-to-eat (for example, take-and-bake pizza and frozen pizza), and products that are not identified by the Marks, are among the products that are not "Donatos Core Products." Notwithstanding the above, delivery service providers and/or third party delivery services (hereinafter, such provider, a "DSP") which are not affiliated with us and which do not make our Donatos Core Products may deliver Donatos Core Products into your Area of Primary Delivery Responsibility. Further, we allow franchisees, licensees, or company-owned Donatos Pizza Restaurants or Red Robin Restaurants operating the Nested Donatos Systems to sell Donatos Core Products on DSP sites and mobile applications, including, without limitation, doordash, grub hub and uber eats. These DSP sites are not affiliated with us, and we cannot control where or how customer DSP orders are placed or delivered. Customers can order Donatos Core Products from you, us or other franchisees and licensees selling the same Donatos Core Products from DSP sites and applications and such orders may be delivered within your Area of Primary Delivery Responsibility. Therefore, you will face competition for delivery of the same Donatos Core Products from us, other franchisees and licensees within your Area of Primary Delivery Responsibility through these DSP sites and mobile applications.

Continuation of your rights in your Area of Primary Delivery Responsibility does not depend on your achieving a certain sales volume, market penetration, or other contingency and we may not alter your Area of Primary Delivery Responsibility or your territorial rights. You have no options, rights of first refusal, or similar rights to acquire additional franchises.

We may engage, and allow others to engage, in any activities that the Franchise Agreement does not expressly prohibit. For example:

(1) We may establish and operate, and grant rights to other persons to establish and operate, Donatos Pizza Restaurants, restaurants utilizing the Donatos Nested System, or any similar or dissimilar businesses at any location outside the Area of Primary Delivery Responsibility and at any Non-Traditional Sites within the Area of Primary Delivery Responsibility without compensating you. But, (i) Donatos Pizza Restaurants located at Non-Traditional Sites and (ii) Red Robin Restaurants located within the Area of Primary Delivery Responsibility will not provide delivery service for any Donatos Core Products

to locations within your then current Area of Primary Delivery Responsibility during the term of the Franchise Agreement.

(2) We reserve all rights involving the Marks and other trademarks, in any methods of distribution, such as the Internet, ghost kitchens, DSP websites and mobile applications, catalog sales, telemarketing or other direct marketing, other than as described above. These distribution methods might include mail order, sales over the Internet and other electronic media, mobile applications, kiosks, ghost kitchens, DSP and third party delivery applications, services and vendors, grocery stores and other retail sales. For example, we currently license grocery stores to operate kiosks inside the store offering fully-baked pizza, take-and-bake pizza and other products using the Donatos® name and sell products under the Donatos® brand through other retail outlets. We, our affiliates, and third parties may engage in these activities at any locations, whether within or outside your Area of Primary Delivery Responsibility, subject to your rights concerning Donatos Pizza Restaurants being physically located within your Area of Primary Delivery Responsibility described above. For the avoidance of doubt, delivery of Donatos Core Products may occur within your Area of Primary Delivery Responsibility by DSPs and other third party delivery services and vendors.

(3) We may participate in any kind of company reorganization or sale. For example, we may acquire the assets or ownership interests of one or more businesses providing products and services similar or dissimilar to those provided at Donatos Pizza Restaurants. We also may franchise, license or create other arrangements of any type for these businesses once we acquire them. These rights apply wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, including within your Area of Primary Delivery Responsibility. We also may be acquired (regardless of the form of transaction) by a business providing products and services similar or dissimilar to those provided at Donatos Pizza Restaurants, or by another business, even if that business operates, franchises and/or licenses competitive restaurants within your Area of Primary Delivery Responsibility.

Because we reserve the right to operate or franchise Donatos Pizza Restaurants at Non-Traditional Sites in your Area of Primary Delivery Responsibility and third party delivery services may deliver Donatos Core Products into your Area of Primary Delivery Responsibility, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. But, as described above, we may not operate or franchise a Donatos Pizza Restaurant within the Area of Primary Delivery Responsibility, except for Non-Traditional Sites that will not offer delivery service for Donatos Core Products to locations within the Area of Primary Delivery Responsibility.

Your delivery rights are limited to customers located within your Area of Primary Delivery Responsibility. We may require you to stop offering or providing delivery service to any Non-Traditional Sites we specify (even though they are located within your Area of Primary Delivery Responsibility). Except for these specified Non-Traditional Sites, you are required to offer delivery services to the entire Area of Primary Delivery Responsibility, unless you have followed all Operating Standards relating to the refusal to provide delivery services in any area, including our zero tolerance policy against discrimination. You may not use other channels of distribution,

such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales outside your Area of Primary Delivery Responsibility. Although we have the right to do so, neither we nor any affiliate operates, franchises, or has present plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will sell.

DEVELOPMENT RIGHTS AGREEMENT

If you sign the Development Rights Agreement, you (and your Affiliated Entities) will develop a number of Donatos Pizza Restaurants within the Development Territory during a specific time period. We and you will identify the Development Territory, number of Restaurants and time period in an exhibit to the Development Rights Agreement before signing it. We typically identify the Development Territory by city, county, or other political subdivisions. We base the Development Territory's size on the number of Donatos Pizza Restaurants you agree to develop, the market, other characteristics of the Development Territory, and demographic factors, but Development Territories usually are an entire city (for an urban area) or county (for more rural areas).

We and you will negotiate the Schedule describing the number of Donatos Pizza Restaurants that you must develop, and the dates by which you are required to develop them, to keep your territorial rights and insert this information in the Development Rights Agreement before signing it. If you are fully complying with the Development Rights Agreement and each Franchise Agreement between you (or your Affiliated Entities) and us, we will grant you and your approved Affiliated Entities franchises to operate the agreed-upon number of Donatos Pizza Restaurants in the Development Territory. You may not develop Donatos Pizza Restaurants outside the Development Territory unless we sign a separate agreement with you to do so.

If you are fully complying with all of your obligations under the Development Rights Agreement, and you and your Affiliated Entities are fully complying with all of your and their obligations under all franchise agreements then in effect with us, then, during the Development Rights Agreement's term only, and except for franchises we grant you and your approved Affiliated Entities, Donatos Pizza Restaurants at locations which are Non-Traditional Sites, and Red Robin Restaurants located within the Development Territory, neither we nor any of our affiliates will operate, or grant a franchise for the operation of, a Donatos Pizza Restaurant that operates under the Marks and is physically located within the Development Territory. But, Donatos Pizza Restaurants located at Non-Traditional Sites within the Development Territory will not offer delivery service for any Donatos Core Products to any location within the Development Territory during the term of the Development Rights Agreement. Additionally, we shall not be limited in our ability, and we shall not need your express permission or consent, to grant Red Robin Restaurants or other ghost kitchens operating within the Development Territory the right to offer and sell Donatos Core Products, so long as such Red Robin Restaurants would not be located in, or overlapping with, the Area of Primary Delivery of any existing Restaurant that you operate under a Franchise Agreement. Further you acknowledge and agree that nothing prohibits or prevents the delivery of Donatos Core Products into the Development Territory by DSPs through DSP websites or mobile applications. You acknowledge that Donatos cannot control or limit the delivery scope or delivery areas of DSPs and, therefore, customers within your Development Territory may order Donatos Core Products from you, us or other franchisees and licensees selling

the same Donatos Core Products and the DSP may make such delivery into your Development Territory without violation of the rights granted to you.

We may engage, and allow others to engage, in any activities that the Development Rights Agreement does not expressly prohibit. For example:

(a) We may establish and operate, and grant rights to other persons to establish and operate, Donatos Pizza Restaurants, restaurants utilizing the Donatos Nested System, or any similar or dissimilar businesses at any location (including Non-Traditional Sites) outside the Development Territory and at any Non-Traditional Sites within the Development Territory. But, Donatos Pizza Restaurants located at Non-Traditional Sites within the Development Territory will not offer delivery service for any Donatos Core Products to locations within the Development Territory during the term of the Development Rights Agreement.

(b) We also reserve those rights which we now reserve in the Franchise Agreement, subject only to your rights concerning Donatos Pizza Restaurants described above.

Because we reserve the right to operate or franchise Donatos Pizza Restaurants at Non-Traditional Sites in your Development Territory, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. But, as described above, we may not operate or franchise a Donatos Pizza Restaurant within the Development Territory, except for Non-Traditional Sites that will not offer delivery service for Donatos Core Products to locations within the Development Territory.

Upon successful completion of the Development Rights Agreement by developing the required number of Restaurants to be opened within the specified timeframe in the Schedule, and provided (i) there have been no Development Defaults (as defined below), and (ii) you (or your Affiliated Entities) are in compliance with each Franchise Agreement awarded under the Development Rights Agreement, you may, contingent upon our approval which may be withheld in our discretion, renew the Development Rights Agreement. If you choose to renew your Development Rights Agreement to open additional Restaurants within the same Development Territory, you and we will determine a new Development Schedule including the number of Restaurants and the required timeframe for development. In order to renew your Development Rights Agreement, you must notify us in writing no later than six (6) months prior to the opening date of the last Restaurant in your current Development Rights Agreement Schedule. If you renew, you must pay us a renewal fee equal to $15,000 for each Restaurant to be opened (the "Renewal Fee"). The Renewal Fee is due when you sign the Development Rights Agreement Renewal. If you renew, you must sign our then current form of Franchise Agreement for the first of the additional Restaurants in the Schedule to be opened at the time of the renewal. You will sign our then current form of Franchise Agreement for each additional Restaurant developed in accordance with the Schedule. We will apply $10,000 of the Renewal Fee to each Initial Franchise Fee required for each new Restaurant, and you must pay the balance of the then-current Initial Franchise Fee at the time you sign a property lease for each Restaurant.

Should your Development Rights Agreement (i) expire upon its terms without renewal, or (ii) be terminated, regardless of the reason, we (and our affiliates) may engage, and allow others to engage, in any other activities within and outside the Development Territory without restrictions, subject only to your (or your Affiliated Entity's) rights under Franchise Agreements with us then in effect.

Your failure to comply with the Schedule at the end of any Development Period is a "Development Default." Typically, a "Development Period" is the 12-month period beginning on the date, or the anniversary of the date, upon which you sign the Development Rights Agreement. Following a Development Default, and whether or not we provide you written notice of that Development Default, you must cure that Development Default by complying with the Schedule within 60 days after the end of the Development Period in which the Development Default occurred. However, following a Development Default (and without limiting our other rights), we may grant to you an additional 90-day period during which to cure that Development Default (beyond the 60-day period referenced in the preceding sentence) if we determine, in our sole judgment, that (i) the failure to comply with the Schedule is a result of circumstances beyond your reasonable control; (ii) you have used, and are continuing to use, your best efforts to cure the Development Default as soon as is practicable under the circumstances; and (iii) you have a reasonable chance of curing the Development Default, and being in full compliance with the Schedule, at the end of the 90-day period. This cure period does not reduce the Schedule for the next Development Period or extend the time for you to comply with the Schedule for the next Development Period.

If you commit 2 Development Defaults in successive Development Periods, or 3 Development Defaults at any time during the term of the Development Rights Agreement, then we may (but need not):

(a) terminate the Development Rights Agreement (but not franchise agreements with you or your Affiliated Entities);

(b) extend the time of any Development Period (and extend the time for all future Development Periods) for any period of time that we determine; and/or

(c) reduce the size of the Development Territory to a lesser area that we determine.

Except as described above, continuation of your territorial rights in the Development Territory does not depend on your achieving a certain sales volume, market penetration, or other contingency, and we may not alter your Development Territory or your territorial rights. You have no options, right of first refusal or similar rights for other areas.

Item 13

TRADEMARKS

You may use certain Marks in operating the Restaurant. We or our predecessors registered the following Marks with the United States Patent and Trademark Office (the "PTO"):

Mark	Reg. No.	Reg. Date	Register
D DONATOS (and Design)	3304048	10-02-2007	Principal
HOT2U	2542660	02-26-2002	Principal – Allowing to Lapse
CHICKEN VEGY MEDLEY	2622437	09-17-2002	Supplemental – Allowing to Lapse
CLASSIC TRIO	2112005	11-11-1997	Principal
FOUNDER'S FAVORITE	2089194	08-19-1997	Principal
EDGE TO EDGE	2117646	12-02-1997	Principal
BEST ON THE BLOCK	2048517	03-25-1997	Supplemental
BIG DON	1911640	08-15-1995	Principal
MARIACHI BEEF	2124613	12-30-1997	Principal
DONATOS	2117144	12-02-1997	Principal
DONATOS PIZZA SIZZLING HOT! (and Design)	2111491	11-11-1997	Principal
EVERY PIECE IS IMPORTANT	4909753	03-01-2016	Principal
NATURECRUST	5007710	07-26-2016	Principal – Allowing to Lapse
SONOMA FLATBREADS	5541634	08-14-2018	Principal
SONOMA WOODFIRED	5978815	02-04-2020	Principal
CONSCIOUS CHOICE PIZZAS	6260884	02-02-2021	Principal

We have pending applications for the following Marks with PTO, none of which are our principal trademarks:

Mark	App. No	App. Date	Register
DONATOS PIZZA LOVE REWARDS	88082545	08-17-2018	Principal
MIGHTY SLICE	90510626	02-04-2021	Principal
MIGHTY SLICE CRAFTED BY DONATOS (and Design)	90510636	02-04-2021	Principal
100 Count Pepp Pizza Icon (and Design)	97217133	1-13-2022	Principal
Donatos Pizza (and Design)	97316715	3-17-2022	Principal

We or our predecessors have made all required renewal and affidavit filings (if any are due) for these registrations, which cover pizza products and restaurant and/or take-out restaurant services.

You agree to follow our rules and Operating Standards when you use the Marks. There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, any state trademark administrator, or any court, and no pending infringement, opposition, or cancellation proceedings or material federal or state court litigation, involving the principal Marks. No agreement significantly limits our right to use or license the principal Marks. We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal Marks in any state.

You agree to notify us immediately of any apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than us and our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action that we deem appropriate (including no action) and control exclusively any litigation, PTO proceeding or other administrative proceeding arising from the infringement, challenge or claim or otherwise concerning any Mark. You agree to assist us in protecting and maintaining our interests in the Marks and any litigation or PTO or other proceeding.

We may require you to modify or discontinue using any Mark and/or use one or more additional or substitute trademark or service marks. We need not reimburse you for your expenses in complying with these directions (such as costs to change the Restaurant's signs or replace supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark. If we elect to use a principal name other than "Donatos" to identify the franchise system, we may select another name and notify you to change all or some items bearing the Marks to the new name within a reasonable period of time as determined by us and you promptly shall adopt that name. You will bear the sole cost and expense of making these changes and we shall have no obligation or liability to you as a result of any changes.

We will reimburse you for all damages and expenses you incur in any trademark infringement proceeding disputing your authorized use of any Mark if you have timely notified us of the proceeding, complied with the Franchise Agreement or Development Rights Agreement, and complied with our directions in responding to the proceeding. Upon termination of the Franchise Agreement or Development Rights Agreement for any reason, you have to stop using the Marks in any manner (except for uses under other then-effective agreements with us).

The Development Rights Agreement does not grant you rights to use the Marks. These rights arise only under the Franchise Agreement.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise. We claim copyrights in the Operations Manual (which contains our trade secrets), advertising and promotional materials, labels, menus, posters, coupons, gift certificates, signs and other items used in operating the Restaurant. We may also claim copyrights in all or a part of the Marks, Computer System components, our trade dress and other portions of the franchise system. We have not registered

these copyrights but need not do so at this time. You may use these items while operating your Restaurant only according to the Franchise Agreement and our Operating Standards. We own exclusively all rights to these copyrighted works.

There currently are no effective adverse determinations of, or pending material proceedings before, the PTO, the United States Copyright Office or any court involving the copyrighted works. No agreement limits our right to use or allow others to use the copyrighted works. We do not know of any copyright infringement that could materially affect you.

You agree to notify us immediately of any apparent infringement of or challenge to your use of any copyrighted works. We may take the action we deem appropriate (including no action) and control exclusively any litigation or other proceeding arising from any infringement, challenge or claim or otherwise concerning any copyrighted works. We may require you to modify or discontinue using any copyrighted works and/or use one or more additional or substitute copyrighted works. We need not reimburse you for your expenses. We need not participate in your defense nor indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a copyrighted work or if the proceeding is resolved unfavorably to you. Upon termination of the Franchise Agreement for any reason, you must stop using the copyrighted works in any manner.

Our Operations Manual and other materials contain our confidential information. This information includes site selection criteria and market development plans, standards and criteria; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Donatos Pizza Restaurants, including information in the Operations Manual and Operating Standards; marketing research and promotional, marketing and advertising programs; knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, products, materials, and supplies; knowledge of the operating results and financial performance of Donatos Pizza Restaurants (other than your Restaurant's operating results and financial performance); customer communication and retention programs, along with data used or generated in those programs; knowledge concerning the logic, structure and operation of computer software programs we authorize for use in operating the Restaurant, all additions, modifications and enhancements, and all data generated from those programs; graphic designs and related intellectual property; recipes, ingredients, formulae and food preparation processes; information generated by, or used or developed in, the Restaurant's operation, including customer names, addresses, telephone numbers and related information (such as credit card information and information about the customer's purchases) and any other information periodically contained in the Restaurant's Computer System; and any other information we designate as confidential or proprietary.

Neither you nor your owners may use any confidential information in any other business or capacity, whether during or after the term of the Franchise Agreement. You and your owners are required to keep all confidential information absolutely confidential during and after the term of the applicable agreement, may not use our confidential information in an unauthorized manner, and may not make any unauthorized copies of any confidential information. Neither you nor your owners may sell, trade or otherwise profit in any way from our confidential information (including customer names, addresses, telephone numbers and related information) except during the Franchise Agreement's term using methods we approve. You agree to take reasonable steps to

prevent improper disclosure of our confidential information to others and use non-disclosure agreements with those having access. We may regulate the form of agreement that you use and will be a third party beneficiary of that agreement with independent enforcement rights.

Confidential information does not include information, knowledge or know-how that is or becomes generally known in the foodservice industry, that you knew from previous business experience before we provided it to you or before you began training or operating your Restaurant, or that you learn or acquire from any source other than us, our agents or our representatives. Anyone claiming one of these exclusions must prove that the exclusion is fulfilled.

You agree to promptly disclose to us all ideas, concepts, techniques or materials that you or your owners, Associates or contractors create or develop relating to a Donatos Pizza Restaurant. They will be our property and you must sign (and cause your owners, Associates and contractors to sign) the documents we request and otherwise help us obtain intellectual property rights in them.

The Development Rights Agreement does not grant you rights to use our copyrighted works or confidential information. These rights arise only under the Franchise Agreement.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

FRANCHISE AGREEMENT

You are required at all times to faithfully, honestly, and diligently perform your contractual obligations, fully exploit your Franchise Agreement rights, and participate personally in, and devote full time and best efforts to, the Restaurant's on-site operation, promotion and enhancement. If you are a corporation, limited liability company or other business entity, we require that an individual whom we approve (your "Operating Partner") must (A) either (i) directly or indirectly own at least 5% of the ownership interests in you or (ii) receive his or her employment compensation package from you in a form that is based upon the profitability of the Donatos Pizza Restaurants that you own (including, without limitation, profit sharing compensation, stock appreciation rights, incentive equity or other comparable packages) which such profit sharing compensation is equal to or greater than five percent (5%) of the outstanding Ownership Interests, and (B) devote all of his or her business time and efforts (at least 40 hours per week) to the operation of, and promote and enhance the business of, the Restaurant and all other Donatos Pizza Restaurants you operate (if any). We must approve of the applicable ownership or compensation structure for the Operating Partner and you shall provide evidence of the ownership or compensation package as we may reasonably request. The Operating Partner and other Restaurant Associates are required to complete our training program to our satisfaction as identified and discussed in Item 11 of this Disclosure Document.

Operating Standards may regulate the Restaurant's staffing levels and Associate qualifications; training standards, requirements and procedures (including requirements to buy and use computer and other equipment in your training programs); dress; and appearance; but you

control your Associates and the terms and conditions of their employment. We can require Associates having access to our confidential information to sign nondisclosure agreements.

If you are a corporation, limited liability company or other business entity, each of your owners will personally guarantee your obligations under the Franchise Agreement and agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, including the confidentiality provisions and restrictions on owning interests in or performing services for competing businesses. This Guaranty and Assumption of Obligations is part of the Franchise Agreement.

DEVELOPMENT RIGHTS AGREEMENT

You are required to develop your Development Territory according to the Schedule. We do not require, but do recommend, that you (or your Operating Partner) personally supervise your development of Donatos Pizza Restaurants. You are responsible for hiring Associates to manage and supervise the development of your Donatos Pizza Restaurants. The Associates need not have an equity interest in any Restaurant (or in you) and need not attend our training program. If you are a corporation, limited liability company, or other business entity, your owners must sign personal guarantees of your obligations under the Development Rights Agreement.

We will grant Donatos Pizza Restaurant franchises under the Development Rights Agreement only to you or your approved Affiliated Entities. "Affiliated Entity" means a corporation, limited liability company or other business entity of which you or one or more of your owners own at least 51% of the total authorized ownership interests, but only if you or those owner(s) have the right to control the entity's management and policies. Franchises that we grant to your Affiliated Entities will count toward your Development Schedule.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Your Restaurant will offer the products and perform the services (including delivery service) that we periodically require for Donatos Pizza Restaurants. You may not offer for sale, sell or otherwise distribute, at the Restaurant or at any other location, any unauthorized products or services. You may not sell any products at wholesale without our prior written consent. Our Operating Standards may regulate, among other things, required and authorized products and services and product and service categories; standards and procedures for testing new products, equipment or other items, including the requirement to sign a test agreement; sales, marketing, advertising and promotional programs and materials for the Restaurant and media used in these programs; and maximum, minimum or other pricing requirements for products and services that the Restaurant offers (to the extent the law allows). We periodically may change required and/or authorized products and services and product and service categories. There are no limits on our right to do so. We also may periodically establish maximum prices for products and services that the Restaurant offers, and if we do, you may not exceed that price but may charge any lower price you determine.

We may require you to stop offering or providing delivery service to any Non-Traditional Sites we specify (even though they are located within your Area of Primary Delivery Responsibility). You may not provide or offer to provide delivery service to any customer (whether residential or commercial) at premises which are located outside your Area of Primary Delivery Responsibility. Except for Non-Traditional Sites that we designate, you are required to offer delivery service to the entire Area of Primary Delivery Responsibility, unless you have followed all the Operating Standards relating to the refusal to provide delivery services in any area.

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 or other agreement	Summary
a. Length of the franchise term	Section 1.B of Franchise Agreement and Section 2 of Development Rights Agreement	Franchise Agreement's term is 20 years. Development Rights Agreement and continues for so long as there are outstanding valid and effective Franchise Documents. .
b. Renewal or extension of the term	Section 1.B of Franchise Agreement and Section 3 of Development Rights Agreement	If you have given written notice, complied with Franchise Agreement during its term, remodeled and upgraded the Restaurant, and continually operated in manner consistent with our mission statement and philosophies, you may acquire renewal franchise for 5 years. Upon timely completion of the development obligations required on the Schedule and provided (a) there have been no Development Defaults and (b) you or your Affiliated Entities are in compliance with each franchise agreement, you may request in writing, no later than six (6) months prior to the opening date of the last Donatos Pizzeria restaurant to be opened pursuant to the Schedule, the right to open additional Donatos Pizzeria restaurants within the Development Territory.

Provision	Section in franchise or other agreement	Summary
c. Requirements for franchisee to renew or extend	Section 1.B of Franchise Agreement and Sections 3 and 5 of Development Rights Agreement	In order to renew, Franchisee must (a) give written notice at least one hundred eighty (180) days, but no more than three hundred sixty-five (365) days, before the end of the Term, (b) complied with all obligations under the Franchise Agreement, (c) remodeled/upgraded the Restaurant into full compliance with the specifications and standards then applicable for new Donatos Pizza Restaurants, and (d) continually operated the Restaurant in a manner consistent with our mission statement and philosophies. Owners must then sign (i) the then-current form of franchise agreement (and related documents), and (ii) a general release. Additional Restaurants may be opened under the Development Rights Agreement if (1) the qualifications under 17(a) are met, (2), you and we have mutually agreed-upon a Revised Development Schedule, and (3) have paid the applicable Extension Fee.
d. Termination by franchisee	None	You may not terminate agreements (except as law otherwise allows).
e. Termination by franchisor without cause	None	We may not terminate agreements without cause.
f. Termination by franchisor with cause	Section 13 of Franchise Agreement, Section 11 of Development Rights Agreement, Section 6.2 of TRIO Software Agreement	We may terminate only if you commit one of several violations or you fail to cure any noted deficiencies of an inspection of your Restaurant.

Provision	Section in franchise or other agreement	Summary
g. "Cause" defined – curable defaults	Section 13 of Franchise Agreement and Section 9 of Development Rights Agreement	You have 24 hours to cure health, safety, or sanitation law violations or failure to operate safely; 10 days to cure monetary defaults; and 30 days to cure other defaults not listed in (h) below. Under Development Rights Agreement you have 60 days to cure single Development Default, but we might give a 90-day extension.
h. "Cause" defined – non-curable defaults	Section 13 of Franchise Agreement, Section 11 of Development Rights Agreement, Section 6.2 of TRIO Software Agreement	Non-curable defaults under Franchise Agreement include failure to complete mandatory training satisfactorily; abandonment or failing to operate during required hours for 2 or more consecutive days; unapproved transfers; material misrepresentations or omissions; failure to maintain and provide proof of insurance; dishonest, unethical or illegal conduct or conviction of a felony; interference with inspections; unauthorized use or disclosure of the Operations Manual or confidential information; breach of non-compete; failure to pay taxes; understating Net Sales; termination of franchise or other agreement with us or our affiliate (other than a Development Rights Agreement); loss of a necessary license or permit; repeated defaults (even if cured); and bankruptcy-related events. Non-curable defaults under Development Rights Agreement include repeated Development Defaults, defaults under any franchise agreement between us and you (or your Affiliated Entity), and all other defaults under Development Rights Agreement. All defaults under the TRIO Software Agreement are non-curable.

Provision	Section in franchise or other agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Section 14 of Franchise Agreement and Section 6.3 of TRIO Software Agreement	Obligations under Franchise Agreement include paying outstanding amounts, including unpaid Licensing Fees, National Marketing Fund contributions and other amounts owed for remaining unexpired agreement term; transferring databases and directories containing customer information; returning or destroying proprietary software and related materials; assigning telephone and other numbers, domain names, and websites; ceasing use of Marks and our other intellectual property; complete de-identification; delivering advertising material, signs and other proprietary items; and returning and stopping use of confidential information (also see (o) and (r) below). Obligations under the TRIO Software Agreement include returning the software and documentation to us and destroying any copies of the software on any computer.
j. Assignment of contract by franchisor	Section 12.A of Franchise Agreement and Section 12 of Development Rights Agreement	No restriction on our right to assign; we may assign without your approval.
k. "Transfer" by franchisee –defined	Section 12.B of Franchise Agreement and Section 12 of the Development Rights Agreement	Includes transfer of interest in Franchise Agreement, the Restaurant or its assets, or any ownership interest in you; signing a management agreement granting the right to control or determine your or the Restaurant's operations or affairs; or any pledge, mortgage, encumbrance, or assignment by operation of law.
l. Franchisor approval of transfer by franchisee	Section 12.C of Franchise Agreement and Section 12 of Development Rights Agreement	No transfer without our prior written consent.

Provision	Section in franchise or other agreement	Summary
m. Conditions for franchisor approval of transfer	Section 12.C of Franchise Agreement, Section 12 of Development Rights Agreement and Section 5.8 of TRIO Software Agreement	Conditions under Franchise Agreement include transferee (and each owner) qualifies; you pay us and our affiliates all amounts due, submit all reports and are otherwise not in violation of any provision; transferee (and its owners and related companies) are not in a competitive business; training completed; transferee signs our then current agreement and other documents; transfer fee paid; we determine that sale terms will not adversely affect Restaurant's operation; you subordinate amounts due to you; you stop using Marks; and you sign a release (if law allows) a current form of such is attached hereto as Exhibit G (also see (r) below). We may grant or withhold our approval to transfer under Development Rights Agreement for any or no reason. You may assign the TRIO Software Agreement only in conjunction with a transfer of the Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 12.G of Franchise Agreement	We may match any offer for your Restaurant or controlling ownership interest in you.
o. Franchisor's option to purchase franchisee's business	Sections 12.E, 14.F and 14.G of Franchise Agreement	We may buy the Restaurant's assets or certain equipment at fair market value after the Franchise Agreement is terminated or expires or if we operate the Restaurant after your death or disability.
p. Death or disability of franchisee	Section 12.E of Franchise Agreement	Must assign agreement and assets (or ownership interest in you) to approved party within 12 months and appoint manager within 30 days; we may manage Restaurant if there is no qualified manager.

Provision	Section in franchise or other agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 7 of Franchise Agreement and Section 13 of Development Rights Agreement	No diverting business to, owning interest in, loaning money or other value to, guaranteeing loans to, or performing services for, Pizza Business anywhere ("Pizza Business" means any business operating, franchising or licensing pizza restaurants or producing or selling pizza at wholesale or retail); and no interference with our or franchisees' employees. Ownership restrictions do not apply to small ownership in public companies.
r. Non-competition covenants after the franchise is terminated or expires	Section 14.E of Franchise Agreement	No owning interest in, or performing services for, any Pizza Business that operates in, or within 10 miles of, the Area of Primary Delivery Responsibility or Development Territory or within 10 miles of any other Donatos Pizza Restaurant for 3 years (same restrictions apply after transfer).
s. Modification of the agreement	Section 16.L of Franchise Agreement, Section 15 of Development Rights Agreement and Section 11 of Confidentiality Agreement	No modifications without signed writing, but we may change Operations Manual and Operating Standards.
t. Integration/merger clause	Section 16.N of Franchise Agreement and Section 13 of Development Rights Agreement	Only the terms of Development Rights Agreement and Franchise Agreement are binding (subject to state law). Any representations or promises made outside of the disclosure document and those agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 17.G and 17.H of Franchise Agreement and Section 13 of Development Rights Agreement	We and you must mediate most disputes in the county where our headquarters are then located and arbitrate all disputes at a location the arbitrator chooses within 10 miles of our then existing principal business address.
v. Choice of forum	Section 16.I of Franchise Agreement and Section 13 of Development Rights Agreement	Subject to arbitration obligations, litigation generally must be in Franklin County, Ohio (subject to state law).

Provision	Section in franchise or other agreement	Summary
w. Choice of law	Section 16.H of Franchise Agreement, Section 13 of Development Rights Agreement and Section 13 of Confidentiality Agreement	Except for Federal Arbitration Act and other federal law, Ohio law governs (subject to state law).

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

As of January 3, 2022 (the end of our 2021 fiscal year), there were 169 Donatos Pizza Restaurants open and operating. Of those, three (3) restaurants are Non-Traditional Sites, four (4) restaurants did not operate for all of 2021, because two (2) first opened during the year, one (1) had a fire causing a closure, one (1) was temporarily closed for remodel, and therefore were not operational for a full twelve (12) month period. Additionally, of those 169 Donatos Pizza Restaurants, ten (10) restaurants did not operate for all of 2020, because nine (9) restaurants first opened during the year, one (1) location had tornado damage, and therefore were not operational for a full twelve (12) month period. Section I of this financial performance representation covers certain Net Sales (as defined in Item 6 above) for the 152 company-owned and franchisee-owned Donatos Pizza Restaurants that operated consistently throughout each of the 2020 fiscal year (from December 31, 2019 – December 28, 2020) and the 2021 fiscal year (from December 29, 2020 – January 3, 2022) (collectively, the "Covered Restaurants"). We own and operate 52 of the Covered Restaurants and franchisees operate the other 100 Covered Restaurants. Each chart in Section I below sets forth certain Net Sales of the Covered Restaurants operating for each fiscal year and compares the two fiscal years by providing a percentage increase or decrease. Section II of this financial performance representation covers certain costs and the average percentage of such costs of the Net Sales incurred by all 52 company-owned Covered Restaurants and 40 franchisee-owned Covered Restaurants owned and operated by Titan Restaurant Group ("Titan"), our largest franchisee,

during the 2021 fiscal year. As stated above, our 2021 fiscal year began on December 29, 2020 and ended January 3, 2022 which is 53 operating weeks. However, to maintain reporting and consistency throughout the various fiscal years, we have chosen to report only the first 52 weeks of the 2021 fiscal year, rather than the entire 53 weeks in Section I and Section II. Section III includes certain results from all non-Titan Franchisee-Owned Covered Restaurants which each achieved total Net Sales between $1,000,000 and $1,400,000 during the 2021 fiscal year (from December 29, 2020 – January 3, 2021).

Sections I, II and III of this financial performance representation do not include results for kiosks or other outlets at Non-Traditional Sites selling products under the "Donatos" name that are not full-size Donatos Pizza Restaurant or which only offer a limited menu of Donatos items.

This financial performance representation contains: (1) the actual average Net Sales (as defined in Item 6 above) for the Covered Restaurants during the period from December 29, 2020 through January 3, 2022, which is our 2021 fiscal year, and during the period from December 31,2019 through December 28, 2020, which is our 2020 fiscal year (Section I); and (2) Food Costs, Beverage Costs, Production Supply Costs, and Labor Costs, as we define each of those terms below, for all 52 company-owned Covered Restaurants and 40 franchisee-owned Covered Restaurants owned and operated by Titan, during our 2021 fiscal year (Section II); and (3) EBITDA (as defined below) of each non-Titan Franchisee-Owned Covered Restaurants which each achieved total Net Sales between $1,000,000 and $1,400,000 during the 2021 fiscal year.

Section I

A. Net Sales of Covered Restaurants

Table A-1: Net Sales of All Covered Restaurants

This first table lists the high, low, average and median Net Sales for all Covered Restaurants, whether we or franchisees operate them, and wherever located.

Category	2021 Net Sales	2020 Net Sales	% Increase / Decrease between years
High	$2,663,754	$2,686,919	- .86%
Low	$497,053	$545,250	– 8.84%
Average	$1,290,633	$1,279,162	+ .90%
Median	$1,203,552	$1,186,578	+1.43%

(1) Of the Covered Restaurants for the 2021 fiscal year, 64 of 152 units, or 42%, reported Net Sales for 2021 that exceeded the group's average Net Sales for 2021 listed above.

(2) Of the Covered Restaurants for the 2020 fiscal year, 67 of 152 units, or 44%, reported Net Sales for 2020 that exceeded the group's average Net Sales for 2020 listed above.

Table A-2: Net Sales of Company-Owned Covered Restaurants

This second table lists the high, low, average and median Net Sales for all Company-Owned Covered Restaurants wherever located.

Category	2021 Net Sales	2020 Net Sales	% Increase / Decrease between years
High	$2,663,754	$2,686,919	- .86%
Low	$829,235	$932,882	– 11.11%
Average	$1,651,686	$1,652,201	- .03%
Median	$1,498,872	$1,522,049	- 1.52%

(1) Of the Company-Owned Covered Restaurants for the 2021 fiscal year, 22 of 52 units, or 42%, reported Net Sales for 2021 that exceeded the group's average Net Sales for 2021 listed above.

(2) Of the Company-Owned Covered Restaurants for the 2020 fiscal year, 24 of 52 units, or 46%, reported Net Sales for 2020 that exceeded the group's average Net Sales for 2020 listed above.

Table A-3: Net Sales of Titan Franchisee Covered Restaurants

This third table lists the high, low, average and median Net Sales for all franchisee-owned Covered Restaurants owned and operated by Titan, our largest franchisee, wherever located.

Category	2021 Net Sales	2020 Net Sales	% Increase / Decrease between years
High	$1,494,020	$1,540,791	– 3.04%
Low	$574,875	$549,675	+ 4.58%
Average	$943,676	$961,345	– 1.84%
Median	$933,698	$921,489	+ 1.32%

(1) Of the Titan-Owned Covered Restaurants for the 2021 fiscal year, 18 of 40 units, or 45%, reported Net Sales for 2021 that exceeded the group's average Net Sales for 2021 listed above.

(2) Of the Titan-Owned Covered Restaurants for the 2020 fiscal year, 16 of 40 units, or 40%, reported Net Sales for 2020 that exceeded the group's average Net Sales for 2020 listed above.

Table A-4: Net Sales of Non-Titan Franchisee Covered Restaurants

This fourth table lists the high, low, average and median Net Sales for all franchisee-owned Covered Restaurants other than those Covered Restaurants owned by Titan, wherever located. There were 60 such Covered Restaurants operating during the 2021 fiscal year, and 06 such Covered Restaurants during the 2020 fiscal year.

Category	2021 Net Sales	2020 Net Sales	% Increase / Decrease between years
High	$2,439,339	$2,197,004	+ 11.03%
Low	$497,053	$545,250	– 8.84%
Average	$1,209,026	$1,167,740	+ 3.54%
Median	$1,144,448	$1,117,220	+ 2.44%

(1) Of all the other Franchisee-Owned Covered Restaurants (excluding all Titan-Owned units) for the 2021 fiscal year, 29 of 60 units, or 48%, reported Net Sales for 2021 that exceeded the group's average Net Sales for 2021 listed above.

(2) Of all the other Franchisee-Owned Covered Restaurants (excluding all Titan-Owned units) for the 2020 fiscal year, 27 of 60 units, or 45%, reported Net Sales for 2020 that exceeded the group's average Net Sales for 2020 listed above.

B. Covered Restaurants Average Check Totals

This table lists the average check totals for all Covered Restaurants, whether we or franchisees operate them, and wherever located.

Category	2021 Average Check Totals	2020 Average Check Totals	% Increase / Decrease between years
All Covered Restaurants	$24.12	$23.06	+ 4.61%

Category	2021 Average Check Totals	2020 Average Check Totals	% Increase / Decrease between years
Company-Owned Covered Restaurants	$23.30	$22.36	+ 4.21%
Titan-Owned Covered Restaurants	$24.79	$23.81	+ 4.09%
All other Franchisee-Owned Covered Restaurants	$24.81	$23.55	+ 5.32%

(1) All Covered Restaurants. Of all Covered Restaurants for the 2021 fiscal year, 87 of 152 units, or 57%, reported average check totals that exceeded the group's average check total for 2021 listed above. The median check totals of all Covered Restaurants for the 2021 fiscal year was $23.34. Of all Covered Restaurants for the 2020 fiscal year, 87 of 152 units, or 57%, reported average check totals that exceeded the group's average check total for 2020 listed above. The median check totals of all Covered Restaurants for the 2020 fiscal year was $23.24.

(2) Company-Owned Covered Restaurants. Of all the Company-Owned Covered Restaurants for the 2021 fiscal year, 22 of 52 units or 42% reported Net Sales for 2021 that exceeded the group's average Net Sales for 2021. Of all the Company-Owned Covered Restaurants for the 2020 fiscal year, 24 of 52 units or 46% reported Net Sales for 2020 that exceeded the group's average Net Sales for 2020. Of all the Company-Owned Covered Restaurants for the 2019 fiscal year, 23 of 52 units or 44% reported Net Sales for 2019 that exceeded the group's average Net Sales for 2019. Of all the Company-Owned Covered Restaurants for the 2018 fiscal year, 21 of 52 units or 40% reported Net Sales for 2018 that exceeded the group's average Net Sales for 2018.

(3) All Titan-Owned Covered Restaurants. Of all the Titan-Owned Covered Restaurants for the 2021 fiscal year, 18 of 40 units or 45% reported Net Sales for 2021 that exceeded the group's average Net Sales for 2021. Of all the Titan-Owned Covered Restaurants for the 2020 fiscal year, 16 of 40 units or 40% reported Net Sales for 2020 that exceeded the group's average Net Sales for 2020. Of all the Titan-Owned Covered Restaurants for the 2019 fiscal year, 16 of 40 units or 40% reported Net Sales for 2019 that exceeded the group's average Net Sales for 2019. Of all the Titan-Owned Covered Restaurants for the 2018 fiscal year, 17 of 40 units or 43% reported Net Sales for 2018 that exceeded the group's average Net Sales for 2018.

(4) All Other Franchisee-Owned Covered Restaurants. Of all the other Franchise-Owned Covered Restaurants (excluding all Titan-Owned units) for the 2021 fiscal year, 27 of 55 units or 49% reported Net Sales for 2021 that exceeded the group's average Net Sales for 2021. Of all the other Franchise-Owned Covered Restaurants (excluding all Titan-Owned units) for the 2020 fiscal year, 25 of 55 units or 45% reported Net Sales for 2020 that exceeded the group's average Net Sales for 2020. Of all the other Franchise-Owned Covered Restaurants (excluding all Titan-Owned

units) for the 2019 fiscal year, 25 of 55 units or 45% reported Net Sales for 2019 that exceeded the group's average Net Sales for 2019. Of all the other Franchise-Owned Covered Restaurants (excluding all Titan-Owned units) for the 2018 fiscal year, 21 of 55 units or 38% reported Net Sales for 2018 that exceeded the group's average Net Sales for 2018.

The following table includes the high, low, and median Net Sales calculated for the Covered Restaurants which have been open and consistently operated during 2018, 2019, 2020, and 2021 fiscal years. This table lists the high, low, and median Net Sales for all 147 Covered Restaurants which operated consistently during such time period, wherever located, whether Company-Owned or Franchise-Owned. This table also identifies the high, low, and median Net Sales Net Sales for all 52 Company-Owned Covered Restaurants and all 40 Titan-Owned Covered Restaurants which operated consistently during such time period. This table further provides the high, low, and median Net Sales Net Sales for all 55 Franchised-Owned Covered Restaurants (excluding Titan-Owned units) which operated consistently during such time period.

Category		**2021 Net Sales**	**2020 Net Sales**	**2019 Net Sales**	**2018 Net Sales**
All Covered Restaurants	**High**	$2,663,754	$2,686,919	$2,357,552	$2,299,101
	Low	$497,053	$545,250	$424,545	$393,586
	Median	$1,205,837	$1,191,944	$1,090,534	$1,045,813
All Company-Owned Restaurants	**High**	$2,663,754	$2,686,919	$2,357,552	$2,299,101
	Low	$829,235	$932,882	$851,681	$885,288
	Median	$1,498,872	$1,522,049	$1,421,188	$1,372,770
All Titan-Owned Covered Restaurants	**High**	$1,494,020	$1,540,791	$1,383,741	$1,327,941
	Low	$574,875	$549,675	$424,545	$393,586
	Median	$933,698	$921,489	$766,934	$766,979
All other Franchisee-Owned Covered Restaurants	**High**	$2,439,339	$2,197,004	$1,930,680	$1,812,228
	Low	$497,053	$545,250	$440,194	$406,809
	Median	$1,173,373	$1,126,531	$1,014,063	$940,676

Section II includes results from all 52 company-owned Covered Restaurants and 40 franchisee-owned Covered Restaurants owned and operated by Titan, our largest franchisee. We previously owned and operated these 40 Covered Restaurants and sold them to Titan between 2010 and 2011. We currently own approximately 26.67% of the ownership interests in Titan and we maintain Titan's financial books and records, however, we do not have any operational or

managerial control or authority over the Covered Restaurants which they own. On December 28, 2021, Titan sold 21 of its franchisee-owned Covered Restaurant locations to another franchisee, however this Section II includes financial information for all such Covered Restaurants. This Section II excludes results for the remaining 60 franchisee-owned Covered Restaurants because we do not receive audited expense data from those franchisee-owned Covered Restaurants.

This table lists the average Net Sales, Food Costs, Beverage Costs, Production Supply Costs and Labor Costs, as we define these terms below, as a percentage of Net Sales for the 2021 fiscal year for all 52 company-owned Covered Restaurants and all 40 Titan-owned Covered Restaurants, wherever located. Please see Section I.A of this Item 19 to find the high, low, and median number of the Average Net Sales for the Company-Owned Covered Restaurants and Titan-Owned Covered Restaurants.

	Company-Owned Covered Restaurants	**Titan-Owned Covered Restaurants**
Average Net Sales	$1,651,686	$943,676
Average Food Costs as a Percentage of Net Sales	24.3%	24.4%
Average Beverage Costs as a Percentage of Net Sales	1.2%	.9%
Average Production Supply Costs as a Percentage of Net Sales	3.1%	3.1%
Average Labor & Delivery Reimbursement Costs as a Percentage of Net Sales	28.1%	26.0%
Average Gross Profit Margin as a Percentage of Net Sales	43.2%	45.6%

Of the 52 company-owned Covered Restaurants:

(1) 22, or 42%, reported Net Sales for 2021 that exceeded the group's average Net Sales for 2021 listed above, and as disclosed above in this Item 19, the median Net Sales for 2021 was $1,498,872;

(2) The median Food Costs as a Percentage of Net Sales during 2021 was 24.2%, and 28 or 54%, reported Food Costs as a percentage of Net Sales during 2021 that were less than the average Food Costs as a percentage of Net Sales for 2021 listed above;

(3) The median Beverage Costs as a percentage of Net Sales during 2021 was 1.2%, and 25, or 48%, reported Beverage Costs as a percentage of Net Sales during 2021 that were less than the average Beverage Costs as a percentage of Net Sales for 2021 listed above;

(4) The median Production Supply Costs as a percentage of Net Sales during 2021was 3.1%, and 27, or 52%, reported Production Supply Costs as a percentage of Net Sales during 2021 that were less than the average Production Supply Costs as a percentage of Net Sales for 2021 listed above;

(5) The median of Labor and Delivery Reimbursement Costs as a percentage of Net Sales during 2021 was 28.1%, and 27, or 52%, reported Labor and Delivery Reimbursement Costs as a percentage of Net Sales during 2021 that were less than the average Labor and Delivery Reimbursement Costs as a percentage of Net Sales for 2021 listed above; and

(6) The median Gross Profit Margin as a percentage of Net Sales during 2021 was 42.4%, and 25, or 48%, reported Gross Profit Margin as a percentage of Net Sales during 2021 that exceeded the group's average.

Of the 40 Titan-owned Covered Restaurants:

(1) 18, or 45%, reported Net Sales for 2021 that exceeded the group's average Net Sales for 2021 listed above, and as disclosed above in this Item 19, the median Net Sales for 2021 was $933,698;

(2) The median Food Costs as a Percentage of Net Sales during 2021 was 24.3%, and 22, or 55%, reported Food Costs as a percentage of Net Sales during 2021 that were less than the average Food Costs as a percentage of Net Sales for 2021 listed above;

(3) The median Beverage Costs as a percentage of Net Sales during 2021 was .9%, and 22, or 55%, reported Beverage Costs as a percentage of Net Sales during 2021 that were less than the average Beverage Costs as a percentage of Net Sales for 2021 listed above;

(4) The median Production Supply Costs as a percentage of Net Sales during 2021 was 3.0%, and 25, or 63%, reported Production Supply Costs as a percentage of Net Sales during 2021 that were less than the average Production Supply Costs as a percentage of Net Sales for 2021 listed above;

(5) The median of Labor and Delivery Reimbursement Costs as a percentage of Net Sales during 2021 was 25.8%, and 22 or 55%, reported Labor and Delivery Reimbursement Costs as a percentage of Net Sales during 2021 that were less than the average Labor and Delivery Reimbursement Costs as a percentage of Net Sales for 2021 listed above; and

(6) The median Gross Profit Margin as a percentage of Net Sales during 2021 was 45.8%, and 21, or 53%, reported Gross Profit Margin as a percentage of Net Sales during 2021 that exceeded the group's average.

(a) Notes to Section II of these Financial Performance Representations

We calculated the Average by adding the particular item (i.e. Net Sales, Food Costs, Beverage Costs, Production Supply Costs and Labor and Delivery Reimbursement Costs) of each respective Company-owned or Titan-owned Covered Restaurant and then dividing such sum by the total number of respective Company-owned or Titan-owned Covered Restaurants.

We calculated the percentage of Net Sales by dividing the particular item (i.e. Food Costs, Beverage Costs, Production Supply Costs and Labor and Delivery Reimbursement Costs) by the Average Net Sales for the respective Covered Restaurants.

Definitions:

"Food Costs" reflect the amounts paid for all edible products, such as breading, sauces, and pizza, sandwich and salad toppings, but excludes Beverage Costs.

"Beverage Costs" reflect the amounts paid for beverage products, such as beverage cans, 20 ounce beverage bottles, 2 liter beverage bottles, fountain drinks and bottled water.

"Production Supply Costs" reflect the amounts paid for paper products (such as boxes, plates, napkins, cups, straws, and disposable utensils) and CO_2 used in the fountain drink dispenser. This figure does not cover all costs associated with operating a Donatos Pizza Restaurant, such as smallwares, kitchen equipment (including associated labor costs), and other supplies used to operate a Donatos Pizza Restaurant such as the costs for Operating Assets (defined in Item 7), office and janitorial supplies, and costs to obtain, maintain and repair equipment.

"Labor & Delivery Reimbursement Costs" reflect wages (including overtime) paid to the store level company-owned and Titan-owned Donatos Pizza Restaurant employees who are compensated on an hourly and salaried basis, including delivery drivers who use personal vehicles and are reimbursed a per delivery fee. This figure does not cover all employee-related costs associated with operating a Donatos Pizza Restaurant. For example, this figure does not include incentive compensation, benefits costs, vacation pay and associated payroll taxes and other compensation for restaurant employees. This figure does not include any compensation payable to the franchisee. This figure also does not cover payroll processing fees, health insurance or workers' compensation insurance premiums, uniforms, or meal, travel and other expenses for employees.

"Cost of Goods Sold" means total costs and expense amounts of the Covered Restaurants spent on Food Costs, Beverage Costs, Production Supply Costs, and Labor & Delivery Reimbursement Costs.

"Gross Profit" means the Net Sales minus the Cost of Goods Sold. There are a number of other costs of sales, operating expenses, or other costs or expenses that Donatos Pizza Restaurants incur that are not covered in the Cost of Goods Sold and that must be deducted from the Net Sales figures to obtain net income or profit. Some of these costs and expenses include, for example, the Licensing Fee and National Marketing Fund contributions; other elective costs to advertise, market and promote the Restaurant, such as costs for signs and local promotions; ongoing software license fees and other technology-related costs; legal and other professional fees,

trade group subscriptions and membership dues; training and related expenses; office and janitorial supplies; fees and expenses for obtaining required licenses and permits; telephone, security, music, water and waste disposal costs; lease rent, property liability and insurance costs including non-owned auto insurance; and interest and other debt service costs, taxes, depreciation and amortization. You should consider these and all other costs and expenses that you will incur when creating a business plan for your Restaurant. For these and other reasons, we do not represent that you can expect to achieve these levels of Net Sales, Food Costs, Beverage Costs, Production Supply Costs, or Labor & Delivery Reimbursement Costs. Your results will depend on many factors, some of which include competition, overall economic conditions, and your (and your Associates') experience, marketing abilities, skill in managing a business, and work ethic.

"Gross Profit Margin" is the remaining percentage of Net Sales available for the Covered Restaurant after subtracting the Cost of Goods Sold.

Section III

Section III includes certain results from each of 20 Franchisee-Owned Covered Restaurants which each achieved total Net Sales between $1,000,000 and $1,400,000 during the 2021 fiscal year (December 29, 2020 - January 3, 2022). This Section III excludes all results from Titan-Owned Restaurants. The range of Net Sales for these Covered Restaurants is intended to reflect Covered Restaurants within the middle range of Net Sales as evidenced by the median Net Sales for all Covered Restaurants during the 2021 fiscal year which was $1,203,552 (see Section I of this Item 19). The 20 Franchisee-Owned Covered Restaurants represents 33.3% of all non-Titan-Owned franchisee Covered Restaurants. The average length of operation of the 20 Franchisee-Owned Covered Restaurants in this Section is 20 years and the median is 25 years of operation. The Covered Restaurants in this Section III are not limited to one geographic area.

The costs and expenses set forth in the chart below were provided by our franchisees and re-stated in a common format. The information was not audited. This chart shows the average and median store level earnings before interest, taxes, depreciation and amortization (as used hereinafter "EBITDA") for the Franchisee-Owned Covered Restaurants and such average costs reflected as a percentage of Net Sales of the during 2021 fiscal year.

	Average		Median
Category	**Dollar Amount**	**% of Net Sales**	**Dollar Amount**
Net Sales[(1)]	**1,201,467**		**1,221,575**
Food Cost	305,189	25.4%	1,221,575
Beverage Costs	20,081	1.7%	16,794
Production Supply Costs	36,270	3.0%	36,959
Labor & Delivery Reimbursement Costs	343,738	28.6%	338,266
Total Cost of Goods Sold[(2)]	700,098	58.3%	708,572
Gross Profit [(3)]	501,369	41.7%	495,224

Category	Average		Median
	Dollar Amount	% of Net Sales	Dollar Amount
Payroll Related	48,900	4.1%	46,671
Direct Operating	21,578	1.8%	18,836
Utilities	29,764	2.5%	27,872
Admin & General	38,990	3.2%	38,271
Repairs & Maintenance	18,164	1.5%	15,336
Other Delivery Cost	3,057	0.3%	2,610
Marketing	59,077	4.9%	65,289
Other Occupancy & Fees	11,545	0.96%	11,945
Rent	49,107	4.1%	43,859
License Fees	51,473	4.3%	50,956
Total Costs[4]	**331,656**	**27.6%**	**335,141**
EBITDA[5]	**169,714**	**14.1%**	**171,319**

(b) Notes to Section III of these Financial Performance Representations

(1) Of the Franchisee-Owned Covered Restaurants listed above, 11 of the 20 units, or 55%, reported Net Sales for 2021 that attained or exceeded the group's average Net Sales for 2021. Of the Franchisee-Owned Covered Restaurants listed above, during the measured period, the high number of Net Sales was $1,376,624, the low number of Net Sales was $1,008,521.

(2) See Section II of this Item 19 for description of Cost of Goods Sold and the costs and expenses included in such calculation. Of the Franchisee-Owned Covered Restaurants listed above, 9 of the 20 units, or 45%, reported Total Cost of Sales for 2021 that were less than the group's average Total Cost of Sales for 2021. Of the Franchisee-Owned Covered Restaurants listed above, 12 of the 20 units, or 60 %, reported Food Costs for 2021 that were less than the group's average Food Costs for 2021. Of the Franchisee-Owned Covered Restaurants listed above, 12 of the 20 units, or 60%, reported Beverage Costs for 2021 that were less than the group's average Beverage Costs for 2021. Of the Franchisee-Owned Covered Restaurants listed above, 10 of the 20 units, or 50%, reported Production Supply Costs for 2021 that were less than the group's average Production Supply Costs for 2021. Of the Franchisee-Owned Covered Restaurants listed above, 11 of the 20 units, or 55%, reported Labor & Delivery Reimbursement Costs for 2021 that were less than the group's average Labor & Delivery Reimbursement Costs for 2021.

(3) Gross Profit is the amount of Net Sales minus the total Costs of Goods Sold. Of the Franchisee-Owned Covered Restaurants listed above, 9 of the 20 units, or 45%, reported a Gross Profit for 2021 that attained or exceeded the group's average Gross Profit for 2021.

(4) "Total Costs" is the sum of the costs and expenses of operating a Donatos Restaurant. Of the Franchisee-Owned Covered Restaurants listed above, 8 of the 20 units, or 40%, reported Total Costs for 2021 that exceeded the group's average Total Costs for 2021. As identified above in the chart, such costs and expenses included in Total Costs are among other things: Payroll related expenses (employee related benefits, workers compensation, employer taxes, non-cash

awards, etc.) (Of the Franchisee-Owned Covered Restaurants listed above, 12 of the 20 units, or 60%, reported Payroll related costs for 2021 that were less than the group's average Payroll related costs for 2021); Direct operating expenses (uniforms, business insurance, towels, utensils, office supplies, security systems, small equipment, cleaning supplies, etc.) (Of the Franchisee-Owned Covered Restaurants listed above, 11 of the 20 units, or 55%, reported Direct operating costs for 2021 that were less than the group's average direct operating costs for 2021); Utilities (gas, electric, water telecommunication utilities, and trash removal, etc.) (Of the Franchisee-Owned Covered Restaurants listed above, 12 of the 20 units, or 60%, reported utility costs for 2021 that were less than the group's average utility costs for 2021); Administrative and general expenses (bank charges, credit card fees, recruiting fees, chargebacks, armored car fees, recruiting fees and training materials, professional fees, dues and subscriptions, background checks, freight-courier services, etc.) (Of the Franchisee-Owned Covered Restaurants listed above, 11 of the 20 units, or 55%, reported Administrative and general expenses for 2021 that were less than the group's average Administrative and general expenses for 2021); Repairs and maintenance costs (HVAC, electrical and equipment repairs, snow removal and grounds maintenance, and premises upkeep maintenance, coolers and refrigeration repairs, window and awning cleaning, sign repairs, etc.) (Of the Franchisee-Owned Covered Restaurants listed above, 12 of the 20 units, or 60%, reported Repairs and maintenance costs for 2021 that were less than the group's average Repairs and maintenance costs for 2021); Other Delivery costs (insurance on delivery vehicles) (Of the Franchisee-Owned Covered Restaurants listed above, 11 of the 20 units, or 55%, reported Other Delivery costs for 2021 that were less than the group's average Other Delivery costs for 2021); Marketing costs (print marketing, coupon flyers, printing costs for marketing purposes, food donations, miscellaneous marketing costs, newspaper coupons, freestanding inserts, mailers, door bags, box toppers, menus, National Marketing Fees and local advertising cooperative contributions etc.) (Of the Franchisee-Owned Covered Restaurants listed above, 8 of the 20 units, or 40%, reported Marketing expenses for 2021 that were less than the group's average Marketing expenses for 2021); Occupancy fees and expenses (real estate taxes, state and local taxes, building/premises insurance, etc.) (Of the Franchisee-Owned Covered Restaurants listed above, 10 of the 20 units, or 50%, reported Occupancy fees and expenses for 2021 that were less than the group's average Occupancy fees and expenses for 2021); Rent and additional rent charges (Of the Franchisee-Owned Covered Restaurants listed above, 11 of the 20 units, or 55%, reported rent expenses for 2021 that were less than the group's average rent expenses for 2021); and License Fees paid to us (Of the Franchisee-Owned Covered Restaurants listed above, 11 of the 20 units, or 55%, reported license fees for 2021 that were less than the group's average licensee fees for 2021). Written substantiation for the calculation of such total costs can be made available upon reasonable request.

(5) EBITDA is equal to Net Sales minus the total sum of (i) Cost of Goods Sold *plus* (ii) the Total Costs. Of the Franchisee-Owned Covered Restaurants listed above, 10 of the 20 units, or 50%, reported EBITDA for 2020 that attained or exceeded the group's average EBITDA for 2021.We calculated the above averages by adding the particular item of each respective Company-owned or franchisee-owned Covered Restaurant and then dividing such sum by the total number of respective Company-owned or franchisee-owned Covered Restaurants. We calculated the percentage of Net Sales by dividing the particular item by the average Net Sales for the respective Covered Restaurants.

Revenues and costs and expenses which do not directly relate to the operation of a single Donatos restaurant or the determination of store-level EBITDA are not reflected in this Section

III. Section III specifically does not reflect reductions for expenses such as owner-operator compensation, supervisory or non-store level management payroll or any related payroll taxes; home office expenses; car allowances; cell phone costs; or travel, meals and/or entertainment expenses. You may incur additional costs and expenses which are not reflected in the above chart.

The numbers provided in this Section III are historic numbers for certain Donatos Restaurants. The number of Donatos Restaurants in the market, their length of operation, and the visibility and local media attention resulting from those factors may impact the results compared to what you may achieve in different market conditions. The Licensing Fees, National Marketing Fees and advertising cooperative fees may differ from the fees you are required to pay under your Franchise Agreement. Your experience and results may differ from the results reflected above based upon a myriad of factors, including, among others: your failure to comply with all of our System requirements; the extent of any existing consumer awareness of the brand in your market, less efficient, less adequately trained or less strictly managed labor; your inability to hire and retain associates at similar compensation levels (including due to local available employee pools and minimum wage requirements); the location of your Donatos Restaurant and your inability to negotiate as favorable lease terms; the competition in the market; your management and business skills; the amount of money you spend to promote your Donatos Restaurant; the existence of an Advertising Cooperative in your market, the length of time you operate; and your inability to achieve the same level of market share.

Notes to Financial Performance Representations in General

1. We calculated the figures for the company-owned Covered Restaurants, franchisee-owned and the Titan-owned Covered Restaurants in these tables using information from our internal accounting department. We use the Net Sales figures that franchisees report to us to calculate the figures for franchisee-owned Covered Restaurants in these tables. The figures have not been audited nor have we sought to independently verify their accuracy. Prospective franchisees and sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form. You should conduct an independent investigation of the costs and expenses you will incur in operating a Donatos Pizza Restaurant. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

2. The Donatos Pizza concept was born in Columbus, Ohio and we and our predecessors have operated Donatos Pizza Restaurants in Columbus, Ohio since 1963. With over 50 years of brand presence and a focused and well-funded marketing program, today we have a significant market share within the Columbus, Ohio Metropolitan Statistical Area. Our longevity and presence in the Columbus, Ohio market results in higher than average Net Sales per Covered Restaurant in the Columbus, Ohio market than elsewhere. The Donatos brand is well established in the Columbus, Ohio market and in the markets in which most of the Covered Restaurants operate and we have worked with our franchisees to develop and implement effective marketing and advertising campaigns in these markets for many years. If you open your Donatos Pizza Restaurant in a new market, the Restaurant will not benefit from an established trade identity in the market or from marketing activities that other Donatos Pizza Restaurants conduct. This might result in lower Net Sales and higher advertising costs than Donatos Pizza Restaurants opening in established markets could expect.

3. The Covered Restaurants operate in a mix of urban and suburban markets. The Covered Restaurants reflect a variety of building sizes and types (such as free-standing, in-line, end-cap and non-traditional sites), but all of the Covered Restaurants offer delivery service and the same Donatos Core Products that your Restaurant will offer.

4. By utilizing experienced managers and staff in newly-developed restaurants, we might have increased Net Sales in our Company Restaurants more quickly than franchisees would. Experienced staff typically run a more efficient operation, resulting in increased revenue and decreased costs. Since your Restaurant's staff likely will not have significant experience in operating Donatos Pizza Restaurants, efficiency and Net Sales might be lower than is reflected in the tables.

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

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. Our sales representatives may not provide you with any additional information about actual, average or potential sales, income, profits or earnings of Donatos Pizza Restaurants.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jeff Baldwin, our Vice President of Development and Franchising, at 935 Taylor Station Road, Columbus, Ohio 43230, (614) 416-77800, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years 2019 to 2021

Column 1 **Outlet Type**	Column 2 **Year**	Column 3 **Outlets at the Start of the Year**	Column 4 **Outlets at the End of the Year**	Column 5 **Net Change**
Franchised	2019	105	104	-1
	2020	104	114	+10
	2021	114	117	+3
Company-Owned	2019	55	56	+1
	2020	56	54	-2
	2021	54	52	-2

Column 1 **Outlet Type**	Column 2 **Year**	Column 3 **Outlets at the Start of the Year**	Column 4 **Outlets at the End of the Year**	Column 5 **Net Change**
Total Outlets	**2019**	**160**	**160**	**0**
	2020	**160**	**168**	**+7**
	2021	**168**	**169**	**+1**

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2019 to 2021

Column 1 **State**	Column 2 **Year**	Column 3 **Number of Transfers**
Alabama	2019	0
	2020	1
	2021	0
Indiana	2019	0
	2020	0
	2021	21
Total	**2019**	**0**
	2020	**1**
	2021	**21**

Table No. 3

Status of Franchised Outlets
For years 2019 to 2021

Col. 1 **State**	Col. 2 **Year**	Col. 3 **Outlets at Start of Year**	Col. 4 **Outlets Opened**	Col. 5 **Termin -ations**	Col. 6 **Non-Renewals**	Col. 7 **Reacquired by Franchisor**	Col. 8 **Ceased Opera-tions - Other Reasons**	Col. 9 **Outlets at End of the Year**
Alabama	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Georgia	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Florida	2019	0	0	0	0	0	0	0
	2020	0	5	0	0	0	0	5
	2021	5	0	0	0	0	0	5

Col. 1 **State**	Col. 2 **Year**	Col. 3 **Outlets at Start of Year**	Col. 4 **Outlets Opened**	Col. 5 **Termin -ations**	Col. 6 **Non-Renewals**	Col. 7 **Reacquired by Franchisor**	Col. 8 **Ceased Opera-tions - Other Reasons**	Col. 9 **Outlets at End of the Year**
Indiana	2019	21	0	0	0	0	0	21
	2020	21	1	0	0	0	0	22
	2021	22	0	0	0	0	0	22
Kentucky	2019	14	0	0	0	0	0	14
	2020	14	2	0	0	0	0	16
	2021	16	0	0	0	0	0	16
North Carolina	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Ohio	2019	60	2	0	0	0	2	60
	2020	60	1	0	0	0	0	61
	2021	61	0	0	0	0	1	60
Pennsylvania	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
South Carolina	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Tennessee	2019	1	0	0	0	1	0	0
	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	0	3
Virginia	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
West Virginia	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
Totals	**2019**	**105**	**3**	**0**	**0**	**1**	**3**	**104**
	2020	**104**	**10**	**0**	**0**	**0**	**0**	**114**
	2021	**114**	**4**	**0**	**0**	**0**	**1**	**117**

Table No. 4

Status of Company-Owned Outlets
For years 2019 to 2021

Col. 1 **State**	Col. 2 **Year**	Col. 3 **Outlets at Start of the Year**	Col. 4 **Outlets Opened**	Col. 5 **Outlets Reacquired From Franchisee**	Col. 6 **Outlets Closed**	Col. 7 **Outlets Sold to Franchisee**	Col. 8 **Outlets at End of the Year**
Ohio	2019	53	0	0	0	0	53
	2020	53	0	0	1	0	52
	2021	52	0	0	0	0	52
Tennessee	2019	1	0	1	0	0	2
	2020	2	0	0	0	0	2
	2021	2	0	0	0	2	0
North Carolina	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
	2021	0	0	0	0	0	0
Totals	**2019**	**55**	**0**	**1**	**0**	**0**	**56**
	2020	**56**	**0**	**0**	**2**	**0**	**54**
	2021	**54**	**0**	**0**	**0**	**2**	**52**

Table No. 5

Projected Openings As Of December 31, 2021

Column 1 **State**	Column 2 **Franchise Agreements Signed But Outlet Not Opened**	Column 3 **Projected New Franchised Outlet In The Next Fiscal Year**	Column 4 **Projected New Company-Owned Outlet In the Next Fiscal Year**
Florida	4	3	0
Ohio	1	1	0
Pennsylvania	1	1	0
Tennessee	0	1	0
Georgia	1	3	0
Kentucky	0	1	0
Totals	**7**	**10**	**0**

Exhibit I is a list of our developers and franchisees as of December 31, 2021 and the addresses and telephone numbers of their Donatos Pizza Restaurants. Exhibit I also identifies which of our developers and franchisees have signed a Franchise Agreement as of December 31, 2021 but did not yet have an operational Restaurant. Exhibit J is the name, city and state, and current business telephone number of every franchisee who had an outlet terminated, canceled, or

not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement, during our last fiscal year, 2021, or who has not communicated with us within 10 weeks of the issuance 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.

As described in Item 11, we created, sponsor and endorse the Donatos Advisory Council, or DAC, as a franchisee organization. We periodically consult with the DAC on various marketing and operational issues impacting Donatos Pizza Restaurants. The DAC is not formally organized and has no address, telephone number, e-mail address or web address. The DAC's members as of the issuance date of this disclosure document are Todd Rogers, Mike Simon, Doug DeVilbiss, Scott Hollister, Christina Vogel, and Adam Kurena. The franchisee members' contact information is in Exhibit I.

During our 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.

Item 21

FINANCIAL STATEMENTS

Exhibit A contains our audited balance sheets as of January 3, 2022 and December 28, 2020, and our audited statements of income, members' capital and cash flows for the fiscal years ended January 3, 2022, December 28, 2020, and December 30, 2020.

Item 22

CONTRACTS

The following agreements are exhibits to this disclosure document:

1. Franchise Agreement – Exhibit B (including all exhibits and contracts attached thereto)

2. Development Rights Agreement – Exhibit C (including all exhibits and contracts attached thereto)

3. TRIO System Standard Software License Agreement – Exhibit F

4. Form of General Release signed on renewal or transfer of franchise – Exhibit G

5. Confidentiality Agreement – Exhibit H

6. State-Specific Riders to Franchise Agreement – Exhibit K

7. Disclosure Questionnaire –Exhibit L

Item 23

RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are the last 2 pages of this disclosure document.

EXHIBIT A

FINANCIAL STATEMENTS

230 West Street
Suite 700
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fax 614.227.6999

www.gbq.com

GBQ Partners

AUDITOR'S CONSENT

GBQ Partners LLC consents to the use in the Franchise Disclosure Document to be issued by Donatos Pizzeria, LLC on April 22, 2022, as it may be amended, of our report dated April 22, 2022, relating to the consolidated financial statements of Donatos Pizzeria, LLC and Affiliates as of January 3, 2022 and December 28, 2020.

GBQ Partners LLC

Columbus, Ohio
April 22, 2022

Consolidated Financial Statements
with Supplementary Information

Donatos Pizzeria, LLC and Affiliates

January 3, 2022 and December 28, 2020

CONTENTS

	Page
Independent Auditor's Report	3
Consolidated Financial Statements:	
Balance Sheets	6
Statements of Income	8
Statements of Members' Capital	9
Statements of Cash Flows	10
Notes to Consolidated Financial Statements	11
Supplementary Information:	
Independent Auditor's Report on Supplementary Information	27
Consolidated Statements of Ongoing Operations and EBITDA	28
Notes to Consolidated Statements of Ongoing Operations and EBITDA	29

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GBQ Partners

To the Members
Donatos Pizzeria, LLC and Affiliates
Columbus, Ohio

Independent Auditor's Report

Opinion

We have audited the accompanying consolidated financial statements of Donatos Pizzeria, LLC and Affiliates, which comprise the consolidated balance sheets as of January 3, 2022 and December 28, 2020, and the related consolidated statements of income, members' capital and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Donatos Pizzeria, LLC and Affiliates as of January 3, 2022 and December 28, 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

GBQ Partners LLC

Columbus, Ohio
April 22, 2022

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DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Balance Sheets

January 3, 2022 and December 28, 2020

	January 3, 2022	December 28, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 4,753,493**	$ 7,756,184
Accounts receivable, net	**3,234,386**	4,241,679
Inventory	**3,204,646**	4,049,631
Prepaid expenses and other current assets	**1,261,626**	1,171,268
Total current assets	**12,454,151**	17,218,762
Property and Equipment		
Land and land improvements	**13,547,367**	13,773,219
Buildings	**29,476,022**	29,330,721
Equipment	**40,396,368**	40,351,886
Automobiles	**105,337**	105,337
Construction-in-progress	**152,504**	137,179
	83,677,598	83,698,342
Less: accumulated depreciation	**(54,332,725)**	(54,185,221)
Total property and equipment, net	**29,344,873**	29,513,121
Other Assets		
Intangible assets	**2,723,569**	2,723,569
Other investments	**3,385,468**	2,999,196
Deposits and other assets	**1,142,564**	1,578,798
Total other assets	**7,251,601**	7,301,563
TOTAL ASSETS	**$ 49,050,625**	$ 54,033,446

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

DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Balance Sheets (continued)

January 3, 2022 and December 28, 2020

	January 3, 2022	December 28, 2020
LIABILITIES AND MEMBERS' CAPITAL		
Current Liabilities		
Accounts payable	**$ 2,003,780**	$ 2,390,002
Accrued payroll and related liabilities	**3,103,239**	3,484,130
Accrued taxes	**1,019,633**	950,535
Other accrued liabilities	**3,242,978**	2,339,073
Current portion of long-term obligations	**2,003,867**	1,399,182
Total current liabilities	**11,373,497**	10,562,922
Long-Term Obligations, net of current portion		
Note payable to related party	**-**	7,000,000
Mortgages and term notes payable	**18,732,369**	15,272,280
Notes payable - equipment loan	**2,916,667**	1,416,667
Deferred compensation	**1,448,785**	1,293,785
Deferred franchise and development fees	**1,780,765**	1,126,630
Asset retirement liability	**568,535**	568,535
Deferred rent	**238,991**	238,991
Deferred FICA, less current portion	**-**	784,437
Total long-term obligations	**25,686,112**	27,701,325
Members' Capital		
Donatos Pizzeria, LLC member's capital		
Contributed capital	**15,000,000**	15,000,000
Accumulated deficit	**(11,555,906)**	(8,060,425)
Total Donatos Pizzeria, LLC member's capital	**3,444,094**	6,939,575
Noncontrolling interests in members' equity	**8,546,922**	8,829,624
Total members' capital	**11,991,016**	15,769,199
TOTAL LIABILITIES AND MEMBERS' CAPITAL	**$ 49,050,625**	$ 54,033,446

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

DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Statements of Income

For the Years Ended January 3, 2022 and December 28, 2020

	January 3, 2022	December 28, 2020
Revenues		
Net sales	**$ 90,813,996**	$ 89,630,567
Bakery sales	**26,561,890**	25,347,752
Licensing and development fee revenue	**6,268,623**	5,913,345
Advertising funds revenue	**2,165,000**	1,870,000
Total revenues	**125,809,509**	122,761,664
Operating Expenses	**113,673,613**	108,560,413
Expenses for Closed Locations	**845,912**	
Restructuring Costs	**2,576,000**	
Depreciation and Amortization	**3,282,562**	3,224,591
Operating Income	**5,431,422**	10,976,660
Other Income (Expense)		
Ohio BWC dividends	**-**	3,005,636
Net interest expense	**(926,899)**	(930,295)
Total other (expense) income, net	**(926,899)**	2,075,341
Net Income	**$ 4,504,523**	**$ 13,052,001**
Net Income Attributable to Noncontrolling Interests in Members' Equity	**$ 3,511,400**	$ 3,605,618
Net Income Attributable to Donatos Pizzeria, LLC	**993,123**	9,446,383
Net Income	**$ 4,504,523**	$ 13,052,001

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

DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Statements of Members' Capital

For the Years Ended January 3, 2022 and December 28, 2020

	Contributed Capital	Accumulated Deficit	Noncontrolling Interest Equity	Total Members' Capital
Balance - December 30, 2019	**$ 15,000,000**	**$(17,027,804)**	**$ 10,466,948**	**$ 8,439,144**
Net income	-	9,446,383	3,605,618	13,052,001
Distributions	-	(479,004)	(5,242,942)	(5,721,946)
Balance - December 28, 2020	**15,000,000**	**(8,060,425)**	**8,829,624**	**15,769,199**
Net income	-	993,123	3,511,400	4,504,523
Distributions	-	(4,488,604)	(3,794,102)	(8,282,706)
Balance - January 3, 2022	**$ 15,000,000**	**$(11,555,906)**	**$ 8,546,922**	**$ 11,991,016**

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

DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Statements of Cash Flows

For the Years Ended January 3, 2022 and December 28, 2020

	January 3, 2022	December 28, 2020
Cash Flows from Operating Activities		
Net income	**$ 4,504,523**	$ 13,052,001
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debt expense	**125,000**	181,343
Depreciation and amortization	**3,282,253**	3,234,517
Accretion of asset retirement liability	**20,630**	-
Loss on other investments	**(1,043,605)**	(285,879)
Loss on the disposition of assets	**842,406**	101,451
Cash provided by (used in) operating assets and liabilities:		
Accounts receivable and other assets	**1,228,169**	(1,019,670)
Inventory	**844,985**	(1,377,716)
Accounts payable and accrued liabilities	**209,958**	4,967,799
Deferred rent	**-**	62,889
Total adjustments	**5,509,796**	5,864,734
Net cash provided by operating activities	**10,014,319**	18,916,735
Cash Flows from Investing Activities		
Purchases of property and equipment	**(4,274,970)**	(5,126,649)
Proceeds from sale of property and equipment	**324,711**	123,119
Distributions received from investments	**1,757,333**	141,816
Purchases of other investments	**(1,100,000)**	(500,000)
Net cash used in investing activities	**(3,292,926)**	(5,361,714)
Cash Flows from Financing Activities		
Net payments on line of credit	**-**	(310,794)
Payments on note payable to related party	**(7,000,000)**	-
Payments on notes payable	**(1,441,378)**	(4,308,602)
Borrowings on notes payable	**7,000,000**	1,500,000
Distributions paid	**(8,282,706)**	(3,797,751)
Net cash used in financing activities	**(9,724,084)**	(6,917,147)
(Decrease) increase in cash and cash equivalents	**(3,002,691)**	6,637,874
Cash and Cash Equivalents – Beginning of Year	**7,756,184**	1,118,310
Cash and Cash Equivalents – End of Year	**$ 4,753,493**	$ 7,756,184

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

Nature and Scope of Activities

Donatos Pizzeria, LLC (the Company), is a single-member limited liability company, owned by Destiny Investment Holdings, LLC (Destiny), that operates and franchises food service stores that specialize in pizza, subs and salads. The Company also operates a bakery that produces the dough for use in all stores and ready to bake pizzas for grocery stores and other retail outlets. There were 52 and 54 company-owned restaurants at January 3, 2022 and December 28, 2020, respectively. There were 117 and 114 franchised restaurants at January 3, 2022 and December 28, 2020, respectively.

Consolidation

The Company leases certain real estate from related party entities (Affiliates) and certain of the Company's debt obligations are cross-guaranteed with debt obligations of these Affiliates. Due to the lease and debt guarantee arrangements, the related party entities have been identified as variable interest entities (VIEs) where the Company is the primary beneficiary and thus are required to be consolidated in the Company's financial statements under the amended provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidations*. All transactions between the Company and Affiliates have been eliminated in consolidation. A majority of the rental income of the Affiliates is from the rental payments made by the Company and thus is eliminated in consolidation.

As the Company does not have any equity interest in the Affiliates, the other equity holders' 100% interest in the Affiliates is reflected in net income attributable to noncontrolling interests in members' equity in the consolidated statements of income and noncontrolling interests in members' equity in the consolidated balance sheets.

Fiscal Year

The Company's fiscal year is the 52 or 53-week period ending on the Monday closest to December 31. References herein to 2021 refer to the 53-week period or fiscal year ended January 3, 2022. References herein to 2020 refer to the 52-week period or fiscal year ended December 28, 2020. The Affiliates' year ends are December 31. Activity between the fiscal year end of the Company and the calendar year end of the Affiliates is not material.

Summary of Significant Accounting Policies

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summary of Significant Accounting Policies (continued)

Cash Equivalents

For the purpose of reporting cash flows, all highly liquid instruments, with a maturity of three months or less when purchased, are considered to be cash equivalents.

Accounts Receivable

The Company provides credit, in the normal course of business, to certain customers and generally requires no collateral or other security to support customer receivables. Accounts receivable that exceed their contractual terms are considered delinquent. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected. The allowance for doubtful accounts was $30,932 and $95,129 at January 3, 2022 and December 28, 2020, respectively.

The Company performs ongoing credit evaluations and maintains reserves for potential credit losses and such credit losses have historically been within the Company's expectations.

Inventory

Inventory, consisting of food, beverages and supplies, is valued at the lower of cost, using the first-in, first-out (FIFO) method, or net realizable value.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method applied over the estimated useful lives of the assets, which average 5 - 10 years for automobiles and equipment, 7 - 10 years for land and leasehold improvements and 32 years for buildings. Expenditures for major renewals and betterments that extend the useful lives of property or equipment are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Leasehold improvements in an operating lease are amortized over the shorter of their estimated useful lives or the related initial lease term, excluding renewal option terms, which are generally 3 - 15 years, unless it is reasonably assured that the renewal option term is going to be exercised. Assets purchased, but not yet placed in to service, are capitalized; depreciation and amortization is not computed until the asset's placed in service date. Depreciation and amortization expense was $3,276,101 and $3,227,051 in 2021 and 2020, respectively.

Intangible Assets

Intangible assets are not subject to amortization and represent trade names amounting to $2,723,569 at January 3, 2022 and December 28, 2020. The Company is required to assess its intangibles with indefinite lives for impairment at least annually. Based on its review, the Company concluded that there was no impairment in 2021 and 2020.

Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets and Definite Lived Intangible Assets

When events or circumstances indicate that the carrying amount of long-lived assets to be held and used or definite lived intangible assets might not be recoverable, the expected future undiscounted cash flows from the assets is estimated and compared to the carrying amount of the assets. If the sum of the estimated undiscounted cash flows is less than the carrying amount of the assets, an impairment loss is recorded. The impairment loss is measured by comparing the fair value of the assets with their carrying amounts. Fair value is determined based on discounted cash flow or appraised values, as appropriate. Long-lived assets that are held-for-sale are reported at the lower of the assets' carrying amounts or fair value less costs related to the assets' disposition. Management has determined that no impairment existed as of January 3, 2022 and December 28, 2020.

Revenue Recognition

Revenue from Company-operated stores is recognized at a point in time when payment is tendered and the Company’s performance obligation to provide food and beverage products to the customer has been satisfied. Revenue from bakery sales is recognized at a point in time when control is transferred and the related bakery products are shipped to the customer. Net sales excludes sales tax collected from customers.

License and development fee revenue from franchisees primarily consists of license fee revenues. Licensing fees are based on a percentage of franchised store sales, and are recognized in the same period the related franchised store revenue is generated. Development fees, requiring a specific number of stores to be opened, are deferred when received, allocated to each agreed-upon store, and recognized as revenue over the contractual term of each respective franchise agreement, once the store has opened. Subject to the provision of the applicable franchise agreements, the Company is committed and obligated to allow franchisees to utilize the Company’s trademarks, copyrights, recipes, operating procedures and other elements of the Donatos Pizza system in the operation of franchised stores. As such, the initial franchise fees are considered highly dependent upon and interrelated with the franchise rights granted in the franchise agreement. Deferred franchise and development fees are discussed further in the contract liabilities section below.

Rent revenue is recognized on an accrual basis over the terms of the related leases, which approximates revenues recognized on a straight-line basis. Recoveries from tenants for real estate taxes, insurance and other operating expenses are recognized as revenues in the period the applicable costs are incurred.

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Advertising funds revenue includes contributions to the advertising funds by franchisees. Revenue related to these contributions is based on a percentage of monthly restaurant revenues of the franchised restaurants and is recognized as earned.

Contract liabilities

Contract liabilities consist of deferred franchise and development fees which are recognized over the term of the respective franchise agreements, typically ranging between 20-25 years with options to renew. The Company has recorded $1,780,765 and $1,126,630 of deferred franchise and development fees as of January 3, 2022 and December 28, 2020, respectively.

For the year ended January 3, 2022 and December 28, 2020 the changes in deferred franchise and development fees were as follows:

	2021	2020
Balance - Beginning of year	**$ 1,126,630**	$ 911,530
Revenue recognized	**(182,865)**	(74,400)
New deferrals due to cash received	**837,000**	289,500
Balance -End of year	**$ 1,780,765**	$ 1,126,630

Advertising Costs

Advertising and related costs include Company-owned restaurant activities, Company-owned restaurant contributions to the local marketing cooperative advertising funds and costs related to the Donatos Pizza National Advertising Fund (National Advertising Fund), a separate not-for-profit organization. The National Advertising Fund is responsible for the development of marketing and advertising materials for use throughout the Donatos Pizza system. The National Advertising Fund is funded by contributions from Company-owned and franchised restaurants based on an established percentage of monthly restaurant revenues. All such advertising and related costs are expensed as incurred. Advertising expense, which includes the Company's contributions to the National Advertising Fund, was $7,473,020 and $7,359,832 in 2021 and 2020, respectively.

Unusual or Infrequent Items

In 2021, the Company began formalizing a plan to shut down the ready to bake pizza segment of its bakery operation. Restructuring costs of $2,576,000 in the accompanying consolidated statement of income relate to the elimination of this product line. Additionally, at January 3, 2022, the Company had $1,388,255 of accrued expenses relating to various costs of downsizing these operations which are included in the accrued liabilities in the accompanying 2021 balance sheet. The restructuring is expected to be completed in 2022.

Summary of Significant Accounting Policies (continued)

Unusual or Infrequent Items (continued)

The Coronavirus, Aid, Relief and Economic Security Act (CARES Act) enacted in 2020 allows employers to defer the deposit and payment of the employer's share of Social Security taxes (FICA). At January 3, 2022 and December 28, 2020 the total deferred FICA amount was $784,499 and $1,568,873, respectively. Payments due within one year of $784,499 and $784,436 as of January 3, 2022 and December 28, 2020, respectively, are included in accrued payroll and related liabilities in the accompanying consolidated balance sheets.

In 2020, the Ohio Bureau of Workers' Compensation issued dividends to Ohio employers to ease the COVID-19 impact on the Ohio business community. The Company received dividends in excess of premiums of $3,005,636 and has recognized these dividends as other income in the accompanying 2020 consolidated statement of income.

Income Taxes

As limited liability companies, the Company and the Affiliates are disregarded entities, separate from their members for federal, state and local income taxes. Accordingly, taxable income or loss is included in the separate income tax returns of each entity's members. Thus, there is no provision or benefit for income taxes reflected in the consolidated financial statements.

The Company's and the Affiliates' policy is to pay distributions in amounts sufficient to cover estimated taxes by members on their income. There were $6,682,706 and $2,407,322 in distributions to the members for income taxes, net of tax refunds received, in 2021 and 2020, respectively.

The Company and Affiliates account for uncertainty in income taxes in their consolidated financial statements as required under FASB ASC, *Accounting of Uncertainty in Income Taxes*. The standard prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition accounting. Federal and state jurisdictions have statutes of limitation that generally range from three to five years. Management determined there were no material uncertain positions taken by the Company and Affiliates in their tax returns.

Summary of Significant Accounting Policies (continued)

Prospective New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842),* which enhances transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The guidance includes a new definition of a lease, which will be classified as either a finance lease or operating lease. Only short-term leases will not be recognized on the balance sheet. Other changes include certain aspects of lessee accounting, lessor accounting, leveraged leases, sale and leaseback transactions and required disclosures. The guidance is effective for non-public business entities for fiscal years beginning after December 15, 2021, with early adoption permitted for all entities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Company is in the process of assessing the implementation of this standard.

Cash and Cash Equivalents

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits.

Other Investments

The Company has an investment in a franchise partner and has the ability to exercise significant influence over the entity, as determined by FASB ASC 323-10-15, *Investments—Equity Method and Joint Ventures*; thus, the investment is accounted for under the equity method of accounting. The investment has a carrying amount of $1,341,227 and $1,562,228 at January 3, 2022 and December 28, 2020, respectively.

The following table summarizes the financial information of this franchise partner:

	2021	2020
Total assets	**$ 4,016,000**	$ 5,700,000
Total liabilities	**1,656,000**	2,300,000
Revenue	**42,880,000**	42,630,000
Expenses	**37,120,000**	40,210,000
Net income	**5,760,000**	2,420,000

In December 2021, the Company made a $700,000 investment for membership interest in another franchise partner. The Company has the ability to exercise significant influence over the entity, thus, the investment is accounted for under the equity method of accounting. The investment has a carrying amount of $700,000 at January 3, 2022.

Other Investments (continued)

An Affiliate has a 12.50% membership interest in a privately held real estate investment joint venture. The original investment was $2,025,000 and the Affiliate has the ability to exercise significant influence over the entity, thus, the investment is accounted for under the equity method of accounting, with a carrying amount of $0 at January 3, 2022 and December 28, 2020.

An Affiliate has a 20% membership interest in a privately held real estate investment joint venture. The original investment was $500,000 and the investment is accounted for under the equity method of accounting, with a carrying amount of $0 and $467,720 at January 3, 2022 and December 28, 2020, respectively.

In December 2019, an Affiliate made a $500,000 investment for a 5.42% membership interest in a privately held real estate investment joint venture. The Affiliate has the ability to exercise significant influence over the entity, thus, the investment is accounted for under the equity method of accounting, with a carrying amount of $454,774 and $455,532 at January 3, 2022 and December 28, 2020, respectively.

In December 2021, an Affiliate made a $300,000 investment for a 6.95% membership interest in a privately held real estate investment joint venture. The Affiliate has the ability to exercise significant influence over the entity, thus, the investment is accounted for under the equity method of accounting. The investment has a carrying amount of $300,000 at January 3, 2022.

The Company holds additional privately held investments totaling $589,467 and $513,716 at January 3, 2022 and December 28, 2020, respectively. The Company's share of income or loss from the investments disclosed above is based on the respective LLC's operating agreement, and the carrying value of these investments may not be proportionate to the Company's investment percentage.

Asset Retirement Obligations

The Company records an asset and a corresponding liability for the present value of the estimated asset retirement obligations associated with the fixed assets and leasehold improvements at some of its leased restaurant locations. The asset is depreciated over the life of the corresponding lease while the liability accretes to the amount of the estimated retirement obligations.

Asset Retirement Obligations (continued)

The following table reconciles the asset retirement obligations at January 3, 2022 and December 28, 2020:

	2021	2020
Asset retirement obligations - beginning of year	**$ 568,535**	$ 581,275
Accretion expense	**20,630**	-
Liabilities settled upon disposal	**(20,630)**	(12,740)
Asset retirement obligations - end of year	**$ 568,535**	$ 568,535

Long-Term Obligations

The Company had a $7,000,000 promissory note from a certain member of Destiny. The note was secured by the assets of the Company and matured in October 2021. The note was interest only, payable monthly, at daily LIBOR plus 0.75% (1.25% at both January 3, 2022 and December 28, 2020). During 2021, the balance on this promissory note was paid.

The Company has a term note payable to a bank for $4,236,000, collateralized by real estate, which accrues interest at 30 day LIBOR plus 2.25% (2.35% and 2.39% at January 3, 2022 and December 28, 2020, respectively). Monthly principal payments of $35,300 were due beginning March 2019 through June 2021, at which time the note was amended to increase the borrowings to $6,148,000. Monthly principal payments of $25,617 plus accrued interest are now due through the note's new maturity date in June 2031, at which time a balloon payment for the remaining outstanding balance will be due.

The Company has a second term note payable to a bank for $7,554,067, collateralized by all other assets of the Company, which accrues interest at daily LIBOR plus 2.25% (2.35% and 2.39% at January 3, 2022 and December 28, 2020, respectively). Monthly principal payments of $38,479 plus accrued interest are due through the new maturity date in March 2024, at which time a balloon payment for the remaining outstanding balance will be due.

In June 2021, the Company entered into a third term note payable to a bank for $2,135,000, collateralized by all other assets of the Company. The note accrues interest at 30 day LIBOR plus 2.25% (2.75% at January 3, 2022). Monthly principal payments of $25,417 plus accrued interest are due through the maturity date in June 2028.

In October 2020, the Company entered into a revolving draw note (the Equipment Note) that provided for total draws of up to $3,500,000 to be made through October 2021 for the purposes of financing capital expenditures. The Equipment Note is collateralized by assets of the Company and accrues interest at daily LIBOR plus 2.50% (3.00% and 2.60% at January 3, 2022 and December 28, 2020, respectively). Monthly interest payments were due beginning December 2020 through the note's conversion date in October 2021. Beginning in November 2021, monthly principal payments of $41,667 plus accrued interest are due through the maturity date in October 2028.

Long-Term Obligations (continued)

The Affiliates have two mortgage notes payable to a bank totaling $9,141,452 that are collateralized by real estate of both the Affiliates and the Company and are personally guaranteed by certain members of Destiny. The loans accrue interest at 30 day LIBOR plus 2.25% (2.35% and 2.39% at January 3, 2022 and December 28, 2020, respectively). The balances are payable in 119 monthly installments of principal ranging from approximately $12,000 to $21,000, plus accrued interest, with the unpaid balance due at maturity in March 2029.

An Affiliate has a term note payable to a bank for $3,350,000 that is collateralized by substantially all of the assets of the Affiliate. The loan accrues interest at 30 day LIBOR plus 2.00% (2.10% and 2.14% at January 3, 2022 and December 28, 2020, respectively). The balance is payable in 84 equal monthly installments of principal and interest of $20,108, with the unpaid balance due at maturity in July 2025.

An Affiliate had a $217,714 promissory note with the estate of a former member of the Affiliate. The principal sum of the loan was payable in 60 consecutive payments of $3,629 plus interest at 3.50% through June 2021.

A summary of the aforementioned long-term obligations is as follows:

	2021	2020
Notes payable to related parties	**$ -**	$ 7,000,000
Term note payable	**6,019,817**	3,494,700
Second term note payable	**3,347,690**	3,809,440
Third term note payable	**2,007,917**	-
Equipment note payable	**3,416,666**	1,500,000
Affiliate mortgage notes	**5,783,420**	6,115,053
Affiliate construction loan	**3,109,541**	3,185,464
Affiliate promissory note to estate	**-**	21,772
	23,685,051	25,126,429
Less: unamortized debt issuance costs	**(32,148)**	(38,300)
Less: current portion of long term debt obligations	**(2,003,867)**	(1,399,182)
Long-term obligations, net	**$ 21,649,036**	$ 23,688,947

Maturities of the notes payable and loans over the next five years are as follows:

2022	$ 2,003,868
2023	2,026,792
2024	2,049,723
2025	4,839,560
2026	2,005,273
Thereafter	10,759,835
Total	$ 23,685,051

Long-Term Obligations (continued)

The Company has a $6,000,000 revolving line of credit which accrues interest payable monthly at 30 day LIBOR plus 2.25%. The line is secured by assets of the Company and matures in June 2022. There was no outstanding balance on the revolving line of credit at January 3, 2022 or December 28, 2020.

The Company is required to maintain certain financial covenants and has certain restrictions on future borrowings and uses of cash under its current credit agreement. At January 3, 2022, the Company was in compliance with these covenants or received a waiver from the bank.

Certain members of Destiny and entities under common ownership guarantee the Company's bank debt and the line of credit and the Company guarantees the bank debt of certain members of Destiny and entities under common ownership.

The Company has letters of credit available totaling $155,000 at January 3, 2022 and December 28, 2020. These are for workers' compensation and other insurance claims. At January 3, 2022 and December 28, 2020, no amounts were drawn under these letters of credit.

Total interest paid was $962,090 and $933,104 in 2021 and 2020, respectively. Net interest expense of $926,899 in 2021 and $930,295 in 2020 is net of $35,191 and $2,807 of interest income, respectively.

Leases

The Company leases office space, store properties, equipment and vehicles from various sources. Most of the operating leases contain the option, at the end of the initial lease term, to renew the lease for several subsequent three to fifteen-year lease terms. Most of the lease terms include scheduled rent increases and common area maintenance charges. Management expects, in the normal course of business, that most of its current leases will be renewed. Rental expense for operating leases is recognized on a straight-line basis over the life of the leases. Rent expense is recognized beginning with the earlier of the date when the Company becomes legally obligated for the rent payments or the date the Company takes possession of the property resulting in deferred rent in the consolidated balance sheets. Cash or lease incentives received upon entering into certain store leases are recognized on a straight-line basis as a reduction to rent expense from the date the Company takes possession of the property through the end of the initial lease term. The unamortized portion of the incentive is recorded as part of deferred rent. Landlord incentives are amortized as a reduction to lease expense over the lease term and for the same length of time as the straight-line rent expense. Rental expense for 2021 and 2020 was $1,571,569 and $1,614,831, respectively.

Leases (continued)

Future minimum rental payments required under operating leases that have non-cancelable lease terms in excess of one year are as follows:

	Operating Leases	Sublease Properties	Total Lease Expense
2022	$ 928,044	$ 191,358	$ 1,119,402
2023	771,932	95,294	867,226
2024	568,323	95,294	663,617
2025	292,435	95,294	387,729
2026	130,722	31,765	162,487
Thereafter	318,896	-	318,896
Total	$ 3,010,352	$ 509,005	$ 3,519,357

Future minimum rentals to be received under operating leases and subleases that have non-cancelable lease terms in excess of one year are as follows:

2022	$ 591,220
2023	504,185
2024	340,785
2025	333,894
2026	107,010
Total	$ 1,877,094

Variable Interest Entities

As disclosed in the *Nature and Scope of Activities* footnote, the Company leases certain real estate from related party entities (Affiliates) and certain of the Company's debt obligations are cross guaranteed with debt obligations of these Affiliates. Due to the lease and debt guarantee arrangements, the related party entities have been identified as VIEs where the Company is the primary beneficiary and thus are required to be consolidated in the Company's financial statements under the amended provisions of FASB ASC 810.

The following table summarizes the financial information of the Affiliates, which has been included in the 2021 and 2020 consolidated financial statements:

	2021	2020
Assets:		
Cash	**$ 721,909**	$ 549,524
Property and equipment, net	**14,108,917**	14,890,570
Other assets	**2,115,577**	2,234,189
Total assets	**$ 16,946,403**	$ 17,674,283
Liabilities:		
Accounts payable and other accrued liabilities	**$ 108,248**	$ 86,436
Mortgages and notes payable	**8,860,812**	9,283,989
Total liabilities	**$ 8,969,060**	$ 9,370,425
Revenues and expenses:		
Revenues	**$ 4,488,864**	$ 4,628,079
Operating expenses	**96,703**	171,662
Depreciation and amortization	**466,909**	482,491
Net interest expense	**457,665**	412,122

Revenues include approximately $2,771,000 and $2,690,000 in 2021 and 2020, respectively, of rent paid by the Company to the Affiliates which is eliminated in consolidation.

The Company's maximum exposure to risk in connection with the Affiliates as of January 3, 2022 is the amount of the Affiliates' debt presented above under which the Company is a guarantor.

Related Party Transactions

The Company provides certain administrative services and leased properties to a franchise partner in which it maintains a minority interest. Fees received for administrative services were $164,648 and $165,293 in 2021 and 2020, respectively. Total lease payments received were $280,582 and $262,283 in 2021 and 2020, respectively. Licensing fees received were $1,755,175 and $2,315,830 in 2021 and 2020, respectively.

Additionally, the Company paid $35,629 and $148,767 in interest expense on notes to related parties in 2021 and 2020, respectively.

Employee Benefit Plan

In April 2004, the Company adopted a 401(k) profit sharing plan. All employees who have attained age 21 and have one year of service are eligible to participate in the plan. The Company contributed to the plan in the amount of $498,710 and $427,465 in 2021 and 2020, respectively.

Stock Appreciation Rights Plan

The Company has a Stock Appreciation Rights Plan (the SARs Plan), last amended October 1, 2012. The recognized liability under the SARs Plan is classified as deferred compensation in the consolidated balance sheets. Compensation expense recognized in 2021 and 2020 was $155,000 and $280,000, respectively. Under the SARs Plan, the Company set aside 465 members' units to be granted. The units were all originally granted at fair market value on the date of grant, but were all reissued on October 1, 2012 with a value per unit equal to the fair market value as of December 31, 2011. At December 31, 2012, the weighted average grant price was $3,000. All units that were reissued on October 1, 2012 are fully vested.

There were 30 units granted during 2021 at a weighted average grant price of $12,135. There were 75 units granted in 2020 at a weighted average grant price of $10,099. New units granted after October 1, 2012 vest at 50% after four years and 100% after five years of service from the grant date.

Stock Appreciation Rights Plan (continued)

A summary of the Units outstanding at January 3, 2022 and December 28, 2020, and the changes during the years then ended is as follows:

	Vested	Non-Vested	Total
Units outstanding - December 30, 2019	109	135	244
Granted	-	75	75
Vested	50	(50)	-
Exercised	-	-	-
Forfeited	-	(50)	(50)
Units outstanding - December 28, 2020	159	110	269
Granted	-	30	30
Vested	5	(5)	-
Exercised	-	-	-
Forfeited	-	-	-
Units outstanding - January 3, 2022	164	135	299

Contingencies

The Company has become subject to various lawsuits, claims and other legal matters considered normal in the course of business. While it is not feasible to predict the outcome of these actions, in the opinion of the Company, these actions should not have a material effect on the financial position or results of future operations of the Company.

Risks and Uncertainties

In March 2020, the World Health Organization declared the global novel coronavirus (COVID-19) outbreak a pandemic. As of the date the consolidated financial statements were available to be issued, the Company's operations have not been significantly impacted by the COVID-19 outbreak. However, the Company cannot reasonably estimate at this time the specific extent, duration, or full impact that the COVID-19 pandemic will have on its financial condition and operations.

Subsequent Events

Management has evaluated subsequent events through the date of the Independent Auditor's Report, which is the date upon which the consolidated financial statements were available to be issued.

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SUPPLEMENTARY INFORMATION

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GBQ Partners

To the Members
Donatos Pizzeria, LLC and Affiliates
Columbus, Ohio

Independent Auditor's Report on Supplementary Information

We have audited the consolidated financial statements of Donatos Pizzeria, LLC and Affiliates as of and for the years ended January 3, 2022 and December 28, 2020, and our report thereon dated April 22, 2022, which expressed an unmodified opinion on those consolidated financial statements, which appears on Page 3. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary Statements of Ongoing Operations and EBITDA are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

GBQ Partners LLC

Columbus, Ohio
April 22, 2022

DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Statements of Ongoing Operations and EBITDA
For the Years Ended January 3, 2022 and December 28, 2020

	January 3, 2022	December 28, 2020
Revenues		
Net sales	**$ 90,813,996**	$ 89,630,567
Bakery sales	**26,561,890**	25,347,752
Licensing and development fee revenue	**6,268,623**	5,913,345
Advertising funds revenue	**2,165,000**	1,870,000
Total revenues	**125,809,509**	122,761,664
Operating Expenses	**113,673,613**	108,560,413
Restructuring Costs	**2,576,000**	-
Depreciation and Amortization	**3,282,562**	3,224,591
Operating Income from Ongoing Operations	**6,277,334**	10,976,660
Other Income (Expense)		
Ohio BWC dividends	**-**	3,005,636
Net interest expense	**(926,899)**	(930,295)
Total other (expense) income, net	**(926,899)**	2,075,341
Income from Ongoing Operations	**5,350,435**	13,052,001
Loss from Closed or Sold Store Operations	**(845,912)**	-
Net Income	**$ 4,504,523**	**$ 13,052,001**
Reconciliation to EBITDA from Ongoing Operations:		
Income from ongoing operations	**$ 5,350,435**	$ 13,052,001
Net interest expense	**926,899**	930,295
City income taxes	**380,089**	98,847
Depreciation and amortization	**3,282,253**	3,234,517
EBITDA from Ongoing Operations	**$ 9,939,676**	$ 17,315,660

The accompanying notes are an integral part of the Consolidated Statements of Income and EBITDA.

Basis of Presentation

The non-GAAP measure of ongoing operations and EBITDA is used to evaluate the Company's historical operations excluding all restructuring costs for eliminated product lines, and closed or sold store locations through January 3, 2022. The Company believes that this non-GAAP measure is useful to enable readers of its consolidated financial statements to understand the performance of the Company's current operations.

Loss from closed or sold store operations would include the following:

- Net, revenues and operating expenses for Company-owned stores closed or sold through the date of disposition. Under U.S. GAAP, only under certain criteria may the operations of closed or sold stores be treated as discontinued operations in the statements of operations. This presentation treats all closed or sold stores on a comparable basis as discontinued operations.

- Expenses for closed store locations subsequent to closure.

- Gain or loss on the sale of Company stores.

EBITDA is defined as earnings before interest, income taxes, depreciation and amortization.

Consolidated Financial Statements
with Supplementary Information

Donatos Pizzeria, LLC and Affiliates

December 28, 2020 and December 30, 2019

CONTENTS

	Page
Independent Auditor's Report	3
Consolidated Financial Statements:	
Balance Sheets	6
Statements of Income	8
Statements of Members' Capital	9
Statements of Cash Flows	10
Notes to Consolidated Financial Statements	11
Supplementary Information:	
Independent Auditor's Report on Supplementary Information	26
Consolidated Statements of Income and EBITDA	27
Notes to Consolidated Statements of Income and EBITDA	28

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GBQ Partners

To the Members
Donatos Pizzeria, LLC and Affiliates
Columbus, Ohio

Independent Auditor's Report

We have audited the accompanying consolidated financial statements of Donatos Pizzeria, LLC and Affiliates, which comprise the consolidated balance sheets as of December 28, 2020 and December 30, 2019, and the related consolidated statements of income, members' capital and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Donatos Pizzeria, LLC and Affiliates as of December 28, 2020 and December 30, 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.

GBQ Partners LLC

Columbus, Ohio
April 23, 2021

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DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Balance Sheets

December 28, 2020 and December 30, 2019

	December 28, 2020	December 30, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 7,756,184**	$ 1,118,310
Accounts receivable, net	**4,241,679**	4,149,050
Inventory	**4,049,631**	2,671,915
Prepaid expenses and other current assets	**1,171,268**	1,249,832
Total current assets	**17,218,762**	9,189,107
Property and Equipment		
Land and land improvements	**13,773,219**	13,573,597
Buildings	**29,330,721**	29,249,620
Equipment	**40,351,886**	35,870,676
Automobiles	**105,337**	105,337
Construction-in-progress	**137,179**	214,252
	83,698,342	79,013,482
Less: accumulated depreciation	**(54,185,221)**	(51,177,849)
Total property and equipment, net	**29,513,121**	27,835,633
Other Assets		
Intangible assets	**2,723,569**	2,723,569
Other investments	**2,999,196**	4,279,328
Deposits and other assets	**1,578,798**	756,996
Total other assets	**7,301,563**	7,759,893
TOTAL ASSETS	**$ 54,033,446**	$ 44,784,633

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

DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Balance Sheets (continued)

December 28, 2020 and December 30, 2019

	December 28, 2020	December 30, 2019
LIABILITIES AND MEMBERS' CAPITAL		
Current Liabilities		
Accounts payable	**$ 2,390,002**	$ 1,566,294
Accrued payroll and related liabilities	**3,484,130**	1,759,769
Accrued taxes	**950,535**	887,404
Other accrued liabilities	**2,189,073**	1,249,271
Note payable - line of credit	**-**	310,794
Current portion of long-term obligations	**1,399,185**	1,315,867
Total current liabilities	**10,412,925**	7,089,399
Long-Term Obligations, less current portion		
Notes payable to related parties	**7,000,000**	10,000,000
Mortgages and term notes payable	**15,272,278**	16,573,398
Notes payable - equipment loan	**1,416,666**	-
Deferred compensation	**1,293,785**	1,013,785
Deferred development fees	**1,126,630**	911,530
Asset retirement liability	**568,535**	581,275
Deferred rent	**388,991**	176,102
Deferred FICA, less current portion	**784,437**	-
Total long-term obligations	**27,851,322**	29,256,090
Members' Capital		
Donatos Pizzeria, LLC member's capital		
Contributed capital	**15,000,000**	15,000,000
Accumulated deficit	**(8,060,425)**	(17,027,804)
Total Donatos Pizzeria, LLC member's capital	**6,939,575**	(2,027,804)
Noncontrolling interests in members' equity	**8,829,624**	10,466,948
Total members' capital	**15,769,199**	8,439,144
TOTAL LIABILITIES AND MEMBERS' CAPITAL	**$ 54,033,446**	$ 44,784,633

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

DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Statements of Income

For the Years Ended December 28, 2020 and December 30, 2019

	December 28, 2020	December 30, 2019
Sales	**$ 89,630,567**	$ 81,936,870
Bakery Sales	**25,347,752**	20,798,246
Licensing and Development Fee Revenue	**5,913,345**	3,839,424
Advertising Funds Revenue	**1,870,000**	1,620,000
Total revenues	**122,761,664**	108,194,540
Operating Expenses	**108,560,413**	97,978,022
Depreciation and Amortization	**3,224,591**	3,258,833
Operating Income	**10,976,660**	6,957,685
Other Income (Expense)		
Ohio BWC dividends	**3,005,636**	-
Net interest expense	**(930,295)**	(1,248,024)
Total other income (expense)	**2,075,341**	(1,248,024)
Net Income	**$ 13,052,001**	**$ 5,709,661**
Net Income Attributable to Noncontrolling Interests in Members' Equity	**$ 3,605,618**	$ 3,281,282
Net Income Attributable to Donatos Pizzeria, LLC	**9,446,383**	2,428,379
Net Income	**$ 13,052,001**	$ 5,709,661

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

DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Statements of Members' Capital

For the Years Ended December 28, 2020 and December 30, 2019

	Contributed Capital	Accumulated Deficit	Noncontrolling Interest Equity	Total Members' Capital
Balance - December 31, 2018	**$ 15,000,000**	**$(18,619,995)**	**$ 10,492,048**	**$ 6,872,053**
Cumulative effect of change in accounting principle	-	(271,162)	-	(271,162)
Net income	-	2,428,379	3,281,282	5,709,661
Distributions	-	(565,026)	(3,306,382)	(3,871,408)
Balance - December 30, 2019	**15,000,000**	**(17,027,804)**	**10,466,948**	**8,439,144**
Net income	-	9,446,383	3,605,618	13,052,001
Distributions	-	(479,004)	(5,242,942)	(5,721,946)
Balance - December 28, 2020	**$ 15,000,000**	**$(8,060,425)**	**$ 8,829,624**	**$ 15,769,199**

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

DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Statements of Cash Flows

For the Years Ended December 28, 2020 and December 30, 2019

	December 28, 2020	December 30, 2019
Cash Flows from Operating Activities		
Net income	**$ 13,052,001**	$ 5,709,661
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debt expense	**181,343**	14,000
Depreciation and amortization	**3,234,517**	3,258,833
Accretion of asset retirement liability	**-**	16,000
Income (loss) on other investments	**(285,879)**	162,706
Loss on the disposition of assets	**101,451**	-
Cash (used in) provided by operating assets and liabilities:		
Accounts receivable and other assets	**(1,019,670)**	(693,679)
Inventory	**(1,377,716)**	(602,860)
Accounts payable and accrued liabilities	**4,967,799**	(1,087,124)
Deferred rent	**62,889**	54,778
Total adjustments	**5,864,734**	1,122,654
Net cash provided by operating activities	**18,916,735**	6,832,315
Cash Flows from Investing Activities		
Purchases of property and equipment	**(5,126,649)**	(2,441,955)
Proceeds from sale of property and equipment	**123,119**	-
Distributions received from investments	**141,816**	171,964
Purchases of other investments	**(500,000)**	(500,000)
Net cash used in investing activities	**(5,361,714)**	(2,769,991)
Cash Flows from Financing Activities		
Net (payments) borrowings on line of credit	**(310,794)**	310,794
Payments on mortgages	**(4,308,602)**	(1,312,534)
Payments of debt issuance costs	**-**	(10,470)
Borrowings on notes payable	**1,500,000**	-
Distributions	**(3,797,751)**	(3,871,408)
Net cash used in financing activities	**(6,917,147)**	(4,883,618)
Increase (decrease) in cash and cash equivalents	**6,637,874**	(821,294)
Cash and Cash Equivalents – Beginning of Year	**1,118,310**	1,939,604
Cash and Cash Equivalents – End of Year	**$ 7,756,184**	$ 1,118,310

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

Nature and Scope of Activities

Donatos Pizzeria, LLC (the Company), is a single-member limited liability company, owned by Destiny Investment Holdings, LLC (Destiny), that operates and franchises food service stores that specialize in pizza, subs and salads. The Company also operates a bakery that produces the dough for use in all stores and ready to bake pizzas for grocery stores and other retail outlets. There were 54 and 56 company-owned restaurants at December 28, 2020 and December 30, 2019, respectively. There were 114 and 105 franchised restaurants at December 28, 2020 and December 30, 2019, respectively.

Consolidation

The Company leases certain real estate from related party entities (Affiliates) and certain of the Company's debt obligations are cross-guaranteed with debt obligations of these Affiliates. Due to the lease and debt guarantee arrangements, the related party entities have been identified as variable interest entities (VIEs) where the Company is the primary beneficiary and thus are required to be consolidated in the Company's financial statements under the amended provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidations*. All transactions between the Company and Affiliates have been eliminated in consolidation. A majority of the rental income of the Affiliates is from the rental payments made by the Company and thus is eliminated in consolidation.

As the Company does not have any equity interest in the Affiliates, the other equity holders' 100% interest in the Affiliates is reflected in net income attributable to noncontrolling interests in members' equity in the consolidated statements of income and noncontrolling interests in members' equity in the consolidated balance sheets.

Fiscal Year

The Company's fiscal year is the 52 or 53-week period ending on the Monday closest to December 31. References herein to 2020 refer to the 52-week period or fiscal year ended December 28, 2020. References herein to 2019 refer to the 52-week period or fiscal year ended December 30, 2019. The Affiliates' year ends are December 31. Activity between the fiscal year end of the Company and the calendar year end of the Affiliates is not material.

Summary of Significant Accounting Policies

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summary of Significant Accounting Policies (continued)

Cash Equivalents

For the purpose of reporting cash flows, all highly liquid instruments, with a maturity of three months or less when purchased, are considered to be cash equivalents.

Accounts Receivable

The Company provides credit, in the normal course of business, to certain customers and generally requires no collateral or other security to support customer receivables. Accounts receivable that exceed their contractual terms are considered delinquent. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected. The allowance for doubtful accounts was $95,129 and $35,225 at December 28, 2020 and December 30, 2019, respectively.

The Company performs ongoing credit evaluations and maintains reserves for potential credit losses and such credit losses have historically been within the Company's expectations.

Inventory

Inventory, consisting of food, beverages and supplies, is valued at the lower of cost, using the first-in, first-out (FIFO) method, or net realizable value.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method applied over the estimated useful lives of the assets, which average 5 - 10 years for automobiles and equipment, 7 - 10 years for land and leasehold improvements and 32 years for buildings. Expenditures for major renewals and betterments that extend the useful lives of property or equipment are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Leasehold improvements in an operating lease are amortized over the shorter of their estimated useful lives or the related initial lease term, excluding renewal option terms, which are generally 3 - 15 years, unless it is reasonably assured that the renewal option term is going to be exercised. Assets purchased, but not yet placed in to service, are capitalized; depreciation and amortization is not computed until the asset's placed in service date. Depreciation and amortization expense was $3,224,591 and $3,246,771 in 2020 and 2019, respectively.

Intangible Assets

Intangible assets, not subject to amortization, represent trade names amounting to $2,723,569 at December 28, 2020 and December 30, 2019. The Company is required to assess its intangibles with indefinite lives for impairment at least annually. Based on its review, the Company concluded that there was no impairment in 2020 and 2019.

Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets and Definite Lived Intangible Assets

When events or circumstances indicate that the carrying amount of long-lived assets to be held and used or definite lived intangible assets might not be recoverable, the expected future undiscounted cash flows from the assets is estimated and compared to the carrying amount of the assets. If the sum of the estimated undiscounted cash flows is less than the carrying amount of the assets, an impairment loss is recorded. The impairment loss is measured by comparing the fair value of the assets with their carrying amounts. Fair value is determined based on discounted cash flow or appraised values, as appropriate. Long-lived assets that are held-for-sale are reported at the lower of the assets' carrying amounts or fair value less costs related to the assets' disposition. Management has determined that no impairment existed as of December 28, 2020 and December 30, 2019.

Revenue Recognition

Revenue from Company-operated stores is recognized at a point in time when payment is tendered and the Company’s performance obligation to provide food and beverage products to the customer has been satisfied. Revenue from bakery sales is recognized at a point in time when control is transferred and the related bakery products are shipped to the customer. Net sales excludes sales tax collected from customers.

License and development fee revenue from franchisees primarily consists of license fee revenues. Licensing fees are based on a percentage of franchised store sales, and are recognized in the same period the related franchised store revenue is generated. Development fees, requiring a specific number of stores to be opened, are deferred when received, allocated to each agreed-upon store, and recognized as revenue over the contractual term of each respective franchise agreement, once the store has opened. Subject to the provision of the applicable franchise agreements, the Company is committed and obligated to allow franchisees to utilize the Company’s trademarks, copyrights, recipes, operating procedures and other elements of the Donatos Pizza system in the operation of franchised stores. As such, the initial franchise fees are considered highly dependent upon and interrelated with the franchise rights granted in the franchise agreement. Deferred franchise and development fees are discussed further in the contract liabilities section below.

Rent revenue is recognized on an accrual basis over the terms of the related leases, which approximates revenues recognized on a straight-line basis. Recoveries from tenants for real estate taxes, insurance and other operating expenses are recognized as revenues in the period the applicable costs are incurred.

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Advertising funds revenue includes contributions to the advertising funds by franchisees. Revenue related to these contributions is based on a percentage of monthly restaurant revenues of the franchised restaurants and is recognized as earned.

Contract liabilities

Contract liabilities consist of deferred franchise and development fees which are recognized over the term of the respective franchise agreements, typically ranging between 20-25 years with options to renew. The Company has recorded $1,126,630 and $911,530 of deferred franchise and development fees as of December 28, 2020 and December 30, 2019, respectively.

For the year ended December 28, 2020 and December 30, 2019 the changes in deferred franchise and development fees were as follows:

	2020	2019
Balance - Beginning of year	**$ 911,530**	$ 405,000
Cumulative effect adjustment - ASC 606	**-**	271,162
Revenue recognized	**(74,400)**	(56,632)
New deferrals due to cash received	**289,500**	292,000
Balance -End of year	**$ 1,126,630**	$ 911,530

Advertising Costs

Advertising and related costs include Company-owned restaurant activities, Company-owned restaurant contributions to the local marketing cooperative advertising funds and costs related to the Donatos Pizza National Advertising Fund (National Advertising Fund), a separate not-for-profit organization. The National Advertising Fund is responsible for the development of marketing and advertising materials for use throughout the Donatos Pizza system. The National Advertising Fund is funded by contributions from Company-owned and franchised restaurants based on an established percentage of monthly restaurant revenues. All such advertising and related costs are expensed as incurred. Advertising expense, which includes the Company's contributions to the National Advertising Fund, was $7,359,832 and $7,151,561 in 2020 and 2019, respectively.

Summary of Significant Accounting Policies (continued)

Unusual or Infrequent Items

The Coronavirus, Aid, Relief and Economic Security Act (CARES Act) enacted in 2020 allows employers to defer the deposit and payment of the employer's share of Social Security taxes (FICA). At December 28, 2020 the deferred FICA amount was $1,568,873 with payments due in 2020 included in accrued liabilities in the balance sheet.

In 2020, the Ohio Bureau of Workers' Compensation issued dividends to Ohio employers to ease the COVID-19 impact on the Ohio business community. The Company received dividends in excess of premiums of $3,005,636 and has recognized those dividends as other income in the 2020 Statement of Income.

Income Taxes

As limited liability companies, the Company and the Affiliates are disregarded entities, separate from their members for federal, state and local income taxes. Accordingly, taxable income or loss is included in the separate income tax returns of each entity's members. Thus, there is no provision or benefit for income taxes reflected in the consolidated financial statements.

The Company's and the Affiliates' policy is to pay distributions in amounts sufficient to cover estimated taxes by members on their income. There were $2,407,322 and $3,871,408 in distributions to the members for income taxes, net of tax refunds received, in 2020 and 2019, respectively.

The Company and Affiliates account for uncertainty in income taxes in their consolidated financial statements as required under FASB ASC, *Accounting of Uncertainty in Income Taxes*. The standard prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition accounting. Federal and state jurisdictions have statutes of limitation that generally range from three to five years. Management determined there were no material uncertain positions taken by the Company and Affiliates in their tax returns.

Summary of Significant Accounting Policies (continued)

Prospective New Accounting Pronouncements

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842),* which enhances transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The guidance includes a new definition of a lease, which will be classified as either a finance lease or operating lease. Only short-term leases will not be recognized on the balance sheet. Other changes include certain aspects of lessee accounting, lessor accounting, leveraged leases, sale and leaseback transactions and required disclosures. The guidance is effective for non-public business entities for fiscal years beginning after December 15, 2021, with early adoption permitted for all entities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Company is in the process of assessing the implementation of this standard.

Cash and Cash Equivalents

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits.

Other Investments

The Company has an investment in a franchise partner and has the ability to exercise significant influence over the entity, as determined by FASB ASC 323-10-15, *Investments—Equity Method and Joint Ventures*; thus, the investment is accounted for under the equity method of accounting. The investment has a carrying amount of $1,562,228 and $1,058,292 at December 28, 2020 and December 30, 2019, respectively.

The following table summarizes the financial information of this franchise partner:

	2020	2019
Total assets	**$ 5,700,000**	$ 3,200,000
Total liabilities	**2,300,000**	1,200,000
Revenue	**42,630,000**	37,290,000
Expenses	**40,210,000**	36,560,000
Net income	**2,420,000**	730,000

The Company has a 12.50% investment in a privately held real estate investment joint venture. The original investment was $2,025,000 and the investment is accounted for under the equity method of accounting, with a carrying amount of $0 and $2,041,993 at December 28, 2020 and December 30, 2019, respectively.

Other Investments (continued)

In July 2018, the Company made another investment in a privately held real estate investment joint venture, receiving 20% of the membership interest. The original investment was $500,000 and the investment is accounted for under the equity method of accounting, with a carrying amount of $467,720 and $482,791 at December 28, 2020 and December 30, 2019, respectively.

In December 2019, the Company made a $500,000 investment for membership interest in a privately held real estate investment joint venture. The investment is accounted for under the equity method of accounting, with a carrying amount of $455,532 at December 28, 2020 and $500,000 at December 30, 2019, respectively.

The Company's share of income or loss from the investments disclosed above is based on the respective LLC's operating agreement, and the carrying value of these investments may not be proportionate to the Company's investment percentage.

Asset Retirement Obligations

The Company records an asset and a corresponding liability for the present value of the estimated asset retirement obligations associated with the fixed assets and leasehold improvements at some of its leased restaurant locations. The asset is depreciated over the life of the corresponding lease while the liability accretes to the amount of the estimated retirement obligations.

The following table reconciles the asset retirement obligations at December 28, 2020 and December 30, 2019:

	2020	2019
Asset retirement obligations - beginning of year	**$ 581,275**	$ 581,275
Accretion expense	**-**	16,000
Labilities settled upon disposal	**(12,740)**	(16,000)
Asset retirement obligations - end of year	**$ 568,535**	$ 581,275

Long-Term Obligations

The Company has a $7,000,000 promissory note from a certain member of Destiny. The note is secured by the assets of the Company and matured in October 2020; however, the Company has a commitment to extend the note for an additional year. The note is interest only, payable monthly, at daily LIBOR plus 0.75% (.89% and 2.56% at December 28, 2020 and December 30, 2019, respectively).

Long-Term Obligations (continued)

The Company has a term note payable to a bank for $4,100,000, collateralized by real estate, which accrues interest at 30 day LIBOR plus 2.25% (2.39% and 4.05% at December 28, 2020 and December 30, 2019, respectively). Monthly principal payments of $22,778 were due through March 2019, at which time the term note payable was amended. The amended terms increased the borrowings to $4,236,000, allowing for an advance of $1,803,454 to pay down a portion of the balance on the second term note discussed further below. In addition, beginning in April 2019, monthly principal payments of $35,300 plus accrued interest are due through the new maturity date in March 2029.

The Company has a second term note payable to a bank for $7,554,067, collateralized by all other assets of the Company, which accrues interest at daily LIBOR plus 2.25% (2.39% and 3.78% at December 28, 2020 and December 30, 2019, respectively). Monthly payments on the note were interest only from November 2016 through March 2017. Beginning in April 2017, monthly principal payments of $47,213 plus accrued interest were due through March 2019. The second term note was amended in March 2019 and an additional payment of $1,803,454 was made using funds advanced on the term note payable noted above. Beginning in April 2019, monthly principal payments of $38,479 plus accrued interest are due through the new maturity date in March 2024, at which time a balloon payment for the remaining outstanding balance will be due.

In October 2020, the Company entered into a revolving draw note (the Equipment Note) that provides for total draws of up to $3,500,000 to be made through October 2021 for the purposes of financing capital expenditures. The Equipment Note is collateralized by assets of the Company and accrues interest at daily LIBOR plus 2.50% (2.64% at December 28, 2020). Monthly interest payments are due beginning December 2020 through the October 2028 maturity date. Beginning in November 2021, eighty-four equal monthly payments of principal are due through October 2028 with any unpaid balance due at maturity.

The Affiliates have two mortgage notes payable to a bank totaling $9,141,452 that are collateralized by real estate of both the Affiliates and the Company and are personally guaranteed by certain members of Destiny. The loans carry interest rates of 30 day LIBOR plus 2.25% (2.39% and 4.05% at December 28, 2020 and December 30, 2019, respectively). The balances were payable in monthly installments of principal and interest of approximately $25,000 through March 2019. Subsequently, the notes were amended to extend the maturity dates to March 2029. Beginning in April 2019, the loans are payable in 119 monthly installments of principal ranging from approximately $12,000 to $21,000, plus accrued interest, with the unpaid balance due at maturity.

In June 2015, one Affiliate entered into a construction loan of up to $3,350,000 with a bank that is collateralized by substantially all of the assets of the Affiliate. The loan requires monthly interest payments at 30 day LIBOR plus 2.00% (2.14% and 5.19% at December 28, 2020 and December 30, 2019, respectively). In August 2018, the outstanding principal balance of $3,350,000 was converted to a term loan. The balance is payable in 84 equal monthly installments of principal and interest of $20,108, with the unpaid balance due at maturity in July 2025.

Long-Term Obligations (continued)

In July 2016, one Affiliate entered into a $217,714 promissory note with the estate of a former member of an Affiliate. The principal sum of the loan is payable in 60 consecutive payments of $3,629 plus interest at 3.50% through June 2021.

A summary of the aforementioned long-term obligations is as follows:

	2020	2019
Notes payable to related parties	**$ 7,000,000**	$ 10,000,000
Term note payable	**3,494,700**	3,918,300
Second term note payable	**3,809,440**	4,271,190
Equipment note payable	**1,500,000**	-
Affiliate mortgage notes	**6,115,053**	6,430,231
Affiliate construction loan	**3,185,464**	3,249,996
Affiliate promissory note to estate	**21,772**	65,314
	25,126,429	27,935,031
Less: unamortized debt issuance costs	**(38,300)**	(45,766)
Less: current portion of long term debt obligations	**(1,399,185)**	(1,315,867)
Long-term obligations, net	**$ 23,688,944**	$ 26,573,398

Maturities of the notes payable and loans over the next five years are as follows:

2021	$ 1,399,185
2022	1,815,067
2023	1,837,992
2024	1,777,590
2025	4,152,573
Thereafter	14,144,022
Total	$ 25,126,429

The Company has a $6,000,000 revolving line of credit which accrues interest payable monthly at 30 day LIBOR plus 2.25% (2.39% and 4.05% at December 28, 2020 and December 30, 2019, respectively). The line is secured by assets of the Company and matures in October 2021. The outstanding balance on the revolving line of credit was $310,794 at December 30, 2019. There was no outstanding balance on the revolving line of credit at December 28, 2020.

The Company is required to maintain certain financial covenants and has certain restrictions on future borrowings and uses of cash under the revolving line of credit and term notes payable. The Company was in compliance with these covenants at December 28, 2020. The revolving line of credit and term notes payable are guaranteed by certain members of Destiny and entities under common ownership. The related party promissory note is subordinate to the revolving line of credit and term notes payable.

Long-Term Obligations (continued)

The Company has letters of credit available totaling $155,000 at December 28, 2020 and December 30, 2019. These are for workers' compensation and other insurance claims. At December 28, 2020 and December 30, 2019, no amounts were drawn under these letters of credit.

Total interest paid was $933,104 and $1,248,627 in 2020 and 2019, respectively. Net interest expense of $935,823 in 2020 and $1,248,024 in 2019 is net of $2,719 and $603 of interest income, respectively.

Leases

The Company leases office space, store properties, equipment and vehicles from various sources. Most of the operating leases contain the option, at the end of the initial lease term, to renew the lease for several subsequent three to fifteen-year lease terms. Most of the lease terms include scheduled rent increases and common area maintenance charges. Management expects, in the normal course of business, that most of its current leases will be renewed. Rental expense for operating leases is recognized on a straight-line basis over the life of the leases. Rent expense is recognized beginning with the earlier of the date when the Company becomes legally obligated for the rent payments or the date the Company takes possession of the property resulting in deferred rent in the consolidated balance sheets. Cash or lease incentives received upon entering into certain store leases are recognized on a straight-line basis as a reduction to rent expense from the date the Company takes possession of the property through the end of the initial lease term. The unamortized portion of the incentive is recorded as part of deferred rent. Landlord incentives are amortized as a reduction to lease expense over the lease term and for the same length of time as the straight-line rent expense. Rental expense for 2020 and 2019 was $1,614,831 and $1,634,415, respectively.

Future minimum rental payments required under operating leases that have non-cancelable lease terms in excess of one year are as follows:

	Operating Leases	Sublease Properties	Total Lease Expense
2021	$ 1,237,500	$ 280,515	$ 1,518,015
2022	894,691	96,064	990,755
2023	739,272	-	739,272
2024	571,345	-	571,345
2025	367,176	-	367,176
Thereafter	426,328	-	426,328
Total	$ 4,236,312	$ 376,579	$ 4,612,891

Leases (continued)

Future minimum rentals to be received under operating leases and subleases that have non-cancelable lease terms in excess of one year are as follows:

2021	$ 625,456
2022	397,617
2023	310,582
2024	147,182
2025	140,291
Thereafter	-
Total	$ 1,621,128

Variable Interest Entities

As disclosed in the *Nature and Scope of Activities* footnote, the Company leases certain real estate from related party entities (Affiliates) and certain of the Company's debt obligations are cross guaranteed with debt obligations of these Affiliates. Due to the lease and debt guarantee arrangements, the related party entities have been identified as VIEs where the Company is the primary beneficiary and thus are required to be consolidated in the Company's financial statements under the amended provisions of FASB ASC 810.

The following table summarizes the financial information of the Affiliates, which has been included in the 2020 and 2019 consolidated financial statements:

	2020	2019
Assets:		
Cash	**$ 549,524**	$ 322,031
Property and equipment, net	**14,890,570**	15,446,170
Other assets	**2,234,189**	4,009,526
Total assets	**$ 17,674,283**	$ 19,777,727
Liabilities:		
Accounts payable and other accrued liabilities	**$ 86,436**	$ 92,956
Mortgages and notes payable	**9,283,989**	9,699,775
Total liabilities	**$ 9,370,425**	$ 9,792,731
Revenues and expenses:		
Revenues	**$ 4,628,079**	$ 4,347,748
Operating expenses	**171,662**	127,726
Depreciation and amortization	**482,491**	506,037
Net interest expense	**412,122**	476,517

Variable Interest Entities (continued)

Revenues include approximately $2,690,000 and $2,650,000 in 2020 and 2019, respectively, of rent paid by the Company to the Affiliates which are eliminated in consolidation.

The Company's maximum exposure to risk in connection with the Affiliates as of December 28, 2020 is the amount of the Affiliates' debt presented above under which the Company is a guarantor.

Related Party Transactions

The Company provides certain administrative services and leased properties to a franchise partner in which it maintains a minority interest. Fees received for administrative services were $165,293 and $169,790 in 2020 and 2019, respectively. Total lease payments received were $262,283 and $243,984 in 2020 and 2019, respectively. Licensing fees received were $2,315,830 and $839,245 in 2020 and 2019, respectively.

Additionally, the Company paid $148,767 and $315,266 in interest expense on notes to related parties in 2020 and 2019, respectively.

Employee Benefit Plan

In April 2004, the Company adopted a 401(k) profit sharing plan. All employees who have attained age 21 and have one year of service are eligible to participate in the plan. The Company contributed to the plan in the amount of $427,465 and $389,005 in 2020 and 2019, respectively.

Stock Appreciation Rights Plan

The Company has a Stock Appreciation Rights Plan (the SARs Plan), last amended October 1, 2012. The recognized liability under the SARs Plan is classified as deferred compensation in the balance sheets. Compensation expense recognized in 2020 and 2019 was $280,000 and $25,000, respectively. Under the SARs Plan, the Company set aside 465 members' units to be granted. The units were all originally granted at fair market value on the date of grant, but were all reissued on October 1, 2012 with a value per unit equal to the fair market value as of December 31, 2011. At December 31, 2012, the weighted average grant price was $3,000. There were 75 units granted in 2020 at a weighted average grant price of $10,099.

There were 75 units granted during 2018 at a weighted average grant price of $10,273. New units granted after October 1, 2012 vest at 50% after four years and 100% after five years of service from the grant date.

Stock Appreciation Rights Plan (continued)

A summary of the Units outstanding at December 28, 2020 and December 30, 2019, and the changes during the years then ended is as follows:

	Vested	Non-Vested	Total
Units outstanding - December 31, 2018	101	143	244
Granted	-	-	-
Vested	8	(8)	-
Exercised	-	-	-
Forfeited	-	-	-
Units outstanding - December 30, 2019	109	135	244
Granted	-	75	75
Vested	50	(100)	(50)
Exercised	-	-	-
Forfeited	-	-	-
Units outstanding - December 28, 2020	159	110	269

Contingencies

The Company has become subject to various lawsuits, claims and other legal matters considered normal in the course of business. While it is not feasible to predict the outcome of these actions, in the opinion of the Company, these actions should not have a material effect on the financial position or results of future operations of the Company.

Risks and Uncertainties

In March 2020, the World Health Organization declared the global novel coronavirus (COVID-19) outbreak a pandemic. As of the date of the financial statements were available to be issued, the Company's operations have not been significantly impacted by the COVID-19 outbreak. However, the Company cannot reasonably estimate at this time the specific extent, duration, or full impact that the COVID-19 pandemic will have on its financial condition and operations.

Subsequent Events

Management has evaluated subsequent events through the date of the Independent Auditor's Report, which is the date upon which the consolidated financial statements were available to be issued.

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SUPPLEMENTARY INFORMATION

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GBQ Partners

To the Members
Donatos Pizzeria, LLC and Affiliates
Columbus, Ohio

Independent Auditor's Report on Supplementary Information

We have audited the consolidated financial statements of Donatos Pizzeria, LLC and Affiliates as of and for the years ended December 28, 2020 and December 30, 2019, and our report thereon dated April 23, 2021 which expressed an unmodified opinion on those consolidated financial statements, appears on Page 3. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Consolidated Statements of Income and EBITDA, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

GBQ Partners LLC

Columbus, Ohio
April 23, 2021

DONATOS PIZZERIA, LLC AND AFFILIATES

Consolidated Statements of Income and EBITDA

For the Years Ended December 28, 2020 and December 30, 2019

	December 28, 2020	December 30, 2019
Sales	**$ 89,630,567**	$ 81,936,870
Bakery Sales	**25,347,752**	20,798,246
Licensing and Development Fee Revenue	**5,913,345**	3,839,424
Advertising Funds Revenue	**1,870,000**	1,620,000
Total revenues	**122,761,664**	108,194,540
Operating Expenses	**108,560,413**	97,978,022
Depreciation and Amortization	**3,224,591**	3,258,833
Operating Income	**10,976,660**	6,957,685
Other Income (Expense)		
Ohio BWC dividends	**3,005,636**	-
Net interest expense	**(930,295)**	(1,248,024)
Total other income (expense)	**2,075,341**	(1,248,024)
Net Income	**$ 13,052,001**	**$ 5,709,661**
Reconciliation to EBITDA:		
Net income	**$ 13,052,001**	$ 5,709,661
Net interest expense	**930,295**	1,248,024
City income taxes	**98,847**	19,080
Depreciation and amortization	**3,234,517**	3,258,833
EBITDA	**$ 17,315,660**	$ 10,235,598

The accompanying notes are an integral part of the Consolidated Statements of Income and EBITDA.

Basis of Presentation

The non-GAAP measure of income and EBITDA is used to evaluate the Company's historical operations excluding all closed or sold store locations through December 28, 2020. The Company believes that this non-GAAP measure is useful to enable readers of its consolidated financial statements to understand the performance of the Company's current operations. There were no losses from closed or sold store operations during 2020 or 2019.

Loss from closed or sold store operations would include the following:

- Net, revenues and operating expenses for Company-owned stores closed or sold through the date of disposition. Under U.S. GAAP, only under certain criteria may the operations of closed or sold stores be treated as discontinued operations in the statements of operations. This presentation treats all closed or sold stores on a comparable basis as discontinued operations.

- Expenses for closed store locations subsequent to closure.

- Gain or loss on the sale of Company stores.

EBITDA is defined as earnings before interest, income taxes, depreciation and amortization.

EXHIBIT B

FRANCHISE AGREEMENT

DONATOS® PIZZA

DONATOS PIZZERIA, LLC

FRANCHISE AGREEMENT

Franchisee Name:	
Entity Form:	__ limited liability company __ corporation __ limited partnership __ other:_____
State of Formation:	
Address of Franchisee:	
Operating Owner:	
Effective Date of Agreement:	
Grand Opening Date:	
Initial Term Expires:	
Store Number:	
Store Address:	

TABLE OF CONTENTS

SECTION			PAGE
1.	PREAMBLES, GRANT OF FRANCHISE AND DELIVERY RIGHTS		1
	A.	PREAMBLES	1
	B.	GRANT OF FRANCHISE; TERM AND RENEWAL	1
	C.	BEST EFFORTS/BUSINESS ENTITY FRANCHISEE	2
	D.	AREA OF PRIMARY DELIVERY RESPONSIBILITY	4
	E.	RIGHTS MAINTAINED BY US	5
2.	SITE SELECTION, LEASE OF SITE AND DEVELOPMENT AND OPENING OF RESTAURANT		6
	A.	DEVELOPMENT AREA; SITE SELECTION	6
	B.	LEASE OF SITE	7
	C.	DEVELOPING AND EQUIPPING THE RESTAURANT	7
	D.	COMPUTER SYSTEM	8
	E.	RESTAURANT OPENING	9
3.	FEES		9
	A.	INITIAL FRANCHISE FEE	9
	B.	LICENSING FEE	9
	C.	TRAINING FEE	10
	D.	ONLINE ORDER FEE	11
	E.	SOFTWARE MAINTENANCE AND SUPPORT FEE	11
	F.	NATIONAL MARKETING FUND CONTRIBUTION FEE	11
	G.	INTEREST ON LATE PAYMENTS	12
	H.	APPLICATION OF PAYMENTS AND RIGHT OF SET-OFF	12
4.	TRAINING AND ASSISTANCE		12
	A.	OPENING TRAINING	12
	B.	INITIAL TRAINING PROGRAM	12
	C.	CERTIFIED TRAINING RESTAURANT	13
	D.	ONGOING AND SUPPLEMENTAL TRAINING	14
	E.	EXPENSES DURING TRAINING	14
	F.	RESTAURANT MANAGERS	14
	G.	GENERAL GUIDANCE	15
	H.	OPERATIONS MANUAL	15
	I.	DELEGATION OF PERFORMANCE	16
5.	MARKS		16
	A.	OWNERSHIP AND GOODWILL OF MARKS	16
	B.	LIMITATIONS ON YOUR USE OF MARKS	16
	C.	NOTIFICATION OF INFRINGEMENTS AND CLAIMS	17
	D.	DISCONTINUANCE OF USE OF MARKS	17
	E.	INDEMNIFICATION FOR USE OF MARKS	17

SECTION **PAGE**

6. CONFIDENTIAL INFORMATION 18

7. EXCLUSIVE RELATIONSHIP 20

8. RESTAURANT OPERATION AND OPERATING STANDARDS 21
   A. CONDITION AND APPEARANCE OF RESTAURANT 21
   B. PRODUCTS AND SERVICES YOUR RESTAURANT OFFERS; ACCEPTANCE OF ONLINE ORDERING SYSTEM 22
   C. APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS 22
   D. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES 23
   E. PRICING 24
   F. INSURANCE 24
   G. COMPLIANCE WITH OPERATING STANDARDS 25

9. MARKETING 27
   A. GRAND OPENING MARKETING PROGRAM 27
   B. NATIONAL MARKETING FUND 27
   C. ADVERTISING COOPERATIVES 29
   D. ADVERTISING AND MARKETING BY YOU 29
   E. SYSTEM WEBSITES 30

10. RECORDS, REPORTS AND FINANCIAL STATEMENTS 31

11. INSPECTIONS AND AUDITS 32
   A. OUR RIGHT TO INSPECT THE RESTAURANT 32
   B. OUR RIGHT TO AUDIT 32

12. TRANSFER 33
   A. TRANSFER BY US 33
   B. TRANSFER BY YOU-DEFINED 33
   C. CONDITIONS FOR APPROVAL OF TRANSFER 34
   D. TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY 36
   E. DEATH OR DISABILITY 36
   F. EFFECT OF CONSENT TO TRANSFER 38
   G. OUR RIGHT OF FIRST REFUSAL 38

13. TERMINATION OF AGREEMENT 39
   A. FRANCHISEE'S RIGHT TO TERMINATE 39
   B. OUR RIGHT TO TERMINATE UPON NOTICE 39
   C. OUR RIGHT TO TERMINATE FOLLOWING INSPECTION 42

14. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION 42
   A. PAYMENT OF AMOUNTS OWED TO US 42
   B. DE-IDENTIFICATION 42
   C. CONFIDENTIAL INFORMATION 44
   D. CONTINUING OBLIGATIONS 44
   E. POST-TERM COVENANT NOT TO COMPETE 44

SECTION **PAGE**

F. OUR RIGHT TO PURCHASE OPERATING ASSETS 45
G. OPTION TO BUY CERTAIN EQUIPMENT 46
H. CONTINUING OBLIGATIONS 46

15. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION 47
A. INDEPENDENT CONTRACTORS 47
B. NO LIABILITY FOR ACTS OF OTHER PARTY 47
C. TAXES 47
D. INDEMNIFICATION 47

16. GENERAL RELEASE 48

17. ENFORCEMENT 48
A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS 48
B. WAIVER OF OBLIGATIONS 49
C. COSTS AND ATTORNEYS' FEES 50
D. YOU MAY NOT WITHHOLD PAYMENTS 50
E. SPECIFIC PERFORMANCE/INJUNCTIVE RELIEF 50
F. RIGHTS OF PARTIES ARE CUMULATIVE 50
G. MEDIATION 50
H. ARBITRATION 51
I. GOVERNING LAW 52
J. CONSENT TO JURISDICTION 53
K. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL 53
L. BINDING EFFECT 53
M. LIMITATIONS OF CLAIMS 53
N. CONSTRUCTION 54

18. NOTICES AND PAYMENTS 55

19. ELECTRONIC MAIL 55

20. ACKNOWLEDGMENTS 56

EXHIBITS

EXHIBIT A -- BASIC TERMS (with approved Site)
ALTERNATIVE EXHIBIT A -- BASIC TERMS (Development Area to locate a Site)
EXHIBIT B -- OWNERS AND OPERATING PARTNER
EXHIBIT C -- COLLATERAL ASSIGNMENT OF LEASE
EXHIBIT D GUARANTY

DONATOS PIZZERIA® Restaurant
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into as of this _____ day of _____, 20__ (the "Effective Date"), between DONATOS PIZZERIA, LLC, a Delaware limited liability company with its principal business address at 935 Taylor Station Road, Columbus, Ohio 43230 ("we," "us" or "our"), and _____, whose principal business address is _____ ("you" or "your").

1. PREAMBLES, GRANT OF FRANCHISE AND DELIVERY RIGHTS

A. PREAMBLES

(1) We and our predecessors have designed and developed a method of developing and operating restaurants that offer fresh, high quality pizzas, sandwiches and other foods in a distinctive setting ("Donatos Pizza Restaurants").

(2) We and our predecessors have developed, and we use, promote and license, certain trademarks, service marks and other commercial symbols in operating Donatos Pizza Restaurants, including "Donatos®" and "Donatos Pizza®," and we may create, use and license other trademarks, service marks and commercial symbols for use in operating Donatos Pizza Restaurants (collectively, the "Marks").

(3) We offer franchises to own and operate a Donatos Pizza Restaurant offering the products and services we authorize (and only the products and services we authorize) and using our business system, business formats, methods, procedures, signs, designs, layouts, trade dress, standards, specifications and Marks, all of which we may improve, further develop and otherwise modify from time to time (collectively, the "Franchise System").

(4) You have applied for a franchise to own and operate a Donatos Pizza Restaurant, and we have approved your application relying on all of your representations, warranties and acknowledgments contained in the application and this Agreement.

B. GRANT OF FRANCHISE; TERM AND RENEWAL

You have applied for a franchise to own and operate a Donatos Pizza Restaurant at a single location as agreed by you and us (the "Site"). Such Site is specified on Exhibit A, attached hereto and incorporated herein. Alternatively, if you do not have a location selected for your Restaurant at the time of execution of this Agreement which has been accepted by us, you will execute Alternative Exhibit A, attached hereto and incorporated herein, whereby we will assign to you a set geographical area as set forth in Alternative Exhibit A, within which the location of your Restaurant must be established ("Development Area"). Within one hundred twenty (120) days after the Effective Date (the "Search Period"), you must select and obtain our acceptance of a location for your Restaurant which will be the Site. The Development Area is more thoroughly

described below in Section 2.A. At the time the Site is located and secured pursuant to the terms of this Agreement, you will execute a new Exhibit A to designate the Site, which will replace Alternative Exhibit A in all respects. At the time you and we execute a new Exhibit A, we will designate a set geographical territory within which you will deliver pizzas around the Site (more thoroughly described and defined below as the Area of Primary Delivery Responsibility). Subject to the terms of this Agreement, you will have certain exclusive rights as specified in Section 1.D and provided you are in full compliance with this Agreement and all other agreements between you and us (or any of our affiliates). See Section 1.D regarding the designation of, and rights within, your Primary Area of Delivery Responsibility.

Subject to the terms of this Agreement, we grant you a franchise (the "Franchise") to operate a Donatos Pizza Restaurant at the Site (the "Restaurant"), and to use the Franchise System in its operation, for a term of twenty (20) years beginning on the date your Restaurant is first opened to the general public for service (the "Grand Opening Date"), unless sooner terminated pursuant to the terms of this Agreement. For the avoidance of doubt, unless otherwise renewed as provided below, the term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until the earlier of either (i) the expiration of twenty (20) years from the Grand Opening Date, or (ii) the termination of this Agreement as provided herein. This Agreement does not grant you the right to use the Franchise System at any location other than the Site, and you may not relocate the Restaurant without our prior written approval.

At the end of the term of this Agreement, you will have the right to renew the Franchise and continue operating the Restaurant as a Donatos Pizza Restaurant for a five (5) year renewal term under our then current form of agreement, but only if you have (a) given us written notice of your election to renew at least one hundred eighty (180) days, but no more than three hundred sixty-five (365) days, before the end of the term of this Agreement, (b) complied with all of your obligations under this Agreement (including your monetary obligations to us and our affiliates) throughout the term, (c) remodeled and upgraded the Restaurant and otherwise brought the Restaurant into full compliance with the specifications and standards then applicable for new Donatos Pizza Restaurants, and (d) continually operated the Restaurant in a manner consistent with our mission statement and philosophies as periodically modified and amended in the Operations Manual. To renew the Franchise, you and your Owners must sign (i) our then current form of franchise agreement (and related documents), modified to reflect the fact it is for a renewal franchise, except that we will not charge you an initial franchise fee or renewal fee, and (ii) a general release in a form prescribed by us as to any and all claims against us and our affiliates, and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

C. BEST EFFORTS/BUSINESS ENTITY FRANCHISEE

Only you are authorized to operate the Restaurant. You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the rights granted under this Agreement.

If you are at any time a corporation, a limited liability company, a general, limited, or limited liability partnership, or another form of business entity (collectively, an "Entity"), you agree and represent that:

(1) Your organizational documents, operating agreement, or partnership agreement will recite that this Agreement restricts the issuance and transfer of any Ownership Interests in you, and all certificates and other governing documents representing Ownership Interests (including but not limited to an operating or LLC agreement) in you will bear a legend referring to this Agreement's restrictions. For purposes of this Agreement, "Ownership Interests" means (i) in relation to a corporation, shares of capital stock (whether common stock, preferred stock or any other designation) or other equity interests; (ii) in relation to a limited liability company, membership interests or other equity interests (whether incentive or profits interests); (iii) in relation to a partnership, a general or limited partnership interest; (iv) in relation to a trust, a beneficial interest in the trust; and (v) in relation to any Entity (including those described in (i) through (iv) above), any other interest in that Entity or its business that allows the holder of that interest (whether directly or indirectly) to direct or control the direction of the management of the Entity or its business (including a managing partner interest in a partnership, a manager or managing member interest in a limited liability company, and a trustee of a trust), or to share in the revenue, profits or losses of, or any capital appreciation relating to, the Donatos Pizza Restaurant, that Entity or its business;

(2) Exhibit B to this Agreement completely and accurately describes all of your Owners (as defined below) and their Ownership Interests in you. Subject to our rights and your obligations under Section 12, you and your Owners agree to sign and deliver to us revised Exhibits B to reflect any changes in the information that Exhibit B now contains. For purposes of this Agreement, "Owner" means any individual or Entity holding a direct or indirect Ownership Interest (whether of record, beneficially, or otherwise) in you;

(3) Each of your Owners at any time (current and future, and their spouses, if they are married) during this Agreement's term shall execute the Guaranty and Assumption of Obligations Agreement, in the form attached to this Agreement as Exhibit D, whereby each such Owner personally agrees to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us;

(4) The Restaurant and other Donatos Pizza Restaurants, if applicable, will be the only businesses you operate (although your Owners may have other, non-competitive business interests); and

(5) An individual whom we approve (the "Operating Partner") must (A) either (i) directly or indirectly own at least five percent (5%) of the Ownership Interests in you or (ii) receive his or her employment compensation package from you in a form that is based upon the profitability of the Donatos Pizza Restaurants that you own (including, without limitation, profit sharing compensation, stock appreciation rights, incentive equity or other comparable packages) which such profit sharing compensation is equal to or greater than five percent (5%) of the outstanding Ownership Interests, and (B) devote all of his or her business time and efforts (i.e. at least forty (40) hours per week) to the operation of, and to promote and enhance the business of, the Restaurant and/or other Donatos Pizza Restaurants that you own (if any). We must approve of the applicable ownership or compensation structure for the Operating Partner and you shall provide

evidence of the ownership or compensation package as we may reasonably request. The Operating Partner's name is listed on Exhibit B. You acknowledge that we may also communicate with and direct communications regarding the Franchise System, operational standards, and matters arising under this Agreement with the Operating Partner.

D. AREA OF PRIMARY DELIVERY RESPONSIBILITY

At the time we designate the Site for your Restaurant, we will designate an area as your "Area of Primary Delivery Responsibility." The Area of Primary Delivery Responsibility will be marked on the final Exhibit A, executed by you and us, attached hereto and incorporated herein. We (in our good faith judgment) determined the Area of Primary Delivery Responsibility based on an assessment of your likely ability to deliver pizzas to all locations in the Area of Primary Delivery Responsibility by driving no more than eight (8) minutes. Periodically during the term of this Agreement, if the population, demographics, drive times, or other market or economic conditions in the geographic area that includes all or part of the Area of Primary Delivery Responsibility change such that we (in our good faith judgment) determine that you are likely unable to deliver pizzas to all locations in the Area of Primary Delivery Responsibility by driving no more than eight (8) minutes, then we may, upon thirty (30) days' written notice to you, modify your Area of Primary Delivery Responsibility to an area that we (in our good faith judgment) determine would likely enable you to deliver pizzas to all locations in the Area of Primary Delivery Responsibility by driving no more than eight (8) minutes.

Provided you are in full compliance with this Agreement and all other agreements between you (or any of your Affiliated Entities) and us (or any of our affiliates), during the term of this Agreement, neither we nor any of our affiliates will operate, or grant a franchise for the operation of, a Donatos Pizza Restaurant that operates under the Marks and is physically located within the Area of Primary Delivery Responsibility, except for Donatos Pizza Restaurants at locations which are Non-Traditional Sites. For purposes of this Agreement, "Non-Traditional Sites" shall mean captive market locations, which shall include, without limitation, venues in which foodservice is or may be provided or controlled by a master concessionaire or contract foodservice provider, industrial foodservice venues, businesses, any grocery stores, food courts, convention centers, zoos, amusement parks, military bases, hotels, universities, educational centers, hospitals, locations on limited access highways, car and truck rest stops, travel centers, airports, train stations, museums, casinos, or sports or entertainment venues or stadiums, whether existing when or constructed after you sign this Agreement. However, Donatos Pizza Restaurants located at Non-Traditional Sites within the Area of Primary Delivery Responsibility shall not offer delivery service for any Donatos Core Products to locations within the Area of Primary Delivery Responsibility during the term of this Agreement. "Donatos Core Products" means any ready-to-eat products (including fully-baked pizza) that are identified by the Marks and that we periodically designate as core products to be offered and sold by all Donatos Pizza Restaurants. "Donatos Core Products" does not include any products (including pizza) that are not ready-to-eat (for example, take-and-bake pizza and frozen pizza) or any products that are not identified by the Marks. You acknowledge and agree that nothing in this Section prohibits or prevents the delivery of Donatos Core Products into the Area of Primary Delivery Responsibility by delivery service providers and/or third party delivery services (hereinafter, such provider, a "DSP") through DSP websites or mobile applications, including, without limitation, DoorDash,

Grub Hub, and Uber Eats. You, along with other franchisees, licensees, and Donatos-owned locations or Red Robin Restaurants operating the Nested Donatos Systems may sell Donatos Core Products on DSP sites and mobile applications. You acknowledge that Donatos cannot control or limit the delivery scope or delivery areas of DSPs and, therefore, customers within your Area of Primary Delivery Responsibility may order Donatos Core Products from you, us or other franchisees and licensees selling the same Donatos Core Products and the DSP may make such delivery into your Area of Primary Delivery Responsibility without violation of the rights granted to you in this Section 1.D.

E. RIGHTS MAINTAINED BY US

We (and any affiliates that we might have from time to time) shall at all times have the right to engage in any activities we deem appropriate that are not expressly prohibited by this Agreement, whenever and wherever we desire, including:

(1) establishing and operating, and granting rights to other persons to establish and operate, on any terms and conditions we deem appropriate, Donatos Pizza Restaurants or any similar or dissimilar businesses at any locations (including Non-Traditional Sites or Red Robin Restaurants offering Donatos Core Products) outside the Area of Primary Delivery Responsibility, and at any Non-Traditional Sites within the Area of Primary Delivery Responsibility. However, Donatos Pizza Restaurants located at Non-Traditional Sites within the Area of Primary Delivery Responsibility shall not offer delivery service for any Donatos Core Products to any location within the Area of Primary Delivery Responsibility during the term of this Agreement;

(2) all rights relating directly or indirectly to the Marks in connection with any methods of distribution, except as specifically set forth in Section 1.D. This includes providing, and granting rights to other persons to provide, goods and services similar or dissimilar to, and/or competitive with, those provided at Donatos Pizza Restaurants, whether identified by the Marks or other trademarks or service marks, through mail order, sales over the Internet and other electronic media, mobile applications, ghost kitchens, DSP and third party delivery applications, services and vendors, kiosks, grocery stores and other retail sales, and at any locations, whether within or outside the Area of Primary Delivery Responsibility (subject only to your rights with respect to Donatos Pizza Restaurants being physically located within your Area of Primary Delivery Responsibility granted in Section 1.D). For the avoidance of doubt, delivery of Donatos Core Products may occur within your Area of Primary Delivery Responsibility by DSPs and other third party delivery services and vendors;

(3) acquiring the assets or Ownership Interests of one or more businesses providing products and services similar or dissimilar to those provided at Donatos Pizza Restaurants, and franchising, licensing or creating other arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including within the Area of Primary Delivery Responsibility); and

(4) being acquired (regardless of the form of transaction) by a business providing products and services similar or dissimilar to those provided at Donatos Pizza Restaurants, or by another business, even if such business operates, franchises and/or licenses competitive restaurants within the Area of Primary Delivery Responsibility.

2. SITE SELECTION, LEASE OF SITE AND DEVELOPMENT AND OPENING OF RESTAURANT

A. DEVELOPMENT AREA; SITE SELECTION

If you do not have a Site determined at the time of execution of this Agreement, we will instead assign to you a Development Area. The Development Area will be based upon many factors, including geographical boundaries, political boundaries, population, demographics, and other parameters more fully described in the Operations Manual, and therefore the size of the Development Area will vary amongst franchisees. There is no minimum or maximum size for a Development Area. The Development Area is a protected area for your Restaurant and during the Search Period, we will not grant any other franchisee, prospective current, to search for a Site within the Development Area. We may, however, upon thirty (30) days' written notice to you, modify your Development Area based on changes in circumstances, such as changes in the population, demographics, or other market or economic conditions in the geographic area that includes all or part of your Development Area. You hereby acknowledge and agree that it is your responsibility to independently investigate and locate an acceptable Site within the Development Area. You further acknowledge and agree that we have made no representations or warranties of any kind, express or implied, of the suitability of the Development Area or any future Site for a Donatos Pizza Restaurant or any other purpose.

Within the Search Period you must select and obtain our acceptance of a Site for the Restaurant and secure the rights to the premises, whether by lease or purchase. You are responsible for finding a location and premises within the Development Area that meets our general standards, including size, layout, and other physical characteristics, as well as rental and lease terms, pursuant to the terms contained in this Agreement. Your Site may not be located within any protected territory of any restaurant operated under the "Red Robin"® or "Red Gourmet Burgers and Brews"® brand name ("Red Robin Restaurants") which is either in existence or under construction at the time you execute this Agreement. If you cannot locate and secure an acceptable location for the Site within the Search Period, you will lose your right to exclusivity to the Development Area and we may grant another franchisee the right to a Site within the Development Area. If you fail to locate and secure a Site within the Development Area within one hundred eighty (180) days from the Effective Date of this Agreement, you will be in material breach of this Agreement and we may terminate this Agreement and your rights herein.

If you have a Site determined at the time of execution of this Agreement, you hereby acknowledge that you have independently investigated and located, and we (based on the information you provided to us) accepted, the Site before signing this Agreement. If you do not have a Site determined at the time of execution of this Agreement, you hereby acknowledge and agree that it is your responsibility to independently investigate and locate such a Site. Even if we recommended or gave you information regarding the Site, you acknowledge and agree that we

have made no representations or warranties of any kind, express or implied, of the suitability of the Site for a Donatos Pizza Restaurant or any other purpose.

Our acceptance of a Site, whenever it may be located, indicates only that we believe that the Site meets our then acceptable criteria. Applying criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if the Site fails to meet your or our expectations. You acknowledge and agree that your acceptance of the Franchise was based on your own independent investigation of the suitability of the Site.

B. LEASE OF SITE

We have the right to approve the terms of any lease or sublease for the Site (the "Lease") before you sign it. The Lease must contain the terms and provisions that are reasonably acceptable to us. You must sign the Collateral Assignment of Lease attached as Exhibit C (the "Collateral Assignment of Lease") under which you will collaterally assign the Lease to us as security for your timely performance of all obligations under this Agreement. You also must obtain the lessor's or sublessor's consent to the Collateral Assignment of Lease, either by having the lessor sign the Consent attached to Exhibit C or by including similar language in which is acceptable to us in the Lease. You acknowledge that our approval or acceptance of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Donatos Pizza Restaurant operated at the Site or of the economic terms within the Lease. Our approval indicates only that we believe that the Lease's terms meet our then acceptable criteria for protections for the System. You must give us a copy of the fully-signed Lease prior to the Grand Opening Date for the Restaurant.

C. DEVELOPING AND EQUIPPING THE RESTAURANT

At your expense, you must construct, install trade dress and furnish all Operating Assets in, and otherwise develop the Restaurant at the Site according to our standards, specifications and directions. The term "Operating Assets" means all required furniture, equipment (including Computer System (defined below) components), smallwares, furnishings and signs that we require for the Restaurant. Unless we specify otherwise, the Restaurant must have a pick-up window.

Unless you are buying an existing Donatos Pizza Restaurant simultaneously with signing this Agreement, we will give you mandatory and suggested specifications and layouts for a Donatos Pizza Restaurant, including requirements for dimensions, design, image, interior layout, decor, Operating Assets, and color scheme. It is your responsibility to prepare all required construction plans and specifications to suit the Site and to make sure that they comply with the Americans with Disabilities Act (the "ADA") and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions. You must submit construction plans and specifications to us for approval before you begin constructing the Restaurant and all revised or "as built" plans and specifications during construction. Our review is limited to

ensuring your compliance with our design requirements. Our review is not designed to assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with such laws is your responsibility. You must remedy, at your expense, any noncompliance or alleged noncompliance with such laws. We may periodically inspect the Site while you are developing the Restaurant.

You also must: (1) obtain whatever business licenses and permits are required by state and local authorities to operate the Restaurant, including, if applicable, a liquor license; and (2) purchase an opening supply of authorized and approved food and beverage products, ingredients, supplies and all other materials required for use at the Restaurant (collectively, "Products"). In developing and operating the Restaurant, you shall use only those Operating Assets and Products that we approve for Donatos Pizza Restaurants as meeting our specifications and standards for quality, design, appearance, sound, function and performance. You shall place or display, in accordance with our guidelines, at the Site (interior and exterior) and on delivery vehicles only the signs, emblems, lettering, logos and display materials that we approve from time to time. If we require, you must purchase or lease only approved brands, types and/or models of Operating Assets and Products and/or purchase or lease them only from suppliers we designate or approve (which may include or be limited to us or our affiliates).

D. COMPUTER SYSTEM

In operating the Restaurant, you shall use only those brands, types, makes, and/or models of communications and computer systems, including the back office and point of sale components, networking gear, other hardware and operating software (collectively, the "Computer System"), that we specify from time to time. If we are the reseller of the Computer System and its components, you shall pay us for the cost of the Computer System. We may periodically modify specifications for and components of the Computer System. These modifications and/or other technological developments or events may require you to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System, you shall incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions or modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. You shall obtain the components of the Computer System that we periodically designate and ensure that your Computer System, as modified, is functioning properly (i) within sixty (60) days after you receive notice from us if the total cost of the modification is Two Thousand Five Hundred Dollars ($2,500) or less, or (ii) within six (6) months after you receive notice from us if the total cost of the modification is more than Two Thousand Five Hundred Dollars ($2,500). Except for the Computer System, you shall not, without our prior written consent, operate or use any other computer system at the Restaurant or in connection with your operation of the Restaurant.

You shall sign any Software License Agreement, End User Agreement or similar document that we or our affiliates prescribe to regulate your use of, and our (or our affiliate's) and your respective rights and responsibilities with respect to, any software other technology or maintenance or support services that we or they periodically provide.

Notwithstanding any products and services for the Computer System that we provide to you and the fact that you must buy, use and maintain the Computer System under our standards and specifications, and notwithstanding the software, other technology and/or maintenance and support services that we or our affiliates might periodically provide to you, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance and upgrading of the Computer System; (2) the manner in which your Computer System is interconnected with our computer system and those of other third parties; and (3) any and all consequences that may arise if the system is not properly operated, maintained and upgraded or if the Computer System (or any of its components) fails to operate on a continuous basis or as we or you expect.

E. RESTAURANT OPENING

You shall not open the Restaurant for business and begin operating the Restaurant until: (1) you have properly developed and equipped the Restaurant according to our standards and specifications and in compliance with all applicable laws, rules and regulations; (2) all pre-opening training for the Restaurant's personnel has been completed to our satisfaction; (3) all amounts then due to us have been paid; (4) you have obtained all required licenses and permits (including, if applicable, a liquor license) to operate the Restaurant; (5) we have been furnished with copies of all insurance policies required under this Agreement, or such other evidence of insurance coverage and payment of premiums as we request; (6) you give us a copy of your executed Lease; (7) you give us a copy of your organizational documents and any other documents we deem necessary; (8) you give us completed documents for electronic funds transfer payments according to Section 3.B; and (9) we have conducted a pre-opening inspection and certified the Restaurant for opening. Our determination that you have met all of our pre-opening requirements will not constitute a waiver of your non-compliance or of our right to demand full compliance with such requirements. You further agree to open the Restaurant for business and commence conducting business at the Restaurant under this Agreement on or before the "Projected Opening Date" listed on Exhibit A. For the avoidance of doubt and without limiting the generality of the foregoing, you agree that the Grand Opening Date shall be on or before the Projected Opening Date.

3. FEES

A. INITIAL FRANCHISE FEE

You shall pay us a nonrecurring and nonrefundable initial franchise fee in the amount specified on Exhibit A when you sign this Agreement. This fee is fully earned by us when you sign this Agreement.

B. LICENSING FEE

You shall pay us, on or before the day of the week that we periodically specify (the "Payment Day"), a licensing fee ("Licensing Fee") equal to a certain percentage, as determined in this Section 3.B. of the Restaurant's Net Sales during the previous week. From the Effective Date through the final week of the 2022 fiscal year for the Donatos franchise system, the Licensing Fee shall be equal to four (4%) of the Restaurant's Net Sales during the previous week. In this Agreement, "Net Sales" shall mean and include the aggregate of all sales and other

revenue of whatever kind and nature in connection with the Restaurant, from all sources whether from check, cash, credit, charge account, debit account, exchange, barter or otherwise (including, without limitation, proceeds received from any business interruption or casualty insurance for loss of business due to a casualty or similar event), and shall include the amounts received from the sale of goods, wares and merchandise, including sales of food (including employee meals), beverages and tangible property of every kind and nature, promotional or otherwise and for services performed at or from the Restaurant (including any delivery fees charged to consumers), together with the amount of all orders taken or received at the Restaurant, whether such orders are filled from the Restaurant or elsewhere. Net Sales shall not include: (1) sales of goods for which cash has been refunded, provided that such sales shall have previously been included in Net Sales; (2) the amount of any sales tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or absorbed therein and actually paid by you to such governmental authority; (3) the face value of coupons or discounts redeemed by customers; or (4) the proceeds from the resale of restaurant equipment. For the avoidance of doubt, commissions on sales and any expenses and fees paid to third party contractors for delivery services of goods from or by the Restaurant shall not reduce Net Sales. Each charge or sale upon credit shall be treated as a sale for the full price on the day during which such charge or sale shall be made, irrespective of the time when you receive payment (whether full or partial, or at all) therefor. Amounts paid by gift certificate, gift card or similar program are included in Net Sales when the gift certificate, other instrument or applicable credit is redeemed.

At our request, you must sign and deliver to us the documents we periodically require to authorize us to debit your business checking account automatically for the Licensing Fee and other amounts due under this Agreement or any related agreement between us (or our affiliates) and you. We will debit your account for the Licensing Fee on or after the Payment Day, based on Net Sales for the previous week. You shall make the funds available for withdrawal by electronic transfer before each due date. In connection with the automatic debit program, we may require you to procure, at your expense, overdraft protection for your business checking account in an amount that we prescribe. If you fail to report the Restaurant's Net Sales for any week, we may debit your account for one hundred twenty percent (120%) of the Licensing Fee that we debited for the previous week. If the Licensing Fee we debit from your account is less than the Licensing Fee you actually owe us for the week (once we have determined the Restaurant's true and correct Net Sales for the week), we will debit your account for the balance of the Licensing Fee due on the day we specify. If the Licensing Fee we debit from your account is greater than the Licensing Fee you actually owe us for the week (once we have determined the Restaurant's true and correct Net Sales for the week), we will credit the excess against the amount we otherwise would debit from your account during the following week, without interest. You also agree to reimburse us for any "insufficient funds" charges and related expenses we incur in connection with (i) any checks we receive from you; or (ii) your failure to maintain sufficient funds in your automatic debit account.

You may not subordinate to any other obligation your obligation to pay the Licensing Fee or any other fee or charge under this Agreement.

C. TRAINING FEE

The Opening Training (as defined below) is provided for no additional cost for the first Restaurant that you (or your Affiliates) open. You are required to receive the Opening Training for the opening of the second Restaurant that you (or your Affiliates) open, and you shall pay us a nonrecurring and nonrefundable training fee (the "Training Fee") for such Opening Training. At your option, you may choose to receive the Opening Training for any subsequent Restaurant that you (or your Affiliates) open after your second Restaurant, and you shall pay the Training Fee for receiving such training. The Training Fee shall be in an amount equal to the lesser of either (i) Fifteen Thousand Dollars ($15,000.00), or (ii) our actual costs and expenses associated with providing the Opening Training to you. The Training Fee is due within fifteen days of our notice to you of our final calculation of the Training Fee upon completion of the Opening Training.

D. ONLINE ORDER FEE

You shall pay us an online transaction fee for each customer order made or placed through our System Website (as defined below) which is then fulfilled by your Restaurant (the "Online Order Fee"). We shall specify the amount of the Online Order Fee from time to time; provided, however, the Online Order Fee shall not be less than twenty-five cents ($0.25) per order nor more than fifty cents ($0.50) per order. On the Payment Date, you shall pay us the Online Order Fee for the number of online orders received and fulfilled for your Restaurant during the previous week. The Online Order Fee shall paid to us in the same manner as the payment of the Licensing Fee.

E. SOFTWARE MAINTENANCE AND SUPPORT FEE

We may charge you reasonable fees if we develop or have developed (and, once developed, for supporting, modifying and enhancing) software or other technology that we or our affiliates periodically license to you and for other Computer System maintenance and support services that we or our affiliates periodically provide to you, including help desk services, data management services, polling and network administration, and software support; however, any such Computer System-related fees that we or our affiliates periodically charge you will be at the rate that we uniformly charge to all other Donatos Pizza Restaurants, including our company-owned locations, for the same or similar products and services. We also may charge you for the Restaurant's share of certain fees and charges periodically imposed by one or more vendors for software or other products or services relating to the Computer System and the computer systems of other Donatos Pizza Restaurants. If we charge you for these fees, you shall pay the amount of such fees on the Payment Date in the same manner as the payment of the Licensing Fee.

F. NATIONAL MARKETING FUND CONTRIBUTION FEE

You shall pay us, on the Payment Date, a reoccurring fee, in the amount that we designate from time to time, which will not exceed four percent (4%) of your Net Sales, for the National Marketing Fund (as defined below) (such fee the "National Marketing Fee"). The current National Marketing Fee is set forth on Exhibit A, however we reserve the right to modify such, subject to the terms set forth herein. The National Marketing Fee shall be paid to us in the same manner as the payment of the Licensing Fee. The National Marketing Fee shall be used by us pursuant to the terms and conditions set forth in Section 9.B below.

G. INTEREST ON LATE PAYMENTS

All amounts which you owe us (including Licensing Fee payments), if not paid within seven (7) days after the due date, will bear interest beginning after their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. If we institute an automatic debit program for the Restaurant, we may debit your account automatically for these amounts. You acknowledge that this Subsection is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Restaurant. You further acknowledge that your failure to pay all amounts that you owe us when due constitutes grounds for our terminating this Agreement under Section 13, notwithstanding this Subsection.

H. APPLICATION OF PAYMENTS AND RIGHT OF SET-OFF

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us (or our affiliates). We may set-off any amounts you or your Owners owe us or our affiliates against any amounts we or our affiliates might owe you or your Owners, whether in connection with this Agreement or otherwise.

4. TRAINING AND ASSISTANCE

A. OPENING TRAINING

We provide a training team consisting of between five (5) and seven (7) people (at our option) (the "Training Team") which travels on-site to your Restaurant to assist with training the Restaurant's staff and help with the Restaurant's grand opening (the "Opening Training"). The size of such training team may be amended in our sole discretion. We have sole discretion in determining the Training Team's composition and the length of their stay at the Restaurant, however, the Training Team generally arrives about a week before the Grand Opening Date and remains at the Restaurant in a limited capacity for up to five (5) weeks as necessary, in our sole discretion. If the Training Team arrives at the Restaurant and cannot begin work, whether because the Restaurant is not sufficiently developed to allow for training or for any other reason, then you must reimburse us for our additional expenses (including the Training Team's travel and living expenses) related to the delay, which will be in addition to any Training Fee which may be applicable pursuant to Section 3.C. If you request and we agree, some or all of the Training Team's members may remain at the Restaurant following the completion of the Opening Training period described in this Section 4.A at your expense. You acknowledge and agree that employees of yours are not required to complete specific training or tasks to our satisfaction during the Opening Training and we will not be in control over your employees during any portion of the Opening Training.

B. INITIAL TRAINING PROGRAM

Before the Restaurant opens for business (or, if you are buying an existing Donatos Pizza Restaurant, before you may commence operating the Restaurant), certain personnel of yours must attend and complete our current, approved initial training program on the operation of a Donatos Pizza Restaurant. The initial training program may include classroom training, instruction at designated facilities, hands-on training at an operating Donatos Pizza Certified

Training restaurant, remote training (including via videotape, compact disk or Internet access) and/or self-study programs. You acknowledge that we might already have begun providing this initial training program before you sign this Agreement. The Restaurant personnel who must attend our initial training program, and the location where most of the training will occur, depends on whether you or one of your affiliates operates a Certified Training Restaurant (defined in Subsection 4.C below); provided, however, at a minimum, you are required to have three (3) manager-level positions (inclusive of the Operating Partner), each of whom we must approve, in our sole discretion, attend our initial training program.

(1) If neither you nor any of your affiliates operates a Certified Training Restaurant as of the Effective Date, then the Operating Partner, the Restaurant's proposed general manager, and each of the Restaurant's proposed assistant general managers and shift managers whom we designate must attend and satisfactorily complete our initial training program before the Training Team arrives at the Restaurant. Such training will occur at one or more of our approved locations, which may include our home office.

(2) If you or one of your affiliates operates a Certified Training Restaurant as of the Effective Date, then the Restaurant's proposed general manager and other Restaurant personnel whom we designate must attend and satisfactorily complete our initial training program before the Restaurant opens for business. The majority of such training will occur at your or your affiliate's Certified Training Restaurant, but certain parts of such training will occur at our home office.

The applicable personnel, each of whom we must approve, in our sole discretion, must complete our initial training program to our satisfaction and participate in all other activities we require before you begin operating the Restaurant. If we determine that you or any of your personnel cannot complete the initial training programs to our satisfaction, we may, at our option, either (1) require you or your personnel to attend additional training programs at your expense (for which we may charge reasonable fees), or (2) terminate this Agreement under Section 13. If you and your personnel satisfactorily complete our initial training program and do not expressly inform us at the end of the initial training program that you feel that you or they have not been adequately trained, then you and they will be deemed to have been trained sufficiently to operate a Donatos Pizza Restaurant. You acknowledge and agree that during all hours of operation of the Restaurant, you are required to have on-site at least one manager-level personnel staff member that has completed our initial training program as set forth in our Operations Manual.

C. CERTIFIED TRAINING RESTAURANT

If neither you nor any of your affiliates operates a Certified Training Restaurant, then, within twelve (12) months after you begin operating the Restaurant, you must complete to our satisfaction the necessary training and attain the minimum benchmarks we periodically specify for us to designate the Restaurant as a Certified Training Restaurant. A "Certified Training Restaurant" is a Donatos Pizza Restaurant whose management personnel has obtained and maintained the training, and met certain other operational criteria and benchmarks, that we periodically specify to achieve and retain such designation. Once the Restaurant has been designated as a "Certified Training Restaurant," your personnel must train personnel from your

(and your affiliates') other Donatos Pizza Restaurants, if any. We will provide training materials to assist you. You will pay a third party for such training materials.

D. ONGOING AND SUPPLEMENTAL TRAINING

During the term of this Agreement, we may require you and/or previously trained and experienced employees at the Restaurant to attend and satisfactorily complete various training courses, programs and conventions that we choose to provide periodically at the times and locations we designate. We may charge reasonable fees for these training courses, programs and conventions. We may also charge for the cost of printing, reproducing and delivery of updated, additional, or refresher training materials that are required in the operation of your Restaurant. We also may require you to conduct periodic training for Restaurant personnel using the formats and procedures that we specify. We may also require you to obtain third party software and pay reoccurring subscription fees for access to particular training materials.

If we determine that a Restaurant manager has failed to satisfactorily complete the then current training curriculum for his or her position in the Restaurant or any additional or refresher training program, you shall immediately hire a substitute manager and promptly arrange for such person to complete the then current training curriculum to our satisfaction. If we provide such additional training at your Restaurant's location or at another location other than our training center, whether for a substitute or replacement manager, an additional manager or any other manager who has failed to complete any training program to our satisfaction, you will pay us for any and all expenses we incur (including travel and living expenses).

E. EXPENSES DURING TRAINING

You will be responsible for your and your employees' travel, living and other expenses (including local transportation expenses) and compensation incurred in connection with attendance at any training programs or work at Donatos Pizza Restaurant that is part of their development.

F. RESTAURANT MANAGERS

(1) The Restaurant shall, at all times, have a general manager and an assistant general manager who are fully qualified and have completed our training curriculum for Donatos Pizza Restaurant general managers to our satisfaction. If a general manager or an assistant general manager ceases holding his or her position at the Restaurant, you must appoint a fully qualified replacement, and he or she must begin our training program, within ninety (90) days thereafter.

(2) Neither you nor any of your affiliates may hire any of our or our affiliate's hourly, assistant, or general managers, general managers, district supervisors, or executive level employee (each hereinafter a "Donatos Manager") to work at the Restaurant or otherwise for you or your affiliates without our approval. If we do approve, you must pay us a manager fee to partially cover our and our affiliate's cost to locate and retrain the Donatos Manager's replacement (the "Manager Fee"). The cost of such Manager Fee will range between Five Thousand Dollars ($5,000) and Fifty

Thousand Dollars ($50,000), depending on a variety of factors, including the title and tenure of the manager brought in.

G. GENERAL GUIDANCE

We will advise you from time to time regarding the Restaurant's operation based on your reports or our inspections, including with respect to:

(1) standards, specifications, operating procedures and methods that Donatos Pizza Restaurants use;

(2) purchasing required or recommended Operating Assets and Products (including, without limitation, e-learning);

(3) if you request and we agree, the training of your employees; and

(4) administrative, bookkeeping and accounting procedures.

We will guide you in our operating manual and other technical manuals ("Operations Manual"); in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or the Restaurant. If you request and we agree to provide additional or special guidance, assistance or training, you must pay our then applicable charges, including our personnel's per diem charges and any travel and living expenses.

H. OPERATIONS MANUAL

We will provide you access to, for use in operating the Restaurant during this Agreement's term, one (1) copy of our Operations Manual, which might be or include audiotapes, videotapes, computer disks, compact disks and/or other written or intangible materials which may be made available to you by various means, including access through the Internet. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures and rules that we periodically prescribe for operating a Donatos Pizza Restaurant ("Operating Standards") and information on your other obligations under this Agreement. We may modify the Operations Manual periodically to reflect changes in Operating Standards, but these modifications shall not alter your fundamental rights or status under this Agreement. You agree that the Operating Standards we prescribe in the Operations Manual are part of this Agreement as if fully set forth herein. All references to this Agreement include all Operating Standards as periodically modified.

You shall keep your copy of the Operations Manual current and communicate all updates to your employees in a timely manner. In addition, you shall keep your Operations Manual in a secure location at the Restaurant. If there is a dispute over its contents, our master copy of the Operations Manual controls. You agree that the contents of the Operations Manual are confidential and that you will not disclose the Operations Manual to any person other than Restaurant employees who need to know its contents. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual. You must pay our then applicable charge for any replacement copy of the Operations Manual and/or for updates to the Operations Manual.

The Operating Standards do not include any personnel policies or procedures or security-related policies or procedures which we (at our option) may make available to you in the Operations Manual or otherwise for your optional use. You shall determine to what extent, if any, such policies and procedures may be applicable to your operations at the Restaurant. You and we recognize that we neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Restaurant employees or patrons.

At our option, we may post the Operations Manual on a restricted website to which you will have access. If we do so, you must periodically monitor the website for any updates to the Operations Manual or Operating Standards. Any passwords or other digital identifications necessary to access the Operations Manual on such a website will be deemed to be part of Confidential Information (defined in Section 6 below).

I. DELEGATION OF PERFORMANCE

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we contract to perform these obligations.

5. MARKS

A. OWNERSHIP AND GOODWILL OF MARKS

Your right to use the Marks is derived only from this Agreement and is limited to your operating the Restaurant according to this Agreement and all Operating Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. Your unauthorized use of the Marks will cause us irreparable harm for which there is no adequate remedy at law and will entitled us to injunctive relief. You acknowledge and agree that your use of the Marks and any goodwill established by that use are for our exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Restaurant under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks we periodically authorize you to use. You may not at any time during or after the term of this Agreement contest or assist any other person in contesting the validity of the Marks or our ownership of the Marks.

B. LIMITATIONS ON YOUR USE OF MARKS

You agree to identify yourself as the independent owner of your Restaurant in the manner we prescribe. You shall use the Marks as the Restaurant's sole identification (subject to the notices of independent ownership that we designate). You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) except in connection with an approved website, as part of any domain name, homepage, electronic address, metatag or otherwise in connection with any website, (5) in any user name, screen name or profile in connection with any social networking sites, such as a LinkedIn®, Twitter®, Facebook®, Instagram® or YouTube®, except in

accordance with the Operations Manual, or (6) in any other manner we have not expressly authorized in writing. You may not use any Mark in advertising the transfer, sale or other disposition of the Restaurant or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You shall display the Marks prominently as we prescribe at the Restaurant and on forms, advertising, supplies, delivery vehicles, employee uniforms and other materials we designate. You shall give the notices of trademark and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law. You have no right to sublicense or assign your right to use the Marks.

C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS

You shall notify us immediately of any actual or apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, regarding any infringement, challenge or claim. We may take the action that we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. You shall sign any documents and take any actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.

D. DISCONTINUANCE OF USE OF MARKS

If we believe at any time that it is advisable for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you shall comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you incur in changing the Restaurant's signs or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark. If we elect to use a principal name other than "Donatos" to identify the franchise system, we may select another name and notify you to change all or some items bearing the Marks to the new name within a reasonable period of time as determined by us and you promptly shall adopt that name. You will bear the sole cost and expense of making these changes and we shall have no obligation or liability to you as a result of any changes.

Our rights in this Section 5.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. INDEMNIFICATION FOR USE OF MARKS

We agree to reimburse you for all damages and expenses you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of the proceeding, have complied with this Agreement, and comply with

our directions in responding to the proceeding. At our option, we may defend and control the defense of any proceeding relating to any Mark.

6. CONFIDENTIAL INFORMATION

We possess (and will continue to develop and acquire) certain confidential information relating to the development and operation of Donatos Pizza Restaurants (the "Confidential Information"), which includes:

(1) site selection criteria;

(2) methods, formats, specifications, standards, systems, procedures, recipes, sales and marketing techniques, knowledge and experience used in developing and operating Donatos Pizza Restaurants, including information in the Operations Manual and Operating Standards;

(3) marketing research and promotional, marketing and advertising strategies and programs for Donatos Pizza Restaurants;

(4) knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets and Products that Donatos Pizza Restaurants use;

(5) knowledge of the operating results and financial performance of Donatos Pizza Restaurants other than your Restaurant;

(6) customer communication and retention programs, along with data used or generated in connection with those programs;

(7) knowledge concerning the logic, structure and operation of computer software programs which we authorize for use in connection with the operation of the Restaurant and all additions, modifications and enhancements thereof, and all data generated from use of such programs;

(8) graphic designs and related intellectual property;

(9) recipes, ingredients, formulae and food preparation processes;

(10) information generated by, or used or developed in, the Restaurant's operation, including customer names, addresses, telephone numbers, email addresses, and related information (such as information about the customer's purchases, buying habits, preferences) and any other information contained from time to time in the Restaurant's Computer System; and

(11) any other information designated confidential or proprietary by us.

You acknowledge and agree that by entering into this Agreement and/or acquiring the Restaurant you will not acquire any interest in Confidential Information, other than the right to use certain Confidential Information in operating the Restaurant during this Agreement's term

and according to the Operating Standards and this Agreement's other terms and conditions, and that your use of any Confidential Information in any other business would constitute an unfair method of competition with us and our franchisees. You further acknowledge and agree that the Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you and your Owners agree, and you and they do agree, that you and your Owners:

(a) will not use any Confidential Information in any other business or capacity, whether during or after this Agreement's term;

(b) will keep the Confidential Information absolutely confidential during and after this Agreement's term;

(c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;

(d) will adopt and implement all reasonable procedures that we periodically prescribe to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to Restaurant personnel and others needing to know such Confidential Information to operate the Restaurant, and using confidentiality and non-disclosure agreements with those having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights; and

(e) will not sell, trade or otherwise profit in any way from the Confidential Information (including customer names, addresses, telephone numbers and related information), except during this Agreement's term using methods approved by us.

Without limiting the generality of the foregoing obligations, we reserve the right to require that any employee, agent or independent contractor that you hire execute a non-disclosure agreement to protect the Confidential Information. We reserve the right to regulate the form of non-disclosure agreement that you use and to be a third party beneficiary of those agreements with independent enforcement rights.

You must promptly disclose to us all ideas, concepts, techniques, including but not limited to, new menu items, recipes or changes in cooking or delivery methods or improvements thereto, or materials relating to a Donatos Pizza Restaurant (collectively, "Innovations"), whether or not protectable intellectual property and whether created by or for you or your Owners, employees or contractors. All such Innovations will be deemed to be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent any Innovation does not qualify as a "work made-for-hire" for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to sign (and to cause your Owners, employees and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the Business or otherwise without our prior approval.

"Confidential Information" does not include information, knowledge or know-how which is or becomes generally known in the foodservice industry or which you knew from previous business experience before we provided it to you (directly or indirectly) or before you began training or operating the Restaurant. If we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

7. EXCLUSIVE RELATIONSHIP

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your and your Owners' agreement to deal exclusively with us in the pizza industry. You therefore agree that, during this Agreement's term, neither you nor any of your Owners, nor any members of your or their Immediate Families (defined below), will:

(a) have any direct or indirect, controlling or non-controlling Ownership Interest - whether of record, beneficial or otherwise - in a Pizza Business (defined below), wherever located or operating, provided that this restriction will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market and quoted on a national inter-dealer quotation system that represent less than three percent (3%) of the number of shares of that class of securities issued and outstanding;

(b) perform services as a director, officer, manager, employee, consultant, representative or agent for a Pizza Business, wherever located or operating;

(c) directly or indirectly loan any money or other thing of value to, or guarantee any other person's loan to, or lease any real or personal property to, any Pizza Business (whether directly or indirectly through any owner, director, officer, manager, employee or agent of any Pizza Business), wherever located or operating;

(d) divert or attempt to divert any actual or potential business or customer of the Restaurant to another Pizza Business; or

(e) engage in any other activity which might injure the goodwill associated with the Marks or the Franchise System.

The term "Pizza Business" means any restaurant or company that is engaged in the production and/or sale of pizza or any pizza products at a retail (including offering pizza as one of many menu items) or wholesale level, or any business which grants franchises or licenses to others to operate such a business, other than a Donatos Pizza Restaurant operated under a franchise agreement with us. The term "Immediate Family" includes the named individual, his or her spouse, and all minor children of the named individual or his or her spouse.

You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers and other employees having access to the Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

8. RESTAURANT OPERATION AND OPERATING STANDARDS

A. CONDITION AND APPEARANCE OF RESTAURANT

You shall not use the Restaurant or any part of the Site (including any parking area) for any purpose other than operating a Donatos Pizza Restaurant in compliance with this Agreement, and that you will place or display at the Site (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we from time to time approve during this Agreement's term. You further agree to maintain the condition and appearance of your Restaurant, its Operating Assets and the Site (including any parking area) in accordance with our Operating Standards and consistent with the image of a Donatos Pizza Restaurant as an efficiently-operated business offering high quality products and services and observing the highest standards of cleanliness and efficient, courteous service. In that connection you shall take, without limitation, the following actions during this Agreement's term at your expense: (1) thorough cleaning, repainting and redecorating of the interior and exterior of the Site at intervals that we may periodically prescribe and at our direction; (2) interior and exterior repair of the Site as needed; and (3) repair or replacement, at our direction, of damaged, worn-out or obsolete Operating Assets at intervals that we may periodically prescribe (or, if we do not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced).

In addition to your obligations described above, we may from time to time (but not more often than once during any period of five (5) consecutive years during the term of this Agreement) require you to substantially alter the Restaurant's and the Site's appearance, layout and/or design, and/or replace a material portion of your Operating Assets, in order to meet our then current requirements for new Donatos Pizza Restaurants. You acknowledge that this obligation could result in your making extensive structural changes to, and significantly remodeling and renovating, the Restaurant, and/or in your spending substantial amounts for new Operating Assets, from time to time during the term of this Agreement, and you shall incur, without limitation, any capital expenditures required in order to comply with this obligation and our requirements (even if such expenditures cannot be amortized over the remaining term of this Agreement). Within sixty (60) days after receiving written notice from us, you must have plans prepared according to the standards and specifications we prescribe and, if we require, using architects and contractors we designate or approve, and you must submit those plans to us for our approval. You must complete all work according to the plans we approve within the time period that we specify. However, nothing in this paragraph in any way limits your obligation to comply with all mandatory Operating Standards we specify.

In addition to our rights to terminate this Agreement if you do not maintain the condition and appearance of the Restaurant, Operating Assets, Site, building, or leasehold improvements as required in this Agreement, we may, upon not less than ten (10) days' written notice (or, in cases of health or sanitation hazards or other public endangerment, immediately on oral or written notice) to you: (1) arrange for the necessary cleaning or sanitation, repair, remodeling, upgrading, painting or decorating; or (2) replace the necessary fixtures, furnishing, equipment, vehicles, or signs. You will pay the entire cost thereof plus an administration fee of 15% of the entire cost on or before the fifth (5^{th}) day following the receipt of a bill for such work from us.

B. PRODUCTS AND SERVICES YOUR RESTAURANT OFFERS; ACCEPTANCE OF ONLINE ORDERING SYSTEM

You agree that: (1) your Restaurant shall offer for sale all products and services, including delivery service, that we periodically specify; (2) you will not offer, sell or otherwise distribute at the Restaurant, the Site or any other location any products or services we have not authorized; (3) you shall not sell any Products at wholesale without our prior written consent; (4) you will discontinue selling and offering for sale any products or services that we at any time disapprove in writing; (5) you will not offer or sell any Products or any other products or services from any location other than the Restaurant without our prior approval; (6) upon receiving written notice from us from time to time, you must stop offering or providing delivery service to any Non-Traditional Sites that we specify in the notice, notwithstanding that they are located within your Area of Primary Delivery Responsibility; (7) you will not provide or offer to provide delivery service to any customer (whether residential or commercial) at premises which are located outside your Area of Primary Delivery Responsibility; and (8) except as set forth in Subsection 1.D above, you shall offer delivery service to the entire Area of Primary Delivery Responsibility, unless you have followed all the Operating Standards relating to the refusal to provide delivery services in any area, including our zero tolerance policy against discrimination.

We have established an online and/or mobile application ordering system on our System Website (as defined in Section 9.E), and may in the future establish a call center or other mechanism, that enables us or our designee to coordinate delivery service orders placed by customers of some or all Donatos Pizza Restaurants. You will be charged the Online Order Fee for each order placed on the online ordering system which is fulfilled by your Restaurant. You agree to sign any participation agreement or similar document that we or our designee prescribes to regulate your use of, and our (or our designee's) and your respective rights and responsibilities with respect to, that online ordering system, mobile application, call center or other mechanism, including responsibilities concerning payment of reasonable fees in addition to the Online Order Fee.

You agree to participate in our online and/or mobile application ordering system in order to accept pizza and other food orders placed through the System Website. You agree to implement and follow such reasonable instructions as we may prescribe in writing concerning the online and/or mobile application ordering system. You agree that you shall accept all orders through the online and/or mobile application ordering system for pick-up or delivery as you would any other lawful order placed directly with your Restaurant. You may not withdraw from fulfilling orders for customers located within your Area of Primary Delivery Responsibility which are placed through our online ordering system.

C. APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS

We reserve the right to periodically designate and approve standards, specifications, suppliers and/or distributors of the Operating Assets and Products we periodically authorize for use at the Restaurant. During this Agreement's term you must purchase or lease all Operating Assets, Products and other products and services for the Restaurant only according to our standards and specifications and, if we require, only from suppliers or distributors that we designate or approve (which may include or be limited to us or our affiliates). You acknowledge

and agree that we and/or our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services we or our affiliates provide to you and from promotional allowances, volume discounts and other payments made to us by suppliers that we designate or approve for some or all of our franchisees.

If you want to use any products or services for or at the Restaurant that we have not yet evaluated or purchase any item from a supplier or distributor that we have not yet approved (for items that we require you to purchase from designated or approved suppliers or distributors), you first must submit sufficient information, specifications and samples for us to determine whether the item complies with our standards and specifications or the supplier or distributor meets our criteria. We may condition our approval of a supplier or distributor on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We have the right to inspect the proposed supplier's or distributor's facilities and to require the proposed supplier or distributor to deliver product samples or items, at our option, either directly to us or to any independent, certified laboratory which we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right periodically to re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval of any supplier, distributor or item that does not continue to meet our criteria. Notwithstanding the foregoing, you acknowledge and agree that we may limit the number of approved suppliers with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including if we believe that doing so is in the best interests of the Donatos Pizza system.

D. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

You must secure and maintain in force throughout this Agreement's term all required licenses (including a liquor license, if applicable), permits and certificates relating to the Restaurant's operation and operate the Restaurant in full compliance with all applicable laws, ordinances and regulations (including applicable laws relating to alcoholic beverages, all rules-of-the-road on deliveries, and all present and future laws, regulations, policies, lists and other requirements of any governmental authority addressing or relating to terrorism, terrorist acts or acts of war). The Restaurant must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You shall refrain from any business or advertising practice which might injure our business or the goodwill associated with the Marks or other Donatos Pizza Restaurants. You must notify us in writing within five (5) days of: (1) the commencement of any action, suit or proceeding relating to the Restaurant; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which might adversely affect your operation or financial condition or that of the Restaurant (including the revocation or threatened revocation of any license, permit or certification applicable to the Restaurant); and (3) any notice of violation of any law, ordinance or regulation relating to the Restaurant.

E. PRICING

We may periodically establish maximum prices for the products and services offered by the Restaurant, including prices for promotions in which all or certain Donatos Restaurants participate. If we establish such a maximum price for any product or service, you agree not to exceed that established price, but may charge any price for the product or service up to and including the maximum price we establish. For any product or service for which we do not impose a maximum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price.

F. INSURANCE

During the term of this Agreement you must maintain in force at your sole expense the following insurance coverage:

(1) workers' compensation insurance with statutory limits coverage required in the state in which the Restaurant is located and employer's liability insurance with coverage limits of $1,000,000 each accident for bodily injury and a coverage limit for bodily injury by disease of $1,000,000 per employee, subject to a per policy aggregate of $1,000,000. If the state in which the Restaurant is located allows the option of not carrying worker's compensation insurance, and you choose to exercise that option, you must nevertheless obtain and maintain other insurance with limits approved by us;

(2) employment practices liability insurance with coverage limits of $500,000 per claim subject to a policy aggregate of $1,000,000 and a maximum policy deductible of $10,000 per claim;

(3) if the Restaurant will sell alcohol, liquor liability insurance with a $1,000,000 per occurrence/aggregate limit for bodily injury, property damage and loss of support. The policy must be endorsed to provide limited common law liability;

(4) commercial general liability insurance, written on an occurrence basis, including products/operations coverage in a form we approve with a combined bodily injury and property damage limit of at least $1,000,000 per occurrence, $2,000,000 in the aggregate;

(5) business automobile liability insurance including non-owned and hired vehicle coverage with limits of not less than $1,000,000 for bodily injury and property damage for each accident;

(6) business interruption or loss of income insurance, in an amount specified below;

(7) excess or umbrella insurance with a limit of at least $1 million excess of comprehensive general liability and business automobile liability insurance; and

(8) all insurance required under the Lease.

You shall procure and maintain in force, at your sole cost and expense, business interruption or loss of income insurance (in an amount sufficient to cover the License Fees and National Marketing Fee due under this Franchise Agreement, for a period of 18 months, as calculated by taking the average of such License Fees and National Marketing Fee paid by you over the trailing 18 month period prior to the business interruption) during any period of business interruption or inability to operate the Restaurant due to a casualty or other similar event

All of your insurance carriers must be licensed to do business in the state in which the Restaurant is located and be rated A-9 or higher by A.M Best and Company, Inc. (or such similar criteria as we periodically specify). These insurance policies must be in effect on or prior to the date that you receive possession of the Restaurant's premises. You may meet the coverage limits listed above by purchasing umbrella liability insurance. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or relevant changes in circumstances. All insurance policies must name us and any affiliate we designate as an additional insured and provide for thirty (30) days' prior written notice to us of a policy's material modification or cancellation. A valid certificate of insurance or duplicate insurance policy evidencing the coverage specified above shall be on file with us at all times. If you fail to obtain or maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Restaurant on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance.

G. COMPLIANCE WITH OPERATING STANDARDS

You acknowledge and agree that operating and maintaining the Restaurant according to Operating Standards, as we may periodically modify and supplement them, are essential to preserve the goodwill of the Marks and all Donatos Pizza Restaurants. Therefore, you shall, at all times, operate and maintain the Restaurant according to each and every Operating Standard, as we periodically modify and supplement them. Although we retain the right to establish and periodically modify the Operating Standards, you are solely responsible for the management and operation of your Restaurant and for implementing and maintaining Operating Standards at your Restaurant. Except as otherwise specifically set forth in Section 4.H, Operating Standards may regulate any aspect of the Restaurant's operation and maintenance. As examples, and without limitation, Operating Standards may regulate any one or more of the following:

(1) sales, marketing, advertising and promotional programs and materials and media used in these programs, including participation in and compliance with the requirements of any advertising, marketing and promotional programs that we periodically specify in which all or certain Donatos Pizza Restaurants participate, and paying any costs relating to those programs;

(2) staffing levels for the Restaurant, dress, appearance and uniforms for your employees and competent and courteous service to customers (although you have the sole responsibility and authority for your employees' terms and conditions of employment);

(3) maximum, minimum or other pricing requirements for products and services that the Restaurant offers, including requirements for promotions, special offers and discounts in which some or all Donatos Pizza Restaurants participate, in each case to the maximum extent the law allows;

(4) use and display of the Marks;

(5) days and hours of operation;

(6) standards, requirements and procedures for training your Restaurant's personnel, including requirements to purchase and use in such training the computer hardware, software, accessories and other equipment that we periodically specify;

(7) issuing and honoring gift certificates, gift cards and similar items and participating in other promotions (and you shall not issue any gift certificates, gift cards or similar items except in accordance with our procedures);

(8) participating in market research and testing and product and service development programs, including procedures and timelines that we periodically specify for testing new products, equipment or other items;

(9) accepting credit and debit cards, other payment systems and check verification services;

(10) standards and procedures for your and your employees' and other representatives' authorization to use, and use of, blogs, common social networks like Facebook Instagram and Snapchat, professional networks like Linked-In, live-blogging tools like Twitter, virtual worlds, file, audio and video sharing sites, and other similar social networking media or tools ("Social Media") that in any way references the Marks or involves your Restaurant;

(11) requirements, standards and procedures for delivery and other services we periodically authorize for the Restaurant;

(12) bookkeeping, accounting, data processing and recordkeeping systems (including a chart of accounts) and forms; formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and giving us copies of tax returns and other operating and financial information concerning the Restaurant; and

(13) any other aspects of operating and maintaining the Restaurant that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Donatos Pizza Restaurants.

Subject to your rights under Section 8.A relating to substantial alterations to the Restaurant's appearance, layout and/or design and/or replacement of a material portion of your Operating Assets, you acknowledge that our periodic modification of our Operating Standards (including to accommodate changes to the Computer System and the Marks), which may accommodate regional and/or local variations, may obligate you to invest additional capital in

the Restaurant and incur higher operating costs, and you shall comply with those obligations within the time period we specify.

9. MARKETING

A. GRAND OPENING MARKETING PROGRAM

You must, at your expense, and with our prior written approval, execute a grand opening marketing program for the Restaurant in accordance with the Operating Standards for the grand opening of your Restaurant (the "Grand Opening Marketing Program"). The Grand Opening Program shall be for the time period we specify, typically approximately fifteen (15) weeks, covering two (2) to three (3) weeks before the Restaurant opens and twelve (12) to thirteen (13) weeks after the grand opening of the Restaurant. You shall spend the amount that we specify on your Grand Opening Marketing Program, provided, however, such amounts shall not be less than Twenty-Five Thousand Dollars ($25,000) nor more than Thirty Thousand Dollars ($30,000). Additionally, we will count all amounts that you contribute to a Cooperative (defined in Section 9.C) during the time period that the Grand Opening Marketing Program covers towards your required spending for the Grand Opening Marketing Program. We will provide mandatory and suggested elements for the Grand Opening Marketing Program, and you must prepare and implement the program according to our standards. You shall use only the media, materials, methods and formats we develop or approve according to the terms of this Agreement.

B. NATIONAL MARKETING FUND

Recognizing the value of advertising and marketing to the goodwill and public image of Donatos Pizza Restaurants, we have established and administer and control a marketing fund (the "National Marketing Fund") for the advertising, marketing and public relations programs and materials we deem appropriate. You shall contribute the National Marketing Fee to the National Marketing Fund in the amount we periodically specify, which will not exceed four percent (4%) of Net Sales, and shall be payable in the same manner as the Licensing Fee (or in such other manner as we periodically prescribe). Donatos Pizza Restaurants that we or our affiliates own will contribute to the National Marketing Fund on the same basis as our franchisees.

We will designate all programs that the National Marketing Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The National Marketing Fund may pay for preparing and producing video, audio and written materials and electronic media and using Social Media; maintaining and administering one or more System Websites (as defined in Section 9.E); administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, radio and other media advertising and using advertising, promotion and marketing agencies and other advisors to provide assistance; and supporting public relations, market research and other advertising, promotion and marketing activities. We may periodically receive input and feedback from an advisory council known as the Donatos Advisory Council ("DAC") with regard to the disbursement of funds from the National Marketing Fund and the overall direction of the National Marketing Fund. However, we have the ultimate discretion as to all decisions regarding the National Marketing Fund and whether to follow the DAC's recommendations. We may alter the DAC's function and/or composition at

any time. The National Marketing Fund may reimburse the travel and related expenses that DAC members incur in matters relating to the DAC's activities. The National Marketing Fund periodically will give you samples of advertising, marketing and promotional formats and materials at no cost and will sell you multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges.

We will account for the funds in the National Marketing Fund separately from our other funds and not use the National Marketing Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the National Marketing Fund and its programs, including conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for National Marketing Fund contributions. The National Marketing Fund will not be our asset. The National Marketing Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the National Marketing Fund or any other reason. The National Marketing Fund may spend in any fiscal year more or less than the total National Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on National Marketing Fund contributions to pay costs before using the National Marketing Fund's other assets. We will prepare an annual, unaudited statement of National Marketing Fund collections and expenses and give you the statement upon written request. We may incorporate the National Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Subsection.

We intend the National Marketing Fund to maximize recognition of the Marks and patronage of Donatos Pizza Restaurants. Although we will try to use the National Marketing Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Donatos Pizza Restaurants, we need not ensure that National Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the National Marketing Fund contributions by Donatos Pizza Restaurants operating in that geographic area or that any Donatos Pizza Restaurant benefits directly or in proportion to its National Marketing Fund contribution from the development or placement of advertising and marketing materials. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect National Marketing Fund contributions at the National Marketing Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the National Marketing Fund. Except as expressly provided in this Subsection, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the National Marketing Fund.

We may at any time defer or reduce the National Marketing Fee of a Donatos Pizza Restaurant franchisee and, upon thirty (30) days' prior written notice to you, reduce or suspend the National Marketing Fee and may terminate (and, if terminated, reinstate) the National Marketing Fund operations for one or more periods of any length . If we terminate the National Marketing Fund, we will distribute all unspent monies to our then existing franchisees, and to us and our affiliates, in proportion to their, and our, respective National Marketing Fund contributions during the preceding twelve (12) fiscal month period.

C. ADVERTISING COOPERATIVES

You understand that we may designate a geographic area in which two (2) or more Donatos Pizza Restaurants are located as an area for an advertising cooperative (a "Cooperative"). The Cooperative's members in any area are the owners of all of the Donatos Pizza Restaurants operating in that area (including us or our affiliates, if applicable). Each Cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine in advance. We may change, dissolve and merge Cooperatives. Each Cooperative's purpose is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area that the Cooperative covers. If, as of the time that you sign this Agreement on the Effective Date, we have established a Cooperative for the geographic area in which the Restaurant is located, or if we establish a Cooperative in that area during this Agreement's term, you shall sign the documents we require to become a member of the Cooperative and to participate in the Cooperative as those documents require.

In addition to your National Marketing Fee payable to us, you shall contribute to the Cooperative the amounts determined by the Cooperative, subject to our approval. Your Cooperative contribution, if you are in a Cooperative, shall not be less than one percent (1%) of your Net Sales.

All material decisions of the Cooperative, including contribution levels (which also require our approval), will require the affirmative vote of at least fifty-one percent (51%) of all Donatos Pizza Restaurants operating within the Cooperative's area (including, if applicable, those operated by us and our affiliates), with each restaurant receiving one (1) vote.

You shall submit to us and the Cooperative any reports that we or it requires. The Cooperative will operate solely to collect and spend Cooperative contributions for the purposes described above. The Cooperative and its members may not use any advertising, marketing or promotional programs or materials without our prior written consent.

D. ADVERTISING AND MARKETING BY YOU

You shall spend a total of at least five percent (5%) of the Restaurant's Net Sales each calendar quarter on advertising, marketing and promotional programs for the Restaurant (the "Marketing Spending Requirement"). We will credit your Marketing Spending Requirement with the amount you spend on your Cooperative contributions, the National Marketing Fee, and any other amounts you spend to advertise, market or promote your Restaurant. We will not, however, credit your Marketing Spending Requirement with amounts you spend for the Grand Opening Marketing Program (other than Cooperative contributions) or the face value of redeemed coupons or similar promotions. Notwithstanding the preceding sentence, you acknowledge and agree that we have the authority to periodically determine the rate of your National Marketing Fee during this Agreement's term, and that you must vary the amounts you spend on other advertising, marketing and promotional programs in order to spend the amounts required by the Marketing Spending Requirement. You further acknowledge that your aggregate required contributions to the National Marketing Fund through the National Marketing Fee and any Cooperative in which your Restaurant participates could, by themselves, exceed the

Marketing Spending Requirement, and therefore, in such case, you may not be required to spend additional funds on other advertising efforts in such calendar quarter. We may review your books and records from time to time and require you to submit reports periodically to determine your advertising, marketing and promotion expenses.

Your (and your Cooperative's) advertising, promotion and marketing shall be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. Before you use them, you must send us, for approval, samples of all advertising, promotional and marketing materials which we have not prepared or previously approved within the last six (6) months. You may not use any advertising, promotional or marketing materials that we have not approved or have disapproved. We assume no liability to you, the Cooperative in which you participate, or any other party due to our approval or disapproval of any advertising, marketing or promotional materials or programs, and you are responsible for ensuring that all such materials and programs that you use and implement comply with all applicable laws, ordinances and regulations. In addition, before engaging an agent or agency to provide advertising, promotions or marketing services to you or your Cooperative, you must first submit to us written notice of your intention to retain such agent or agencies and provide us with information regarding such agent's or agencies' qualifications as we deem necessary. We reserve the right to approve or disapprove the use of such agents or agencies by you or your Cooperative.

E. SYSTEM WEBSITES

At our option, we or one or more of our designees may establish one or more websites, mobile applications, social media accounts and other online presences to advertise, market, and promote Donatos Pizza Restaurants and the products and services that they offer and sell (each a "System Website"). If we establish one or more System Websites, you must give us the information and materials that we periodically request. We will own all intellectual property and other rights in the System Website and all information it contains (including the domain name or URL for such webpage, the log of "hits" by visitors, and any personal or business data that visitors supply). We may use the National Marketing Fund's assets to develop, maintain and update System Websites and may implement and periodically modify Operating Standards relating to the System Websites. We also may, at our option, discontinue any or all System Websites at any time.

All advertising, marketing and promotional materials that you develop for the Restaurant must contain notices of the System Website's domain name in the manner we designate. Except for your use of Social Media according to our Operating Standards, you may not develop, maintain or authorize any other website, mobile application, social media account, other online presence or other electronic medium that mentions or describes you or the Restaurant or displays any of the Marks. You may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet.

Nothing in this Section 9.E shall limit our right to maintain websites, social media accounts, and mobile applications other than the System Website or to offer and sell products

under the Marks from the System Website, another website or otherwise over the Internet without payment or obligation of any kind to you.

10. RECORDS, REPORTS AND FINANCIAL STATEMENTS

You shall establish and maintain at your own expense a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats (including a chart of accounts) we prescribe from time to time. We may require you to use a Computer System to maintain certain sales and expense data and other information, in such formats as we periodically prescribe, and to transmit that data and information to us on a schedule we periodically prescribe. You also must, at your expense, maintain the Computer System and purchase the hardware and software we designate in order to allow us unlimited, independent access to, and the ability to download, all information in your Computer System at any time. You shall provide us, in the manner and format that we periodically prescribe (including, at our option, via the electronic format we periodically designate),:

(a) on or before a certain time each day, a report on the Restaurant's Net Sales during the previous day;

(b) on or before the tenth (10^{th}) day of each fiscal month, a report on the Restaurant's Net Sales during the previous fiscal month;

(c) within twenty-eight (28) days after the end of each fiscal month, the operating statements, financial statements (including a balance sheet and profit and loss statements), statistical reports and other information we request regarding you and the Restaurant covering that fiscal month;

(d) within sixty (60) days after the end of the Restaurant's fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for the Restaurant as of the end of that fiscal year; and

(e) within ten (10) days after our request, exact copies of federal and state income and other tax returns and any other forms, records, books and other information we periodically require relating to the Restaurant, the Franchise or you.

You shall verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not (without your consent) disclose your identity in connection with that data in any materials that we circulate publicly. If you ever receive formal notice from us of your failure to comply with your reporting or payment obligations under this Agreement, we may require you to have audited financial statements prepared annually at your expense during the remainder of the term of this Agreement.

11. INSPECTIONS AND AUDITS

A. OUR RIGHT TO INSPECT THE RESTAURANT

To determine whether you and the Restaurant are complying with this Agreement and all Operating Standards, we and our designated agents and representatives may at all times and without prior notice to you:

(1) inspect the Restaurant, including with respect to safety, food quality, structural and electrical safety as well as cleanliness and sanitary condition;

(2) monitor and test the Operating Assets, whether at the Restaurant or other approved locations, remotely via the Computer System or by other means;

(3) observe, photograph, and videotape the Restaurant's operation (including so-called "mystery shopping" and including the delivery service that the Restaurant provides) for consecutive or intermittent periods we deem necessary;

(4) remove samples of any Products;

(5) interview the Restaurant's personnel and customers; and

(6) inspect and copy any books, records and documents relating to the Restaurant's operation.

You shall cooperate with us fully. If we exercise any of these rights, we will use commercially reasonable efforts not to interfere unreasonably with the Restaurant's operation. You understand and agree that your failure to achieve the minimum quality scores (as described in the Operations Manual) or otherwise satisfy our Operating Standards in any quality assurance inspection we conduct at the Restaurant is a default under this Agreement. You also agree that you shall present to your customers the evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by or for us.

B. OUR RIGHT TO AUDIT

We may at any time during your business hours, and without prior notice to you, examine the Restaurant's business, bookkeeping and accounting records, sales and income tax records and returns, and other records. You shall cooperate fully with our representatives and independent accountants in any inspection or audit. If any inspection or audit discloses an understatement of the Restaurant's Net Sales, you must pay, within fifteen (15) days after receiving the inspection or audit report, the Licensing Fee, National Marketing Fund and Cooperative contributions, and any other amounts due on the amount of the understatement, plus interest (in the amount described in Section 3.D) from the date originally due until the date of payment. Further, if an inspection or audit is necessary due to your failure to furnish reports, supporting records or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Licensing Fee or National Marketing Fund contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you shall reimburse us for the cost of our examination, including the charges of attorneys and independent

accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. TRANSFER

A. TRANSFER BY US

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any owner's, director's, officer's or employee's remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement between us and you (or any of your Owners or affiliates) without restriction. This Agreement and any other agreement between us and you (or any of your Owners or affiliates) will inure to the benefit of any transferee or other legal successor to our interest in it. After our assignment of this Agreement to a third party who expressly assumes our obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement. Such an assignment shall constitute a release of us and novation with respect to this Agreement, and the assignee shall be liable to you as if it had been an original party to this Agreement.

B. TRANSFER BY YOU-DEFINED

You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your Owners) and that we have granted you the Franchise in reliance upon our perceptions of your (or your Owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither: (i) this Agreement (or any interest in this Agreement); (ii) the Restaurant (or any right to receive all or a portion of the Restaurant's profits or losses or any capital appreciation relating to the Restaurant); (iii) all or substantially all of the Operating Assets; nor (iv) any direct or indirect Ownership Interest in you (if you are an Entity) may be transferred without our prior written approval. A transfer of the Restaurant's and the Operating Assets' ownership, possession or control may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. In this Agreement, the term "transfer" includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events:

(1) transfer of record or beneficial ownership of any Ownership Interest or right to receive all or a portion of your profits or losses or any capital appreciation relating to you or the Restaurant (whether directly or indirectly);

(2) a merger, consolidation or exchange of Ownership Interests, or issuance of additional Ownership Interests or securities representing or potentially representing Ownership Interests, or a redemption of Ownership Interests;

(3) any sale or exchange of voting interests or securities convertible to voting interests, or any management agreement or other agreement granting the right to exercise

or control the exercise of the voting rights of any Owner or to control your operations or affairs;

(4) transfer of an interest in you, this Agreement, the Operating Assets or the Restaurant (or any right to receive all or a portion of your or the Restaurant's profits or losses or any capital appreciation relating to you or the Restaurant) in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;

(5) if you or one of your Owners dies, transfer of a direct or indirect Ownership Interest in you, this Agreement, the Operating Assets or the Restaurant (or any right to receive all or a portion of your or the Restaurant's profits or losses or any capital appreciation relating to you or the Restaurant) by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(6) the grant of a mortgage, charge, pledge, collateral assignment, lien or security interest in any Ownership Interest in this Agreement, the Restaurant, or an ownership interest in you; foreclosure upon or attachment or seizure of the Restaurant or any of its Operating Assets; or your transfer, surrender or loss of the possession, control or management of all or any material portion of the Restaurant (or its operation) or you.

C. CONDITIONS FOR APPROVAL OF TRANSFER

If you are in full compliance with this Agreement, then, subject to the other provisions of this Section 12, we will not unreasonably withhold approval of a transfer that meets all the requirements in this Subsection.

A direct or indirect non-controlling Ownership Interest in you (determined as of the date on which the proposed transfer will occur) may be transferred if (i) the proposed transferee and its direct and indirect owners are of good moral character, (ii) have no Ownership Interest in and do not perform services for a Pizza Business, and (iii) otherwise meet our then applicable standards for Donatos Pizza Restaurant franchisees.

If the proposed transfer is of this Agreement or a direct or indirect controlling Ownership Interest in you, or is one of a series of transfers (regardless of the period of time over which these transfers take place) which in the aggregate transfer this Agreement or a direct or indirect controlling Ownership Interest in you, then all of the following conditions must be met before or concurrently with the effective date of the transfer:

(1) we determine, in our sole and absolute discretion, that the transferee (and, if applicable, its direct and indirect owners) have sufficient business experience, aptitude and financial resources to operate the Restaurant;

(2) you have paid all required Licensing Fees, National Marketing Fund and Cooperative contributions and other amounts owed to us and our affiliates, have submitted all required reports and statements, and are not in violation of any provision of this Agreement or any other agreement with us or our affiliates;

(3) neither the transferee nor its owners or affiliates operates, has an Ownership Interest in or performs services for a Pizza Business;

(4) the transferee (and its Operating Partner and at least 2 other manager-level personnel, if existing manager-level staff will not remain employed at the Restaurant) and its management personnel satisfactorily complete our training program;

(5) the transferee (and each of its owners) signs our then current form of franchise agreement and related documents, the provisions of which (including the Area of Primary Delivery Responsibility described in Exhibit A, Licensing Fee and/or Marketing Spending Requirement) may differ materially from any and all of those contained in this Agreement, except for the term, which shall be the then remaining term of this Agreement;

(6) you or the transferee pays us a transfer fee to partially cover our costs and expenses, including attorneys', accountants' and similar fees and costs, incurred in evaluating the transferee and the transfer in the amount of either (i) Two Thousand Five Hundred Dollars ($2,500) if the transferee is an existing Donatos franchisee; or (ii) Fifteen Thousand Dollars ($15,000) if the transferee is an independent third party who is not a current or former Donatos franchisee (provided, however, that we may increase the transfer fee from time to time to reflect increases in the Metropolitan Area Consumer Index for Urban Consumers - All Items (1982-1984=100) from the first day of the year that you sign this Agreement, as published by the U.S. Department of Labor or in a successor index);

(7) you (and your transferring Owners) sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors and assigns;

(8) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Restaurant;

(9) if you or your owners finance any part of the purchase price, you and they agree that all of the transferee's obligations under promissory notes, agreements or security interests reserved in the Restaurant are subordinate to the transferee's obligation to pay Licensing Fees, National Marketing Fund and Cooperative contributions, and other amounts due to us and otherwise to comply with this Agreement;

(10) you and your transferring Owners (and members of your and their Immediate Families) agree, for three (3) years beginning on the transfer's effective date (subject to extension as provided in Section 14.E), not to engage in any of the activities proscribed in Section 14.E below; and

(11) you and your transferring Owners will not directly or indirectly at any time thereafter or in any manner (except with respect to other Donatos Pizza Restaurants you own and operate): (a) identify yourself or themselves or any business as a current or former Donatos Pizza Restaurant or as one of our franchisees; (b) use any Mark, any

colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or other indicia of a Donatos Pizza Restaurant in any manner or for any purpose; or (c) utilize for any purpose any trade dress, trade name, trademark, service mark or other commercial symbol that suggests or indicates a connection or association with us.

If the proposed transfer is to or among your Owners or Immediate Family members, then Subsection (6) will not apply, although you must reimburse us for the costs we incur in the transfer, up to the amount of the transfer fee described in Subsection (6). We may review all information regarding the Restaurant that you give the transferee and give the transferee copies of any reports that you have given us or we have made regarding the Restaurant.

D. TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY

Despite Subsection C above, if you are in full compliance with this Agreement, you may transfer this Agreement and the Franchise, together with the Operating Assets and all other assets associated with the Restaurant, to a corporation or limited liability company which conducts no business other than the Restaurant and, if applicable, other Donatos Pizza Restaurants and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding Ownership Interests, provided that all of the Restaurant's assets are owned, and the Restaurant's business is conducted, only by that single Entity. Transfers of Ownership Interests in that Entity are subject to restrictions in Subsection C above, and all certificates or other documents representing Ownership Interests in that Entity must bear the legend we designate referencing these restrictions. You and all Owners of any Ownership Interest in that Entity from time to time agree to remain personally liable under this Agreement as if the transfer to the Entity did not occur and must sign the form of Guaranty that we periodically specify to evidence such personal liability, a form of which is attached hereto as Exhibit D.

E. DEATH OR DISABILITY

(1) Transfer Upon Death or Disability

Upon your or your Owner's death or disability, your or the Owner's executor, administrator, conservator, guardian or other personal representative (the "Representative") must transfer your interest in this Agreement, the Operating Assets and the Restaurant, or ownership interest in you, to a third party. That transfer (including transfer by bequest or inheritance) must occur, subject to our rights under this Subsection E, within a reasonable time, not to exceed twelve (12) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 12. A failure to transfer such interest within this time period is a breach of this Agreement. The term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or the Operating Partner from supervising the Restaurant's management and operation for ninety (90) or more consecutive days.

(2) **Operation Upon Death or Disability**

If, upon your or the Operating Partner's death or disability, a trained manager who we approve is not managing the Restaurant's day-to-day operations, then the Representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a general manager we approve to operate the Restaurant. The general manager must at your expense satisfactorily complete the training that we designate within the time period we specify.

If, in our judgment, the Restaurant is not being managed properly any time after your or the Operating Partner's death or disability, we may, but need not, assume the Restaurant's management. All funds from the Restaurant's operation while we assume its management will be kept in a separate account, and all of the Restaurant's expenses will be charged to this account. We may charge you (in addition to the Licensing Fee and National Marketing Fund contributions due under this Agreement) a reasonable management fee we specify, up to eight percent (8%) of the Restaurant's Net Sales, plus our direct out-of-pocket costs and expenses, if we assume the Restaurant's management under this subparagraph. We have a duty to utilize only reasonable efforts and will not be liable to you for any debts, losses or obligations the Restaurant incurs, or to any of your creditors for any products or services the Restaurant purchases, while we manage it.

(3) **Option to Purchase**

If we assume the Restaurant's management under the terms of the previous paragraph, then we may, at our option exercisable by delivering written notice to the Representative at any time during our management of the Restaurant, elect to purchase your interest in the Restaurant, the Lease and those Operating Assets and Products that we designate. We have the unrestricted right to assign this option to purchase. We are entitled to all customary representations, warranties and indemnities in our asset purchase, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the Restaurant or your business prior to the closing of our purchase.

The purchase price for the interest in the Restaurant, including your rights under this Agreement, the Lease and those Operating Assets and Products we designate, shall be their fair market value. However, the purchase price will not include any value for goodwill attributable to the Marks, our brand image, or other intellectual property. For purposes of determining the fair market value of all equipment (including the Computer System) used in operating the Restaurant, the equipment's useful life shall be determined to be no more than three (3) years.

If we and the Representative cannot agree on fair market value, fair market value will be determined by three (3) independent appraisers, each of whom in doing so will be bound by the criteria specified in the previous subparagraph. We will appoint one appraiser, the Representative will appoint one appraiser, and these two appraisers will

appoint the third appraiser. The first two appraisers must be selected within fifteen (15) days after we deliver our notice of exercise (if we and the Representative have not agreed on fair market value before then), and the two appraisers so chosen must appoint the third appraiser within fifteen (15) days after the last of them is appointed. The estate and we will bear the costs of our own appraisers and share equally the fees and expenses of the third appraiser. Within thirty (30) days after we deliver our notice of exercise, each party shall submit its respective calculation of fair market value to the appraisers in such detail as the appraisers request and according to the criteria specified in the previous subparagraph. Within fifteen (15) days after receiving both calculations, the appraisers shall determine, by a majority vote, and notify the Representative and us which of the calculations is the most correct. The appraisers must choose either the Representative's or our calculation, and may not develop their own fair market value calculation. The appraisers' choice shall be the purchase price.

We (or our assignee) will pay the purchase price at the closing, which will take place not later than sixty (60) days after the purchase price is determined, although we (or our assignee) may decide after the purchase price is determined not to complete the purchase. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. At the closing, the Representative must deliver instruments transferring to us (or our assignee): (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the Restaurant's licenses and permits which may be assigned or transferred.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the sale will be closed through an escrow. You further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns. If we exercise our rights under this Subsection 3, then for three (3) years beginning on the closing date (subject to extension as provided in Section 14.E), you and your Owners (and members of your and their Immediate Families) will be bound by the non-competition covenant contained in Section 14.E below.

F. EFFECT OF CONSENT TO TRANSFER

Our consent to any transfer is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Restaurant's or transferee's prospects of success, or a waiver of any claims we have against you (or your Owners) or of our right to demand the transferee's full compliance with this Agreement's terms or conditions.

G. OUR RIGHT OF FIRST REFUSAL

If you or any of your Owners at any time determines to sell or transfer for consideration an interest in this Agreement and the Restaurant (or all or substantially all of its Operating Assets) or a direct or indirect controlling interest in you, you shall obtain from a responsible and fully disclosed buyer a bona fide, executed written offer relating exclusively to an interest in you

or this Agreement and the Restaurant, and you shall send us, a true and complete copy of such offer. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price (such as earn-out payments) and the proposed transaction must relate exclusively to an interest in this Agreement and the Restaurant (or all or substantially all of its Operating Assets) or a direct or indirect controlling interest in you and not to any other interests or assets.

We may, by delivering written notice to you within fifteen (15) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (1) we may substitute cash for any form of payment proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) the closing will be not less than thirty (30) days after notifying you of our election to purchase or, if later, the closing date proposed in the offer; and (4) we must receive, and you and your Owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or Ownership Interests in a legal entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) Ownership Interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or Ownership Interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Restaurant or your business prior to the closing of our purchase. If we exercise our right of first refusal, you and your Owners agree that, for three (3) years beginning on the closing date (subject to extension as provided in Section 14.E), you or the transferring owners (and members of your or their Immediate Families) will be bound by the non-competition covenant contained in Section 14.E below.

If we do not exercise our right of first refusal, you or your Owners may complete the sale to the proposed buyer on the original offer's terms, subject to our approval of the transfer as provided in Subsections B and C above. If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you must tell us promptly), we will have an additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option.

13. TERMINATION OF AGREEMENT

A. FRANCHISEE'S RIGHT TO TERMINATE

Except as otherwise provided by law, Franchisee may not terminate this Agreement.

B. OUR RIGHT TO TERMINATE UPON NOTICE

We may, at our option, terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(a) you fail to locate and secure an acceptable Site for the location of your Restaurant within one hundred eighty (180) days of the execution of this Agreement;

(b) you or any of your Owners has made or make a material misrepresentation or omission in acquiring the Franchise or operating the Restaurant;

(c) you, your Operating Partner or other Restaurant personnel that we required to attend our initial training program do not satisfactorily complete that training;

(d) you abandon or fail actively to operate the Restaurant during the required hours of operation for two (2) or more consecutive calendar days, unless you close the Restaurant for a purpose we approve or because of casualty or government order;

(e) you surrender or transfer control of the Restaurant's operation without our prior written consent;

(f) you or any of your Owners is convicted by a trial court of, or plead no contest to, a felony;

(g) you fail to maintain the insurance we require from time to time and/or you fail to provide us with proof of such insurance as required herein;

(h) you interfere with our right to inspect the Restaurant or observe its operation, as provided in Section 11 of this Agreement;

(i) you or any of your Owners engages in any dishonest, unethical or illegal conduct which, in our opinion, adversely affects the Restaurant's reputation, the reputation of other Donatos Pizza Restaurants or the goodwill associated with the Marks;

(j) you as any of your Owners makes an unauthorized transfer of a direct or indirect ownership interest in you, this Agreement, all or substantially all of the Operating Assets, the Restaurant or the right to receive all or any part of your or the Restaurant's profits or losses or any capital appreciation relating to you or the Restaurant;

(k) any other franchise agreement or other agreement between us (or any of our affiliates) and you (or any of your Owners or affiliates), other than a Development Rights Agreement, is terminated before its term expires, regardless of the reason;

(l) any license or permit necessary for the Restaurant's proper operation is suspended, revoked or not renewed;

(m) you as any of your Owners breaches Section 7 of this Agreement or knowingly makes any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

(n) you violate any health, safety or sanitation law, ordinance or regulation, or operate the Restaurant in an unsafe manner, and do not begin to cure the violation

immediately, and correct the violation within twenty-four (24) hours, after you receive notice of such breach, regardless of who delivers such notice;

(o) we make a reasonable determination that your continued operation of the Restaurant will result in imminent danger to the public health or safety;

(p) you lose possession of the Site for the RESTAURANT through your own fault or your failure to extend the lease for the Site through the Term;

(q) you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated with the Marks or our rights in the Marks;

(r) you fail to pay when due any federal, state or local income, service, sales or other taxes due on the Restaurant's operation, or more than twice you fail to make or delay making payments to your suppliers or lenders, unless you are in good faith contesting your liability for these taxes or payments;

(s) you understate the Restaurant's Net Sales (i) two (2) times or more during this Agreement's term or (ii) by more than two percent (2%) on any one occasion;

(t) you or any of your Owners fails on three (3) or more separate occasions within any twelve (12) consecutive month period to submit when due reports or other data, information or supporting records, pay when due any amounts due to us (or our affiliates), or otherwise comply with any one or more obligations under this Agreement, whether or not we provide written notice of these failures or if such failures are corrected after we deliver written notice to you and whether these failures involve the same or different obligations under this Agreement;

(u) you or any of your Owners fails on two (2) or more separate occasions within any six (6) consecutive month period, or on three (3) or more separate occasions within any thirty-six (36) consecutive month period, to comply with the same obligation under this Agreement, whether or not we provide written notice of these failures or if such failures are corrected after we deliver written notice to you;

(v) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; the Restaurant or any of the Operating Assets is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you or the Restaurant is not vacated within thirty (30) days following the order's entry;

(w) you fail to pay us (or our affiliates) any amounts due (including any amounts owed pursuant to Section 15) and do not correct the failure within ten (10) days after we deliver written notice of that failure to you; or

(x) you breach or otherwise fail to comply with any other provision of this Agreement or any mandatory Operating Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

C. OUR RIGHT TO TERMINATE FOLLOWING INSPECTION

We shall have the right to conduct periodic inspections of the Restaurant to evaluate your compliance with our Operating Standards and this Agreement. Following each inspection, we will provide you with an inspection report listing your score on the inspection and those conditions at the Restaurant that must be rectified. If you fail to achieve the minimum quality score on an inspection, the inspection report shall constitute a notice of default of this Agreement. If you fail to achieve a passing score on the next inspection (which shall be conducted at least 10 days, or more, after your receipt of the inspection report for the prior inspection), we may terminate this Agreement, without opportunity to cure, by providing you written notice of termination along with the inspection report.

14. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. PAYMENT OF AMOUNTS OWED TO US

You shall pay within fifteen (15) days after this Agreement expires or is terminated, or on any later date that the amounts due are determined, the Licensing Fees, National Marketing Fund and Cooperative contributions, interest and all other amounts owed to us, our affiliates or our or their franchisees which then are unpaid, including our damages arising from the termination of this Agreement. We have the right to set off any amount you or your Owners owe to us or our affiliates against any amounts we or our affiliates owe you, your Owners or your affiliates. You acknowledge that termination or expiration of this Agreement does not affect your liability for amounts you (or your Owners or affiliates) owe any third-parties or creditors and we do not assume any such liabilities.

B. DE-IDENTIFICATION

When this Agreement expires or is terminated for any reason:

(1) you and your Owners shall not directly or indirectly at any time thereafter or in any manner (except in connection with other Donatos Pizza Restaurants you own and operate): (a) identify yourself or themselves or any business as a current or former Donatos Pizza Restaurant or as one of our franchisees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or other indicia of a Donatos Pizza Restaurant in any manner or for any purpose; or (c) use for any purpose any trade dress, trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with us;

(2) you shall take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) if we do not exercise the option under Subsection F below, you shall deliver to us within thirty (30) days all signs, sign faces, sign cabinets, advertising, marketing and promotional materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Donatos Pizza Restaurant that we request and allow us, without liability to you or third parties, to remove these items from the Restaurant;

(4) if we do not exercise the option under Subsection F below, within ten (10) days after that option expires or we notify you of our decision not to exercise the option, you must, at your own expense, make the alterations we specify to distinguish the Restaurant clearly from its former appearance and from other Donatos Pizza Restaurants in order to prevent public confusion;

(5) if applicable, notify all search engines of the termination or expiration of your right to use all domain names and websites associated directly or indirectly with the Marks or the Restaurant and authorize the transfer to us or our designee of all rights to such domain names and websites. We have the absolute right and interest in and to all domain names and websites associated directly or indirectly with the Marks or the Restaurant, and you authorize us to direct all applicable parties to transfer such domain names and websites to us or our designee if this Agreement expires or is terminated for any reason whatsoever. All parties may accept this Agreement as conclusive of our right to such domain names and websites and this Agreement will constitute the authority from you for all parties to transfer all such domain names and websites to us;

(6) you shall notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and telephone directory listings associated with any Mark or the Restaurant, authorize the transfer of these numbers and directory listings to us or at our direction, and/or instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events;

(7) you must return to us or, at our option, destroy all proprietary software, backups and related materials and documents;

(8) you shall immediately transfer to us all data-bases and directories, whether in hard-copy or electronic form, which relate in any way to customers of Restaurant without retaining any copies of or rights to the same; and

(9) you shall give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

If you fail to take any of the actions (or refrain from taking any of the actions) described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trepass or any other claim, to enter the Site and remove any signed or other materials containing any Marks from your Restaurant.

C. CONFIDENTIAL INFORMATION

Upon the expiration or termination of this Agreement, you shall immediately cease using any of our Confidential Information and return to us all copies of the Operations Manual and any other confidential materials that we have loaned you. You may not sell, trade or otherwise profit in any way from any Confidential Information (including customer names, addresses, telephone numbers and related information) at any time following the expiration or termination of this Agreement.

D. CONTINUING OBLIGATIONS

All of our and your obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

E. POST-TERM COVENANT NOT TO COMPETE

Upon termination of this Agreement for any reason or expiration of this Agreement, for three (3) years beginning on the effective date of termination or expiration, neither you nor any of your direct or indirect owners, nor any member of your or their Immediate Families, will:

(a) have any direct or indirect, controlling or non-controlling interest as an owner - whether of record, beneficial or otherwise - in any Pizza Business which is located or operating, or providing delivery service to any location, (i) within the then current Area of Primary Delivery Responsibility, (ii) within ten (10) miles of any location within the Area of Primary Delivery Responsibility, or (iii) within ten (10) miles of any other Donatos Pizza Restaurant in operation or under construction on the later of the effective date of the termination or expiration or the date on which all persons restricted by this Subsection begin to comply with this Subsection, provided that this restriction will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market and quoted on a national inter-dealer quotation system that represent less than three percent (3%) of the number of shares of that class of securities issued and outstanding; or

(b) perform services as a director, officer, manager, employee, consultant, representative or agent for a Pizza Business which is located or operating, or providing delivery service to any location, (i) within the then current Area of Primary Delivery Responsibility, (ii) within ten (10) miles of any location within the Area of Primary Delivery Responsibility, or (iii) within ten (10) miles of any other Donatos Pizza Restaurant in operation or under construction on the later of the effective date of the termination or expiration or the date on which all persons restricted by this Subsection begin to comply with this Subsection.

The time period during which these restrictions apply will be automatically extended, with respect to all persons covered by this Section 14.E, for each day during which any person covered by this Section 14.E is not complying fully with this Section 14.E. These restrictions also apply after transfers and other events, as provided in Section 12 above. You expressly

acknowledge that you and your Owners possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Subsection will not deprive you or your Owners of personal goodwill or the ability to earn a living.

F. OUR RIGHT TO PURCHASE OPERATING ASSETS

(1) Exercise of Option

Upon termination of this Agreement for any reason or expiration of this Agreement, we have the option, exercisable by giving you written notice within thirty (30) days after the date of termination or expiration, to purchase those Operating Assets and Products that we designate. We have the unrestricted right to assign this option to purchase. We are entitled to all customary representations, warranties and indemnities in our asset purchase, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the Restaurant or your business prior to the closing of our purchase.

(2) Purchase Price

The purchase price for any Operating Assets and Products we choose to acquire will be their fair market value. However, the purchase price will not include any value for the Franchise or any rights granted by this Agreement, goodwill attributable to the Marks, our brand image, and other intellectual property or participation in the network of Donatos Pizza Restaurants. For purposes of determining the fair market value of all equipment (including the Computer System) used in operating the Restaurant, the equipment's useful life shall be determined to be no more than three (3) years.

(3) Appraisal

If we and you cannot agree on fair market value, fair market value will be determined by three (3) independent appraisers, each of whom in doing so will be bound by the criteria specified in subparagraph (2). We will appoint one appraiser, you will appoint one appraiser, and these two appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within fifteen (15) days after we deliver our notice of exercise to you (if you and we have not agreed on fair market value before then), and the two appraisers so chosen are obligated to appoint the third appraiser within fifteen (15) days after the last of them is appointed. You and we will bear the costs of our own appraisers and share equally the fees and expenses of the third appraiser. Within thirty (30) days after we deliver our notice of exercise to you, each party shall submit its respective calculation of fair market value to the appraisers in such detail as the appraisers request and according to the criteria specified in subparagraph (2). Within fifteen (15) days after receiving both calculations, the appraisers shall determine, by a majority vote, and notify you and us which of the calculations is the most correct. The

appraisers must choose either your or our calculation, and may not develop their own fair market value calculation. The appraisers' choice shall be the purchase price.

(4) **Closing**

We (or our assignee) will pay the purchase price at the closing, which will take place not later than thirty (30) days after the purchase price is determined, although we (or our assignee) may decide after the purchase price is determined not to complete the purchase. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. At the closing, you shall deliver instruments transferring to us (or our assignee): (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the Restaurant's licenses and permits which may be assigned or transferred.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the sale will be closed through an escrow. You further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns. If we exercise our rights under this Subsection E, then for three (3) years beginning on the closing date (subject to extension as provided in Section 14.D), you and your Owners (and members of your and their Immediate Families) will be bound by the non-competition covenant contained in Section 14.D above.

G. OPTION TO BUY CERTAIN EQUIPMENT

In lieu of exercising our option to buy the Operating Assets and Products as provided in Subsection E, we will have the option to buy from you all the items of equipment used in operating the Restaurant that you originally purchased from us, our affiliate or our designated supplier. You may not sell any of these items without waiver of our option to purchase them, and in any event may not sell them to anyone but us, our affiliates or one of our franchisees. The purchase price for this equipment will be their fair market value, determined in the same manner as is set forth in Subsection E. The closing purchase of such equipment will be accomplished in the same manner provided in Subsection E.

H. CONTINUING OBLIGATIONS

All of our and your (and your Owners') obligations hereunder which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

15. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. INDEPENDENT CONTRACTORS

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us. You have no authority, express or implied, to act as agent of us or any of our affiliates for any purpose. You are, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Restaurant and its business, including any personal property, equipment, fixtures or real property and for all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Restaurant. Further, we and you are not and do not intend to be partners, associates, or joint employers in any way, and we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances. We have no relationship with your employees and you have no relationship with our employees. You shall identify yourself conspicuously in all dealings with customers, suppliers, public officials, Restaurant personnel and others as the Restaurant's owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising and other materials we require from time to time.

B. NO LIABILITY FOR ACTS OF OTHER PARTY

We and you agree not to make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Restaurant's operation or the business you conduct under this Agreement.

C. TAXES

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon you or the Restaurant, due to the business you conduct (except any taxes we are required by law to collect from you for purchases from us and our income taxes). You are responsible for paying these taxes.

D. INDEMNIFICATION

To the fullest extent permitted by law, you shall indemnify, defend and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors and assigns (the "Indemnified Parties") from and against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, obligations and damages directly or indirectly arising out of: (1) the Restaurant's operation, (2) the business you conduct under this Agreement, (3) your breach of this Agreement, (4) noncompliance or alleged noncompliance with any law, ordinance, rule or regulation concerning the Restaurant's construction, design or operation, including the Americans with Disabilities Act and other laws regarding public accommodations for persons with disabilities, or (5) claims alleging either intentional or negligent conduct, acts or omissions by you (or your contractors or any of your or their employees, agents or representatives). For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any

Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration or alternative dispute resolution, regardless of whether litigation, arbitration or alternative dispute resolution is commenced. Each Indemnified Party may defend and control the defense of any claim against it which is subject to this indemnification at your expense, and you may not settle any claim or take any other remedial, corrective or other actions relating to any claim without our consent. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you.

16. GENERAL RELEASE

You (on behalf of yourself and your parent, subsidiaries and affiliates and their respective past and present members, officers, directors, shareholders, agents and employees, in their corporate and individual capacities) and all guarantors of your obligations under this Agreement (collectively, "Franchisee Releasors") freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "Donatos Releasees"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "claims"), which any Franchisee Releasor now owns or holds or may at any time have owned or held, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to this Agreement and all other agreements between any Franchisee Releasor and any Donatos Releasee, the sale of any franchise to any Franchisee Releasor, the development and operation of a Restaurant and the development and operation of all other RESTUARANTS operated by any Franchisee Releasor that are franchised by any Donatos Releasee. You expressly agree that fair consideration has been given by us for this general release and you fully understand that this is a negotiated, complete and final release of all claims. This general release does not release any claims arising from representations made in our Franchise Disclosure Document and its exhibits or otherwise impair or affect any claims arising after the Effective Date.

17. ENFORCEMENT

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

Except as expressly provided to the contrary in this Agreement (including in Section 16.G), each Section, paragraph, term and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the

parties. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a renewal franchise agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any Operating Standard is invalid, unenforceable or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or Operating Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

B. WAIVER OF OBLIGATIONS

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. But, no interpretation, change, termination or waiver of any of this Agreement's provisions hereof shall be binding upon us unless in writing and signed by one of our officers, and which is specifically identified as an amendment to this Agreement. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of any party hereto to enforce any claim or right hereunder, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, rescission, discharge or cancellation. Any waiver we grant will be without prejudice to any other rights we have, will be subject to our continuing review, and may be revoked at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

We and you will not be deemed to waive or impair any right, power or option this Agreement reserves (including our right to demand exact compliance with every term, condition and covenant or to declare any breach or non-compliance to be a default and to terminate this Agreement before its term expires pursuant to Section 13) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any Operating Standard; our waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other Donatos Pizza Restaurants; the existence of franchise agreements for other Donatos Pizza Restaurants which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement or accord and satisfaction. We are authorized to remove any legend or endorsement, and they shall have no effect.

C. COSTS AND ATTORNEYS' FEES

If we incur expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you shall, whether or not we initiate a legal proceeding (and, in the event either we or you do initiate a legal proceeding, if we prevail in such proceeding), reimburse us for any costs and expenses which we incur, including reasonable accounting, attorneys', arbitrators' and related fees.

D. YOU MAY NOT WITHHOLD PAYMENTS

You shall not withhold payment of or off-set any amounts owed to us or our affiliates on the grounds of our or their alleged nonperformance of any of our or their obligations under this Agreement or any other agreement.

E. SPECIFIC PERFORMANCE/INJUNCTIVE RELIEF

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief under customary equity rules against threatened conduct that will cause damages or loss to us, the Marks or the Franchise System. You agree that we may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

F. RIGHTS OF PARTIES ARE CUMULATIVE

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy under this Agreement which we or you are entitled by law to enforce.

G. MEDIATION

We and you acknowledge that, during this Agreement's term, disputes may arise regarding our and your relationship, rights and obligations under this Agreement. To facilitate resolution of these disputes, we and you agree that, during this Agreement's term, before commencing an arbitration or judicial action, we and you shall submit any dispute arising from or relating to this Agreement or our relationship with you (except as provided below) for non-binding mediation. The mediation shall occur in the county where our headquarters are then located and shall be conducted by one (1) mediator under the then current Commercial Mediation Rules of the American Arbitration Association. Any statements made by any person during the mediation shall not be admissible in any subsequent litigation or arbitration proceeding. We and you shall each bear our own costs and expenses for the mediation and share equally the costs of any independent third parties or fees required for the mediation. If the dispute is not resolved within forty-five (45) days after the mediator is appointed, we or you may

pursue a dispute resolution mechanism other than mediation according to the terms of this Agreement.

The provisions of this Section 16.F shall not apply to any dispute relating to the Marks or to your failure to pay amounts owed to us or our affiliates or to comply with the Operating Standards. Also, despite this Section 16.F, we and you each have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction.

H. ARBITRATION

All controversies, disputes or claims between us (and our affiliates and our and their respective owners, officers, directors, managers, agents and employees, as applicable) and you (and your affiliates and your and their respective owners, officers, directors, managers, agents and employees, as applicable) arising out of or related to:

(1) this Agreement or any other agreement between you and us or any provision of any of such agreements (including this Section);

(2) our relationship with you;

(3) the scope and validity of this Agreement or any other agreement between you and us or any provision of any of such agreements (including the scope and validity of the arbitration obligations under this Section, which you and we acknowledge is to be determined by an arbitrator and not a court); or

(4) any Operating Standard

will be submitted for arbitration to the office of the American Arbitration Association closest to our then current principal business address. Except as otherwise provided in this Agreement, such arbitration proceedings shall be heard by one arbitrator in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association. Arbitration proceedings shall be held at a suitable location to be chosen by the arbitrator which is within ten (10) miles of our then existing principal business address. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) will be governed by it and not by any state arbitration law.

The arbitrator shall have the right to award or include in his or her award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that: (1) the arbitrator shall not have authority to declare any Mark generic or otherwise invalid; and (2) except for your obligation to indemnify us and the other Indemnified Parties and claims we bring against you for unauthorized use of the Marks or unauthorized use or disclosure of any Confidential Information, we and you waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. The award and decision of the

arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction.

We and you agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable law, whichever expires first. We and you further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Section 16.C.

We and you agree that arbitration shall be conducted on an individual, not a class-wide, basis, that only we (and our affiliates and our and their respective owners, officers, directors, managers, agents and employees, as applicable) and you (and your affiliates and your and their respective owners, officers, directors, managers, agents and employees, as applicable) may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving us and/or any other natural person, association, corporation, partnership, limited liability company or other entity. Notwithstanding the foregoing or anything to the contrary in this Section or Section 16.A., if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 16.G, then we and you agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 16 (excluding this Section 16.G).

The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this agreement.

Notwithstanding anything to the contrary contained in Section, we and you have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. In that case, we and you must contemporaneously submit our dispute for arbitration on the merits according to this Section (if required).

I. GOVERNING LAW

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, all controversies, disputes or claims arising from or relating to this Agreement or any other agreement between you and us, the Franchise, or the relationship between us and you will be governed by the laws of the State of Ohio, without regard to its conflict of laws rules, except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the

relationship between us and you will not apply unless its jurisdictional requirements are met independently without reference to this Subsection.

J. CONSENT TO JURISDICTION

Subject to the arbitration obligations in Section 16.G, you and your Owners agree that all judicial actions brought by us against you or your Owners, or by you or your Owners against us or our affiliates, or our or their respective owners, officers, directors, managers, agents, or employees, must be brought exclusively in the state or federal court of general jurisdiction in Franklin County, Ohio. You (and each owner) irrevocably submit to the jurisdiction of such court and waive any objection you, he, or she may have to either jurisdiction or venue. Notwithstanding the foregoing, we may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award, in any federal or state court in the state in which you reside or the Restaurant is located.

K. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL

EXCEPT FOR THE INDEMNIFICATION OBLIGATION UNDER SECTION 15.D AND CLAIMS FOR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER US OR YOU.

L. BINDING EFFECT

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest. Subject to our rights to modify the Operations Manual and the Operating Standards under Sections 4.C and 8.F, this Agreement may not be modified except by a written agreement signed by both you and us.

M. LIMITATIONS OF CLAIMS

EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS AN ARBITRATION OR JUDICIAL PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM.

N. CONSTRUCTION

The preambles and exhibits are a part of this Agreement which, together with the Franchise Disclosure Questionnaire and any riders or addenda signed at the same time as this Agreement, constitutes our and your entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between us and you. There are no other oral or written representations, warranties, understandings or agreements between us and you relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the most recent disclosure document (including its exhibits and amendments) that we delivered to you or your representative. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement and are not binding on us. Except as provided in Sections 15.D and 16.G, nothing in this Agreement is intended nor deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or completed actions that require our approval.

The headings of the sections and paragraphs are for convenience only and do not define, limit or construe the contents of these sections or paragraphs.

References in this Agreement to "we" "us" and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal in connection with the Restaurant. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling the party indicated. "Control" means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the owners of the Franchise and the Restaurant, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. "Owner" means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Restaurant or any interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the Restaurant and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to a "controlling interest" in you mean the percent of your voting shares or other voting rights that results from dividing one hundred percent (100%) of the Ownership Interests by the number of your Owners that would exist either immediately before or after the time the determination is made. "Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term "Restaurant" includes all of the assets of the Donatos Pizza Restaurant you operate under this Agreement, including its revenue and income. The words "include," "including," and words of similar import shall be interpreted to mean "including, but not limited to."

This Agreement may be executed in multiple copies, each of which will be deemed an original.

18. NOTICES AND PAYMENTS

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered:

(1) at the time delivered via computer transmission if the sender has confirmation of a successful transmission and, in the case of the Licensing Fee, National Marketing Fund contributions and other amounts due, at the time we actually debit your account (if we institute an automatic debit program for the Restaurant);

(2) one (1) business day after transmission by telecopy, facsimile or other electronic system if the sender has confirmation of successful transmission;

(3) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or

(4) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid;

and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

19. ELECTRONIC MAIL

You acknowledge and agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may utilize e-mail for such communications. You authorize the transmission of e-mail by us and our employees, vendors, and affiliates ("Official Senders") to you during the term of this Agreement.

You further agree that: (a) Official Senders are authorized to send e-mails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (b) you will cause your officers, directors, and employees to give their consent to Official Senders' transmission of e-mails to them; (c) you will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with you; and (d) you will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the term of this Agreement.

The consent given in this Section 18 shall not apply to the provision of notices by either party under this Agreement pursuant to Section 17 using e-mail unless the parties otherwise agree in a written document manually signed by both parties.

20. ACKNOWLEDGMENTS

To induce us to sign this Agreement and grant you the Franchise, you acknowledge:

(a) That you have independently investigated the Donatos Pizza Restaurant franchise opportunity and recognize that, like any other business, the nature of a Donatos Pizza Restaurant's business may, and probably will, evolve and change over time.

(b) That an investment in a Donatos Pizza Restaurant involves business risks.

(c) That your business abilities and efforts are vital to your success.

(d) That retaining customers for your Donatos Pizza Restaurant will require a high level of customer service and strict adherence to the Franchise System and our Operating Standards and that you are committed to maintaining our Operating Standards.

(e) That (except as set forth in our Franchise Disclosure Document) you have not received or relied upon, and we expressly disclaim making, any representation, warranty or guaranty, express or implied, as to the revenues, profits or success of your Restaurant or any other Donatos Pizza Restaurant.

(f) That any information you have acquired from other Donatos Pizza Restaurant franchisees regarding their sales, profits or cash flows is not information obtained from us, and we make no representation about that information's accuracy.

(g) That you have no knowledge of any representations made about the Donatos Pizza Restaurant franchise opportunity by us, our subsidiaries or affiliates or any of their respective officers, directors, owners or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms and conditions of this Agreement.

(h) That in all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are only between you and us.

(i) That you have represented to us, to induce our entering into this Agreement, that all statements you have made and all materials you have given us in acquiring the Franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the Franchise.

(j) That you have read this Agreement and our Franchise Disclosure Document and understand and accept that the terms and covenants in this Agreement are reasonable and necessary for us to maintain our high standards of quality and service, as

well as the uniformity of those standards at each Donatos Pizza Restaurant, and to protect and preserve the goodwill of the Marks.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Franchise Agreement effective on the Effective Date.

DONATOS PIZZERIA, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title: _____

FRANCHISE OWNER

_____
[Name]

By:_____
Name:_____
Title: _____

EXHIBIT A
to the
DONATOS PIZZA FRANCHISE AGREEMENT
BASIC TERMS

1. The Site is _____.

2. The Area of Primary Delivery Responsibility, as of the Effective Date, is _____. If the Area of Primary Delivery Responsibility is identified by city or other political subdivisions, political boundaries will be considered fixed as of the Effective Date, notwithstanding an actual political reorganization or change to the boundaries. The Area of Primary Delivery Responsibility, as of the Effective Date, is depicted on the map attached to this Exhibit A. However, if there is an inconsistency between the language in this Exhibit A and the attached map, the language in this Exhibit A shall control. All street boundaries will be deemed to end at the street center line unless otherwise specified. You acknowledge that we may periodically modify the Area of Primary Delivery responsibility pursuant to Section 1.D of this Agreement.

3. The Projected Opening Date for the Restaurant is _____.

4. The Restaurant's Initial Franchise Fee is _____.

5. The current National Marketing Fee is ____% of Net Sales.

6. Development Agreement by which this Agreement is covered (if any): _____.

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit A to the Franchise Agreement effective as of the Effective Date.

DONATOS PIZZERIA, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title: _____

FRANCHISE OWNER

_____
[Name]

By:_____
Name:_____
Title: _____

MAP OF
AREA OF PRIMARY DELIVERY RESPONSIBILITY

Alternative Exhibit A
to
DONATOS PIZZA FRANCHISE AGREEMENT

DEVELOPMENT AREA, ACCEPTANCE OF LOCATION, AND OPENING

This Alternative Exhibit A is attached to and is an integral part of the Donatos Pizzeria Franchise Agreement, by and between Donatos Pizzeria, LLC ("Franchisor," "we" or "us") and _____ ("Franchisee" or "you") dated _____, 20__ (the "Franchise Agreement"), between us and you.

1. Development Area for Restaurant Location. Within one hundred twenty (120) days after the Effective Date of the Franchise Agreement, you will select and obtain our acceptance of a site location for the Restaurant with the provisions of this Alternative Exhibit A within the following described geographical area (the "Development Area"): _____.

2. Acceptance of Location and Restaurant Opening. To obtain our acceptance of the proposed Restaurant premises, you must deliver to us a complete site report (containing information we require) for the location within the Development Area at which you propose to establish and operate the Restaurant and which you reasonably believe will satisfy the standardized site selection criteria we establish. The proposed location is subject to our prior written acceptance, which will not be unreasonably withheld. In evaluating the proposed location, we will consider matters we deem material, including, but not limited to, demographic characteristics of the proposed location, parking, the proximity to other businesses, including other Restaurants, and other commercial characteristics, and the size of premises, appearance and other physical characteristics. Within thirty (30) days following our receipt of the complete site report and other materials we request, we will accept or reject (in writing) the location proposed by you for the Restaurant. Open our acceptance of your proposed location for the Restaurant, you shall execute enter into the Exhibit A to the Franchise Agreement, and you acknowledge and agree that such time, Exhibit A shall replace and supersede this Alternative Exhibit A (Alternative) in all respects.

3. DISCLAIMER OF WARRANTY. YOU ACKNOWLEDGE AND AGREE THAT OUR ACCEPTANCE OF AN APPROVED LOCATION DOES NOT REPRESENT A WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED, AS TO THE SUITABILITY OF THE APPROVED LOCATION FOR A Restaurant.

4. Projected Opening Date. You shall complete the development and Grand Opening of the Restaurant for business by _____.

5. Termination of Franchise Agreement. We have the right to terminate the Franchise Agreement, effective upon delivery of notice of termination to you, if you fail to obtain approval of a location for the Restaurant within one hundred eight (180) days after the Effective Date.

6. Defined Terms. All capitalized terms contained in this Exhibit and not defined in this Exhibit will have the same meaning as provided in the Franchise Agreement.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Alternative Exhibit A to the Franchise Agreement effective as of the Effective Date.

DONATOS PIZZERIA, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title: _____

FRANCHISE OWNER

_____
[Name]

By:_____
Name:_____
Title: _____

EXHIBIT B
to the
DONATOS PIZZA FRANCHISE AGREEMENT

OWNERS AND OPERATING PARTNER

Effective Date: This Exhibit B is current and complete as of _____, 20___

1. **Business Form of Franchisee**.

(a) **Individual Proprietorship**. Your Owner(s) (is) (are) as follows:

_____

(b) **Corporation, Limited Liability Company or Partnership**. You were incorporated or formed on _____, 20___, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership. The following is a list of your directors, if applicable, and officers as of the Effective Date:

Name of Each Director/Officer	Position(s) Held
_____	_____
_____	_____
_____	_____

2. **Owners**. The following list includes the full name of each person who is one of your Owners (as defined in the Franchise Agreement) and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	Description of Interest
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. **Operating Partner**. The Operating Partner is _____. If the Operating Partner is unknown at the time of the execution of this Agreement, the [Manager/President] of Franchisee shall act as the Operating Partner until such time as the Operating Partner is hired

and designated by Franchisee. We may interact with the [Manager/President] of the Franchisee for all operational matters until such time as an Operating Partner is hired.

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit B to the Franchise Agreement effective as of the Effective Date.

DONATOS PIZZERIA, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title: _____

FRANCHISE OWNER

_____
[Name]

By:_____
Name:_____
Title: _____

EXHIBIT C
to the
DONATOS PIZZA FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

This Collateral Assignment of Lease ("Assignment"), is entered into by and between [_____] ("Assignor") and Donatos Pizzeria, LLC, a Delaware limited liability company ("Assignee"), as of [DATE].

WHEREAS, Assignor and Assignee entered into that certain Franchise Agreement, as of [DATE] (the "Franchise Agreement") with respect to the operation of a franchised Donatos Pizzeria Restaurant at the Premises (as defined below).

WHEREAS, Assignee desires, as a condition to approving the Lease and making other accommodation to the Assignor under the Franchise Agreement, to be granted this Assignment and the protections contained herein, which are intended to, among other things, enable Assignee to continue the operation of the Premises notwithstanding any termination of the Franchise Agreement and/or protect the intellectual property of the Assignee which are located at the Premises.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and in the Franchise Agreement, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

Assignor hereby assigns, transfers and sets over unto Assignee all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit A (the "Lease"), respecting premises commonly known as [_____] (the "Premises"). This Assignment is for collateral purposes only in accordance with the Franchise Agreement and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless and until Assignee takes possession of the Premises and assumes the obligations of Assignor under the Lease pursuant to the terms hereof.

Assignor hereby agrees to indemnify and hold harmless Assignee from and against all claims and demands of any type, kind or nature made by any third party which arise out of or are in any manner connected with Assignor's use and occupancy of the Premises.

Assignor represents and warrants to Assignee that Assignor (a) has full power and authority to so assign the Lease and its interest therein, and (b) has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the Premises.

Upon the occurrence of any of the following:

(a) a default by Assignor under the Lease, the Franchise Agreement, or any document or instrument securing or relating to the Franchise Agreement, or

(b) the cancellation or termination of the Franchise Agreement by Assignor or Assignee for any reason other than a default by Assignee,

Assignee shall have the right (but no obligation), exercisable upon delivery of written notice to Assignor and the landlord of the Premises, and is hereby empowered, to take possession of the Premises, expel Assignor from the Premises, and acquire all of Assignor's right, title and interest as tenant in, to and under the Lease. In such event, Assignee shall assume the Lease as the tenant thereunder and Assignor shall have no further right, title or interest in the Lease or the Premises, but shall remain solely liable to the lessor under the Lease for all rents, charges and other obligations owed under the Lease prior to the date upon which Assignee assumes the Lease. Upon assumption of the Lease by Assignee, Assignee shall be liable for the performance of the Lease after the date of assignment, but shall not liable for and does not assume any past defaults or breaches of the Lease by Assignor and Assignor shall reimburse Assignee for the costs and expenses incurred in connection with any such prior liabilities.

Assignor agrees that it will not voluntarily surrender, terminate, amend or modify of the Lease without the prior written consent of Assignee, which consent shall not be unreasonably withheld. Throughout the term of the Franchise Agreement (and any extensions, amendments and renewals thereto), Assignor agrees that it shall exercise all rights and options to extend the term of or renew the Lease (each a "Renewal Option") not less than thirty (30) days prior to the last day upon which such Renewal Option must be exercised, unless Assignee otherwise agrees in writing. Assignor shall send Assignee a copy of the notice of exercise concurrently with Assignor's exercise of each Renewal Option. If Assignee does not otherwise agree in writing to Assignor's refusal to exercise any Renewal Option, and if Assignor fails to exercise such Renewal Option, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such Renewal Option in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal, provided that Assignee shall have no obligation to exercise such Renewal Option.

Upon termination or expiration of the Franchise Agreement or the Lease, Assignee shall have the right to enter the Premises for the sole purpose of removing of all Assignee's Marks (as defined in the Franchise Agreement) from the Premises. Assignee's right to enter shall not be deemed as trespassing. Such actions and short term possessory rights to the Premises shall not be deemed an assumption of the Lease by Assignee.

This Assignment shall inure to the benefit of Assignee and its successors and assigns and shall be binding upon Assignor and its heirs, personal representatives, officers, partners, successors and assigns.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first set forth above.

ASSIGNEE:

DONATOS PIZZERIA, LLC, a
Delaware limited liability company

By:_____
Name:_____
Title: _____

ASSIGNOR:

_____
[Name]

By:_____
Name:_____
Title: _____

Notary for Assignor:

STATE OF _____)
) SS
COUNTY OF _____)

I HEREBY CERTIFY that on this _____ day of _____, 20__, before me, the subscriber, a Notary Public of the State of _____, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained.

AS WITNESS my hand and notarial seal.

_____
Notary Public

My Commission Expires: _____, 20__

Notary for Assignee:

STATE OF _____)
) SS
COUNTY OF _____)

I HEREBY CERTIFY that on this _____ day of _____, 20__, before me, the subscriber, a Notary Public of the State of _____, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained.

AS WITNESS my hand and notarial seal.

_____
Notary Public

My Commission Expires: _____, 20__

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the "Lease" attached as Exhibit A hereby:

(a) agrees to notify Assignee in writing at 935 Taylor Station Road, Columbus, Ohio 43230 of any failure of Assignor to cure any default by Assignor under the Lease;

(b) agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;

(c) consents to the foregoing Collateral Assignment of Lease by and between Assignee and Assignor;

(d) agrees that Assignee may exercise its rights upon the occurrence of either of the following events: (i) Lessor's receipt of notice from Assignee that Assignor is in default of the Franchise Agreement by and between Assignee and Assignor and has failed to cure within the time prescribed thereunder, or (ii) Assignee's receipt of any notice of default by Assignor under the Lease;

(e) agrees that if Assignee exercises its rights under the Collateral Assignment and notifies Lessor of its desire to assume the Lease pursuant to the Collateral Assignment, Lessor shall recognize Assignee as tenant under the Lease from and after the date upon which Assignee notifies the Lessor and assumes possession, but that Assignee shall not be liable for any past due rents or other liabilities or obligations of Assignor under or in connection with the Lease prior to such date; and

(f) agrees that upon termination or expiration of the Franchise Agreement or the Lease, Assignee shall have the right to enter the Premises for the sole purpose of removing of all articles which display Assignee's Marks (as defined in the Franchise Agreement). Assignee's right to enter for such limited purpose shall not be deemed as trespassing nor an exercise of the right to take possession of the Lease.

All terms capitalized, but not defined herein, shall have the meanings ascribed thereto in the Collateral Assignment of Lease.

DATED: _____

_____

_____, Lessor

EXHIBIT A to the

Collateral Assignment of Lease

LEASE

See attached

EXHIBIT D
to the
DONATOS PIZZA FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20___, by _____
_____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by Donatos Pizzeria, LLC ("we," "us," or "our") and _____ ("Franchisee"), each of the undersigned personally and unconditionally, jointly and severally, (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that Franchisee will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the arbitration, non-competition, confidentiality, and transfer requirements.

Each of the undersigned acknowledges that he, she or it is either an owner (whether direct or indirect) of Franchisee or otherwise has a direct or indirect relationship with Franchisee or its affiliates; that he, she or it will benefit significantly from our entering into the Agreement with Franchisee; and that we would not enter into the Agreement unless each of the undersigned agrees to sign and comply with the terms of this Guaranty.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to us; (ii) all rights to require us to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, any right to participate in, any security now or hereafter held by us; and (iv) acceptance and notice of acceptance by us of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. We shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to us. Without affecting the obligations of the undersigned under this Guaranty, we may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability, counterclaim, right of set-off or other defense of Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of Franchisee's creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

If we are required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure

by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction closest to where our principal business address then is located, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as set forth above.

GUARANTOR(S):

_____
Printed Name: _____
Percentage of Ownership in Franchisee: ____%

_____
Printed Name: _____
Percentage of Ownership in Franchisee: ____%

_____
Printed Name: _____
Percentage of Ownership in Franchisee: ____%

EXHIBIT C

DEVELOPMENT RIGHTS AGREEMENT

DONATOS PIZZERIA, LLC
DEVELOPMENT RIGHTS AGREEMENT

This Development Rights Agreement (the "Agreement") is made and entered into as of _____, 20___ (the "Effective Date"), between DONATOS PIZZERIA, LLC, a Delaware limited liability company ("we," "us," or "our") and _____ ("you" or "your").

[WHEREAS, you have been formed for the sole purpose of developing, owning and holding Donatos Pizzeria Restaurants (as such term is defined in the Existing Agreement);]

WHEREAS, prior to or simultaneously with the signing of this Agreement, you or your Affiliated Entity (as defined below) have entered into that certain Franchise Agreement with us dated as of the date hereof (the "Existing Agreement") under which you or your approved Affiliated Entities will operate a Donatos Pizzeria Restaurant at a location to be determined;

WHEREAS, we and you are entering into this Agreement because you would like the right to develop a number of additional Donatos Pizza Restaurants within a certain territory over a certain period of time and operate such Donatos Pizza Restaurants [with your Affiliated Entities], and we are willing to grant you such development rights if you comply with this Agreement's terms;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, we and you agree as follows:

1. **Grant of Development Rights**. Subject to your compliance with this Agreement, we hereby grant you the right to develop to total of _____ (___) new Donatos Pizza Restaurants, (which includes the Donatos Pizza Restaurant(s) that you (or your Affiliated Entity) will operate under the Existing Agreement and other franchise agreements that you (or your Affiliated Entities) already have signed with us), in accordance with the mandatory development schedule (the "Schedule") identified on Exhibit A to this Agreement, within the territory described on Exhibit B to this Agreement (the "Development Territory"); *provided, however*, that in no event shall you develop or construct a Donatos Pizza Restaurant anywhere within the protected territory, or anywhere for which the Area of Primary Delivery Responsibility (as defined in the Franchise Agreement) of your Donatos Pizza Restaurant would be within the protected territory (collectively, an "Excluded Area") of any Red Robin Restaurant (as defined below) which is either in existence or under construction as of the Effective Date within the Development Territory, and all such Excluded Areas shall be excluded from and deemed to be outside your Development Territory. For the avoidance of doubt, nothing herein shall limit our ability to grant the rights to open and/or operate a casual dining restaurant that sells and provides delivery of Donatos Core Products (as defined below) which is operated under the "Red Robin"® or "Red Gourmet Burgers and Brews"® brand name (such restaurant, a "Red Robin Restaurant"). Nothing herein shall limit our ability to grant Red Robin Restaurants within the Development Area the right to offer and sell Donatos Core Products. In this Agreement, the term "Affiliated Entity" means any corporation, limited liability company or other business entity (a) of which you or one or more of your owners owns at least fifty-one percent (51%) of the total

outstanding ownership interests and has the power unilaterally, without the consent or approval of any other person or Entity, to direct and control the entity's management and policies; and (b) that is approved by us in our sole judgment to own and operate a Donatos Pizza Restaurant.

2. **Term**. The term of this Agreement begins on the Effective Date and unless terminated earlier, shall continue for so long as there are outstanding valid and effective Franchise Documents for the Donatos Pizza Restaurants which have been developed and opened under this Agreement. Without limiting the generality of the foregoing, and subject to earlier termination pursuant to Section 11, the development rights granted in Section 1 (Grant of Development Terms) shall begin on the Effective Date, continue thereafter and end automatically without notice from either us or you, on the expiration of the Development Phase, and such expiration which shall not affect validity of the remainder terms and conditions of this Agreement.

3. **Right of First Negotiation for Additional Restaurants**. Upon timely completion of the development obligations required in the Schedule, and provided (a) there have been no Development Defaults, and (b) you (or your Affiliated Entities) are in compliance with each franchise agreement executed pursuant to this Agreement, including without limitation the Existing Agreement, you may request the right to open additional Donatos Pizza Restaurants within the Development Territory. If you're eligible to develop such new and additional Donatos Pizza Restaurants, you must make your request in writing no later than six (6) months prior to the opening date of the last Donatos Pizza Restaurant to be opened pursuant to the Schedule. If you timely request to develop such additional Restaurants and we accept your request (which such acceptance is in our sole discretion), you and we will negotiate in good faith to determine the additional number of Donatos Pizza Restaurants to be opened by you within the Development Territory and the required time period in which they will open (the "Revised Development Schedule"). If we are unable to agree upon the Revised Development Schedule within sixty (60) days of commencing good faith negotiations, your rights under this Section will lapse, and for the avoidance of doubt, all rights to develop Donatos Pizza Restaurants under this Agreement will terminate, however, pursuant Section 11, the entirety of the Agreement shall not terminate. If we and you agree upon and execute a Revised Development Schedule it shall be attached hereto as a revised Exhibit A and be governed by the terms of this Agreement. Furthermore, the new Development Phase identified in the Revised Development Schedule shall be deemed to be the Development Phase of this Agreement.

4. **Exclusive Rights in Development Territory and Rights We Reserve**. If you are fully complying with all of your obligations under this Agreement, and you and your Affiliated Entities are fully complying with all of your and their obligations under the Existing Agreement and all other franchise agreements then in effect with us for the operation of Donatos Pizza Restaurants, then, during the term of this Agreement only, and except for franchises we grant you and your approved Affiliated Entities pursuant to this Agreement, neither we nor any of our affiliates will operate, or grant a franchise for the operation of, a Donatos Pizza Restaurant that operates under the Marks (as defined in the Existing Agreement) and is physically located within the Development Territory, except for Donatos Pizza Restaurants at locations which are Non-Traditional Sites or Red Robin Restaurants. "Non-Traditional Sites" shall include any grocery stores, food courts, zoos, amusement parks, military bases, hotels, university buildings, hospitals, locations on limited access highways, airports, train stations, museums, casinos, or

sports or entertainment venues or stadiums, whether existing as of or constructed subsequent to the date of this Agreement. Donatos Pizza Restaurants located at Non-Traditional Sites within the Development Territory shall not offer delivery service for any Donatos Core Products to locations within the Area of Primary Delivery Responsibility of each Donatos Pizza Restaurant during the term of this Agreement. "Donatos Core Products" means any ready-to-eat products (including fully-baked pizza) that are identified by the Marks and that we periodically designate as core products to be offered and sold by all Donatos Pizza Restaurants. You acknowledge and agree that nothing in this Section prohibits or prevents the delivery of Donatos Core Products into the Development Territory by Red Robin or by delivery service providers and/or third party delivery services (hereinafter, such provider, a "DSP") through DSP websites or mobile applications (including, without limitation, DoorDash, Grub Hub, and Uber Eats). You acknowledge that Donatos cannot control or limit the delivery scope or delivery areas of DSPs and, therefore, customers within your Development Territory may order Donatos Core Products from you, us or other franchisees and licensees selling the same Donatos Core Products and the DSP may make such delivery into your Development Territory without violation of the rights granted to you in this Section. "Donatos Core Products" does not include any products (including pizza) that are not ready-to-eat (for example, take-and-bake pizza and frozen pizza) or any products that are not identified by the Marks.

We and our affiliates may engage, and allow others to engage, in any other activities of any nature whatsoever, whether within or outside the Development Territory, subject only to your (or your Affiliated Entity's) rights under franchise agreements with us then in effect, including:

(a) establishing and operating, and granting rights to other persons to establish and operate, on any terms and conditions we deem appropriate, Donatos Pizza Restaurants or any similar or dissimilar businesses at any location (including Non-Traditional Sites) outside the Development Territory, and at any Non-Traditional Sites and Red Robin Restaurants within the Development Territory. However, Donatos Pizza Restaurants located at Non-Traditional Sites within the Development Territory shall not offer delivery service for any Donatos Core Products to locations within the Development Territory during the term of this Agreement; and

(b) all rights relating directly or indirectly to the Marks in connection with any methods of distribution, except as specifically set forth in the first sentence of this Section 4. This includes providing, and granting rights to other persons to provide, goods and services similar or dissimilar to, and/or competitive with, those provided at Donatos Pizza Restaurants, whether identified by the Marks or other trademarks or service marks, through mail order, sales over the Internet and other electronic media, mobile applications, ghost kitchens, DSP and third party delivery applications services and vendors, kiosks, grocery stores and other retail sales, and at any locations, whether within or outside the Development Territory (subject only to your rights with respect to Donatos Pizza Restaurants being physically located within your Development Territory granted in the first sentence of this Section 4). For the avoidance of doubt, DSPs and third party delivery services and Red Robin may deliver Donatos Core Products into your Development Territory; and

(c) those which we now reserve in Section 1.E of the Existing Agreement (subject only to your rights with respect to Donatos Pizza Restaurants in the first sentence of this Section 4).

After this Agreement expires or is terminated, regardless of the reason, we and our affiliates may engage, and allow others to engage, in any other activities we desire within and outside the Development Territory without any restrictions whatsoever, subject only to your (or your Affiliated Entity's) rights under franchise agreements with us then in effect.

5. **Development Fee**. When you open a new Donatos Pizza Restaurant, then you must pay us a "Development Fee" of _____ Dollars ($_____) simultaneously with signing this Agreement. The Development Fee is equal to 100% of the initial franchise fee owed under a franchise agreement for the first Donatos Pizzeria restaurant to be developed hereunder plus 50% of the initial franchise fee for each additional Donatos Pizza Restaurants that you are authorized and required to develop under this Agreement pursuant to the Schedule. In the event you are acquiring an existing Donatos Pizza Restaurant and entering into this Agreement, you will pay to us a Development Fee equal to $15,000 for each Restaurant to be developed hereunder. For the avoidance of doubt, the Development Fee does include the initial franchise fee for your first Donatos Restaurant, which is due under the Existing Agreement. The Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not comply with the Schedule. However, we will apply $15,000 of the Development Fee towards the initial franchise fee owed under each franchise agreement with us that you or your Affiliated Entities sign pursuant to this Agreement for the Donatos Pizza Restaurants developed pursuant to the Schedule. If you choose to extend this Agreement pursuant to Section 3 herein and we accept a Revised Development Schedule, you shall pay us an extension fee (the "Extension Fee") equal to $15,000 for each restaurant to be opened under the Revised Development Schedule. The Extension Fee is due when you sign the Revised Development Schedule and is fully earned by us and non-refundable, even if you do not comply with the Revised Development Schedule. We will apply $15,000 of the Extension Fee towards the initial franchise fee owed under each franchise agreement with us that you or your Affiliated Entities sign pursuant to the Revised Development Schedule.

6. **Development Schedule**. To maintain your rights under this Agreement, you (and/or approved Affiliated Entities) must sign Franchise Documents (defined below) for, develop, and open for business the agreed-upon number of Donatos Pizza Restaurants within the Development Territory by the dates set forth on the Schedule within the Development Phase. The Schedule is not our representation, express or implied, that the Development Territory can support, or that there are sufficient sites for, the number of Donatos Pizza Restaurants specified in the Schedule.

7. **Site Selection and Franchisee Acceptance**. To meet your obligations under the Schedule, you agree to give us the franchise application package that we periodically specify and all other information and materials that we periodically request to assess (a) each proposed Donatos Pizza Restaurant site and market area, and (b) your (or the applicable Affiliated Entity's) financial and operational ability to develop and operate the proposed Donatos Pizza Restaurant. We will not unreasonably withhold acceptance of any site you propose that meets our then current criteria for demographic characteristics; traffic patterns; parking; ingress and

egress; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. We will not unreasonably withhold approval of you or an Affiliated Entity as the franchisee of a Donatos Pizza Restaurant if you or the Affiliated Entity meets our then current criteria for the financial and operational qualifications of Donatos Pizza Restaurant franchisees, including the criteria under the Franchise Documents relating to the franchisee's operating partner and other management personnel of the Donatos Pizza Restaurant. However, we have the absolute right to refuse to accept any site or disapprove any franchisee that does not meet these criteria.

We agree to use reasonable efforts to review and either accept or not accept the sites and approve or disapprove the franchisees that you propose within forty-five (45) days after we receive all requested information and materials. If we accept a proposed site and approve your (or your Affiliated Entity's) financial and operational ability to develop and operate the proposed Donatos Pizza Restaurant, then we will offer, and you or your approved Affiliated Entity (and your or its owners) must sign, a separate franchise agreement for that Donatos Pizza Restaurant. If you or the Affiliated Entity (and your or its owners) do not do so within a reasonable time after delivery of the franchise agreement, or are unable to obtain lawful possession of the proposed site within a reasonable time after we accept the proposed site, we may withdraw our acceptance. Neither you nor any Affiliated Entity may sign any lease or sublease for a site without our approval and first signing, and complying with, the applicable Franchise Documents. After you or your Affiliated Entity signs the applicable Franchise Documents, their terms and conditions will control the development and operation of the Donatos Pizza Restaurant.

If we accept a proposed site, that is not a representation or warranty of any kind, express or implied, of the site's suitability for a Donatos Pizza Restaurant or any other purpose. Our acceptance indicates only that we believe the site meets our then acceptable criteria. Applying criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site we accept fails to meet your expectations. In granting you the development rights under this Agreement, we are relying on your knowledge of the real estate market in the Development Territory and your ability to locate and access sites.

8. **Franchise Documents**. The franchise agreement (and related documents) that you or your Affiliated Entity will sign (or have signed) for each Donatos Pizza Restaurant covered by this Agreement will be our then current form of franchise agreement and related documents, including personal guarantees (collectively, the "Franchise Documents"), any or all of the terms of which may differ substantially from the terms contained in the Existing Agreement which is our current form of franchise agreement and related documents as of the Effective Date. You and your Owners (as defined in the Existing Agreement) will be required to guarantee the obligations and performance of all Franchise Documents, even if such Franchise Documents are executed by your Affiliated Entities.

9. **Complying with Development Schedule**. We will include a Donatos Pizzeria restaurant in the cumulative number of Donatos Pizza Restaurants that must be open and operating in the Development Territory according to the Schedule only if it actually is operating and substantially complying with the terms of its Franchise Documents as of the end of a

Development Period (as defined on Exhibit A). However, a Donatos Pizza Restaurant which is, with our approval or because of fire or other casualty, permanently closed during a Development Period after being open and operating will be included in the cumulative number of Donatos Pizza Restaurants that must be open and operating according to the Schedule during that particular Development Period (but not after).

Your failure to comply with the Schedule as of the end of any Development Period is a "Development Default." Following a Development Default, and whether or not we provide you written notice of that Development Default, you must cure that Development Default by complying with the Schedule on or before the date which is sixty (60) days after the end of the Development Period with respect to which the Development Default occurred. This cure period does not reduce the Schedule for the next Development Period nor extend the time for you to comply with the Schedule for the next Development Period. In addition, if you commit two (2) Development Defaults in successive Development Periods, or three (3) Development Defaults at any time during the term of this Agreement, then we may (but need not):

(a) terminate this Agreement pursuant to Section 11;

(b) extend the time of any Development Period (and thereby extend the time for all future Development Periods) for any period of time that we determine; and/or

(c) reduce the size of the Development Territory to a lesser area that we determine.

10. **No Sublicensing Rights or Rights to Marks**. This Agreement does not give you any right to license others to operate Donatos Pizza Restaurants. Only you (and your approved Affiliated Entities) may open and operate Donatos Pizza Restaurants pursuant to this Agreement and only under Franchise Documents with us. This Agreement is not a franchise agreement and does not grant you the right to engage in the business of offering, selling or distributing goods and services under the Marks or to use the Marks in any manner. These rights are granted only by franchise agreements signed by you (or its approved Affiliated Entities) and us. Subject to Section 13 below, any and all Franchise Documents are independent of this Agreement.

11. **Termination**.

(a) You and we understand we can terminate your rights to develop Donatos Pizza Restaurants under this Agreement without terminating this Agreement and the other terms and conditions contained herein. We may terminate, in our sole discretion, this Agreement in its entirety, or your right to develop additional Donatos Pizza Restaurants within the Development Territory under this Agreement at any time, effective upon delivery of written notice of termination, if:

i. you commit two (2) Development Defaults in successive Development Periods, or three (3) Development Defaults at any time during the term of this Agreement, or fail to cure any Development Default in accordance with Section 9 within sixty (60) days after the end of the Development Period with respect to which the Development Default occurred; or

ii. you or your Affiliated Entity breaches or otherwise is in default under any franchise agreement between us and you (or your Affiliated Entity) for a Donatos Pizza Restaurant, regardless of whether any such franchise agreement is terminated or whether you (or your Affiliated Entity) eventually cure that breach or default (if the applicable franchise agreement provides a cure right); or

iii. you fail to satisfy any other obligations under this Agreement (other than a Development Default), which defaults you have no right to cure.

(b) Neither the termination of this Agreement nor the termination of the development rights contained herein, shall, without more, be grounds for the termination of any franchise agreement signed before the effective date of the termination of this Agreement. However, nothing in this Agreement shall limit our right to terminate any franchise agreement, including the right to terminate any such franchise agreement due to any event, cause or default which also forms the basis or grounds of the termination of this Agreement.

(c) If, pursuant to Section 11(a), we terminate your rights to develop additional Donatos Pizza Restaurants under this Agreement without terminating the Agreement, you shall cease development of any new or unopened Donatos Pizza Restaurants, and the rights and obligations set forth in Section 1 (Grant of Development Rights), Section 3 (Right of First Negotiation for Additional Restaurants), Section 6 (Development Schedule) and Section 9 (Complying with Development Schedule) shall immediately be void and have no further effect. In addition to the foregoing, upon such a termination of the development rights herein and not a termination of this entire Agreement, you shall continue to be bound by the terms and conditions of this Agreement which are not related to the development of such new Donatos Pizza Restaurants, including, without limitation, Section 2 (Term), Section 8 (Franchise Documents), Section 10 (No sublicensing Rights or Rights to Marks), Section 12 (Transfer Restrictions), Section 13 (Incorporation of Other Terms) and Section 14 (Your Entity). All of our and your obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

12. **Transfer Restrictions**.

(a) You and your Owners acknowledge that we are granting you the rights under this Agreement because of our perception of your (and your Owners') individual and collective character, skill, business acumen, financial capability and proven ability to operate Donatos Pizza Restaurants according to our System Standards. These rights are personal to you and your Owners. Therefore, you and your Owners may not transfer this Agreement or any of your Ownership Interests (whether directly or indirectly) without our prior written approval, which we may grant or withhold for any or no reason. For purposes of this Agreement, "transfer" includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events:

i. transfer of record or beneficial ownership of capital stock, a partnership or membership interest, or any other ownership interest or right to receive all or a portion of your profits or losses or any capital appreciation relating to you or any of the Donatos Pizzeria Restaurants owned or operated by you or any Affiliated Entities;

ii. a merger, consolidation or exchange of Ownership Interests, or issuance of additional Ownership Interests or securities representing or potentially representing Ownership Interests, or a redemption of Ownership Interests;

iii. any sale or exchange of voting interests or securities convertible to voting interests, or any management agreement or other agreement granting the right to exercise or control the exercise of the voting rights of any Owner of yours or to control your operations or affairs;

iv. transfer of an interest in you, this Agreement, any other agreement entered into by and between us and you or your Affiliated Entities covered by the Franchise Documents (or any right to receive all or a portion of your or the Donatos Pizza Restaurant's profits or losses or any capital appreciation relating to you or the Donatos Pizzeria Restaurants) in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;

v. if you or one of your Owners dies, transfer of an interest in you, any Affiliated Entity, the Franchise Documents or the Donatos Pizzeria Restaurants (or any right to receive all or a portion of your or the Donatos Pizzeria Restaurant's profits or losses or any capital appreciation relating to you or the Restaurants) by will, declaration of or transfer in trust, or under the laws of intestate succession; or

vi. the grant of a mortgage, charge, pledge, collateral assignment, lien or security interest in any interest in this Agreement or the Franchise Documents, the Donatos Pizzeria Restaurants, any other agreement by and between us and you or your Affiliated Entities, or an ownership interest in you or your Affiliated Entities; foreclosure upon or attachment or seizure of any of the Donatos Pizzeria Restaurants or any of their operating assets; or your (or your Affiliated Entities) transfer, surrender or loss of the Restaurants' possession, control or management.

(b) You acknowledge our current requirement is that developers (directly or through Affiliated Entities) must continue to own and operate all of the Donatos Pizza Restaurants located in their Development Territory throughout the entire terms of their franchise agreements. We believe these requirements are important in order to (among other reasons) establish continuity and cooperation among the Donatos Pizza Restaurants in the market and protect the Donatos® brand. Therefore, you and your Owners agree that if you, any of your Owners, or any Affiliated Entity seeks to enter into any transfer that would (if consummated) require our approval pursuant to this Section 12 or the applicable Franchise Documents, regardless of the form of transaction, then we may condition our approval of that transfer (in addition to any other conditions set forth in this

Agreement or the applicable Franchise Documents) on the simultaneous transfer to that transferee of other rights, interests, obligations, assets, and/or ownership interests such that, following such transfer, you (or your successor in interest, including the transferee) own and operate (directly or through your Affiliated Entities) all of the Donatos Pizza Restaurants in the Development Territory.

(c) We may transfer this Agreement or any of our ownership interests without restriction.

13. **Incorporation of Other Terms**. Section 6 (Confidential Information), Section 7 (Exclusive Relationship), Section 14.E (Post-Term Covenant Not to Compete), Section 15 (Relationship of the Parties/Indemnification), Section 16 (General Release), Section 17 (Enforcement) and Section 18 (Notices and Payments) of the Existing Agreement including the arbitration obligations in Section 17 (collectively, the "Other Terms"), are incorporated by reference in this Agreement and will govern all aspects of our relationship with you under this Agreement and the construction of this Agreement as if fully restated within the text of this Agreement, even if the Existing Agreement is entered into by your Affiliated Entity and not you directly. You and we acknowledge and agree that all such Other Terms shall remain in full force and effect under this Agreement for the full duration and term of this Agreement, independent of the term or earlier termination of the Existing Agreement.

14. **Your Entity**. Your organizational documents, operating agreement, and/or partnership agreement will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other governing documents representing such ownership interests in you (including, but not limited to, an operating or LLC agreement) will bear a legend referring to this Agreement's restrictions. Exhibit C to this Agreement completely and accurately describes all of your Owners and their ownership interests in you. Subject to our rights and your obligations under Section 12 of this Agreement, you and your Owners agree to sign and deliver to us a revised Exhibits C to reflect any changes in the information that Exhibit C now contains. Each of your Owners at any time (current and future, and their spouses, if they are married) during this Agreement's term shall execute the Guaranty and Assumption of Obligations Agreement, in the form attached to this Agreement as Exhibit D, whereby each such Owner personally agrees to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you (and your Affiliated Entities) and us, including, without limitations, all Franchise Documents.[1]

15. **Entire Agreement; Construction**. The preambles and exhibits are a part of this Agreement which, together with the Existing Agreement and any riders, exhibits, or addenda signed at the same time as this Agreement, constitutes our and your entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between us and you. There are no other oral or written representations, warranties,

[1] Note: If the entity signing this Development Rights Agreement is the same entity that will enter into the Existing Agreement then the Guaranty and Assumptions of Obligations will not be required under this Development Rights Agreement and such Guaranty will be executed under the Existing Agreement.

understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in this or any related agreement is intended to disclaim the representations we made to you in the latest franchise disclosure document that we furnished to you. All capitalized terms used but not defined in this Agreement shall have the meanings in the Existing Agreement. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Development Rights Agreement effective as of the Effective Date.

US:	**YOU:**
DONATOS PIZZERIA, LLC,	**[NAME],**
a Delaware limited liability company	a [entity choice]
By:_____	By:_____
Name_____	Name: _____
Title: _____	Title: _____

EXHIBIT A
TO DEVELOPMENT RIGHTS AGREEMENT

You agree to open _____ (__) total Donatos Pizza Restaurants within the Development Territory (including the Donatos Pizza Restaurant to be opened under the Existing Agreement) according to the following Schedule within the following time periods (each a "Development Period" and collectively the "Development Phase"):

Development Period Ending On:	**Cumulative Number of New Restaurants To Be Opened and Operating No Later Than the Opening Date (in Previous Column)**
[date]	[…]
[date]	[…]
[date]	[…]
Total Restaurants as of [date]	[…]

US:
DONATOS PIZZERIA, LLC,
a Delaware limited liability company

By:_____
Name_____
Title: _____

YOU:
[NAME],
a [entity choice]

By:_____
Name: _____
Title: _____

EXHIBIT B
TO DEVELOPMENT RIGHTS AGREEMENT

The Development Territory is defined as the entire area encompassed _____ in the State of _____, as the boundaries of those territories exist on the date of this Agreement; provided, however, that all areas constituting an Excluded Area around any Red Robin Restaurant which is either in existence or under construction as of the date of this agreement shall be excluded from the Development Territory. The Development Territory is depicted on the map attached to this Exhibit B. However, if there is an inconsistency between the language in this Exhibit B and the attached map, the language in this Exhibit B shall control.

US:
DONATOS PIZZERIA, LLC,
a Delaware limited liability company

By:_____
Name_____
Title: _____

YOU:
[NAME],
a [entity choice]

By:_____
Name: _____
Title: _____

MAP OF
DEVELOPMENT TERRITORY

Exhibit C
TO DEVELOPMENT RIGHTS AGREEMENT

OWNERS AND OPERATING PARTNER

Effective Date: This Exhibit C is current and complete as of March_____, 2021

1. **Business Form of Franchisee**.

(a) **Individual Proprietorship**. Your Owner(s) (is) (are) as follows:

_____

(b) **Corporation, Limited Liability Company or Partnership**. You were incorporated or formed on _____, 20___, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership. The following is a list of your directors, if applicable, and officers as of the Effective Date:

Name of Each Director/Officer	Position(s) Held
_____	_____
_____	_____
_____	_____

2. **Owners**. The following list includes the full name of each person who is one of your Owners (as defined in the Existing Agreement) and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	Description of Interest
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

IN WITNESS WHEREOF, the parties have executed and delivered this Exhibit C to the Development Rights Agreement effective as of the Effective Date.

US:	**YOU:**
DONATOS PIZZERIA, LLC,	**[NAME],**
a Delaware limited liability company	a [entity choice]
By:_____	By:_____
Name_____	Name: _____
Title: _____	Title: _____

EXHIBIT D
TO DEVELOPMENT RIGHTS AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20___, by _____
_____.

In consideration of, and as an inducement to, the execution of that certain Development Rights Agreement (the "Agreement") on this date by Donatos Pizzeria, LLC ("we," "us," or "our"), each of the undersigned personally and unconditionally, jointly and severally, (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("Developer") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the arbitration, non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or its owners, and for so long as we have any cause of action against Developer or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Developer, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Developer arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a "creditor" of Developer under any applicable bankruptcy law with respect to Developer's obligations to us; (ii) all rights to require us to proceed against Developer for any payment required under the Agreement, proceed against or exhaust any security from Developer, take any action to assist any of the undersigned in seeking

reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Developer; (iii) any benefit of, any right to participate in, any security now or hereafter held by us; and (iv) acceptance and notice of acceptance by us of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. We shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Developer, any other guarantor, or any collateral securing any obligations of Developer to us. Without affecting the obligations of the undersigned under this Guaranty, we may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Developer, or settle, adjust, release, or compromise any claims against Developer or any other guarantor, make advances for the purpose of performing any obligations of Developer under the Agreement, assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability or any counterclaim or right of set-off or other defense of Developer, (b) any lack of authority of Developer with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Developer, (d) any circumstance whereby the Agreement shall be void or voidable as against Developer or any of Developer's creditors, including a trustee in bankruptcy of Developer, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Developer of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Developer or any other guarantor, and (g) any act or omission of Developer.

If we are required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction closest to where our principal business address then is located, and each of the undersigned irrevocably submits to the jurisdiction of those courts and

waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S):

_____
Printed Name: _____
Percentage of Ownership in Developer: ____%

_____
Printed Name: _____
Percentage of Ownership in Developer: ____%

_____
Printed Name: _____
Percentage of Ownership in Developer: ____%

EXHIBIT D

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We might not be registered to sell franchises in any or all of these states.

State	State Agency	Agent for Service of Process
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll-free (866-275-2677)	Department of Financial Protection and Innovation
HAWAII	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Office of Attorney General Franchise Bureau 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington St., Room E111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 200 West Washington Street, Room 201 Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner at the Office of the Attorney General 200 St. Paul Place Baltimore, MD 21202-2020
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division	Michigan Department of Attorney General Consumer Protection Division

State	State Agency	Agent for Service of Process
	Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Bldg. 1st Floor Lansing, MI 48933 (517) 373-7117	
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651)-539-1638	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State 99 Washington Avenue, 6th Fl Albany, NY 12231
NORTH DAKOTA	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department
RHODE ISLAND	Rhode Island Department of Business Regulation Division of Securities 1511 Pontiac Avenue John O. Pastore Complex – Bldg. 69-1 Cranston, RI 02920 (401) 462-9500 x5	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	South Dakota Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Director of the South Dakota Division of Securities
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9th Floor 1300 East Main Street	Clerk, Virginia State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219

State	State Agency	Agent for Service of Process
	Richmond, VA 23219 (804) 371-9051	
WASHINGTON	Securities Division Department of Financial Institutions P.O. Box 9033 Olympia, WA 98501 (360) 902-8760	Securities Division Department of Financial Institutions 150 Israel Rd S.W. Tumwater, WA 98501
WISCONSIN	Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-3364	Wisconsin Commissioner of Securities

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

Standards

• Standard Operating Procedures	11 pages
• Open / Close / Shift Transition	3 pages
• Uniform Standards	1 page
• Appearance Standards	4 pages
• Safety & Security	3 pages
• Cash Control	6 pages
• Cleaning	1 page
• Service	6 pages
• Food Safety	10 pages

Ingredients & Products

• Beverage	7 pages
• Desserts	3 pages
• Dough	7 pages
• Ingredients	60 pages
• Salads	7 pages
• Sides	4 pages
• Signature Pizzas	22 pages
• Subs	10 pages
• Calzones & Wings	2 pages

EXHIBIT F

TRIO SYSTEM STANDARD SOFTWARE LICENSE AGREEMENT

DONATOS PIZZERIA, LLC "TRIO SYSTEM"
STANDARD SOFTWARE LICENSE AGREEMENT

This is a Donatos Pizzeria, LLC "TRIO System" Standard Software License Agreement (hereinafter referred to as "TRIO Agreement"), entered into this _____ day of _____, 20__, by and between DONATOS PIZZERIA, LLC, a Delaware limited liability company, having its principal place of business in the City of Columbus, Ohio (hereinafter referred to as "Franchisor"), and _____, a _____ corporation, having its principal place of business in the City of _____ (hereinafter referred to as "Franchisee").

Recitals

A. Franchisor and Franchisee have entered into a Franchise Agreement on the date hereof (referred to as the "Franchise Agreement") for the right to develop and operate a Donatos Pizza store on the terms and conditions set forth in the Franchise Agreement;

B. The Franchise Agreement requires that Franchisee enter into this TRIO Agreement pursuant to which Franchisor will license the use of certain software programs described in Exhibit A (referred to as the "Licensed Software") and will provide certain services to Franchisee described in this TRIO Agreement. The Licensed Software, used in conjunction with the computer equipment and related equipment operating system software (the "Hardware"), as modified, updated or substituted from time to time in accordance with the Franchise Agreement and this TRIO Agreement is referred to herein as the "TRIO System."

C. Franchisee is willing to compensate Franchisor for the use of the Licensed Software and desires Franchisor to provide the services described herein.

In furtherance of such objectives the Parties agree as follows:

Article 1. Basic License.

Section 1.1 License of Software. Franchisor has developed a computerized point of sale and reporting software, which includes machine executable codes which will be supplied by Franchisor, and the other software modules described in Exhibit A. Franchisor hereby grants to Franchisee, subject to all the terms, conditions, and provisions provided hereafter, the non-exclusive, non-transferable and non-assignable right and license to use the Licensed Software in the store described in Exhibit A during the term of the Franchise Agreement. Franchisee acknowledges and agrees that the Licensed Software identified in Exhibit A may only be used in the operation of the store described in Exhibit A. Franchisee agrees that all vendors and licensors of all or portions of the Licensed Software are third-party beneficiaries of this TRIO Agreement with full rights to enforce the terms hereof. Franchisee acknowledges and agrees that the Licensed Software and the data generated by use of the Licensed Software is and will remain the property of Franchisor. All ideas, concepts, systems, designs, programs, techniques and know-how related to the Licensed Software or developed in connection therewith are and shall be the exclusive property of Franchisor. Ideas and suggestions made by Franchisee and incorporated

into the TRIO System shall belong to Franchisor, and Franchisor shall have no obligation to compensate Franchisee for any such ideas or suggestions. Franchisee acknowledges Franchisor's proprietary interest in the Licensed Software, related instruction manuals and the TRIO System. Franchisee also acknowledges that Franchisor is the exclusive owner of the data comprising of the customer data base of such store contained in Franchisee's TRIO System, licensed hereunder, and has the right to access that data at all times and upon termination of Franchisee's Franchise Agreement or the termination of this TRIO Agreement, to obtain sole possession of all such data.

As of the date of this TRIO Agreement, the Licensed Software will be installed on the Hardware contained at Franchisee's store. Pursuant to the conditions set forth in this TRIO Agreement, Franchisee shall be entitled to free software support, as described in Section 2.3, commencing with the date of this TRIO Agreement and until the one month anniversary date of this TRIO Agreement. Franchisee hereby acknowledges that it has reviewed the specifications for the Licensed Software which set forth its functions and capabilities.

Immediately upon executing this TRIO Agreement, Franchisee agrees to perform tests to confirm that the Licensed Software conforms to the specifications. Franchisee shall be deemed to have accepted the Licensed Software as installed unless Franchisee notifies Franchisor, in writing, within sixty (60) days after the date of this TRIO Agreement. Such notification shall specifically state the areas in which the software fails to perform to the specifications. In the event Franchisee so notifies Franchisor, Franchisor shall take such remedial actions as are necessary to conform the Licensed Software to the specifications.

During the term of this TRIO Agreement, Franchisee agrees to promptly implement all upgrades, modifications, enhancements, extensions, error corrections and other changes to the Licensed Software and/or the TRIO System developed or adopted by Franchisor, at the sole cost and expense of Franchisee and in accordance with the terms and conditions of this TRIO Agreement and the Franchise Agreement.

Section 1.2 Training of Franchisee's Personnel. Franchisor shall furnish Franchisee with a user guide for the Licensed Software. Franchisor shall provide training and instructions to Franchisee during Franchisee's training period under the Franchise Agreement. Franchisee shall designate one or two of its employees, competent in the operation of the computer and in Franchisee's business operations, as primary contacts for coordinating all training and further support from Franchisor. Franchisee shall receive a no-charge registration of one attendee at each periodic system tutorial. These tutorials will cover introduction or refresher courses on the TRIO System, as may be offered by Franchisor in Columbus, Ohio, from time to time. Any reinstallation of Licensed Software modules or retraining of Franchisor's personnel shall be performed at Franchisor's then prevailing standard rate for such services, plus expenses.

Article 2. Fees.

Section 2.1 Software License Fee. Upon execution of this TRIO Agreement, Franchisee shall pay to Franchisor the software license fee set forth in Exhibit A.

Section 2.2 Payment of Taxes. Franchisee shall be solely responsible for all applicable sales, use and property taxes for the Hardware and Licensed Software. The software license fee does not include any applicable taxes, and any such taxes shall be the responsibility of and paid for by Franchisee. Franchisee may provide Franchisor with an exemption certificate to taxes where appropriate.

Section 2.3 Monthly Support and Enhancement Fees. During the term of this TRIO Agreement, Franchisee agrees to pay to Franchisor a monthly Support and Enhancement Fee, payable in advance on the first Friday of each calendar month. The Support and Enhancement Fee shall be $200.00 per month, subject to change upon written notice. In exchange for this Support and Enhancement Fee, Franchisor will maintain a telephone support staff to respond to questions from Franchisee and its employees regarding the TRIO System, and a portion of such fees will be used by Franchisor for software maintenance, research and development, upgrades and enhancements which Franchisor adopts, requires or provides. Any upgrades, enhancements or substitutions of the Licensed Software which is required by Franchisor may be provided to Franchisee without additional cost. Following the initial period after execution of this TRIO Agreement (as referenced in Section 1.1 of this TRIO Agreement), calls in excess of 24 calls in any 12-month period per store may be billed by Franchisor, at its discretion, at Franchisor's then current billing rate per call. The Support and Enhancement Fee may be increased by Franchisor from time to time. Franchisor agrees to make available annually a report of the aggregate amount of Support and Enhancement Fees collected by Franchisor from franchise partners and Franchisor stores, the aggregate cost to Franchisor for support and enhancement services during the year and a general description of the benefits to Franchisor’s franchise system resulting from the support and enhancement services.

Section 2.4 Late Payment Charge. Should Franchisee fail to pay any charges when due and payable, Franchisee agrees that Franchisor shall have the right to invoice, and Franchisee shall pay, a late payment charge equal to 1.5% of the outstanding balance per month, but not in excess of the lawful maximum on the unpaid balance. Further, Franchisee hereby agrees to pay for all costs and expenses of Franchisor incurred in connection with the collection of any unpaid balance, including reasonable attorneys' fees.

Article 3. Warranties.

Section 3.1 Franchisor hereby warrants that it has developed, owns and possesses all rights and interests in the Licensed Software necessary to enter into this TRIO Agreement. Franchisor shall indemnify and hold Franchisee, its agents and employees harmless from any loss, damage or liability for infringement of any United States patent right or copyright with respect to the sale, distribution, or use of the Licensed Software delivered hereunder; provided, however, that Franchisor is notified in writing within ten (10) calendar days of any suit or claim against Franchisee, of actual or constructive notice of any suit or claim against Franchisee, that Franchisee permits Franchisor to defend, compromise or settle said claim of infringement and gives Franchisor all available information, assistance and authority to enable Franchisor to do so; and, provided further, that Franchisee shall observe all the terms and conditions of this TRIO Agreement and provided that in the event that Franchisor is permitted to defend, compromise or settle any claim of infringement, Franchisor shall have the right to select such attorneys as it

deems appropriate and shall not be responsible for any attorneys' fees of Franchisee. Franchisor shall not be responsible for any compromise made without its consent. Franchisor's indemnity hereunder as to use shall not apply to any infringement arising out of use of the Licensed Software in combination with other software or articles where such infringement would not have occurred but for its use in combination with such other software or articles.

Section 3.2 Franchisor warrants that as of the date of this TRIO Agreement, the Licensed Software will conform to the product specification fact sheets for each item thereof. Franchisee acknowledges as Franchisor's sole and exclusive liability, and as Franchisee's sole and exclusive remedy, that Franchisor will provide all reasonable services to correct documented programming or documentation errors reported by Franchisee which Franchisor's diagnosis indicates were caused by a defect in an unaltered version of the Licensed Software. Franchisor may, at its option, repair or replace non-conforming or defective materials or software. Franchisee will provide Franchisor with data files and other pertinent information, material and documentation for Franchisor's diagnosis. For each item of the Licensed Software, the warranty contained in this subsection is valid for a period of one year from the date of this TRIO Agreement. THIS WARRANTY SHALL NOT APPLY IN THE EVENT THAT FRANCHISEE USES A DIFFERENT VERSION OF CPU SYSTEM/LANGUAGE SOFTWARE OTHER THAN THAT CONTAINED ON THE HARDWARE AT FRANCHISEE'S STORE AS OF THE DATE OF THIS TRIO AGREEMENT.

Article 4. Limitation of Liability.

Section 4.1 EXCEPT FOR THE EXPRESSED WARRANTIES SET FORTH IN SECTIONS 3.1 AND 3.2, FRANCHISOR GRANTS NO WARRANTIES OF MERCHANTABILITY OR FITNESS, AND THE EXPRESS OBLIGATIONS CONTAINED IN SECTIONS 3.1 AND 3.2 ARE IN LIEU OF ALL LIABILITIES OR OBLIGATIONS OF FRANCHISOR FOR DAMAGES INCLUDING, BUT NOT LIMITED TO, GENERAL, SPECIAL OR CONSEQUENTIAL DAMAGES OCCURRING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE LICENSED SOFTWARE, ARISING FROM THE NEGLIGENCE OF FRANCHISOR, ITS EMPLOYEES, OFFICERS, DIRECTORS, CONSULTANTS, AGENTS OR REPRESENTATIVES.

Section 4.2 FRANCHISEE FURTHER AGREES THAT FRANCHISOR SHALL NOT BE LIABLE FOR FRANCHISEE'S LOST PROFITS OR FOR ANY CLAIMS OR DEMANDS AGAINST FRANCHISEE BY ANY OTHER PARTY AND FRANCHISEE AGREES TO INDEMNIFY AND HOLD FRANCHISOR HARMLESS FOR ANY LOSS, COST OR EXPENSE SUFFERED OR. INCURRED, INCLUDING ATTORNEYS' FEES, IF ANY SUCH CLAIMS ARE MADE, FRANCHISEE IS EXCLUSIVELY RESPONSIBLE FOR THE SUPERVISION, MANAGEMENT AND CONTROL OF ITS USE OF THE LICENSED SOFTWARE AND/OR HARDWARE.

Section 4.3 The fees set forth in this TRIO Agreement reflect the allocation of risks between the parties. Franchisee acknowledges and understands these allocations of risk which limit the liability of Franchisor, understands that a change of allocation of risks as set forth in this

TRIO Agreement would effect the fee payable hereunder, and Franchisee, in consideration of the fees, agrees to said allocations of risk.

Section 4.4 Franchisee understands that the Licensed Software is written for a certain programming language and operating system combination. Franchisee understands that the Licensed Software requires this version of the programming language and operating system combination to be functional. Franchisee is solely responsible for providing the required programming language and operating system on its CPU. Franchisee further agrees that the use of the Licensed Software and the performance thereof in any other programming language and operating system combination is solely Franchisee's responsibility. Franchisor assumes no obligations nor makes any warranties with respect to the use of the Licensed Software in any other version.

Section 4.5 Franchisor shall not be liable for delay in all or any part of the TRIO System due to accidents, strikes, fires, war, inability to obtain materials from its regular sources, governmental regulations, acts of God, or any other conditions beyond the control of Franchisor.

Article 5. Enhancements, Support and Maintenance.

Section 5.1 Franchisor hereby agrees to provide to Franchisee internal program enhancements of the Licensed Software, as developed by Franchisor. Such TRIO enhancement services do not include recovery of or maintenance of Franchisee's database created as a result of Franchisee's use of the Licensed Software.

Section 5.2 In the event that Franchisor performs a diagnostic test of Franchisee's TRIO System and such test indicates that service was or is to be performed which is not a result of programming errors caused by a defect in an unaltered version of the Licensed Software contained on the Hardware at Franchisee’s store as of the date of this TRIO Agreement, such service shall be charged to Franchisee at Franchisor's applicable hourly rates and terms then in effect. Payment for such services are due and payable upon receipt of invoices.

Section 5.3 In the event that Franchisee requires a re-installation of the Licensed Software, Franchisee shall pay a re-installation fee which shall include charges for transportation, lodging, meals, material and labor. Prior to re-installation, Franchisee shall pay all applicable re-installation fees and applicable hourly rates, and shall certify to Franchisor in writing under penalty of perjury that the original and/or all copies of the Licensed Software, including any parts thereof which have been modified, merged or included with other software have been destroyed.

Section 5.4 Franchisee hereby acknowledges and understands that it is required to have installed and use all program enhancements for the Licensed Software. Franchisee shall have no right to decline any such enhancements. Franchisee acknowledges that Franchisor desires all Franchisees and company stores to operate using the identical software system, as may be enhanced from time to time. The Enhancement Fee paid by Franchisee pursuant to Section 2.3 hereof includes the cost of any and all required enhancements for the Licensed

Software. All enhancements or modifications will be forwarded to Franchisee by tape or floppy diskette, by mail or over a communication line.

Section 5.5 For purposes of support and data retrieval, Franchisee hereby agrees to maintain, at Franchisee's cost, a modem link with the modem type, speed and access times as may be required by Franchisor from time to time. Franchisee also acknowledges and agrees that Franchisor has the right to access the data at all times, and upon termination of this TRIO Agreement, all such data shall immediately become the possession of Franchisor.

Section 5.6 Franchisor reserves the right to retain third parties for software maintenance, enhancement and support. The cost of such out-sourcing of programming, maintenance, enhancement and support shall be charged to Franchisee through an annual Support and Enhancement Fee, as set forth in Section 2.3, in an amount applicable to all franchisees of Franchisor, and all Donatos Pizza stores that Franchisor owns, which utilize the TRIO System.

Section 5.7 During the term of this TRIO Agreement, Franchisor will correct or replace Licensed Software and/or provide services necessary to remedy any programming error which is attributed to Franchisor and which effects use of the Licensed Software. Such correction, replacement, or services will be undertaken after Franchisee has identified and notified Franchisor of any such error in accordance with Franchisor's reporting procedures.

Franchisee agrees to provide Franchisor with memory dumps, including printed output, as requested, and with sufficient support and test time on the TRIO System at Franchisee’s store to duplicate the problem, to certify that the problem is with the Licensed Software, and to certify that the problem has been eliminated.

Franchisee shall designate those employees of Franchisee who are authorized by Franchisee to make any necessary service calls to Franchisor. Franchisee and Franchisor acknowledge that the purpose for such designation requirement is to provide Franchisor with individuals who are authorized to incur service fees on behalf of Franchisee and to permit Franchisee to develop internal controls, recognized by Franchisor, to monitor expenses arising from service calls.

Corrections for difficulties or defects traceable to Franchisee's errors or Franchisee's affected system changes will be billed at standard Franchisor time and material rates.

Section 5.8 Exclusive Use and Confidentiality. Franchisee hereby agrees to observe complete confidentiality with regard to all aspects of the Licensed Software in any form. In furtherance thereof, Franchisee hereby agrees, without limitation, to:

(a) not disclose or otherwise permit any other person or entity any manner of access to the Licensed Software except, on a need to know basis, to Franchisee's employees, independent contractors and consultants;

(b) not assign, sublicense or otherwise transfer the Licensed Software or any part thereof, by operation of law or otherwise, directly or indirectly, including but not limited to any joint venture or combination arrangements with any other person or entity;

(c) not alter or remove any proprietary rights or copyright notices or identification which indicates Franchisor's ownership interests from any part of the Licensed Software;

(d) notify Franchisor promptly and in writing of the existence of and circumstances surrounding any unauthorized knowledge, possession, or use of the Licensed Software or any part thereof by any person or entity;

(e) take any and all reasonable actions deemed necessary or desirable by Franchisor to insure continued confidentiality and protection of the Licensed Software and to prevent access thereto or use thereof by any person or entity not authorized hereby; and

(f) establish specific procedures designed to meet the obligations of this subsection and follow any such procedures as may be required from time to time by Franchisor.

Franchisor is hereby authorized to make reasonable inquiries concerning Franchisee's compliance with the provisions of this section. Franchisee shall promptly furnish all data requested to be furnished in such reasonable inquiries.

Franchisee agrees that it will not, nor will it permit others to, without the prior written consent of Franchisor, modify, change, enhance, improve or otherwise effect or attempt to effect any aspect of the TRIO System.

This TRIO Agreement may not be assigned by Franchisee without the express written consent of Franchisor, which consent may be withheld by Franchisor for any reason whatsoever. Any such assignment must occur only in conjunction with a transfer of the Franchise Agreement

Franchisee may have no more than one copy of all or any part of the Licensed Software for Franchisee's use for each item licensed. Franchisee agrees not to copy, reproduce, modify, duplicate, convert, translate, reprogram, and/or replicate the Licensed Software, or any portions thereof, in any fashion whatsoever. Franchisee agrees not to attempt to and/or view, read, and/or print the software source code or object code. Franchisee may not modify or enhance the Licensed Software or any portions thereof with any other software or make it available for use under another operating system to form or create updated, related or derivative works. The use of any portion of the Licensed Software included in an updated work shall remain subject to all terms and conditions of this TRIO Agreement.

Article 6. Termination.

Section 6.1 This TRIO Agreement shall remain in full force and effect so long as Franchisee continues to be a party to the Franchise Agreement and so long as the Franchise

Agreement remains in full force and effect, with Franchisee having the right to own and operate a Donatos Pizza store in accordance with and pursuant to the terms of the Franchise Agreement. Termination of the Franchise Agreement, for any reason, shall result in termination of this TRIO Agreement.

Section 6.2 Franchisor may terminate this TRIO Agreement, effective upon notice thereof to Franchisee, if Franchisee neglects or fails to perform or observe any of the terms or obligations set forth in this Agreement. Termination of this TRIO Agreement pursuant to this Section 6.2 shall result in termination of the Franchise Agreement.

Section 6.3 Franchisor may terminate this TRIO Agreement effective as of the date stated in any notice to Franchisee indicating that Franchisor is exercising its rights under the Franchise Agreement to require Franchisee to cease using the TRIO System and begin using another system in the operation of Franchisee's store. Termination of this TRIO Agreement pursuant to this Section 6.3 shall not result in termination of the Franchise Agreement.

Section 6.4 Upon termination of this TRIO Agreement pursuant to the provisions hereof, Franchisee understands and agrees to immediately discontinue all use of the Licensed Software, and within ten (10) days of termination, Franchisee shall certify to Franchisor in writing that it has delivered to Franchisor the original and all copies of the Licensed Software, including any parts thereof which have been modified, merged or included with other software, including Franchisee's entire data base.

Section 6.5 The parties hereto acknowledge and agree that the confidentiality provisions contained in this TRIO Agreement shall survive any termination hereof.

Section 6.6 The parties hereto acknowledge that the unauthorized use or transfer of the Licensed Software or any information contained therein will diminish substantially the value to Franchisor of the trade secrets and proprietary properties and interests that are the subject of the license hereunder. If Franchisee breaches any of its obligations with respect to limited use or confidentiality of the Licensed Software, or any of the related provisions of this TRIO Agreement, Franchisor shall be entitled to equitable relief to protect its interests therein, including but not limited to injunctive relief and specific performance. The parties specifically stipulate that Franchisor has no adequate remedy at law.

Article 7. Miscellaneous.

Section 7.1 Franchisee acknowledges and agrees that it shall have no more than one copy of all or any part of the Licensed Software for Franchisee's use. The Licensed Software may only be used in the store specifically described and set forth on Exhibit A hereto.

Section 7.2 This TRIO Agreement and the Franchise Agreement, with exhibits and other required agreements, set forth all the agreements, understandings, representations, warranties and other terms of the parties hereto with respect to the subject matter hereof.

Section 7.3 Nothing contained in this TRIO Agreement shall be construed as creating a joint venture, partnership, agency or employment relationship between Franchisor and Franchisee.

Section 7.4 No modification, addition to or waiver of any right, obligation or default shall be effective unless in writing and signed by the party against whom the same is sought to be enforced. One or more waivers of any right, obligation or default shall not be construed as a waiver of any subsequent right, obligation or default.

Section 7.5 Should any of the provisions of this TRIO Agreement, or portions hereof, be found to be invalid by any court of competent jurisdiction, the remainder of this TRIO Agreement shall nonetheless remain in full force and effect.

Section 7.6 Notices hereunder shall be in writing and shall be deemed to have been fully given and received when sent by registered or certified mail, return receipt requested, postage prepaid, and properly addressed to the respective parties at the addresses shown in the Franchise Agreement, or at such addresses that the parties may later specify for such purpose, or upon personal delivery of such notice to other party.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have signed this TRIO Agreement, to be effective on the date first set forth above.

DONATOS PIZZERIA, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

EXHIBIT A

1. Description of Licensed Software

Modules	Primary Functions
Operating System	Linux
R.M. Cobol Run Time	Software to operate the Cobol back office programs
Donatos P.O.S.	Customized point of sale and reporting software

2. Store Location and License Number

The above-described Licensed Software is licensed to Franchisee for use only at the Donatos Pizza store located at _____.

3. Software License Fee

The software license fee referenced in Section 2.1 shall be Four Thousand Five Hundred Dollars ($4,500)

EXHIBIT G

CURRENT FORM OF GENERAL RELEASE AGREEMENT

RELEASE

THIS CONSENT TO RENEWAL/ASSIGNMENT OF FRANCHISE DOCUMENTS (the "Release") is effective this _____ day of _____ 20___, by and among **DONATOS PIZZERIA, LLC** a Delaware limited liability company (the "Company"), and _____, a _____ _____ ("Franchisee/Transferor").

R E C I T A L S:

WHEREAS, Franchisee/Transferor and the Company (or its predecessor) entered into a certain Franchise Agreement dated as of _____, 20___ (the "Franchise Agreement" and, together with all related documents and agreements, the "Franchise Documents") granting Franchisee/Transferor the right to operate a Donatos Pizza Restaurant at _____ (the "Restaurant") according to the terms of the Franchise Documents (all initial capitalized terms used but not defined in this Release shall have the meanings set forth in the Franchise Agreement); and

WHEREAS, Franchisee/Transferor wishes to renew or assign its interest in the Franchise Documents and the Restaurant, and all related rights; and

WHEREAS, the Franchise Agreement contains Franchisee's/Transferor's obligation to sign a release of claims in connection with any renewal of the Franchise Documents and its obligation not to assign the Franchise Agreement or the Restaurant's assets without the Company's prior written approval; and

WHEREAS, the Company is willing to approve the renewal or assignment of the Franchise Documents, as applicable (the "Transaction"), if, among other things, Franchisee/Transferor and its related parties agree to the terms of this Release; and

WHEREAS, Franchisee/Transferor and its related parties are willing to agree to the terms of this Release in order to obtain the Company's consent to the Transaction.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Release and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Release of the Company Parties and Covenant Not to Sue**. Franchisee/Transferor, for itself and its affiliates, each of their respective owners (including, without limitation, each person listed under "Owners" on the signature page of this Release) (collectively, the "Owners"), officers, directors, partners, managers, employees, representatives and agents, and all of their respective successors, heirs, executors, administrators, personal

representatives and assigns (collectively, the "Renewing/Transferring Parties"), hereby forever releases and discharges the Company, its predecessors, its and their affiliates, and all of their respective managers, officers, directors, owners, employees, agents, heirs, representatives, successors and assigns (collectively, the "Company Parties"), from any and all claims, damages, demands, causes of action, debts, costs, suits, duties, obligations, liabilities and agreements of any nature and kind whatsoever (collectively, "Claims") which any of the Renewing/Transferring Parties now has, ever had, or, but for this Release, hereafter would or could have against any of the Company Parties relating to or arising directly or indirectly in connection with any of the Renewing/Transferring Parties' rights or any of the Company Parties' obligations under the Franchise Documents, or otherwise relating to or arising directly or indirectly in connection with the relationship between any of the Renewing/Transferring Parties and any of Company Parties, at any time prior to the Effective Date.

Franchisee/Transferor and the Owners, for themselves and the other Renewing/Transferring Parties, further covenant not to sue any of the Company Parties on any of the Claims released by this Section 1. Franchisee/Transferor and each of the Owners, jointly and severally, hereby represent and warrant to the Company Parties that: (a) each has full power and authority to sign this Release and bind all of the Renewing/Transferring Parties to its provisions; (b) none of the Renewing/Transferring Parties has assigned any of the Claims released by this Section 1 to any individual or entity who is not bound by this Section 1; and (c) the Owners collectively own all of the issued and outstanding shares of capital stock or other ownership interests in Franchisee/Transferor.

Franchisee/Transferor and the Owners acknowledge a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor."

Each of the Renewing/Transferring Parties hereby waives and relinquishes every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that he, she, or it may lawfully waive such right or benefit. In connection with this waiver and relinquishment, with respect to the Claims released under this Release, each of the Renewing/Transferring Parties acknowledges that he, she, or it may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of this release, but that it is the parties' intention, subject to the terms and conditions of this Release, fully, finally and forever to settle and release all such Claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the releases given under this Release shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts

2. **Miscellaneous**.

(a) This Release, together with the other documents and agreements signed simultaneously with this Release in order to effect the Transaction, represents the entire agreement of the parties pertaining to the subject matter of this Release and supersedes all prior agreements, understandings and representations, whether oral or written.

(b) The Sections in the Franchise Agreement relating to enforcement of the Agreement, including, without limitation, the provisions relating to Arbitration, Governing Law and Consent to Jurisdiction, are incorporated in this Release by this reference as if fully stated here.

(c) The captions and headings are only for convenience of reference, are not a part of this Release, and will not limit or construe the provisions to which they apply. All references in this Release to the singular usage will be construed to include the plural and the masculine and neuter usages to include the other and the feminine. The obligations of the Owners and Franchisee/Transferor to the Company shall be joint and several.

(d) This Release is binding upon and inures to the benefit of the Company, Franchisee/Transferor, the Owners and their respective successors, permitted assigns and legal representatives. This Release may be executed in multiple copies, each of which will be deemed an original.

(e) Each of the Company Parties will be deemed to be a third party beneficiary of this Release with an independent right to enforce it.

IN WITNESS WHEREOF, the parties have duly executed this Release on the date first stated above.

DONATOS PIZZERIA, LLC,

a Delaware limited liability company

By:_____

Name:_____

Title: _____

FRANCHISEE/TRANSFEROR

_____

[Name]

By:_____

Name:_____

Title: _____

EXHIBIT H

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT ("Agreement") by and between Donatos Pizzeria, LLC, a Delaware limited liability company ("Donatos") and the undersigned (each a "Recipient") is dated this _____ day of _____, 20___.

WHEREAS, Recipient desires to participate in certain Donatos-sponsored meetings and/or discussions and/or training events at which Proprietary Information (as defined below) will be shared and/or discussed.

NOW, **THEREFORE**, in consideration of the right to participate in such meetings and/or discussions and as a condition to the disclosure of Proprietary Information to Recipient, Recipient hereby agrees as follows:

1. The term "Proprietary Information" means (a) any information, material or documents relating to Donatos, its business, assets, financial condition, operations, products, promotions, supplier relationships, trade secrets, know-how, strategies and prospects acquired by Recipient at any time; and (b) any information, material or documents obtained by Recipient during the course of meetings or discussions with Donatos and/or its representatives or agents. Proprietary Information may be furnished to Recipient either orally, in writing, by inspection, through computer, tape or other electronic, mechanical or visual media. For purposes of this Agreement, Proprietary Information shall not include any information which is generally available to the public other than as a result of disclosure by Recipient.

2. All Proprietary Information is the exclusive property of Donatos and Donatos has the sole and exclusive right to use, duplicate, implement and/or dispose of such Proprietary Information.

3. All Proprietary Information shall remain confidential in accordance with this Agreement. Without Donatos' prior written consent, Recipient will not, directly or indirectly, (a) disclose or reveal any Proprietary Information to any person, firm or entity; (b) use the Proprietary Information for any purpose other than in connection with its performance of services for Donatos; and (c) disclose to any person, firm or entity the terms, conditions or other facts with respect to this Agreement (including its existence or status).

4. In the event the Recipient becomes legally compelled to disclose any of the Proprietary Information, it will provide immediate notice to Donatos so that Donatos may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement.

5. Upon receipt of written notice from Donatos, Recipient will promptly deliver to Donatos (a) all written or tangible materials (including, by way of example and not of limitation, documents, memoranda, notes and other writings, computer disks, tapes and printouts) containing or reflecting any Proprietary Information, without retaining any copies, summaries, analyses or extracts thereof; and (b) all written or tangible materials (including, by way of example and not of

limitation, documents, memoranda, notes and other writings, computer disks, tapes and printouts) whatsoever which have been prepared by Recipient in connection with its relationship with Donatos or its performance of services for Donatos, without retaining any copies, summaries, analyses or extracts thereof.

6. Recipient acknowledges that a breach of any of the provisions of this Agreement will have a material and adverse effect upon Donatos and damages arising from such breach may be difficult to ascertain. Consequently, Recipient agrees that in addition to, and without limiting any other right or remedy Donatos may have, Donatos is entitled to equitable relief, including injunction and specific performance.

7. Recipient agrees to indemnify, defend and hold harmless Donatos, its subsidiaries, affiliates and franchisees against any and all losses, expenses, liabilities, actions, claims, demands, liens, damages, and/or judgments (collectively the "Losses") including reasonable attorneys' fees and litigation costs directly arising from the unauthorized disclosure or use of the Proprietary Information by the Recipient. The obligation to defend, indemnify and hold harmless shall include payment or reimbursement for all Losses, whether or not resulting from third party claims, but shall not include Losses resulting directly from any negligent or willful act of the indemnified party.

8. In the event that Recipient is required to divulge Proprietary Information to any third party in the course of performing services for Donatos, Recipient shall require each such third party to execute a confidentiality agreement acceptable to Donatos prior to the disclosure of the Proprietary Information.

9. This Agreement will be enforceable by the successors and assigns of Donatos.

10. The provisions of this Agreement shall be severable. In the event that any of the provisions hereof are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law.

11. This Agreement may be waived, amended, or modified only by an instrument in writing signed by the party against whom such waiver, amendment or modification is sought to be enforced, and such written instrument shall set forth specifically the provisions of this Agreement which are to be so waived, amended or modified.

12. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same instrument.

13. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Ohio.

IN WITNESS WHEREOF, the parties hereto have duly caused this Confidentiality Agreement to be executed as of the date first above written.

DONATOS PIZZERIA, LLC,
a Delaware limited liability company

By:_____
Name: _____
Title: _____

[FRANCHISEE ENTITY]

By:_____
Name: _____
Title: _____

_____
[name of franchisee owner]

_____
[name of franchisee owner]

_____
[name of franchisee operating partner]

EXHIBIT I

LIST OF FRANCHISEES

LIST OF FRANCHISEES
AS OF DECEMBER 31, 2021

ALABAMA:

Robert Sullivan
629 Montgomery Highway
Birmingham, AL 35216
205-824-1112

Aaron Thomas
8000 Madison Boulevard, Suite D-106
Madison, AL 35758
256-772-6789

James Weinberger
2771 Deford Mill Road
Huntsville, AL 35763
256-541-2077

FLORIDA

Justin Sherman*
1500 Beach Blvd #311
Jacksonville Beach, FL 32250
904-366-2867

Tyler Williams*
5410 Fruitville Road
Sarasota, FL 34232
941-309-5999

2881 Clark Rd
Sarasota, FL 34231
914-444-5998

1145 S. Tamiami Trial
Sarasota, FL 34236
941-306-3393

Justin Quick*
4058 N. Goldenrod Rd
Winter Park, FL 32792
407-637-2700

Wilbur (Butch) Moore*+
1920 Chatfield Road
Columbus, Ohio 43221
614-325-1241

Alex Herwig*+
43 East Ave
Naples, FL 34108
614-404-3241

INDIANA:

Ron Jordon
10372 E. Us 36
Avon, IN 46123
317-273-4400

Ron Jordon (con't)
813 East Main Street
Brownsburg, IN 46112
317-858-2680

125 Fields Street
Mooresville, IN 46158
317-834-6060

4100 West 106th St
Carmel, IN 46032
317-873-8708

1311 S. Rangeline Rd.
Carmel, IN 46032
317-582-0422

8235 E. 11th St.
Fishers, IN 46038
317-595-8844

11760 Olio Road, Suite 600
Fishers, IN 46038
317-572-1339

2260 South U.S. Route 31
Greenwood, IN 46143
317-884-3220

2357 E. 62nd St.
Indianapolis, IN 46220
317-722-8100

5688 Georgetown Rd.
Indianapolis, IN 46254
317-387-3100

Ron Jordon (con't)
1465 W. 86th St.
Indianapolis, IN 46260
317-334-9100

825 West 10th Street
Indianapolis, IN 46202
317-231-9700

5620-AACrawfordsville Rd.
Indianapolis, IN 46224
317-487-2880

7813 South U.S. 31
Indianapolis, IN 46227
317-885-2900

10919 East Washington St
Indianapolis, IN 46229
317-890-4000

5835 Madison Ave.
Indianapolis, IN 46227
317-780-7040

5805 Sunnyside Road
Indianapolis IN 46235
317-823-3025

2205 East Conner St
Noblesville, IN 46060
317-776-7080

7460 N Shadeland, Suite 600
Indianapolis, IN 46250
317-578-8722

5650 S Franklin Rd
Suite 100
Indianapolis, IN 46239
317-862-3651

1645 Main Street
Plainfield, IN 46168
317-838-5335

KENTUCKY:

Dan Brisker
712 Martin Luther King Blvd
Ashland, KY 41101
606-324-1000

Sean Byrne*
2601 W. Parrish Avenue
Owensboro, KY 42301
270-855-0801

710 S. Green River Rd.
Evansville, IN 47715
812-618-3868

Chuck Coldiron
211 E. Limestone St.
Somerset, KY 42501
606-677-1700

Greg Rucker
Mac Zachem
Bob Woolery
Dr. Ken Roy
728 East Main Street
Lexington, KY 40502
859-269-5700

3851 Kennesaw Drive
Lexington, KY 40515
859-271-6666

3070 Lake Crest Circle
Lexington, KY 40513
859-224-7772

265 New Circle Road, NW
Lexington, KY 40505
859-299-5000

3120 Maple Leaf Drive
Lexington, KY 40509
859-543-1818

Mike Simon
15 Donnermeyer Drive
Bellevue, KY 41073
859-261-5700

1800 Patrick Drive
Burlington, KY 41005
859-689-7500

3044 Dixie Highway
Erlanger, KY 41018
859-331-0889

Mike Simon (con't)
8850 US Route 42, Suite 1
Florence, KY 41042
859-384-8796

Steve Sheldon*
861 Fairview Avenue
Bowling Green, KY 42101
270-715-5111

Steve Sheldon* (con't)
1831 Cave Mill Rd
Bowling Green, KY 42104
270-418-2900

1915A Broadway Ave
Nashville, TN 37203
615-625-2929

3284 Franklin Rd, Suite G
Murfreesboro, TN 37128
615-900-5500

William Aseere*
Michael Ash*
Mark Halpin*
2024 Harris Pike
Independence, KY 41051
850-356-1200

2517 Wilson Road
Highland Heights, KY 41076
859-572-2222

GEORGIA:

Bob Fischer*
Adam Kurena*
Cassandra Greene*
5407 Waters Ave.
Savannah, GA 31404
912-328-2020

Andrew Zorniger*+
432 E. Howard Ave, Unit 15
Decatur, GA 30030
937-657-2707

OHIO:

Doug DeVilbiss
1211 Columbus Avenue
Washington C.H., OH 43160
740-335-8000

860 Rhombach Avenue
Wilmington, OH 45177
937-382-1600

Bill Economus
Beau Goodrich
Jimmy Harris
688 East State Street
Athens, OH 45701
740-592-5049

Travis Howard
1263 Cameron Avenue
Lewis Center, OH 43035
614-825-2900

101 E. Cherry Street
Sunbury, OH 43074
740-965-1114

Don Johnson
9405 Kenwood Road
Blue Ash, OH 45236
513-792-4040

11924 Montgomery Road
Cincinnati, OH 45249
513-489-4500

1097 State Rte. 28 Bypass
Milford, OH 45150
513-248-7777

4200-G Aero Drive
Mason, Ohio 45040
513-770-4222

Dave Laslow
111 Emmaus Road
Marysville, OH 43040
937-642-7000

2417 Elida Road
Lima, OH 45807
567-712-6265

Robert E. Lee III
Curtis Jewell
4600 International Gateway
Terminal A
Columbus, OH 43219
614-237-9217

4600 International Gateway
Terminal C
Columbus, OH 43219
614-237-9217

Todd Rogers
4461 Feedwire Road
Centerville, OH 45459
937-439-4222

5501 Old Troy Pike
Huber Heights, OH 45424
937-236-0009

3959 Far Hills Avenue
Kettering, OH 45429
937-293-3223

1913 South Alex Road
West Carrollton, OH 45449
937-859-3535

21 North Broad Street
Fairborn, OH 45324
937-879-7000

2800 Wayne Avenue
Dayton, OH 45410
937-254-8800

414 W. Main St.
Troy, OH 45373
937-335-4800

3375 Dayton-Xenia Road, Ste. A
Beavercreek, OH 45432
937-427-5880

5120 North Main Street
Dayton, OH 45415
937-275-2700

5600 Airway Road
Dayton, OH 45431
937-259-9559

Todd Rogers (con't)
7912 Paragon Road
Centerville, OH 45459
937-291-5599

142 Xenia Towne Square
Xenia, OH 45385
937-374-3355

1712 N. Limestone Avenue
Springfield, OH 45501
937-390-8090

732 S. Burnet Road
Springfield, OH 45503
937-327-7200

4303-05 Roosevelt Blvd.
Middletown, OH 45044
513-727-0999

764 Gardner Road
Springboro, OH 45066
937-748-8686

811 Union Boulevard
Englewood, OH 45322
937-832-9999

3197 Rodenbeck Drive
Beavercreek, OH 45432
937-425-5880

Chris Rose
Bill Stetler
Charlene Rose
1181 Mt. Vernon Avenue
Marion, OH 43302
740-389-3009

855 Lexington Avenue
Mansfield, OH 44907
419-756-5885

316 Bealle Drive
Wooster, OH 44691
330-263-4724

221 West High Street
Mt. Vernon, OH 43050
740-397-3336

Harold Simon
1710 State Road
Cuyahoga Falls, OH 44223
330-923-5900

814 North Main Street
North Canton, OH 44720
330-498-3700

3464 Wales Rd.
Massillon, OH 44646
330-833-3700

2749 Albrecht Ave,
Akron, OH 44312
234-226-4777

William York
122 S. Sandusky Street
Delaware, OH 43015
740-362-0682

Mike Sosinki
Brian Crumley
527 Hebron Road
Heath, OH 43056
740-522-7980

1059 North 21st Street
Newark, OH 43055
740-366-0777

Ryan Johnson
11048 Hebron Road
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740-928-7174

Mike Simon
1210 B Ohio Pike
Amelia, OH 45102
513-752-0100

7177 Cinci-Dayton Road
Cincinnati, OH 45069
513-759-7170

2692 Madison Road
Cincinnati, OH 45208
513-731-0080

8484 Winton Road
Cincinnati, OH 45231
513-728-7300

Mike Simon (con't)
8142 Beechmont Avenue
Cincinnati, OH 45255
513-474-4600

770 Nilles Road
Fairfield, OH 45014
513-829-6999

1013 High Street
Hamilton, OH 45011
513-863-0100

1201 Columbus Ave.
Lebanon, OH 45036
513-934-3228

8067-8087 Beckett Center Dr.
West Chester, OH 45069
513-346-3150

6407 Glenway
Western Hills, OH 45238
513-598-4200

5789 Darrow Road
Hudson, OH 44236
330.528.3030

20307 Van Aken Blvd.
Shaker Heights, OH 44122
216-283-3333

18100 Detroit
Lakewood, OH 44107
216-227-7200

5461 Ridge Road
Parma, OH 44129
440-843-6861

3890 Medina Road
Akron, OH 44333
330-668-2133

2914 Vine Street
Cincinnati, OH 45219
513-373-4304

William York
122 S. Sandusky St.
Delaware, OH 43015
740-362-0682

Scott Hollister*
123 3rd Street,
Marietta, OH 45750
740-263-4344

3601 Murdock Ave,
Parkersburg, WV 26101
304-699-0899

Neeraj Mehta*+
303 Neruda Ave
Columbus, Ohio 43215
937-684-3395

PENNSYLVANIA:

Christina Vogel+
1535 W. 8th Street, A#1
Erie, PA 16505
814-772-5900

861 E. 38th Street
Erie, PA 16504
814-616-4011

SOUTH CAROLINA:

Kopnisky, Dane*
Kopnisky, Jacklyn*
220 Azela Square Blvd.
Summerville, SC 29483
843-501-2838

Jeff Rigsby*
3070 Boiling Springs Road
Boiling Springs, SC 29326

TENNESSEE:

Travis Hibbert*
1012 Ebenezer Rd
Knoxville, TN 37923, Suite 104

VIRGINIA:

David Dierberger
Leslie Storhaug
12515 Jefferson Ave.
Newport News, VA 23602
757-525-4944

Jignesh (Jay) Patel
Lakhwinder (Ricky) Singh
1833 Republic Road
Virginia Beach, VA 23454
757-351-4511

* Denotes franchisees whom are area developers and have entered into area development agreements with Donatos.

+ Denotes franchisees who have signed Franchise Agreements but have not yet opened a Restaurant.

EXHIBIT J

LIST OF FRANCHISEES WHO LEFT SYSTEM

None.

EXHIBIT K

STATE-SPECIFIC ADDITIONAL DISCLOSURES AND RIDERS

ADDITIONAL DISCLOSURES FOR THE MULTISTATE FRANCHISE DISCLOSURE DOCUMENT OF DONATOS PIZZERIA, LLC

The following are additional disclosures for the Multistate Franchise Disclosure Document of Donatos Pizzeria, LLC required by various state franchise laws. A particular state's disclosures only apply if you are covered by that state's franchise law.

ILLINOIS

ITEM 17 of the Disclosure Document is amended to add the following:

Illinois law governs the franchise agreements.

The conditions under which your franchise may be terminated or not renewed may be affected by Illinois law, 815 ILCS §§ 705/19 and 705/20. Provisions regarding jurisdiction and venue and choice of law may be affected by Illinois law, 815 ILCS §§ 705/4 and 705/41.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

INDIANA

Nothing in the Disclosure Document or the Franchise Agreement is intended to be contrary to the provisions of the "Deceptive Franchise Practices" law of Indiana, which is contained in Indiana Code, Title 23, Article 2, Chapter 2.7, Sections 1 through 7 as amended ("Indiana Franchise Practices Law"). In the event of any conflict between any provision of the Franchise Agreement and the Indiana Franchise Practices Law, the Indiana law will control, but in that case, the provisions of the Franchise Agreement affected will be limited only to the extent necessary to bring it within the requirement of the law and, to that extent, that provision shall be deemed to have been omitted from the Franchise Agreement as of the date of execution of the Franchise Agreement. This will not affect the validity of any remaining portion of the Franchise Agreement.

MINNESOTA

ITEM 6 of the Disclosure Document is amended to add the following:

Dishonored Check of ACH draft or EFT failure	$30	On demand	You must pay us for each check returned, ACH draft refused by your financial institution, or EFT attempt

			that was unsuccessful for insufficient funds in your account.

ITEM 13 of the Disclosure Document is amended to add the following:

> As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12, Subd.1(g), Franchisor will reimburse the Franchisee for any costs incurred by the Franchisee in the defense of the Franchisee's right to use the Marks, so long as the Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

ITEM 17(b) of the Disclosure Document is amended to add the following:

> We will comply with Minn. Stat. §80C.14, which requires that we give you 180 days' notice for non-renewal of the franchise except in specified circumstances.

ITEM 17(c) and ITEM 17(m) of the Disclosure Document are amended to add the following:

> Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under Minn. Stat. §80C and we will not unreasonably withhold our consent to a transfer.

ITEM 17(f) of the Disclosure Document is amended to add the following:

> We will comply with Minn. Stat. §80C.14, which requires that we give you 90 days' notice of termination and you will have 60 days to cure your default.

ITEM 17 of the Disclosure Document is amended to add the following:

> Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or the Franchise Agreement can abrogate or reduce (1) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (2) your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Further, Franchisee cannot consent to Franchisor obtaining injunctive relief; but, the Franchisor may seek injunctive relief.

VIRGINIA

The "Summary" section of Item 17(h) of the disclosure document is amended by adding the following:

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for

default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WISCONSIN

ITEM 17 of the Disclosure Document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07, may affect the termination provision of the Franchise Agreement.

RIDER TO THE DONATOS PIZZERIA, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

This Rider (the "Rider") is made and entered as of _____, between Donatos Pizzeria, LLC, a Delaware limited liability company ("we," "us," "our," or "Franchisor"), and _____ ("you," "your," or "Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and the parties wish to amend the Agreement.

WHEREAS, this Rider is being signed because (a) any of the offer or sales activity relating to the Franchise Agreement occurred in Illinois and the Donatos Pizza Restaurant you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are a resident of Illinois.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The provisions of this Rider form an integral part of, and are incorporated into, the Agreement. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Rider, the provisions of this Rider shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. Sections 17.G (Mediation), 17.H (Arbitration) and 17.I (Governing Law) of the Agreement are amended to add the following:

> "If any provisions of the Agreement are inconsistent with applicable Illinois state law, then Illinois state law shall apply. Any provision which designates jurisdiction or venue in a forum outside Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois. Any condition, stipulation or provision purporting to bind any person acquiring any Franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act is void."

3. Section 17.J (Consent to Jurisdiction) of the Agreement is amended to add the following:

> "In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois."

4. The following language is added to the end of Section 17.K (Waiver of Punitive Damages and Jury Trial) of the Agreement:

HOWEVER, THIS WAIVER SHALL NOT APPLY TO THE EXTENT PROHIBITED BY SECTION 705/41 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987 OR ILLINOIS REGULATIONS AT SECTION 260.609.

5. Section 17.M (Limitation of Claims) is amended to add the following:

"However, nothing in this Section shall shorten any period within which you may bring a claim under Section 705/27 of the Illinois Franchise Disclosure Act or constitute a condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of that Illinois law are met)."

6. The following language is added as a new Section 21 of the Franchise Agreement:

21. **ILLINOIS FRANCHISE DISCLOSURE ACT**

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

7. Capitalized Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Franchise Agreement.

8. Effect of Rider. Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

[*Signatures appear on the following page*]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date first stated above.

DONATOS PIZZERIA, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title: _____

FRANCHISE OWNER

_____
[Name]

By:_____
Name:_____
Title:_____

RIDER TO THE DONATOS PIZZERIA, LLC
DEVELOPMENT RIGHTS AGREEMENT
FOR USE IN ILLINOIS

This Rider (the "Rider") is made and entered as of _____, between Donatos Pizzeria, LLC, a Delaware limited liability company ("we," "us," "our," or "Franchisor"), and _____ ("you," "your," or "Developer").

WHEREAS, Franchisor and Developer have contemporaneously herewith entered into a Development Rights Agreement (the "Agreement") and the parties wish to amend the Agreement.

WHEREAS, this Rider is being signed because (a) any of the offer or sales activity relating to the Development Rights Agreement occurred in Illinois and a Donatos Pizza Restaurant you will develop for operations under the Development Rights Agreement and a subsequent franchise agreement with us will be located in Illinois, and/or (b) you are a resident of Illinois.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The provisions of this Rider form an integral part of, and are incorporated into, the Agreement. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Rider, the provisions of this Rider shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Developer and Franchisor remain as written unless modified herein.

2. The following language is added as a new Section 16 of the Agreement:

"Illinois law governs the Development Rights Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in Section 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void."

3. Capitalized Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Franchise Agreement.

4. Effect of Rider. Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

[*Signatures appear on the following page*]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date first stated above.

DONATOS PIZZERIA, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title: _____

FRANCHISE OWNER

_____
[Name]

By:_____
Name:_____
Title:_____

RIDER TO THE DONATOS PIZZERIA, LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

This Rider (the "Rider") is made and entered as of _____, between Donatos Pizzeria, LLC, a Delaware limited liability company ("we," "us," "our," or "Franchisor"), and _____ ("you," "your," or "Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and the parties wish to amend the Agreement.

WHEREAS, this Rider is being executed because (a) the Donatos Pizza Restaurant that Franchisee will operate under the Agreement will be located in Minnesota; and/or (b) any of the franchise offering or sales activity with respect to the Agreement occurred in Minnesota.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The provisions of this Rider form an integral part of, and are incorporated into, the Agreement. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Rider, the provisions of this Rider shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. Section 1.B (Grant of Franchise, Term and Renewal) is amended to add the following:

> "Unless the failure to renew your license is for good cause as defined in Minnesota Statutes Section 80C.14, Subdivision 3, Paragraph (b), and you have failed to correct the reasons for termination as required by Subdivision 3, we may not fail to renew your license unless:
>
> (a) You have been given written notice of the intention not to renew at least 180 days in advance of the expiration of this Agreement; and
>
> (b) You has been given an opportunity to operate the Business over a sufficient period of time to enable you to recover the fair market value of the Business as a going concern, as determined and measured from the date of the failure to renew. We may not refuse to renew your license if our refusal is for the purpose of converting the Business premises, or the franchise, to an operation that will be owned by us for our own account.

Any release required by us as a condition of renewal of the franchise will not apply to the extent that such release is specifically prohibited by the Minnesota Franchise Law."

3. Section 1.C (Best Efforts; Representations and Warranties) is amended to add the following:

"Pursuant to Minnesota Rule 2860.4400J, the foregoing acknowledgments contained in this section shall not be construed as a waiver of your rights."

4. Section 5.C (Notification of Infringement and Claims) is amended to add the following:

"Under Minn. Stat. §80c.12 Subd. 1(g), we must indemnify you against liability to third parties resulting from claims by third parties that your use of our trademark infringes the trademark rights of the third party. We do not indemnify against the consequences of your use of our trademark except in accordance with the requirements of this Agreement and, as a condition to indemnification, you must provide prompt notice to us of any such claim and immediately tender the defense of the claim to us. If we accept the tender of defense, we have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim."

5. Section 12.C (Conditions for Approval of Transfer) is amended to add the following:

"However, any release required by us as a condition of transfer of the franchise will not apply to the extent that such release is specifically prohibited by the Minnesota Franchise Law."

6. Sections 13.B (Our Right to Terminate) and 13.C (Our Right to Terminate Following Inspection) are amended to add the following:

"Pursuant to Minn. Stat. Sec. 80C.14, Subdivisions 4 & 5, no person may terminate or cancel a franchise unless (i) that person has given notice setting forth all the reasons for the termination or cancellation at least 90 days in advance of termination or cancellation, and (ii) the recipient of the notice fails to correct the rea-sons stated for termination or cancellation in the notice within 60 days of receipt of the notice; except that the notice is effective immediately upon receipt where the alleged grounds for termination or cancellation are:

(a) voluntary abandonment of the franchise relationship by you;

(b) the conviction of you of an offense that is directly related to the business con-ducted pursuant to the franchise; or

(c) failure to cure a default under this Agreement which materially impairs the goodwill associated with our trade name, trademark, service mark, logotype or other commercial symbol after you have received written notice to cure at least twenty-four (24) hours in advance thereof."

7. Sections 17.G (Mediation), 17.H (Arbitration) and 17.I (Governing Law) of the Agreement are amended to add the following

> "Under Minnesota law, we may seek a restraining order, injunction and such other equitable relief as may be appropriate, but we are not automatically entitled to such relief and you have not automatically consented to such relief."

8. Sections 17.G (Mediation), 17.H (Arbitration), 17.I (Governing Law), 17.J (Consent to Jurisdiction), and 17.K (Waiver of Punitive Damages and Jury Trial) are amended to add the following:

> "Pursuant to Minnesota Statutes Section 80C.21 and Minnesota Rule Part 2860.4400J, and subject to your arbitration obligations, this section shall not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota and the right to bring a cause of action within three (3) years after the cause of action accrues. You cannot be required to consent to the waiver of a jury trial."

9. Section 17.M (Limitation of Claims) is amended to add the following:

> "Regardless of the foregoing, pursuant to Minnesota Statutes Section 80C.17, Subd 5, any and all claims arising out of or relating to this Agreement or our relationship will be barred unless a legal proceeding is commenced within three (3) years from when the cause of action accrued."

10. Capitalized Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Franchise Agreement.

11. Effect of Rider. Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the Minnesota Statutes applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

[*Signatures appear on the following page*]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date first stated above.

DONATOS PIZZERIA, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title: _____

FRANCHISE OWNER

_____
[Name]

By:_____
Name:_____
Title:_____

EXHIBIT L

DISCLOSURE QUESTIONNAIRE

As you know, Donatos Pizzeria, LLC (the "Franchisor") and you are preparing to enter into a Franchise Agreement for the establishment and operation of a Donatos Pizzeria restaurant ("Restaurant"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. I had my first face-to-face meeting with one of the Franchisor's representatives on _____ , 20 ____.

2. Have you received and personally reviewed the Franchise Agreement and each related agreement attached to it?

   Yes _____ No _____

3. Do you understand all of the information contained in the Franchise Agreement and each related agreement provided to you?

   Yes _____ No _____

   If no, what parts of the Franchise Agreement and/or related agreement do you not understand? (Attach additional pages, as needed.)

   _____
   _____
   _____
   _____

4. Do you understand that the Franchise Agreement and each related agreement contain a number of provisions that may affect your legal rights, including required arbitration, designated locations or states for arbitration and any judicial proceedings, a waiver of a jury trial, a waiver of punitive or exemplary damages, limitations on when claims may be filed, and other waivers and limitations?

   Yes _____ No _____

5. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document ("FDD") that was provided to you?

   Yes _____ No _____

6. Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the FDD and any State-Specific Disclosures included in the FDD?

Yes _____ No _____

If No, what parts of the FDD and/or State-Specific Disclosures do you not understand? (Attach additional pages, as needed.)

_____
_____
_____
_____

8. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a Donatos Pizzeria Restaurant as a franchised business?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your franchised Donatos Pizzeria Restaurant will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

10. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the actual or possible revenues, profits or operating costs of a Donatos Pizzeria Restaurant operated by the Franchisor or any of its franchisees, that is contrary to the information contained in the FDD?

Yes _____ No _____

11. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) regarding the amount of money you may earn in operating the Donatos Pizzeria Restaurant as a franchised business?

Yes _____ No _____

12. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the total amount of revenue the Donatos Pizzeria Restaurant will or may generate?

Yes _____ No _____

13. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) regarding the costs you may incur in operating the Donatos Pizzeria Restaurant, that is contrary to or different from, the information contained in the FDD?

Yes _____ No _____

14. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the likelihood of success that you should or might expect to achieve from operating a Donatos Pizzeria Restaurant as a franchised business?

Yes _____ No _____

15. Has any employee or other person speaking on behalf of the Franchisor made any statement, agreement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. Do you understand that the territorial rights you have been granted are subject to limitations and exceptions?

Yes _____ No _____

19. Do you understand that Franchisor and its affiliates retain the right, directly or through others, to develop and franchise other similar franchises or different franchise systems inside or outside of your territory?

Yes _____ No _____

20. Do you understand that all disputes or claims you may have arising out of or relating to the Franchise Agreement must be submitted to binding arbitration?

Yes _____ No _____

21. Do you understand that the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and not any consequential or punitive damages?

Yes _____ No _____

22. Do you understand that the Franchise Agreement contains the entire agreement between you and the Franchisor concerning the franchise for the Donatos Pizzeria Restaurant, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes _____ No _____

23. If you have answered "Yes" to any of questions 10-17, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, as needed, and refer to them below.) If you have answered "no" to each of questions 10-17, then please leave the following lines blank.

_____
_____
_____
_____

24. During my negotiations and evaluations leading up to my decision to buy a Donatos Pizzeria Restaurant franchise, I communicated with the following individuals from Donatos Pizzeria Franchise Company, LLC or its affiliates or brokers:

Name Address

1. _____
2. _____
3. _____

4. _____

[Attach sheet with additional names and addresses if needed]

25. I signed the Franchise Agreement and Rider (if any) on _____, 20___, and acknowledge that no Agreement or Rider is effective until signed and dated by the Franchisor.

[Signature appears on the following page]

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

FRANCHISE APPLICANT:

_____
Date

(If you are a corporation)

_____
Name of Corporation

By: _____
Name: _____
Title: _____

**(If you are an individual owner,
You must sign below; if a partnership,
All partners must sign below)**

_____

_____

_____

_____

(If you are a limited liability company)

_____
Name of Limited Liability Company

By: _____
Name: _____
Title: _____

[Signature page to Exhibit L to the Franchise Disclosure Document]

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	Not Applicable
Hawaii	Not Applicable
Illinois	Pending
Indiana	April 23, 2022
Maryland	Not Applicable
Michigan	May 6, 2022
Minnesota	May 19, 2022
New York	Not Applicable
North Dakota	Not Applicable
Rhode Island	Not Applicable
South Dakota	Not Applicable
Virginia	April 29, 2022
Washington	Not Applicable
Wisconsin	April 22, 2022

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.

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 we offer you a franchise, we 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.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do 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 identified on Exhibit D.

The franchisor is Donatos Pizzeria, LLC, located at 935 Taylor Station Road, Columbus, Ohio 43230. Its telephone number is 614-416-7770.

Issuance Date: April 22, 2022, amended June 28, 2022

The name, principal business address, and telephone number of each franchise seller offering the franchise are as follows: Jeff Baldwin, 935 Taylor Station Road, Columbus, Ohio 43230, 614-416-7700; Kevin King, 935 Taylor Station Road, Columbus, Ohio 43230, 614-416-7700; Amos Durbin, 935 Taylor Station Road, Columbus, Ohio 43230, 614-416-7700; Eric Brown, 935 Taylor Station Road, Columbus, Ohio 43230, 614-416-7700; Jim Bender, 4641 Charing Cross Rd., Bloomfield Hills, Michigan 48304, 248-647-1989; Frank Soccorsi, 1126 Drayton Ct., Fort Mill, SC 29708, 586-907-6404; and/or _____.

We authorize the respective state agents identified on Exhibit D to receive service of process for us in the particular state.

I received a disclosure document from Donatos Pizzeria, LLC, dated April 22, 2022, amended June 28, 2022, that included the following Exhibits:

A. Financial Statements
B. Franchise Agreement
C. Development Rights Agreement
D. List of State Agencies/Agents for Service of Process
E. Operations Manual Table of Contents
F. TRIO System Standard Software License Agreement
G. Current Form of Release Agreement
H. Confidentiality Agreement
I. List of Franchisees
J. List of Franchisees Who Left System
K. State-Specific Additional Disclosures and Riders
L. Disclosure Questionnaire

_____
Date
(Date, Sign and Return to Us)

_____
Prospective Franchisee [Print Name]

_____
Prospective Franchisee (Authorized Signor) [Signature]

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 we offer you a franchise, we 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.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do 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 identified on Exhibit D.

The franchisor is Donatos Pizzeria, LLC, located at 935 Taylor Station Road, Columbus, Ohio 43230. Its telephone number is 614-416-7770.

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Date
(Date, Sign and Return to Us)

_____
Prospective Franchisee [Print Name]

_____
Prospective Franchisee (Authorized Signor) [Signature]