FRANCHISE DISCLOSURE DOCUMENT

FF FRANCHISE SYSTEMS, LLC
A Delaware Limited Liability Company
245 Main Street, Suite 410
White Plains, NY 10601
1-914-328-4444
info@famousfamiglia com
www famousfamiglia com

We offer franchises for the operation of quick service restaurants serving pizzas, pasta dishes and other Italian food items under the name FAMOUS FAMIGLIA (the "Famous Famiglia Franchise" or "Famous Famiglia Restaurant") We offer two size categories for these franchises (1) the standard restaurant, typically 700 to 2,000 square feet (the "Standard Unit") and (2) a smaller unit, typically 200 to 600 square feet, offering a more limited menu (the "Express Unit") We also offer a multi-unit agreement under which you agree to open and operate a specified number of Famous Famiglia Restaurants over an agreed period of time within an agreed geographic area

- The total investment necessary to begin operation of a single Standard Unit Famous Famiglia Franchise is $265,750 to $530,800 This includes a $35,000 initial fee that must be paid to the franchisor
- The total investment necessary to begin operation of a single Express Unit Famous Famiglia Franchise is $100,750 to $234,800 This includes a $10,000 initial fee that must be paid to the franchisor
- If you sign a Multi-Unit Agreement, you will pay a non-refundable Development Fee equal to one-half of the total initial fees you must pay for the total number of Famous Famiglia Restaurants you agree to open The initial fees for multiple restaurants are discounted as follows The initial fee for the second through the fifth units is $25,000 for each franchise For the sixth and any subsequent Famous Famiglia franchise you purchase, we charge an initial fee of $10,000 for each franchise The Development Fee is credited against one-half of the initial franchise fee for each Famous Famiglia Restaurant you open

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 Paul Kolaj at FF Franchise Systems LLC, 245 Main Street, Suite 410, White Plains, New York 10601, telephone 914-328-4444

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 April 11, 2018

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STATE COVER PAGE

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

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

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT STATES THAT NEW YORK LAW GOVERNS THE AGREEMENT NEW YORK LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE LAW YOU MAY WANT TO COMPARE THESE LAWS

2 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR LITIGATION ONLY IN NEW YORK OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO MEDIATE OR DEFEND A LAWSUIT IN NEW YORK THAN IN YOUR HOME STATE

3 THE FRANCHISOR MAY REQUIRE SPOUSES OF FRANCHISE OWNERS TO SIGN A PERSONAL GUARANTY TOGETHER WITH THE FRANCHISE OWNERS, MAKING EACH OF THEM LIABLE FOR THE FRANCHISEE'S OBLIGATIONS WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNERS AND THEIR SPOUSES AT RISK

4 YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL

5 THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT YOUR RIGHTS AND MAY NOT BE ENFORCEABLE IN YOUR STATE, INCLUDING BUT NOT LIMITED TO A TIME LIMIT TO RAISE CLAIMS AGAINST US, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL

6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

Effective Date See the next page for state effective dates

STATE EFFECTIVE DATES

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

State	***Effective Date***
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

FAMOUS FAMIGLIA

FRANCHISE DISCLOSURE DOCUMENT

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Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

To simplify the language in this disclosure document, "we" or "us" means FF Franchise Systems, LLC, the franchisor (formerly Famiglia-DeBartolo Franchise Systems, LLC) "You" means the person who buys the franchise, and it may refer to the owner or owners of the buyer entity We do business under the name Famous Famiglia

FF Franchise Systems, LLC is a Delaware limited liability company formed December 3, 2003 The company changed its name from Famiglia-DeBartolo Franchise Systems, LLC to FF Franchise Systems, LLC March 16, 2017 Our principal business address is 245 Main Street, Suite 410, White Plains, NY 10601

Our agents for service of process are listed in Exhibit A of this disclosure document

The Franchise

We franchise the right to own and operate quick service restaurants offering a limited menu of pizzas, pasta dishes and other Italian food items we may specify from time to time The restaurants operate under the trademark FAMOUS FAMIGLIA and other trademarks All food items are prepared in accordance with our recipes The terms of the franchise are contained in our Franchise Agreement, a form of which is attached to this disclosure document in Exhibit F The Franchise Agreement gives you the right to operate a single Famous Famiglia Restaurant at a location that you choose and we approve

We offer two size categories of the Famous Famiglia Restaurant franchises (1) the standard restaurant, typically 700 to 2,000 square feet (the "Standard Unit") and (2) a smaller unit, typically 200 to 600 square feet, offering a more limited menu (the "Express Unit") Both types of franchise are governed by the same form of franchise agreement, but the initial fee and initial investment differ

Under the multi-unit offering, we assign a defined geographic area within which you must develop and operate a specified number of Famous Famiglia Restaurants within a specified period of time If you participate in this program, you will sign a Multi-Unit Agreement in the form attached as Exhibit F, which will describe your development area and your development schedule and other obligations For each Famous Famiglia Restaurant you open under the Multi-Unit Agreement, promptly after our approval of the site for the Famiglia Restaurant, you will sign a separate Franchise Agreement in the then-current form

Our Parents, Predecessors and Affiliates

We have offered franchises since 2004 Our predecessor company is Famiglia International, Inc , a New York corporation formed in June 2000 ("FI Inc ") FI Inc offered Famous Famiglia Franchises from 2000 through 2003

Outside of the U S , we have franchised Famous Famiglia Restaurants in China, UAE (Dubai), Canada, Mexico, Ecuador, Ghana and the Balkans

We are wholly-owned by Famous Famiglia Holdings, LLC (formerly Famiglia-DeBartolo, LLC), a Delaware limited liability company formed in November 19, 2003 ("FD LLC") We do not operate businesses of the type being franchised and our predecessor, FI Inc , did not operate such businesses FD LLC has operated businesses of the type being franchised since 2004 and is today the only company in our group of companies that conducts a business of the type being franchised From 2000 until 2004, other affiliates of FI Inc conducted businesses of the type being franchised

The principal business address of FI Inc and FD LLC is 245 Main Street, Suite 410, White Plains, NY 10601

Except as noted above, neither FF Franchise Systems, LLC nor any of its predecessors or affiliates has offered franchises in other lines of business No affiliates offer products or services to our franchisees

The Market

The quick service restaurant market is well-established Famous Famiglia Restaurant customers are people of all ages, backgrounds and tastes rather than a particular group of people Most Famous Famiglia Restaurants sell all year round, but some located at sports stadiums or amusement parks are seasonal operations

The Competition

The restaurant business is highly competitive You can expect to compete in your market with locally-owned businesses and with national and regional chains that offer pizzas, pasta dishes and other Italian food items, as well as restaurants that do not offer Italian food Quick service and fast casual restaurants compete on the basis of many factors, such as price, service, product quality, location, promotions and advertising programs They may be affected by other factors, such as changes in consumer taste, economic conditions, seasonal population fluctuation and travel patterns

The ability of your Famous Famiglia Restaurant to compete depends on its location, your financial, management and other resources, your personal business, marketing, management judgment and other skills, employee attitudes, overhead, changing local market and economic conditions, your willingness to work hard and smart, your proper implementation of our franchise system and many other factors both within and outside your control We cannot eliminate business risks We cannot and do not guarantee your success

Laws and Regulations

You must comply with all local, state and federal laws and regulations applicable to the operation of your restaurant, including health, sanitation, food and beverage handling, food preparation, waste disposal, smoking restrictions and advertising and point-of-sale disclosures, including statements concerning the nutritional and dietary characteristics of the food served at your restaurant Your operation of a Famous Famiglia franchise is also subject to laws and regulations affecting businesses generally These laws include tax regulations, business licensing requirements, zoning laws, safety laws, environmental laws, and employment and workers' compensation laws and the Americans with Disabilities Act It is your responsibility to comply with all applicable laws and regulations and to keep in force all permits and licenses required by public authorities You should consult with your attorney concerning applicable laws and regulations

Franchisee Referrals

We encourage Famous Famiglia franchisees to refer prospective franchisee candidates who want to become a part of the Famous Famiglia franchise network We may offer a referral fee to current franchisees in good standing for any franchisee prospect with whom we are not currently in discussions and whom have not previously contacted

Item 2

BUSINESS EXPERIENCE

President and Chief Executive Officer – Paul Kolaj

Paul Kolaj is a co-founder of our concept He has been President and Chief Executive Officer of FF Franchise Systems, LLC and Famous Famiglia Holdings, LLC since their formation in 2003 His office is in White Plains, New York

Managing Member – Alfred Rosu

Alfred Rosu has been a Managing Member of FF Franchise Systems, LLC and Famous Famiglia Holdings LLC, since October 31, 2016 He is also President of The Alfred Group, Inc , a real estate brokerage, a position he has held since January 1990 In addition, he is the Chief Operating Officer of Pentagon Performance, Inc , a position he has held since March 2012 His office is in White Plains, New York

Item 3

LITIGATION

Clifford M Gonzalez et al v Famiglia-Debartolo Franchise Systems, LLC, et al (American Arbitration Association Case No 13 114 Y 0054712, filed March 6, 2012) The arbitrator issued a ruling January 25, 2018, finding that the respondent violated the Virginia Retail Franchise Act and awarding damages of $742,051 to claimants

Other than this action, no litigation is required to be disclosed in this item

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this item

Item 5

INITIAL FEES

Initial Franchise Fee

The initial franchise fee for the Standard Unit (*i e* , a restaurant typically 700 to 2,000 square feet) is $35,000 for your first Famiglia Franchise You pay the initial franchise fee in one lump sum when you sign the Franchise Agreement For the second through the fifth Famous Famiglia franchise you purchase, we charge an initial fee of $25,000 for each franchise For the sixth and any subsequent Famous Famiglia franchise you purchase, we charge an initial fee of $10,000 for each franchise

The initial franchise fee for the Express Unit (*i e* , a restaurant typically 200 to 600 square feet offering a more limited menu) is $10,000, regardless of the number of units you purchase

VetFran Program

We are a member of the International Franchise Association (the "IFA") and participate in the IFA's VetFran Program If you are an honorably discharged veteran of the United States military and otherwise meet the requirements of the VetFran Program and our requirements as a franchisee, we will give you a 50% discount on the initial franchise fee

Multi-Unit Agreement

If your Famous Famiglia Restaurant is being opened under a Multi-Unit Agreement, we credit the development fee (described below) toward one half of the initial franchise fee

No Refunds

The initial franchise fee is non-refundable unless (1) we determine that you are unable to satisfactorily complete the initial training program required of all franchisees, or (2) we determine that you will not be able to locate an approved site for the restaurant within six months after you have signed the Franchise Agreement despite your good faith efforts to obtain such a location In these instances, we may terminate the Franchise Agreement and you will be liable to us for all the expenses we incurred until the date of termination (Franchise Agreement, Section 2 1(a)) Such expenses generally range from $5,000 to $17,500 (*i e*, one half of the initial franchise fee)

Development Fee

If you sign a Multi-Unit Agreement, you will pay us, when you sign that agreement, a fee for the right to develop multiple franchise units (the "development fee") The development fee is equal to one-half of the aggregate initial fees you must pay for the total number of Famous Famiglia Restaurants you agree to open under the Multi-Unit Agreement Each time you sign a Franchise Agreement for a Famous Famiglia Restaurant that you have committed to open under the Multi-Unit Agreement, you will pay 50% of the initial fee in cash and you will receive a credit of 50% of the initial fee from the development fee that you will have already paid

The development fee is not refundable under any circumstances The development fee is fully earned by us when you sign a Multi-Unit Agreement, except that we will use it to credit one-half of your initial fee for each Famous Famiglia Restaurant you open

Item 6

OTHER FEES

Franchise Agreement

Type of Fee	***Amount***	***Date Due***	***Remarks***
Royalties	6% of gross sales for your first five restaurants 5% of gross sales for each additional restaurant	By the 15th day of each calendar month	Gross sales include all sales made in the operation of the franchised business, whether collected or not Gross sales do not include sales or use tax, refunds, adjustments or credits

Type of Fee	*Amount*	*Date Due*	*Remarks*
Advertising Fee	0% to 2% of gross sales	Same as Royalty	As of the date of this disclosure document, we do not collect Advertising Fees, but we can do so in the future (See Item 11)
Cooperative Advertising	0% to 2% of gross sales	As determined by each co-op advertising region	As of the date of this disclosure document, there are no advertising cooperatives, but we may require you to pay cooperative advertising fees to us or our designated third party in the future (See Item 11)
Advertising & promotional materials	Varies, depending on your advertising needs	When billed	See Items 7 and 11
Software	A reasonable fee to be determined	When billed	We may charge a reasonable systems fee for software or systems modifications and enhancements specifically made for us that we license to you, and other maintenance and support services we may provide
Evaluation of Supplies and Suppliers	Our reasonable costs	When billed	We may require you to pay us or an independent laboratory for the costs (including any inspection and testing) of evaluating a new vendor or item you desire to use that we have not previously approved
Prohibited Product or Service Fine	$500 per day of use of unauthorized products or services	On demand	In addition to other remedies available to us
Additional Assistance	The then-current per diem rate of our personnel, currently $500, plus expenses	When billed	We may charge a fee for on-site assistance that we provide at your request
Additional or Remedial Training	Our cost in providing the training	When billed, before additional training	We may charge a fee for additional or remedial training you request that is not mandatory, including certifying your personnel to train others in your organization We do not charge for mandatory training Cost will vary based on the staff, location, and type of training being offered

Type of Fee	*Amount*	*Date Due*	*Remarks*
Relocation Fee	$5,000	When billed	Any relocation is subject to our prior approval
Transfer Fee	$5,000	At the time the transfer is con-summated	This fee reimburses our reasonable costs
Securities Offering	$10,000 or more to reimburse us for our review of all offering materials	When billed, before the offering	Payable only if you intend to offer stock or partnership interests in your company
Insurance	Our actual costs of the premium for the period of coverage plus a 25% service charge	When billed	Payable if you fail to carry required insurance and we decide to purchase it for you (although we are not obligated to do so)
Audit	Cost of audit	When billed	Payable only if audit shows an understatement of 3% or more or if the audit is made necessary by your failure to furnish required information or documents to us in a timely manner
Interest	Lesser of 1 5% per month or the highest rate allowed by law	On demand	May be charged on all past due amounts, including the monthly balance of principal and interest If no due date is stated, interest begins to run 10 days after billing
Late Payment or Reporting Fee	$50 per day you are late	Daily	If you fail to pay royalties when due or fail to submit royalty reports weekly as required, we may charge you each day until the payment or report is received This amount is in addition to payment of amounts past due and interest
Returned Check/EFT Fee	$25 for first NSF or EFT returned and $50 for each additional instance within a 12 month period	As incurred	This amount is in addition to the late payment fee and interest, plus past due amounts
Manual Replacement Fee	$500	When billed	If you request additional or replace-ment copies of the Manual (See Item 11)

Type of Fee	*Amount*	*Date Due*	*Remarks*
Remedial Work	Our actual costs including travel costs if necessary, and a 25% service charge on labor and materials	When billed	If you fail to correct an unhealthy or unsafe condition after we notify you, we may complete the required work on your behalf and bill you
Management Fee	A reasonable fee to be determined	When billed	If on the death or disability of a controlling owner of your business the business is not being managed properly, we may appoint a manager until you appoint a trained replacement manager
Attorneys' Fees and Costs	Our actual costs	As incurred	Payable if we seek injunctive or other relief for the enforcement of any term of the Franchise Agreement because of your default under the franchise agreement
Indemnification	Our actual costs	As incurred	You have to reimburse us for claims involving your business operations, including reasonable attorneys' fees

Multi-Unit Agreement

Type of Fee	*Amount*	*Date Due*	*Remarks*
Transfer Fee	$5,000 (in addition to the transfer fee per unit)	At the time the transfer is consummated	This fee reimburses our reasonable costs
Securities Offering	$10,000 or more to reimburse us for our review of all offering materials	When billed, before the offering	Payable only if you intend to offer stock or partnership interests in your company
Attorneys' Fees and Costs	Our actual costs	As incurred	Payable if we seek injunctive or other relief for the enforcement of any term of the agreement because of your default under the agreement
Indemnification	Our actual costs	As incurred	You have to reimburse us for claims involving your business operations

All fees described in this Item 6 are imposed by and payable to us and are non-refundable

Fees stated as dollar amounts may be increased from time to time to reflect increases in the Metropolitan Area Consumer Price Index for All Urban Consumers from the date of the Franchise Agreement, as published by the U S Department of Labor, or a successor index

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Franchise Agreement

Type of Expenditure	*Amount*		*Method of Payment*	*When Due*	*To Whom Payment is to be Made*
	Standard Unit	*Express Unit*			
Initial franchise fee *(Note 1)*	$35,000	$10,000	Lump sum	When you sign the Franchise Agreement	Us
Leasehold improvements *(Note 2)*	$100,000 to $250,000	$25,000 to $75,000	As invoiced	As incurred	Independent contractors
Rent *(Note 3)*	$5,000 to $20,000	$0 to $3,000	Lump sum	As incurred	Landlord
Equipment, furniture and fixtures *(Note 4)*	$60,000 to $85,000	$30,000 to $60,000	As invoiced	As incurred	Approved suppliers
Signage *(Note 5)*	$5,000 to $15,000	$2,500 to $5,000	As invoiced	As incurred	Approved suppliers
Initial Inventory *(Note 6)*	$5,000 to $12,500	$5,000 to $8,000	As invoiced	As incurred	Approved suppliers
Architectural /Engineering *(Note 7)*	$10,000 to $25,000	$2,500 to $12,000	As invoiced	As incurred	Approved suppliers
Computer and POS system *(Note 8)*	$10,000 to $18,500	$5,000 to $12,000	As invoiced	Lump sum	Approved suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Standard Unit	Express Unit			
Travel and living expenses during initial training *(Note 9)*	$2,500 to $5,000	$2,500 to $5,000	As incurred	During training	Airlines, hotels, restaurants and others
Office supplies *(Note 10)*	$1,500 to $2,500	$1,500 to $2,500	As incurred	Lump sum	Independent suppliers
Business licenses and permits (for first year) *(Note 11)*	$250 to $1,000	$250 to $1,000	As incurred	As incurred	Various agencies
Insurance premiums (for first year) *(Note 12)*	$1,500 to $2,500	$1,500 to $2,500	As incurred	As incurred	Independent carrier
Grand opening advertising	$5,000	$5,000	As incurred	As incurred	Independent suppliers
Delivery or catering *(Note 13)*	$0 to $3,800	$0 to $3,800	As incurred	As incurred	Independent suppliers
Additional Funds – 3 months *(Note 14)*	$25,000 to $50,000	$10,000 to $30,000	As required	As incurred	Employees, suppliers
Total *(Note 15)*	$265,750 to $530,800	$100,750 to $234,800			

Note 1 See Item 5 for circumstances when the initial fee is partially refundable

Note 2 These amounts are estimates of the cost of adapting our prototype architectural and design plans to remodel and finish out the restaurant They are based on rates and conditions in the New York metropolitan area and are for guidance only Your actual costs may vary The cost of leasehold improvements will vary as a function of (i) the size and configuration of the premises, (ii) pre-construction costs (e g , demolition of existing walls and removal of existing improvements and fixtures) based on the condition of the premises, (iii) the availability and prices of materials, (iv) prices of labor and price differences among contractors, and (v) geography and the location of the premises The landlord may be willing to increase your monthly rent payment to finance the leasehold improvements for which you must pay

Note 3 The figures are for the first month's rent and assume (i) that the premises of the standard restaurant will be 700 to 2,000 square feet and the premises of the Express unit will be 200 to 600 square feet, located in a strip shopping center, airport or other appropriate location and (ii) that no security deposit is required Further, the figures assume base annual rental rates ranging from $50 to $100 per square foot Landlords may also vary the base rental rate and charge rent based on a percentage of gross sales In addition to base rent, the lease may require you to pay common area maintenance charges ("CAM Charges") for the strip shopping center, airport or mall and for the food court, your pro rata share of the real estate taxes, insurance, HVAC and trash removal, and other charges The actual amount you pay under the lease will vary depending on the size of the restaurant, the types of changes that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region

Note 4 You must purchase and use in the restaurant equipment meeting our specifications, including smallwares We have established relationships with equipment vendors for certain equipment meeting our specifications to be used in the restaurants

Note 5 These amounts represent your cost for menu boards, menu panels, logo and descriptive signs Your landlord's restrictions on interior and exterior signage may affect your costs

Note 6 These amounts represent your initial inventory of food supplies, cups and paper goods for use in the first month of operating the franchised business

Note 7 These fees are estimates of your costs in obtaining the architectural and design services necessary for the construction of the restaurant You must adapt our prototype plans and specifications for the construction of the restaurant

Note 8 We require that you use in the restaurant a point-of-sale electronic cash register system that we specify or approve You must also have high speed internet access and an email account to receive communications from us, and fax capability to accept fax orders from customers

Note 9 These estimates include only your out-of-pocket costs associated with the training of the principal operator and general manager (including travel, room, and board for travel to our office) These amounts do not include any fees or expenses for training any other personnel Training is for a two to four week period These costs will vary depending on your selection of lodging and dining facilities and mode and distance of transportation

Note 10 You must purchase business cards, brochures, stationery and other written materials for use in the franchised business You will typically purchase amounts that may last as long as six months You may purchase these materials from us or independent vendors that have been approved by us

Note 11 These are estimates of the costs for obtaining local business licenses and permits, which typically remain in effect for one year These figures do not include occupancy and construction permits, which are included in the leasehold improvement costs The cost of these permits and licenses will vary substantially depending on the location of the franchised business The estimates also include your utility deposits

Note 12 These figures are estimates of the cost of the annual premiums for the insurance you must obtain and maintain for the franchised business as described in Item 8

Note 13 You are not required to participate in delivery or catering activities These amounts are estimates of the cost of the first month's payment for one vehicle, auto insurance premium and fuel

Note 14 These amounts are our estimate of the amount needed to cover your expenses for the start-up phase (the first three months) of your business These expenses include professional fees, payroll, utilities and telephone service and other costs

Note 15 These figures are estimates We cannot assure you that you will not have additional expenses in starting the franchised business These amounts do not include any estimates for debt service

General

We have prepared these estimates based on our experience and that of our management team You should not plan to draw income from the operation during the start-up and development stage of your business, the actual duration of which will vary materially from restaurant to restaurant You must have additional sums available, whether in cash or through a bank line of credit, or have other assets that you may liquidate or borrow against, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage, or beyond The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your business, if any, which in turn will depend upon factors such as the demographics and economic conditions in the area in which your restaurant is located, public awareness of our business and our brand within the general vicinity of your proposed franchised restaurant, your ability to operate efficiently and in conformance with our recommended methods of doing business, your management skill, experience and business acumen, local competition, and prevailing wage rates

Because the costs and the level of reserves will vary from restaurant to restaurant, we strongly recommend that you retain the services of an experienced accountant or financial advisor to review these figures and to develop a business plan and financial projections for your particular operation before you decide whether to purchase the franchise We also recommend that you (a) obtain independent estimates from third-party vendors, (b) discuss with current Famous Famiglia franchisees their economic experiences (including initial costs) in opening and operating a Famous Famiglia franchise, (c) research applicable laws, rules and regulations and their impact on your costs and operations and (d) carefully evaluate the adequacy of your total financial resources and reserves

No Financing

We do not offer any financing to you, either directly or indirectly We are unable to estimate whether you will be able to obtain financing for any or all of your investment and, if so, the terms of such financing Neither we nor any affiliate receives payment for the placing of financing We do not guarantee or co-sign your notes, leases or any other obligations

Multi-Unit Agreement

The table above describes the estimated initial investment for a single Famous Famiglia Restaurant We have not included a separate table for the initial investment if you sign a Multi-Unit Agreement The only fee payable under the Multi-Unit Agreement is the Development Fee, and you may also incur the professional fees of an attorney and accountant If you sign a Multi-Unit Agreement, you must pay a Development Fee equal to 50% of the initial fee of all of the Famous Famiglia Restaurants you agree to develop This initial fee is not refundable under any circumstances The initial fee is $35,000 for your first franchise, $25,000 for the second through the fifth franchise, and $10,000 for each additional franchise you purchase It is 50% of these amounts if you qualify for the VetFran program (See Item 5) The Development Fee is credited against 50% of the Initial Franchise Fee for each Famous Famiglia Restaurant you open The initial investment for each Famous Famiglia Restaurant you open under the Multi-Unit Agreement is estimated above

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

We estimate that substantially all of your expenditures for leases and purchases in establishing your Famous Famiglia Restaurant and in operating the restaurant on an ongoing basis will be for goods and services that are subject to sourcing restrictions, meaning goods and services that must meet our standards or specifications or whose suppliers must be approved by us

We may designate certain ingredients, food products, condiments, beverages, raw materials, paper goods, fixtures, furnishings, uniforms, supplies, menus, packaging, forms, and other products and supplies which you may or must use at your Famous Famiglia Restaurant You may use only those suppliers and products that we expressly authorize or approve in writing Each supplier we designate or approve must comply with our usual and customary requirements regarding insurance, indemnification, and non-disclosure, and satisfy us, in our sole discretion, that it will supply products meeting our specifications (which may include particular brand names and models, quality, freshness, and meet other criteria), and reliably deliver consistent quality products and services at a competitive price

We will provide you with our Manuals and various supplemental bulletins and notices that will contain the specifications, standards and restrictions on your purchase of products and services, and a list of approved suppliers The contents of the Manuals are confidential (See Item 14)

You may use any operational service providers such as exterminators, refrigeration service companies, refuse removal companies and the like from any qualified entity that you may select

Neither we nor our affiliates are currently designated suppliers of any products

Rebates

We and our affiliates may derive revenue in the form of commissions or rebates (collectively "rebates") that third party suppliers pay to us or our affiliates You will pay the then-current price in effect for any such products you purchase Rebates generally range from 0 5% to 5% of franchisee purchases We and our affiliates may use the rebates to subsidize some of our operating costs

Our parent company, Famous Famiglia Holdings, LLC ("FD LLC"), received revenues of $85,289 in 2017 from rebates based on franchisee purchases This amount represented 0 8% of the consolidated total revenues of FD LLC and its subsidiaries for 2017 Total consolidated revenues for 2017 were $10,621,050

Approval Process

If you wish to use any item or supplier we have not previously designated or approved, you must submit to us a written request for such approval, or request the supplier itself to do so We will give such approval to buy from other suppliers only if, in our sole discretion, we determine that such item and supplier meet all of our standards and specifications We have the right to require that our representatives be permitted to inspect the suppliers' facilities and that specifications, photographs and samples from the supplier be delivered, at our option, either to us or to an independent laboratory designated by us for testing You will bear the cost of such testing We will use reasonable efforts to begin an investigation of the proposed supplier or product within 30 days of your request We will notify you within 10 days after we complete our investigation whether such supplies or supplier meet our specifications and standards

We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current criteria and specifications Our supplier approval procedure does not obligate us to approve any particular supplier We do not make our criteria for approving suppliers available to franchisees

Equipment & Fixtures

You must purchase or lease and install, at your expense, all fixtures, furnishings, equipment, decor items, signs and related items as we direct, unless you have first obtained our written consent to do otherwise You may not install on or about your Famous Famiglia Restaurant any fixtures, furnishings, equipment, decor items, signs, games, vending machines or other items without our written consent or that do not meet our standards and specifications You may purchase these items from any approved seller You are not obligated to purchase from a particular approved seller, but you must use specific brands of equipment, and in some situations certain comparable brands of equipment may be acceptable, subject to our prior written approval If you lease any equipment from a third party, we must approve the lease in writing before it is signed We will not approve a lease that does not permit your interest in the lease to be assigned to us or our assignee if the Franchise Agreement terminates or expires

Computer Equipment

You must use electronic cash registers to keep track of all sales transactions The brand selected must be approved by us You must purchase a fax machine and a computer with internet access and all of the software and hardware we require See Item 11 for information concerning the required computer and point of sale system

Lease

You must submit to us for our approval a copy of the proposed lease for your franchised business before it is signed We will not approve the lease unless it permits your interest in the lease to be assigned to us or our assignee if the Franchise Agreement terminates or expires

Advertising

All materials you use in local advertising, promotions and public relations must conform to our standards All such materials must be clear, factual and not misleading You agree to submit to us, before you use them, samples of all materials you intend to use that we have not prepared or previously approved We will endeavor to give you our written approval or disapproval within fifteen days after our receipt of such materials, but we are not required to do so within this timeframe If we have not notified you of disapproval within 15 days after your submission for approval, the materials will be considered approved If we approve, we may withdraw our approval at any time for future use of such materials

Insurance

You must maintain suitable insurance coverage and minimum amounts specified in the Franchise Agreement, Manuals or by written notice You must provide us with certificates of insurance If you fail to obtain the types and levels of insurance we require, however, we may purchase it on your behalf at your expense, but we have no obligation to do so You may obtain additional insurance coverage as you feel necessary You may purchase your insurance from any supplier

Purchasing or Distribution Cooperatives

There are no purchasing or distribution cooperatives as of the date of this disclosure document We may establish a national or regional purchasing or distribution programs for the purchase or distribution of certain goods, materials or supplies at reduced prices If a purchasing or distribution program is established for the region where your Famous Famiglia Restaurant is located, you must participate in the program

Other

We may receive discounts on other items, which we pass on to you We receive discounts on purchases of electronic cash registers and software from approved suppliers, which discounts are also made available to you if you purchase through these suppliers We also receive discounts from approved suppliers of equipment for the franchised business which we will make available to you We negotiate purchase agreements with suppliers for the benefit of franchisees, but we are under no obligation to do so

We do not provide material benefits to you or withhold material benefits from you (such as renewal rights or the right to open additional franchised businesses) based on whether or not you purchase through the sources we designate or approve, other than quality assurance and standards maintenance and possibly favorable prices based on volume purchases by our franchisees However, purchases of unapproved products or from unapproved suppliers in violation of the Franchise Agreement will entitle us to terminate your Franchise Agreement

None of our officers owns an interest in any supplier

See Item 16 for restrictions on what you may sell in the context of your franchised business

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	*Sections in the Franchise Agreement ("FA') and the Multi-Unit Agreement ("MUA')*	*Disclosure Document Item*
a Site selection and acquisition/lease	FA Sections 1 2 MUA Sections 2 1 to 2 5	Items 11 and 12
b Pre-opening purchases/leases	FA Sections 1 2(c) and (d), 1 3 and 1 7(a) through (d) MUA Not applicable	Items 7, 8 and 11
c Site development and other pre-opening requirements	FA Sections 1 2, 1 3 and 1 7 MUA Sections 2 1 through 2 5	Item 11

Obligation	*Sections in the Franchise Agreement ("FA') and the Multi-Unit Agreement ("MUA')*	*Disclosure Document Item*
d Initial and ongoing training	FA Section 1 5 MUA Not applicable	Item 11
e Opening	FA Section 1 2(e) and (f) and 1 7(b) MUA Section 2 2	Item 11
f Fees	FA Section 2 1 MUA Sections 3 1 and 3 2	Items 5 and 6
g Compliance with standards and policies/operating manual	FA Sections 1 1 through 1 7 and 3 1 MUA Not applicable	Items 8, 11, 13 and 16
h Trademarks and proprietary information	FA Sections 3 1 and 3 2 MUA Section 4 1	Items 13 and 14
i Restrictions on products/services offered	FA Sections 1 1(e) and 1 3(a) MUA Not applicable	Item 16
j Warranty and customer service requirements	FA Section 1 6 MUA Not applicable	Item 11
k Territorial development and sales quotas	FA Sections 1 1(b) and (c) MUA Sections 1 1 and 2 2	Item 12
l Ongoing product/service purchases	FA Section 1 3 MUA Not applicable	Item 8
m Maintenance, appearance and remodeling requirements	FA Sections 1 2(d) and 1 6(f) through (i) MUA Not applicable	Item 11
n Insurance	FA Section 1 3(g) MUA Not applicable	Items 7 and 8
o Advertising	FA Section 1 7 MUA Not applicable	Items 7 and 11
p Indemnification	FA Sections 4 2(h) and 6 2 MUA Sections 5 2(g) and 7 2	Item 13

Obligation	*Sections in the Franchise Agreement ("FA') and the Multi-Unit Agreement ("MUA')*	*Disclosure Document Item*
q Owner's participation / management / staffing	FA Sections 1 1(g), 1 5(a) and 1 6(c) MUA Section 1 8	Items 11 and 15
r Records and reports	FA Sections 2 1(h) and 2 2 MUA Not applicable	Item 11
s Inspections and audits	FA Sections 1 6(n) and 2 2 MUA Not applicable	Item 11
t Transfer	FA Sections 4 1 and 4 2 MUA Sections 5 1 and 5 2	Item 17
u Renewal	FA Section 5 1(b) MUA Not applicable	Item 17
v Post-termination obligations	FA Sections 3 2, 3 3(c), 5 3 and 5 4 MUA Sections 4 1, 4 2 and 6 3	Item 17
w Non-competition covenants	FA Section 3 3 MUA Section 4 2	Items 16 and 17
x Dispute resolution	FA Article VII MUA Article VIII	Item 17
y Other Personal Guaranty	FA Section 1 1(g) MUA Section 4 3	Item 15

Item 10

FINANCING

We do not offer direct or indirect financing We do not guaranty your lease or any other 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 Opening

Before you open your franchised business, we will provide the following assistance

1 We review site proposals you submit to us and approve, reject or provide comments to you regarding each proposal If you cannot find an acceptable site for your restaurant within three months after the effective date of the Franchise Agreement or sign an approved lease for the site within 45 days after our approval of the site, then we may terminate the Franchise Agreement We will provide such site selection assistance and on-site evaluations as we deem advisable (Franchise Agreement, Sections 1 2 and 5 2(b)(iii) Multi-Unit Agreement, Sections 2 1, 2 3 and 2 5)

2 We provide you with a restaurant design package, including a sample layout for the interior of a typical Famous Famiglia Restaurant with a set of typical preliminary plans and equipment and decor specifications (Franchise Agreement, Section 1 2(d)) We then review, comment on and approve your final plans and specifications, and we consult with you on the construction and equipping of the franchised business (Franchise Agreement, Sections 1 2(d) and 1 3) We make a final inspection of the franchised restaurant after you complete its construction and require any corrections and modifications, as we deem necessary to bring the franchised restaurant into compliance with accepted plans, equipment, designs and specifications

3 We loan you one copy of the Manual, as revised periodically, including all bulletins, supplements and ancillary manuals (Franchise Agreement, Section 1 4) The Manual remains our property As of the date of this disclosure document, the Manual contains approximately 250 pages We may modify the Manual from time to time, but the modifications will not alter your status and rights under the Franchise Agreement The table of contents of the Manual is attached to this disclosure document as Exhibit E

4 We provide to you a list of our approved products, equipment and suppliers (Franchise Agreement, Section 1 3)

5 We provide an initial training program for your principal operator and general manager and two (2) additional persons at no additional charge to you If you are required or wish to have additional personnel trained at a later time, we currently charge $1,500 per person, plus reimbursement for our expenses (Franchise Agreement, Section 1 5) We also provide one week of on-site pre-opening assistance at the franchised restaurant We require that you give us at least 30 days' advance notice to enable us arrange for this pre-opening assistance

6 We approve or provide you with advertising and promotional materials for your initial public relations and advertising (Franchise Agreement, Section 1 7(b))

7 We provide such other assistance and support as we may deem necessary or desirable to assist you with the launch of your Famous Famiglia franchised business

During Operation

During the operation of the franchised business, we will

1 We amend and revise the Manuals periodically (Franchise Agreement, Section 1 4(b))

2 We provide refresher courses from time to time and we do not charge for refresher courses that we require your personnel to attend, but you must pay the travel and living expenses We also provide training for additional managers and assistant managers who have not completed the initial training program, at your expense (Franchise Agreement, Section 1 5(d))

3 We conduct operational reviews and other quality control measures to ensure compliance with our standards and to recommend improvements (Franchise Agreement, Section 1 6(o) and (p))

4 We provide standards and lists of approved suppliers and distributors for your use in the acquisition of equipment, inventory, materials, supplies and furnishings for your franchised restaurant (Franchise Agreement, Section 1 3)

5 We will create, develop, and place advertising and promotional programs designed to promote and enhance all Famous Famiglia Restaurants and, if we deem necessary, test marketing and market research activities, for the benefit of the Famous Famiglia System We will administer the Advertising Fund and cooperatives when they are formed, as described below We will review all advertising materials you submit to us for your use in local advertising (Franchise Agreement, Section 1 7)

6 We will maintain a website to advertise and promote Famous Famiglia Restaurants (Franchise Agreement, Section 1 8)

7 Our representative will be available at all reasonable times to you for consultation by telephone concerning all aspects of operating the franchised business, upon reasonable notice, including the institution of proper administrative, bookkeeping, accounting, inventory control, supervisory and general operating procedures for the effective operation of a franchised business (Franchise Agreement, Section 1 5(f)) We may charge you a reasonable fee for providing on-site assistance at your request

Advertising

Expenditures

We may require you to spend at least 2% of the gross revenue of your franchised business on advertising, promotion and public relations programs and activities (Franchise Agreement, Section 1 7(c)) You may credit against this 2% obligation the amount of your combined required payments to the Advertising Fund described below, if any, any cooperative advertising and local advertising (Franchise Agreement, Sections 1 7(m) and 2 1(d))

National and Regional Advertising

We have the right to establish a public relations and advertising fund (the "Advertising Fund") and to require you to pay us an advertising fee of up to 2% of the gross revenue of your franchised business, as a contribution to the Advertising Fund We may establish an entity to operate the Advertising Fund, but we have no obligation to do so

If we establish the Advertising Fund, we will direct all programs that it finances (Franchise Agreement, Section 1 7(e)) The fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Advertising Fund and its programs

The fund may be used to pay the costs of producing video, audio and written advertising materials, administering national and regional advertising and engaging advertising, promotion and advertising agencies to assist us, website development and maintenance, toll-free telephone costs, and supporting public relations, market research and other advertising, promotion and marketing activities Such advertising may use any form of media, including direct mail, print ads, radio and television The source of the advertising may be our in-house advertising department or an outside advertising agency If we or our affiliates provide in-house advertising department services, we or our affiliates may be reasonably compensated from the Advertising Fund No portion of the contributions to the Advertising Fund will be used to sell additional franchises

Any amounts of advertising fees that we do not spend in the year they accrue will be carried forward and included in the following year's advertising budget Contributions to the Advertising Fund will not be used to sell additional franchises, although we may use materials resulting from such contributions on the System Website (discussed below), which may advertise the Famous Famiglia franchise opportunity

Although we will endeavor to use the Advertising Fund to develop advertising programs and to place advertising that will benefit all franchisees, we cannot ensure that expenditures from the Advertising Fund in any geographic area are proportionate or equivalent to contributions to the fund by franchisees operating in the geographic area or that your franchised business will benefit directly or in proportion to your contribution to the fund

If we have company or affiliate owned Famous Famiglia businesses when we establish the Advertising Fund, those businesses will contribute to the Advertising Fund on the same basis as Famous Famiglia franchisees

If we establish the Advertising Fund, we will, upon your request, provide to you an accounting of the advertising fees we collected in any year, showing the allocation of our advertising expenditures Advertising receipts and expenditures are administered by us and are not audited

We have the power to form, change or dissolve advertising councils

Advertising Cooperatives

We do not require you to participate in any local or regional advertising cooperatives However, we have the right to establish and coordinate cooperative advertising and sales programs, customer satisfaction programs and similar programs from time to time among Famous Famiglia franchisees We may require you to participate in such programs on an equitable basis with other participants (Franchise Agreement, Section 1 7(m)) We will not require you to contribute more than 2% of your gross sales to the Advertising Fund and cooperative advertising combined

Local Advertising

We require that you spend at least $5,000 on a grand opening advertising campaign (Franchise Agreement, Section 1 7(b)) You must complete the grand opening advertising campaign no later than thirty days after the franchise first opens for business

You may develop local advertising materials for your own use, at your own cost, following advertising criteria that we establish We must approve the advertising materials in advance (Franchise Agreement, Section 1 7(d))

Website

We maintain a website, and we may establish other websites, to advertise, market and promote the Famous Famiglia services and the Famous Famiglia franchise opportunity (a "System Website") We maintain the System Website We may use the advertising fund's assets to develop, maintain and update those parts of the System Website that promote the Famous Famiglia services

We may also maintain an extranet or portal for Famous Famiglia franchisees where we post best practices, resource materials, training materials, financial benchmarking information and other information of value to franchisees We may also use this portal to give you access to a customized software system for reporting and related operational functions, which we may revise and develop from time to time (Franchise Agreement, Section 1 8(b))

You may not advertise over the Internet except in such manner as we prescribe on the System Website (Franchise Agreement, Section 1 7(l))

Site Selection

You will operate from premises approved by us The site will be indicated in Schedule A of the Franchise Agreement If the site is not approved at the time you sign the Franchise Agreement, then you must select a site subject to our approval (Franchise Agreement, Sections 1 1(b) and 1 2(a)) In order to enable us to review your proposed site, you must submit to us, in the form we specify, a description of the site, together with the other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site We may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location (including the population and income level of residents in the market area), aerial photography, size and other physical attributes of the location, the shopping mall and its tenant mix, traffic patterns, parking and neighborhood, and proximity to competing businesses, residential neighborhoods, schools, shopping centers, entertainment facilities and other businesses that attract consumers and generate traffic We will approve or disapprove a site you select within 30 days after we receive all the materials we request in order to permit us to evaluate the site

We will provide you with such site selection counseling and assistance as we think is advisable We will also provide you an on-site evaluation of the proposed site for your first restaurant without charge We will not, however, provide an on-site evaluation for any proposed site before receiving from you the materials described above We will provide additional on-site evaluations if you or we think such additional evaluations are necessary For those additional on-site evaluations, or if the Franchise Agreement does not relate to your first restaurant, we reserve the right to charge a reasonable fee for each evaluation as well as a fee for our reasonable expenses including the cost of travel, lodging, meals and wages

Neither our assistance in evaluating the site, nor our approval of the site, is a guarantee or representation of the likelihood of success or profitability of the restaurant

You must also submit to us a copy of the completed but unsigned lease of the premises of your franchised business (Franchise Agreement, Section 1 2(c)) We may condition our approval of the lease upon inclusion in the lease of the lease addendum attached to the Franchise Agreement as Schedule C We are not responsible for review of the lease for any terms other than those contained in the lease addendum

We recommend that you sign both the lease (or site purchase agreement) and the franchise agreement simultaneously If you cannot find an acceptable site for your restaurant within six months after the effective date of the Franchise Agreement, then we may terminate the Franchise Agreement

(Franchise Agreement Section 1 2(a) and Section 5 2(b) You must submit copies of the signed lease or site purchase agreement to us after both parties sign

You may not relocate the restaurant without first obtaining our written consent (Franchise Agreement, Section 1 1(b)) We will consider both the reasons for your requested relocation and the attributes of the proposed new site Relocation will require a new build out, renovation to the current standards and design, lease modification, franchise agreement changes and a fee to cover our costs and expenses

Time of Opening

We estimate that the time from the signing of the Franchise Agreement or the first payment of any amount to us and the opening your restaurant will be approximately three to six months This time may be shorter or longer depending on the time necessary to obtain an accepted site, financing and the permits and licenses for the construction and operation of the restaurant, and the time to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors

We may terminate the Franchise Agreement if you do not open the restaurant for business within twelve months after the date of your Franchise Agreement or, if earlier, six months after you obtain possession of the site (Franchise Agreement, Sections 1 2(f) and 5 2(b))

Computer and Point of Sale Systems

You must maintain your books and business records according to our required format To assist you with your reporting obligations to us, you must purchase or lease a point-of-sale (POS) system, electronic cash register, computer and printers (collectively, the "Computer System") we have approved for use at your restaurant The cost of the Computer System typically ranges from $10,000 to $18,500 The Computer System will record all sales information with respect to the restaurant Although we do not have independent access to the information generated and stored in the Computer System on the date of this disclosure document, we have to right to access this information and we may do so in the future Your systems must be Internet-connected via broadband at all times and interfaced with our system to enable us to electronically access your daily receipts figures from our headquarters at any time

We do not specify the brand or model of POS system, computer or printers you must use, but they must be industry-standard and meet our specifications, and we may specify brands or models in the future You may obtain the Computer System from any vendors so long as the vendors meet our requirements (Franchise Agreement, Section 1 3(f))

You must pay a third party vendor to maintain your Computer System Several updates and upgrades may be required during the term of your Franchise Agreement, and any such updates or upgrades will be at your expense We cannot estimate the future cost of maintaining, updating or upgrading your computer or point of sale systems or their components It will depend on local costs of computer maintenance services in your area and technological developments that we cannot predict We have no contractual obligation with any third party to maintain or upgrade your Computer System, but we may require upgrades in accordance with the terms of the Franchise Agreement There is no limitation on the frequency or cost of such upgrades

All data that you provide to us from your Computer System as well as other information that we may otherwise collect from you is owned exclusively by us, and we will have the right to use that data in any manner we deem appropriate without compensating you

You must also maintain a functioning e-mail address for your business You must use your e-mail and any web portal we create in accordance with our standards (Franchise Agreement, Section 1 8(b)) We reserve the right to monitor all e-mails

See Item 7 for the cost of the computer system and point of sale system

Training Program

Before the franchised business begins operation, we ask you to designate the Principal Operator, who will supervise the operation of the franchised business The Principal Operator can be you (if you are a sole proprietorship) or any owner of 10% or more of the equity or voting interests of your company We must approve the Principal Operator (Franchise Agreement, Section 1 5(a)) We do so based on our assessment of the character, abilities and experience of the person

Before the restaurant begins operation, we will train your Principal Operator, general manager and two other employees of yours (Franchise Agreement, Section 1 5(b)) We conduct this training at our corporate headquarters or a Famous Famiglia Restaurant or another location selected by us Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the system, the numbers of replacement Principal Operators and general managers and other personnel who need training, and the timing of the scheduled openings of Famous Famiglia Restaurants

The initial training program will generally last approximately one to three weeks

Any person who owns 50% or more of the franchised business and who does not attend our initial training program must attend a shortened three-day training program If no person owns 50% or more of the franchised business, then the person with the highest percentage ownership must attend this three-day program if he or she does not attend our initial training program

The instructors will be employees of our company with experience in the subjects taught Instructors will generally have at least five years of experience in restaurant management and at least one year as an employee of our company and will have successfully completed the Famiglia training program

The instructional materials consist of our Operations Manual and other materials we prepare for this program, including videos, advertising materials and detailed protocols, checklists and reports

We will determine whether your personnel have satisfactorily completed initial training If the Principal Operator or general manager does not satisfactorily complete the initial training program or if we determine that these persons cannot satisfactorily complete the training program, you will be required to designate a replacement to satisfactorily complete the training Any Principal Operator or general manager subsequently designated by you must also receive and complete the initial training We reserve the right to charge a reasonable fee for the initial training we provide to a replacement or successor Principal Operator or general manager if we have not agreed to allow you to provide the training

For the opening of the restaurant, we will provide you with one of our trained representatives as long as you give us at least 30 days' advance notice The trained representative will provide on-site pre-opening and opening training, supervision, and assistance to you for up to seven days, or longer as we may deem appropriate in our sole discretion

If we agree to allow you to provide training, you are required, at your expense, to conduct the initial training program and other training programs for any replacement or successor principal operator, general manager and other restaurant personnel In that case, we may require you to have any person you train receive our training certification We may require you to pay a reasonable, non-refundable fee to us to obtain training certification for any of you personnel (See Item 6)

If any of the people you send to initial training ceases active management or employment in your franchised business, then you must at your own expense enroll a qualified replacement (who must be reasonably acceptable to us) in our initial training program not more than 30 days after the end of the former person's full-time employment or management responsibilities at the franchised business (Franchise Agreement, Section 1 5(e))

The following table provides detailed information about the initial training program

TRAINING PROGRAM

Subject	***Hours of Classroom Training***	***Hours of on-the-Job Training***	***Location***
Orientation & Company Culture	4 to 6	0	White Plains, NY
Operations/ Food Preparation	2 to 3	60	A company-owned location or your restaurant
Customer Service	0	20	A company-owned location, White Plains, NY, or your restaurant
Personnel Mgmt & Scheduling	2 to 3	0	White Plains, NY
Marketing	1	5	White Plains, NY
Accounting	2 to 3	0	White Plains, NY

We may require that any or all of your managers attend refresher courses, seminars, and other training programs periodically, including up to three days of refresher programs each year during the term of the Franchise Agreement The refresher program is designed as a retraining and systems update program, which is likely to consist of the following

REFRESHER TRAINING PROGRAM

Subject	***Hours of Classroom Training***	***Hours of on-the-Job Training***	***Location***
Company Culture	0 to 5	0 to 5	White Plains, NY, or your restaurant
Operations/ Food Preparation	0 to 10	0 to 10	White Plains, NY, or your restaurant
Customer Service	0 to 10	0 to 10	White Plains, NY, or your restaurant

We do not charge for the initial training for your principal operator, general manager and two additional core employees, as long as they are trained at the same time, but you must pay the compensation and travel, lodging and meal expenses of those who attend, nor do we charge you for the opening assistance If you reasonably request or as we deem appropriate, we will provide additional on-site remedial training to your restaurant personnel, subject to the availability of personnel For additional training that you request, you may be required to pay the per diem fee then being charged to franchisees for the services of our trained representatives, plus their costs of travel, lodging, meals and wages We also reserve the right to charge if the assistance is provided based on our determination that remedial training is necessary However, we will not charge for training related to the introduction of new or updated products, methods or procedures

Item 12

TERRITORY

Restaurant Franchise

You will not receive an exclusive territory as a Famous Famiglia Restaurant franchisee The Franchise Agreement grants you the right to operate one Famous Famiglia Restaurant at a single location that we approve (Franchise Agreement, Section 1 1) If we approve the location before you sign the Franchise Agreement, Schedule A of the Franchise Agreement will indicate the specific street address of the approved location Otherwise, we must approve the location after you sign the agreement (Franchise Agreement, Section 1 2) You must operate the franchised business only at this approved location and you may not relocate the business without first obtaining our written consent

You may face competition from other franchisees, from outlets that we or our affiliates own, or from other channels of distribution or competitive brands that we control

You may deliver take-out orders and provide catering service to customers in your area, and such sales are included in gross sales for all purposes, including your reports, royalties and advertising fund calculations Except for delivery and catering service, you may not sell Famous Famiglia products or services in any manner other than from the restaurant premises

We retain the right, without payment to you, to sell products under the FAMOUS FAMIGLIA trademark to grocery stores, supermarkets or similar outlets for resale at any time, and to customers anywhere through our website

In the event that we merge with, acquire or are acquired by another company that competes with us, we and our affiliates reserve the right to offer and sell and authorize others to offer and sell competing products and services under any other names and marks while your Franchise Agreement is in effect

You do not receive the right to acquire additional franchises or to establish or operate another Famiglia Restaurant unless you enter into a separate Franchise Agreement with us

There is no minimum sales quota

Multi-Unit Franchise

Under the multi-unit offering, we assign a defined geographic area within which you must develop and operate a specified number of Famous Famiglia Restaurants within a specified period of time The development area may be one city, one or more counties, one or more states, or some other defined area It will be described in Schedule A of your Multi-Unit Agreement For each Famous Famiglia Restaurant you open under the Multi-Unit Agreement, promptly after our approval of the site for the Famous Famiglia Restaurant, you will sign a separate Franchise Agreement in the then-current form We call multi-unit franchisees "Developers"

Each Developer receives an exclusive territory for the opening of Famous Famiglia Restaurants, although we retain other rights in the territory, as explained below The territory will typically be large enough to accommodate more than ten Famous Famiglia Restaurants, based on our market studies We intend to grant Multi-Unit Agreements for territories that encompass either a section of a state comprised of multiple counties or an entire state

Under the Multi-Unit Agreement, we will not open or operate a Famous Famiglia Restaurant in your territory and we will not grant to any other person or entity the right to open or operate a Famous Famiglia Restaurant in your territory

We retain certain rights in your territory We may sell pizzas, pasta dishes and any other products under the Marks and any other trademarks to grocery stores, supermarkets or similar outlets for resale at any time, and directly to customers anywhere through our website We also retain the right to acquire and operate, or be acquired by, any company, including a company that sells pizzas, pasta dishes and other Italian food items in your territory under a trademark other than the Marks In the event that we merge with, acquire or are acquired by another company that competes with us, we reserve the right to offer and sell and authorize others to offer and sell competing products and services under any other names and marks while your Multi-Unit Agreement is in effect

In order for you to maintain your rights in the territory under the Multi-Unit Agreement, you must meet minimum requirements contained in Schedule B of the agreement (the Development Schedule) The Development Schedule requires that a specified minimum number of restaurants be opened in each 12-month period during the term of the agreement, whether by you or by independent third parties recruited by you The development requirements are determined based on our market studies of the territory and our discussions with you The smallest Development Schedule will typically call for the development of at least five restaurant franchises over a period of five years Your failure to adhere to the Development Schedule gives us the right to terminate the Multi-Unit Agreement upon notice to you with immediate effect (Multi-Unit Agreement, Section 6 2(a)(ii)) Your failure to adhere to the Development Schedule also gives us the right, instead of terminating the agreement, to reduce the size of your territory or reduce the number of restaurants to be opened (Multi-Unit Agreement, Section 6 4)

Your Multi-Unit Agreement will expire on the date of the approval of the site of the last Famiglia Restaurant required to be developed under the Multi-Unit Agreement (Multi-Unit Agreement, Section 6 1) Your territorial rights end when the Multi-Unit Agreement expires

You maintain rights to your exclusive territory during the term of your Multi-Unit Agreement even if the population increases

You do not receive the right to acquire additional territories, or to develop franchises outside of your territory, unless you enter into another Multi-Unit Agreement or Franchise Agreement with us

Item 13

TRADEMARKS

We grant you the right to operate a franchise under the name FAMOUS FAMIGLIA and the logo shown on the cover of this disclosure document You may also use our other current or future Marks in the operation of your franchise By Marks we mean trade names, trademarks, service marks and logos used to identify your Famous Famiglia franchised business

Our parent company, Famous Famiglia Holdings, LLC, owns the following trademarks registered on the Principal Register of the United States Patent and Trademark Office

Mark	Registration No	Registration Date
Caffe Famiglia (Stylized)	3,177,480	11/28/2006
Famous Famiglia	2,614,023	9/3/2002
Famous Famiglia	2,995,657	9/13/2005
Famous Famiglia	3,076,991	4/4/2006
Famous Famiglia	3,801,215	6/8/2010
Famous Famiglia and Design	2,729,930	6/24/2003
Famous Famiglia Pizzeria	1,515,970	12/6/1988
Famous Famiglia Pizzeria and Design	3,026,029	12/13/2005
When It Comes to Quality, We Go to the Source!	2,837,127	4/27/2004
When It Comes to Quality, We Go to the Source!	3,990,594	7/5/2011
Famiglia Frappe	3,336,992	11/13/2007
Share the Tradition and Live Richly	3,743,418	1/26/2010

Famous Famiglia Holdings, LLC has filed all required affidavits and renewals

We have an exclusive license from Famous Famiglia Holdings, LLC to use and sublicense the use of the Marks in the franchising of Famous Famiglia Restaurants in the U S This agreement is dated as of January 1, 2010, and remains in effect as long as we continue to do business in the U S It supersedes a license agreement that was effective as of January 1, 2004

There are no agreements currently in effect that significantly limit our right to use or license the Marks in any manner material to the franchise We know of no infringing uses that could materially affect your use of the Marks

We know of no determinations of the U S Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending interference, opposition or cancellation proceedings or pending material litigation involving any of the Marks that is relevant to their ownership or use in the states in which the franchised business is to be located

You must immediately notify us in writing of any apparent infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks You and your Controlling Principals are not permitted to communicate with any person other than us or our designated affiliate, their counsel and your counsel involving any infringement, challenge or claim We can take action and have the right to exclusively control any litigation or Patent and Trademark Office or other administrative or agency proceeding caused by any infringement, challenge or claim or otherwise relating to any of the Marks You must execute any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation or Patent and Trademark Office or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity having an interest in the Marks

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that your conduct and the conduct of your Controlling Principals in the proceeding and use of the Marks is in full compliance with the terms of the Franchise Agreement

Except as stated above, we are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we defend our trademarks vigorously

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations You must execute any documents we require to protect the Marks or to maintain their continued validity and enforceability In addition, you may not directly or indirectly contest the validity of our rights in and to the Marks

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute Marks if we determine that an addition or substitution will benefit the System

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any patents or copyrights that are material to your franchised restaurant or the Famous Famiglia System

We claim all rights and interests, including all copyrights, to the information contained in the manuals, our menu formats, computer programs, advertising materials, the Famous Famiglia website and all our communications to you in writing or otherwise setting forth our standards, requirements, operating procedures or policies relating to the operation of a Famous Famiglia franchise, as well as any revisions and additions to these materials We have not registered the copyrights in any of these materials We also claim all rights and interests to all customer information collected in our databases

Proprietary Information

Your entire knowledge of the operation of the franchised business, including the method of preparation of menu items and other food products and other specifications, product formulae, standards and operating procedures of the franchised business, is derived from Information that we disclose to you This information, including the information contained in the manuals and the information presented during training, is confidential material owned by us Our confidential information includes the ingredients of and formulas for our proprietary products, methods of operation, sales and marketing techniques, advertising and advertising programs, the content of our training and assistance, the contents of the Manual, the operating results and financial performance of other Famous Famiglia franchisees, and user names and passwords allowing access to protected areas on our website or computer network (Franchise Agreement, Section 3 2(a), Multi-Unit Agreement, Section 4 1(a))

You must maintain the absolute confidentiality of this proprietary information during and after the term of the Franchise Agreement and you cannot disclose, sell or use any such information in any other business or in any manner not specifically authorized or approved in writing by us (Franchise Agreement, Section 3 2(b), Multi-Unit Agreement, Section 4 1(b)) You may use such information only in furtherance of the franchised business

If you are a legal entity such as a corporation or limited liability company rather than an individual or general partnership, then each person who owns or acquires 10% or more of the equity or voting interests of your company must sign a guaranty and assumption of obligations which personally obligates each such person not to use or disclose any of our confidential information except as permitted and as required by the franchised business (Franchise Agreement, Section 1 1(g) and Schedule B) If no person owns 10% or more, then persons approved by us whose combined equity interest is equal to or greater than 10% will be required to sign this guaranty We may also require the spouse of any signatory to sign as well, in our discretion

Each manager of your franchised business and each person who receives training from us or otherwise has access to our confidential information (as defined in Section 3 2(a) of the Franchise Agreement) who has not signed the guaranty described in the preceding paragraph must sign a written agreement with your company in the form of Schedule D to the Franchise Agreement That agreement contains similar nondisclosure obligations Any breach of such undertaking by any such person during such period will be deemed a breach of this Agreement (Franchise Agreement, Section 1 5(g))

You must notify us promptly in writing if you learn about any unauthorized use of our copyrights or proprietary information We are not obligated to take any action but we will respond to this information as we think appropriate

All improvements in the Famous Famiglia system that you develop will become our property We will have the sole right to protect such improvements in our name or in the name of any of our affiliates by means of copyright, patent, trade secret or trademark law (Franchise Agreement, Section 1 4(c)) You must promptly disclose all such improvements to us

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your principal operator and general manager must devote their full time, attention and effort to the franchised business and provide direct, day-to-day supervision of the operation (Franchise Agreement, Section 1 5(a)) Such personnel may not take on other business responsibilities that would be inconsistent with the operational requirements of the franchised business or contrary to its best interest, and they may not have any interest in any competing business You designate and we approve your principal operator, who must own 10% or more of the equity or voting interests of your company, or if no person owns 10% or more of the equity or voting interests, then any owner of an equity or voting interests of your company whom you so designate and whom we approve (Franchise Agreement, Section 1 5(a))

You must notify us within ten days after you change a manager If you operate more than one franchise, each restaurant must have a full-time manager You must keep us informed at all times of the identity of any employee acting as a manager of the franchised business

We reserve the right, in our discretion, to disapprove the principal operator and general manager of your franchised business based on whether each such person has a good business reputation, is not a competitor of ours, and whether he or she can successfully complete our training program All persons that subsequently serve as principal operator or as general manager must meet the same standards and must attend and successfully complete our initial training program, which is described in Item 11 of this disclosure document

If you are a legal entity such as a corporation or limited liability company rather than an individual or general partnership, then each person who owns or acquires 10% or more of the equity or voting interests of your company must execute a guaranty assuming and agreeing to discharge all obligations of the franchisee under the Franchise Agreement (Franchise Agreement, Section 1 1(g) and Schedule B) If no person owns 10% or more, then persons approved by us whose combined equity interest is equal to or greater than 10% will be required to sign this guaranty We may also require the spouse of any signatory to sign as well, in our discretion Any breach of this guaranty by any such person will be deemed a breach of the Franchise Agreement

Each manager of your franchised business and each person who receives training from us or otherwise has access to our confidential information (as defined in Section 3 2(a)) who has not signed the guaranty described in the preceding paragraph must sign a written confidentiality and noncompetition agreement with your company in the form of Schedule D to the Franchise Agreement Any breach of such undertaking by any such person will be deemed a breach of this Agreement (Franchise Agreement, Section 1 5(g))

We do not impose any other restrictions on your managers

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer to your customers all menu items, food products and other products and services that we specify from time to time, and we require you not to offer any other menu items, food products or other products or services (Franchise Agreement, Section 1 1(e)) You must provide these items, products and services in accordance with our requirements You must not deviate from our standards and specifications without first obtaining our written consent Upon notice from us given at any time, you must discontinue offering for sale any items, products and services we may disapprove or discontinue We can, and expect to, modify our standards and specifications as we deem necessary

We have the right to add, remove or change authorized items, products and services that you are required to offer (Franchise Agreement, Section 1 4(b)) There are no limits on our right to do so except that we must act reasonably and our requirements must stay within the scope of a quick service restaurant business offering a limited menu of pizzas, pasta dishes and other Italian food items

There are no restrictions regarding customers you may service

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	*Sections in the Franchise Agreement ("FA') and the Multi-Unit Agreement ("MUA")*	*Summary*
a Length of the franchise term	FA Section 5 1(a) MUA Section 6 1	FA Ten years MUA Until we approve the last restaurant to be developed under the agreement
b Renewal or extension of the term	FA Section 5 1(b) MUA Section 6 1	FA You may renew for a ten-year term MUA None
c Requirements for you to renew or extend	FA Section 5 1(b) MUA Not applicable	FA Notify us of your desire to renew 6-12 months before the end of the term, sign a new agreement, repair and update equipment and restaurant premises, sign a new franchise agreement which may contain materially different terms and conditions than your original contract We may also require you to sign a Renewal Addendum
d Termination by you	FA Section 5 2(a) MUA Not applicable	FA You may terminate the agreement on any grounds available by law
e Termination by us without cause	FA Not applicable MUA Not applicable	
f Termination by us with cause	FA Sections 5 2(b) and (c) MUA Sections 6 2(a) and (b)	FA We can terminate only if you default MUA We can terminate only if you default

Provision	*Sections in the Franchise Agreement ("FA") and the Multi-Unit Agreement ("MUA")*	*Summary*
g "Cause" defined — defaults that can be cured	FA Section 5 2(c) MUA Section 6 2(b)	FA You have 30 days to cure most breaches MUA You have 30 days to cure most breaches
h "Cause" defined — non-curable defaults	FA Section 5 2(b) MUA Section 6 2(a)	FA False representations to us, failure to successfully complete training, failure to open the business within the required time, disclosure of confidential information, unauthorized use of Marks, attempted transfer without our approval, failure to pay taxes, failure to maintain insurance, criminal conviction, bankruptcy or insolvency, abandonment of the business, default under other Famous Famiglia franchise agreements, damage to our goodwill Termination upon your bankruptcy may not be enforceable under federal bankruptcy law MUA False representations to us, failure to meet the Development Schedule, disclosure of confidential information, attempted transfer without our approval
i Your obligations on termination /non-renewal	FA Section 5 3 MUA Section 6 3	FA Obligations include complete deidentification, return of manuals and payment of amounts due (See also Provision "r" below) MUA See Provision "r" below
j Assignment of contract by us	FA Section 4 1 MUA Section 5 1	FA No restriction on our right to assign MUA No restriction on our right to assign
k "Transfer" by you — defined	FA Section 4 2(b) MUA Section 5 2(b)	FA Includes transfer of contract or assets or ownership change MUA Transfer of rights under the Multi-Unit Agreement
l Our approval of a transfer by you	FA Section 4 2 MUA Section 5 2	FA We may withhold our approval to a transfer unless the conditions in Provision "m" below have been met MUA We may withhold our approval to a

Provision	*Sections in the Franchise Agreement ("FA") and the Multi-Unit Agreement ("MUA")*	*Summary*
		transfer unless the conditions in Provision "m" below have been met
m Conditions for our approval of the transfer	FA Section 4 2 MUA Section 5 2	FA The transferee meets our criteria for Famous Famiglia franchisees, you are in compliance, transfer fee is paid, transferee signs new form of agreement, you acknowledge continuing confidentiality and noncompete requirements, new manager is trained, we approve the terms of the transfer, you notify us of the closing We may also require you to sign a Consent to Transfer Agreement MUA Same as Franchise Agreement Also, you must have opened at least half of the restaurants you agreed to open, and you must transfer your franchises
n Our right of first refusal to acquire your business	FA Section 4 3 MUA Section 5 3	FA We can match any offer for your business MUA We can match any offer for your business
o Our option to purchase your business	FA Section 5 4 MUA Not applicable	FA On termination or nonrenewal, we may purchase your assets at their fair market value
p Your death or disability	FA Section 4 2(f) MUA Section 5 2(f)	FA The estate or personal representative must assign the franchise to an approved buyer within twelve months in the event of death, and six months in the event of disability MUA Same as Franchise Agreement
q Non-competition covenants during the term of the franchise	FA Section 3 3(a) MUA Section 4 2(a)	FA No involvement in competing business anywhere in the U S or within five miles of the territory of any Famous Famiglia business outside the U S MUA Same as Franchise Agreement

Provision	*Sections in the Franchise Agreement ("FA') and the Multi-Unit Agreement ("MUA")*	*Summary*
r Non-competition covenants after the franchise is terminated or expires	FA Section 3 3(c) MUA Section 4 2(c)	No competing business for two years (including after assignment) within 5 miles of any Famous Famiglia business MUA Same as Franchise Agreement
s Modification of the franchise agreement	FA Sections 1 4 and 7 14 MUA Section 8 10	FA No modifications generally unless signed by the parties, but the manual is subject to change MUA No modifications unless signed by the parties
t Integration/merger clause	FA Section 7 14 MUA Section 8 10	FA Only the terms of the signed agreements are binding (subject to state law) Any other promises may not be enforceable Our integration/merger clause does not disclaim the representations in this disclosure document MUA Same as Franchise Agreement
u Dispute resolution by arbitration or mediation	FA Section 7 11 MUA Section 8 7	FA Except for certain claims, all disputes must be mediated MUA Same as Franchise Agreement
v Choice of forum	FA Section 7 12 MUA Section 8 8	FA Litigation must be in the city in which our principal office is located when suit is filed, except as otherwise required by state law See Exhibit H MUA Same as Franchise Agreement
w Choice of law	FA Section 7 10 MUA Section 8 6	FA New York law applies, except as otherwise required by state law See Exhibit H MUA Same as Franchise Agreement

See the state addenda for special state disclosures (Exhibit H)

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Paul Kolaj at FF Franchise Systems, LLC, 245 Main Street, Suite 410, White Plains, New York 10601, telephone 914-328-4444, the Federal Trade Commission, and the appropriate state regulatory agencies

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Famous Famiglia Restaurants in the U S and its Territories

Table No 1
Systemwide Outlet Summary
For Years 2015 to 2017

Outlet Type	*Year*	*Outlets at the Start of the Year*	*Outlets at the End of the Year*	*Net Change*
Franchised	2015	35	35	0
	2016	35	29	-6
	2017	29	25	-4
Company-Owned	2015	13	12	-1
	2016	12	7	-5
	2017	7	8	+1
Total Outlets	2015	48	47	-1
	2016	47	36	-11
	2017	36	33	-3

Table No 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2015 to 2017

State	*Year*	*Number of Transfers*
All States	2015	0
	2016	0
	2017	0
Total	2015	0
	2016	0
	2017	0

Table No 3
Status of Franchised Outlets
For Years 2015 to 2017

State	*Year*	*Outlets at Start of Year*	*Outlets Opened*	*Terminations*	*Nonrenewals*	*Reacquired by Franchisor*	*Ceased Operations – Other Reasons*	*Outlets at End of the Year*
Arizona	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
California	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	1	0	0
	2017	0	0	0	0	0	0	0
Delaware	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Florida	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Georgia	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Minnesota	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
New Jersey	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
New York	2015	17	0	0	0	0	2	15
	2016	15	0	0	0	0	2	13
	2017	13	1	0	0	0	3	11
Pennsylvania	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	1	2
Rhode Island	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Tennessee	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Texas	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	1	0
Washington, D C	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	2	0
	2017	0	0	0	0	0	0	0
Wisconsin	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Total	2015	35	1	0	0	0	1	35
	2016	35	0	0	0	1	5	29
	2017	29	1	0	0	0	5	25

Table No 4
Status of Company-Owned Outlets
For Years 2015 to 2017

We do not directly own or operate any restaurants However our parent, Famous Famiglia Holdings, LLC, owns restaurants as shown in the table below

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	1	0	0	2
Florida	2015	1	0	0	0	0	1
	2016	1	0	0	1	0	0
	2017	0	0	0	0	0	0
Nevada	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
New York	2015	2	0	0	1	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
Pennsylvania	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
Texas	2015	5	0	0	0	0	5
	2016	5	0	0	4	0	1
	2017	1	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Virginia	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
	2017	2	0	0	0	0	2
Total	2015	13	0	0	1	0	12
	2016	12	0	1	6	0	7
	2017	7	0	1	0	0	8

Table No 5
Projected Openings as of December 31, 2017

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Nevada	0	1	0
New York	1	1	2
Pennsylvania	0	2	2
Texas	0	2	0
Total	1	6	4

Exhibit B1 lists the names of all current Famous Famiglia franchisees and the addresses and telephone numbers of their outlets as of the date of this disclosure document

Exhibit B2 lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within ten 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

Exhibit C1 lists, to the extent known, the names, addresses, telephone numbers, e-mail address and Web address of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed

Exhibit C2 lists the independent franchisee organizations that have asked to be included in this disclosure document

During the last three fiscal years, we have not signed confidentiality clauses with any current of former franchisees

Item 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit D are the audited balance sheets of FF Franchise Systems, LLC as at December 31, 2017, 2016 and 2015, and the related statements of income, members' equity and cash flows for the years then ended

Item 22

CONTRACTS

Exhibit F contains copies of the following contracts

1 Franchise Agreement
2 Multi-Unit Agreement
3 Consent to Transfer Agreement
4 Renewal Addendum

Item 23

RECEIPTS

A detachable form for your use to acknowledge your receipt of this disclosure document, including all exhibits, is attached as Exhibit I at the very end of this disclosure document You must date and sign this receipt and deliver it to us

EXHIBIT A

STATE ADMINISTRATORS

AND

AGENTS FOR SERVICE OF PROCESS

State	*State Administrator*	*Agent for Service of Process*
California	California Department of Business Oversight One Sansome Street, #600 San Francisco, CA 94104 415-972-8559 320 West 4th Street Suite 750 Los Angeles, CA 90013 213-576-7500 Toll Free 866-275-2677 1515 K Street, Suite 200 Sacramento, CA 95814 916-445-7205 1350 Front Street San Diego, CA 92101 619-525-4233	California Commissioner of Business Oversight
Connecticut	Connecticut Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 860-240-8109	Banking Commissioner
Hawaii	Business Registration Division Securities Compliance Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808-587-2617	Commissioner of Securities
Illinois	Illinois Attorney General Franchise Bureau 500 S Second Street Springfield, IL 62706 217-782-4465	Attorney General
Indiana	Indiana Securities Division Secretary of State Indiana Gov't Center South, E-111 Indianapolis, IN 46204 317-232-6681	Secretary of State

State	State Administrator	Agent for Service of Process
Maryland	Office of the Attorney General Division of Securities 200 St Paul Place Baltimore, MD 21202-2020 410-576-6360	Securities Commissioner
Michigan	Attorney General's Office Consumer Protection Division 525 W Ottawa Street 670 Williams Building Lansing, MI 48909 517-373-7117	Attorney General
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 500 St Paul, MN 55101-2198 651-296-6328	Commissioner of Commerce
New York	Office of the New York State Attorney General Investor Protection Bureau Franchise Section 120 Broadway, 23rd Floor New York, NY 10271-0332 212-416-8236 Phone 212-416-6042 Fax	Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 701-328-4712	Securities Commissioner
Rhode Island	Department of Business Regulation 1511 Pontiac Avenue, Bldg 69-1 Cranston, RI 02920 401-462-9527	Director, Department of Business Regulation
South Dakota	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 605-773-4823	Director of the Division of Securities
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E Main Street, 9th Floor Richmond, VA 23219 804-371-9051	Clerk, State Corporation Commission 1300 E Main Street, 1st Floor Richmond, VA 23219 804-371-9733

State	State Administrator	Agent for Service of Process
Washington	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 360-902-8760	Director of Financial Institutions
Wisconsin	Wisconsin Division of Securities Department of Financial Institutions P O Box 1768 Madison, WI 53701 608-266-8557	Administrator, Division of Securities, Department of Financial Institutions

EXHIBIT B1

FRANCHISEES

U S Franchisees

State	Franchisee Name	Contact	Restaurant Address	Phone
AZ	Ovations	Brenda Knott, Controller	Wild Horse Pass Casino 5350 North 48th Street, #240 Chandler, AZ 85226	800-946-4452
DE	HMS Host	Antonio Macaraeg	Delaware House Travel Plaza 530 JFK Memorial Hwy Newark, DE 19725	240-694-4858
FL	Areas USA MIA, LLC	Nancy Rodri-guez	Miami International Airport - Terminal J 5301 Blue Lagoon Drive, STE 690 Miami, FL 33126	305-335-9511
FL	HMS Host	Antonio Macaraeg	Orlando International Airport 12525 State Road Suite 10 Orlando, FL 32836	240-694-4858
GA	DNL Travel Hospitality Services	Sara Trimmer	Atlanta International Airport - Terminal D DNL Travel Hospitality Services Inc , Suite TS3-3 Atlanta Hartsfield International Airport Atlanta, GA 30320	404-762-1577 x2275
GA	Mack 2	Angela Fallen	Atlanta International Airport – Terminal C Atlanta Hartsfield International Airport Atlanta, GA 30320	404-771-7903
MN	SSP America	Pat Carroll	Minneapolis International Airport - Northstar Foodcourt Minn St Paul Airport 4300 Glumack Drive Suite mt3244 St Paul, MN 55111	612-727-1856
NJ	AC Food Hall Partners LLC	Anthony White	Atlantic City Resorts Casino 1133 Boardwalk Atlantic City, NJ 08401	973-463-9555
NJ	The Grove, Inc	Stacey Crook 708-531-1694	Newark International Airport- Terminal B - Food Court Newark, NJ 07114	973-624-0259
NY	HMS Host	Antonio Macaraeg	New Baltimore Travel Plaza HMS HOST/Famous Famiglia Mile Post 127 South NY STATE Thruway Hannacroix, NY 12087	240-694-4858
NY	Famiglia Queens, LLC	Anton Vataj	74-20 Roosevelt Ave Jackson Heights, NY 11372	914-328-4444
NY	96th Street Pizza Corp	Anton Vataj	734 Amsterdam Ave New York, NY 10025	212-749-1111
NY	Ardi NY Corp	Gino Idrizi	4020 Broadway (169th St) New York, NY 10032	212-927-3333
NY	1398 Madison Pizza Corp	Gjon Nikolla	1398 Madison Avenue New York, NY 10029	212-987-4444

State	Franchisee Name	Contact	Restaurant Address	Phone
NY	488 Pizza Group LLC	John Nikola	488 Eighth Avenue (34th St) New York, NY 10001	212-564-4144
NY	Moza Corp	Frank Idrizi	686 Eighth Avenue(43rd St) New York, NY 10036	212-382-3030
NY	Marosa Inc	Anton Vataj	2859 Broadway (111th St) New York, NY 10025	212-865-1234
NY	Famiglia of Eighth Avenue, Inc	Gino Idrizi	757 Broadway (8th St) New York, NY 10009	212-353-2900
NY	David Elli, Inc *	Gjon Nikolla	133 East 84th Street New York, NY	212-987-4444
NY	Riverhead Food & Drink Corp	Phil Rudnick	Tanger Outlet Mall Tanger 1 Food Court 1770 West Mains Street, Suite 309 Riverhead, NY 11901	718-445-3399
NY	SSP America	Pat Carroll	Greater Rochester International Airport 1200 Brooks Avenue Rochester, NY 14624	585-235-6593
NY	Famiglia White Plains Corp	Mike Kolaj	48 Mamaroneck Ave White Plains, NY 10601	914-285-5678
PA	HMS Host	Antonio Macaraeg	PA Turnpike - Allentown Travel Plaza 5052 Centronia Road Allentown, PA 18106	240-694-4858
PA	HMS Host	Antonio Macaraeg	PA Turnpike - North Somerset 179 North Plaza Access Road Somerset, PA 15501	240-694-4858
PA	HMS Host	Antonio Macaraeg	PA Turnpike - Sideling Hill Travel Plaza 3744 North Hess Rd Waterfall, PA 16689	240-694-4858
RI	HMS Host	Antonio Macaraeg	Providence International Airport - Main Terminal TF Green Airport 2000 Post Road Warwick, RI 02888	240-694-4858
TN	HMS Host	Antonio Macaraeg	Nashville International Airport Nashville International Airport One Terminal Drive, Suite # 325 Nashville, TN 37214	240-694-4858
WI	HMS Host	Antonio Macaraeg	Milwaukee International Airport 5300 South Howell Milwaukee, WI 53207	240-694-4858

*Signed but not yet open as of the date of this disclosure document

EXHIBIT B2

FORMER FRANCHISEES

Franchisee Name, City and State	***Telephone Number***
Vivi Amorim Sacramento, CA	916-877-3471
Feim Berisha New York, NY	212-803-5552
Gino Idrizi New York, NY	212-353-2900
Frank Idrizi New York, NY	212-333-4646
Carlos Cisneros San Antonio, TX	210-468-5068
Hakan Ilhan Washington, DC	202-250-6734

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

EXHIBIT C

1 FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED

None as of the date of this disclosure document

2 INDEPENDENT FRANCHISEE ASSOCIATIONS

None as of the date of this disclosure document

RECEIVED
DEPT OF BUSINESS OVERSIGHT
SAN FRANCISCO

2018 MAY -3 AM 10 48

EXHIBIT D

FINANCIAL STATEMENTS

EXHIBIT E

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EXHIBIT F

AGREEMENTS

FF FRANCHISE SYSTEMS, LLC

FRANCHISE AGREEMENT

FRANCHISEE

FRANCHISE LOCATION

DATE OF AGREEMENT

Version 4/11/2018

FF FRANCHISE SYSTEMS, LLC

FRANCHISE AGREEMENT

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FF FRANCHISE SYSTEMS, LLC

FRANCHISE AGREEMENT

AGREEMENT effective as of ________________ between FF FRANCHISE SYSTEMS, LLC, a Delaware limited liability company (referred to in this Agreement as "we" or "us"), and ________________________________, a _______________ *[if entity, indicate type and state of formation]* (referred to in this Agreement as "you" or "your company")

We and our affiliated companies have developed an integrated system (the "System") for the operation of quick service restaurants serving a variety of pizzas, pasta dishes and other Italian food items we may specify periodically (the "Famous Famiglia Restaurants")

We market and sell the System under the trademark FAMOUS FAMIGLIA and related trademarks, and we may create, use and license additional trademarks or substitute different trademarks in the future in conjunction with the operation of the Famous Famiglia Restaurants (collectively, the "Marks")

You desire to own and operate a Famous Famiglia Restaurant as our franchisee and we desire to grant a franchise to you upon the terms and conditions set forth below

Accordingly, you and we agree as follows

ARTICLE I – GRANT AND OPERATION OF THE FRANCHISE

Section 1 1 – *Location Rights*

(a) *Grant of Rights* We grant to you the right, and you undertake the obligation, to operate a franchised Famous Famiglia Restaurant in conjunction with the Marks, in accordance with our standards, policies and procedures as amended from time to time, and in accordance with the terms and conditions contained in this Agreement You do not have the right to grant subfranchises of the rights granted under this Agreement The grant of this franchise does not give you the right to obtain additional franchises from us

(b) *Single Site* You must operate your franchised Famous Famiglia Restaurant (the "Franchised Business" or the "Restaurant") only at the location described in Schedule A (the "Site") , or if such location is not described in Schedule A, then at a location approved by us in accordance with Section 1 2(a) that is within the Territory described in Schedule A (the "Territory") You may not relocate the Franchised Business or operate the Franchised Business from any location other than the Site without our prior written approval, which we may withhold in our discretion

(c) *No Territorial Rights* We do not grant any territorial rights to you other than the right to own and operate the Franchised Business at the Site We do not grant to you any exclusive geographic area or other exclusive market

(d) *Catering and Delivery Services* You may deliver take-out orders and provide catering service to customers outside of the Restaurant premises, but we do not require you to do so If you provide such services, you must do so in accordance with our quality standards and specifications, but we do not require you to do so Except for delivery and catering service, you may not sell Famous Famiglia products or services in any manner other than from the Restaurant premises

(e) *Products and Services Offered* You must offer and sell at the Franchised Business all menu items, products and services we specify, and you may not sell under the Marks or in the Franchised Business any menu items, products or services we do not specify or approve Upon notice from us given at any time, you must discontinue offering for sale any items, products or services we may disapprove or discontinue

(f) *Rights We Reserve* We retain all rights not specifically granted to you under this Agreement These rights include the right to establish Famous Famiglia Restaurants and to grant to others the right to establish Famous Famiglia Restaurants at any location, without regard to proximity to the Franchised Business, the right to sell any products under the Marks and any other trademarks to any outlets for resale and directly to consumers anywhere, and the right to acquire and operate, or be acquired by, any company, including, without limitation, a company operating one or more food service businesses, including, without limitation, businesses selling pizzas, pasta dishes and other Italian food items under a trademark other than the Marks

(g) *Guaranty* Our grant of this franchise is made in reliance on the personal attributes of your company's owners and managers named in Schedule A If your company is a legal entity such as a corporation or limited liability company rather than a sole proprietorship or general partnership, then our grant of this franchise is made on the condition that each person who now or later owns or acquires, either legally or beneficially, 10% or more of the equity or voting interests of your company (the "Guarantor" or "Guarantors"), must execute and deliver to us a guaranty and assumption agreement in the form attached as Schedule B (the "Guaranty") If no person owns 10% or more, then persons approved by us whose combined equity interest is equal to or greater than 10% will be the Guarantors We may require the spouse of any or all Guarantors to sign the Guaranty, and we may limit the liability of the spouse under the Guaranty, in our discretion Transfers of interest are restricted in accordance with Article IV Upon our request at any time, you will furnish us with a list of all holders of legal and beneficial interests in your company, together with descriptions of the type of interests owned and percentage amounts, and the names, addresses and telephone numbers of the owners, certified as correct in the manner we specify If any of your company's general partners, managers, officers or directors ceases to serve as such or if any new person becomes a general partner, manager, officer or director after the date of this Agreement, you will notify us of such change within 10 days Any breach of a Guarantv will be deemed to be a breach of this Agreement

Section 1 2 – ***Site Selection and Development, Opening***

(a) *Site Selection* You are solely responsible for selecting the Site for the Franchised Business We merely approve the Site if it is acceptable If a site is set forth in Schedule A, you acknowledge that, before signing this Agreement, you (with or without our assistance) located and we approved the Site If you lease or sublease the Site, we have also approved your lease If we have not already approved a site proposed by you when we sign this Agreement, you must submit to us a written proposal identifying for our approval at least one potential site in the Territory, in the format indicated in the Manual (as defined in Section 1 4(a)), together with any other information that we request Following receipt of your written site proposal, we may make an on-site visit to the proposed site at our expense if we believe that such a visit is necessary or desirable, although we are not required to make an on-site visit We do not charge for the initial on-site evaluation, but we may charge for each additional on-site evaluation a reasonable fee plus our reasonable costs In evaluating potential sites, you agree to consider our site selection criteria, which we will provide to you without charge following the signing of this Agreement by both you and us We will not unreasonably withhold or delay our approval of any site that meets our standards You must find a site acceptable to us within six months after the date of this Agreement

(b) *No Assurance* You acknowledge that our recommendation or approval of the Site, and any information regarding the Site we communicate to you, do not constitute a guarantee, assurance, representation or warranty of any kind, express or implied, as to the suitability of the Site for a Famous Famiglia Restaurant or of the successful operation or profitability of a Famous Famiglia Restaurant at the Site You acknowledge that your acceptance of the franchise is based on your own independent investigation of the suitability of the Site

(c) *Lease* You must submit your proposed lease for the restaurant premises to us for our prior written approval At our request, the lease must contain an addendum substantially in the form of Schedule C, approved by the lessor We are not responsible for review of the lease for any terms other than those contained in the lease addendum You acknowledge that we have advised you to have an attorney review and evaluate the lease or sublease If we do not have a copy of the signed lease or sublease, you must deliver such copy to us within 14 days after it is signed by you and the lessor

(d) *Site Development* After we approve a site, you must, at your expense, complete the arrangements to lease the approved premises for the Franchised Business You are solely responsible, at your own expense, for obtaining any necessary financing and all required building, utility, sign, health, sanitation, business and other permits and licenses required to operate the Franchised Business, and for constructing all required improvements to the Site and decorating the premises of the Franchised Business in compliance with plans and specifications we have approved We will furnish you with mandatory and suggested specifications and layouts for a Famous Famiglia Restaurant, including requirements for dimensions, design, image, interior layout, decor, equipment, fixtures, furnishings and signs, which items will be supplied either by us or by suppliers we specify or approve You (or your lessor on your behalf) must engage an architect to prepare all required construction plans and specifications to comply with all applicable ordinances, building codes and permit requirements and with all lease or sublease requirements and restrictions, if any You must submit construction plans and specifications to us for approval before construction of improvements to the Site commences You understand that you may modify our mandatory specifications only to the extent required to comply with applicable ordinances, building codes and permit requirements, and only with our prior written approval

(e) *Conditions to Opening* You may not open the Franchised Business for business until

(i) all of your obligations pursuant to Sections 1 2(c) and (d) are fulfilled,

(ii) we determine that the premises have been constructed, furnished, equipped and decorated in accordance with our requirements,

(iii) your personnel identified in Section 1 5(b) have each completed the initial training to our satisfaction,

(iv) the initial franchise fee and all other amounts due to us and our affiliates have been paid in full,

(v) you have furnished us with certificates of insurance and copies of all insurance policies or such other evidence of insurance coverage as we reasonably request, as well as with copies of all bonds that may be required under state or local law, and

(vi) you receive our approval of the opening in writing We may grant or withhold such approval in our sole discretion

(f) *Time of Opening* You agree to open the Franchised Business no later than twelve months after the date of this Agreement or, if earlier, six months after you obtain possession of the Site You acknowledge that time is of the essence

Section 1 3 – ***Equipment, Supplies, Insurance***

(a) *Supplies* You agree to use in the operation of the Franchised Business only those brands and models of equipment, fixtures, supplies, furniture, signs, ingredients, food products, condiments, beverages, raw materials, paper goods, uniforms, menus, packaging, forms, and other products, supplies and services that we have designated or approved for Famous Famiglia Restaurants as meeting our specifications and standards Specifications may include minimum standards and requirements for quality, design, appearance, function, performance, serviceability and warranties

(b) *Suppliers* We may require that you obtain equipment, fixtures, supplies, furniture, signs, ingredients, food products, condiments, beverages, raw materials, paper goods, uniforms, menus, packaging, forms, and other products and services only from our designated or approved suppliers We may negotiate purchase agreements with suppliers for the benefit of franchisees, but we are under no obligation to do so We will pass on to you any discounts we receive from suppliers

(c) *Compensation from Suppliers* We reserve the right to receive rebates, credits and other compensation from suppliers we designate or approve to provide goods or services to you based upon the purchases by you and other franchisees of goods and services from such suppliers We may use such compensation for any purpose we deem appropriate, including to subsidize some of our operating costs

(d) *Approval of Supplies and Suppliers* If you propose to purchase any brand or model of equipment, fixtures, supplies, furniture, signs, ingredients, food products, condiments, beverages, raw materials, paper goods, uniforms, menus, packaging, forms or other products, supplies or services that are not then designated or approved by us, or to purchase from any supplier that is not then designated or approved by us, you must first notify us and submit to us sufficient written specifications, photographs, drawings, samples and other information we request to enable us to determine whether the proposed brand, model or supplier complies with our specifications and standards We will have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered either to us or to an independent laboratory designated by us for testing At our request, you or the supplier must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the tests We will use reasonable efforts to begin an investigation of the proposed supplier or product within 30 days of your request We will notify you within 10 days after we complete our investigation whether we approve the proposed supplier or product We reserve the right, at our option, to reinspect the facilities and products of any approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria We will not be required to approve any particular supplier nor to make available to any prospective supplier any of our standards, specifications or formulas

(e) *Purchasing or Distribution Cooperatives* We may establish national or regional purchasing or distribution programs for the purchase or distribution of certain goods, materials or supplies at reduced prices You agree to participate in any purchasing or distribution cooperatives that we may establish for the region where your Franchised Business is located

(f) *Computer System* You agree to install, maintain and use in the Franchised Business such computer hardware, software and point-of-sale and cash register systems as we specify from time to time We may require you to incur costs to purchase, lease and license computer hardware and software and to obtain service and support, and to upgrade and make such changes to the electronic equipment used in the Franchised Business as we may specify in writing You acknowledge that we cannot estimate the future costs of the computer and software system, the cash register system, or additions or modifications to these systems, and that these costs may not be fully amortizable over the remaining term of this Agreement We have the right to charge a reasonable systems fee for software or systems modifications and enhancements specifically made for us that are licensed to you and other maintenance and support services that we or our affiliate furnish to you

(g) *Insurance* During the term of this Agreement and any renewal, you will obtain and maintain, at your own expense, such insurance as the landlord of the premises of the Franchised Business requires, and such other insurance as may be required by law At a minimum, you will maintain broad form comprehensive general liability coverage with limits of not less than $1,000,000 per occurrence and in the aggregate and a deductible of no more than $5,000 Such insurance must name us as additional insured The insurance must be primary coverage without right of contribution from any other insurance of ours The policy must provide that it may not be modified or canceled unless the insurance carrier gives us at least 30 days' prior written notice You will provide us with a certificate of such insurance issued by your insurance carrier before or on the date of this Agreement and subsequently, before the renewal of such policy We may, from time to time and in our sole discretion, make such changes in minimum policy limits and endorsements as we may determine, provided that all changes will apply to all of our franchisees that are similarly situated If you fail to obtain or maintain the required insurance in accordance with this section, we may, without waiving our right to declare a breach of this Agreement based on your default, obtain the required insurance coverage at your expense, although we have no obligation to do so If we obtain such insurance on your behalf, we may require you to pay us the charges described in Section 2 1(f)(ix)

Section 1 4 – ***Manual, System Modifications***

(a) *Manual* We will loan to you during the term of this Agreement one copy of the confidential operations manual that we generally furnish to franchisees from time to time for use in operating a Famous Famiglia Restaurant (the "Manual"), in such media as we select, whether hard copy, through the Web or otherwise The Manual and the bulletins and other written materials we provide to you contain mandatory and suggested specifications, standards, operating procedures, policies, methods and rules ("System Standards") that we prescribe from time to time for the operation of a Famous Famiglia Restaurant and information relating to your other obligations under this Agreement The Manual is and will remain at all times our sole property You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manual except as we may specifically authorize You further agree to keep your copy of the Manual current at all times with all updates and modifications we furnish to you, and to store each copy of the Manual received by you in a secure location at the premises of the Franchised Business In the event of a dispute relating to its contents, the master copy of the Manual we maintain at our principal office will control If a copy of the Manual in your possession or under your control, or any portion of such Manual, is lost, stolen, destroyed or significantly damaged, you agree to report such loss, theft, destruction or damage immediately to us Partial loss, destruction or damage to the Manual is considered to be complete loss, destruction or damage We may charge you for replacement of a lost, destroyed or damaged Manual in accordance with Section 2 1(f)(v)

(b) *System Modifications by Us* We may modify or change the System Standards from time to time, and upon notice to you, we may make additions to, deletions from or revisions in the Manual to reflect such modifications or changes Such modifications or changes may include, for example, the addition or discontinuation of products and services that you are required to sell at the Franchised Business, and may obligate you to invest additional capital in the Franchised Business ("Capital Modifications") No modification or change that we make will alter your fundamental status and rights under this Agreement We will not obligate you to make any Capital Modification that you cannot reasonably amortize during the remaining term of this Agreement and with respect to leasehold improvements over the remaining term of your lease, unless we agree to extend the term of this Agreement or unless such investment is necessary in order to comply with applicable laws You agree to adopt or comply with each new or changed procedure, policy, method and requirement as promptly as practicable after notice from us, and in any event within the time period we reasonably require

(c) *System Modifications by You* You agree not to implement any modification or change in the System Standards or in the Franchised Business without our prior written approval, which we may withhold in our discretion Except as specified or approved by us in writing, you may not make any changes to the menu offered at the Franchised Business If you or any of your employees makes an improvement to the System Standards or in the Franchised Business, such improvement will be our property We will have the right to use such improvements and to offer them to our affiliates and other franchisees for their use Any new recipe will be an improvement owned by us that we may use at our company and affiliate Famous Famiglia Restaurants and that we and our affiliates may authorize other franchisees to use You assign to us all rights to such improvements and you agree to sign any documents and to require that your employees sign any documents that we may reasonably request from time to time to evidence such assignment

Section 1 5 – ***Personnel, Training and Support***

(a) *Principal Operator and General Manager* Before you begin operating the Franchised Business, you will designate the Principal Operator, who will be (i) you if you are a sole proprietor or (ii) any owner of 10% or more of the equity or voting interests of your company whom you designate to supervise the operation of the Franchised Business, or (iii) if no person owns 10% or more of the equity or voting interests, then any owner of your company whom you so designate We must approve the Principal Operator You will ensure that the Franchised Business is always actively managed by a Principal Operator or a General Manager who has attended and successfully completed such training as we may require from time to time The Principal Operator and General Manager will each actively devote his or her full time, attention and effort to the Franchised Business and provide direct, day-to-day supervision of the operation of the Franchised Business The Principal Operator and General Manager will ensure at all times the proper levels of customer service in accordance with the Manuals and this Agreement

(b) *Initial Training* Before you begin operating the Franchised Business, we will train your Principal Operator; your General Manager and two other employees of yours in the operation of a Famous Famiglia Restaurant We do not charge for training these people as long as they are trained at the same time At your request and if space is available, we will train additional personnel of your company You must pay the compensation and travel and living expenses of all of your personnel who attend our training, regardless of whether we charge you a fee for such training The training program consists of one to three weeks of training at our headquarters in White Plains, NY We will endeavor to time the commencement of your training program so that it is completed at least 30 days before the scheduled opening of the Franchised Business

(c) *Opening Assistance* We will provide opening assistance by one of our trained representatives Our representative will provide five to seven days of pre-opening and opening training, supervision and assistance You agree to give us at least 30 days' advance notice to enable us to arrange for this training, supervision and assistance

(d) *Ongoing Training* At your request, and if we agree, we will furnish additional training We may charge our then-current fees and expenses for additional or remedial training that is not mandatory or that we require because your personnel are not meeting our standards We do not charge for other mandatory training Our fees and expenses will vary based on the staff, location, and type of training being offered If any review indicates noncompliance with any System Standards or if we receive negative customer feedback, we may require previously trained and experienced managers and employees to attend refresher training courses at such times and locations as we designate, and we may send our personnel to your Franchised Business for training In such event, you agree to pay our then current fees for training and travel and living expenses for our personnel

(e) *Replacement Managers* If the Principal Operator or General Manager ceases active management or employment at the Franchised Business, then we must train, at your own expense, a qualified replacement (who must be reasonably acceptable to us) not more than 30 days after the end of the former person's full-time employment or management responsibilities at the Franchised Business Pending the appointment and training of a Principal Operator or General Manager or if, in our judgment, the Franchised Business is not being managed properly, we have the right, but not the obligation, to appoint a manager for the Franchised Business and require you to pay in the manner described in Section 4 2(g)

(f) *Ongoing Support* We will provide support and guidance from time to time, either in person, by telephone, by e-mail or in writing, regarding the operation of the Franchised Business We will provide regular operational reviews and advise you from time to time regarding the operation of the Franchised Business based on reports you submit to us and inspections we make, to ensure compliance with the System Standards and to recommend improvements At your request, and if we agree, we will furnish additional on-site guidance and assistance and, in such case, we may require you to pay our then-current fees and expenses Your failure to implement any corrective action we require will constitute a material breach of this Agreement and may result in termination pursuant to Section 5 2

(g) *Undertakings by Your Personnel* You agree to take appropriate steps to advise all of your employees and contractors of your obligations under this Agreement and to ensure compliance by all of your employees and contractors Each manager of your Franchised Business and each person who receives training from us or otherwise has access to Confidential Information (as defined in Section 3 2(a)) who has not signed the Guaranty described in Section 1 1(g) must sign a written agreement with your company substantially in the form of Schedule D to this Agreement before performing any work for the Franchised Business or otherwise having access to the Confidential Information You will ensure that each such person complies with the terms of such undertaking during the period that he or she is employed by you Any breach of such undertaking by any such person will be deemed a breach of this Agreement

(h) *Employer Obligations* You will have sole authority and control over the day-to-day operations of the Franchised Business and its employees You will be solely responsible for recruiting and hiring the persons you employ to operate the Franchised Business You will also be responsible for their training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination You specifically agree to comply with all workplace related laws At no time will you or your employees be deemed to be employees of ours or of any or out affiliates We will have no right or obligation to direct your employees

Section 1 6 – ***Your Conduct of the Franchised Business***

(a) *System Standards* You agree to operate the Franchised Business in strict accordance with all System Standards in effect from time to time You understand and acknowledge that every detail of the Franchised Business is important to you, to us and to other Famous Famiglia Restaurant franchisees in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all franchisees, and to protect our reputation and goodwill

(b) *Customer Service* You will provide prompt, courteous and efficient service to all customers and treat all customers with respect You will give prompt attention to all complaints from dissatisfied customers, if any

(c) *Staff* In addition to the managers described in Section 1 5(a), you will maintain a competent, conscientious, trained staff in numbers sufficient to promptly service customers and maximize revenues and profits

(d) *Maintaining Goodwill* You will do nothing that, in our reasonable opinion, tends to discredit the Marks or the System or to bring either into disrepute, or that might diminish or affect adversely our reputation or goodwill

(e) *Compliance with Laws* You will comply with all applicable laws, rules and regulations in the operation of the Franchised Business We have no responsibility to ensure that the Franchised Business is operated in compliance with all applicable laws, rules and regulations We will have no liability in the event that the operation of the Franchised Business violates any law, rule or regulation

(f) *Health and Safety Standards* You will meet and maintain a high degree of sanitation and safety at the premises of the Franchised Business and the highest health standards and ratings applicable to the operation of the Franchised Business You will furnish us, within five days after you receive it, a copy of each inspection report, warning, citation, certificate and rating resulting from an inspection conducted by any federal, state, county or municipal agency with jurisdiction over the Franchised Business If such report, warning, citation, certificate or rating requires that you repair, replace or further sanitize any item in the building within 72 hours, you must provide us with a copy within 24 hours You will notify us within 48 hours of the occurrence of any accident or injury that may adversely affect the operation of the Franchised Business or your financial condition, or that may give rise to liability or a claim against you or us

(g) *Maintaining the Premises* You will at all times maintain the premises of the Franchised Business in excellent repair and condition You will make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, such periodic repainting and replacement of obsolete signs, furnishings, equipment and decor as we may reasonably direct

(h) *Remedial Work* If we notify you of remedial work that is necessary to correct an unhealthy or unsafe condition and you fail to commence such work in good faith or to complete such work within the period specified in our notice, we will have the right, in addition to all other remedies, but not the obligation, to enter the premises of the Franchised Business and complete the required repair or corrective work on your behalf We will have no liability to you for any work performed If we perform such work, we may require that you pay us in accordance with Section 2 1(f)(xii)

(i) *Remodeling* In addition to the requirements of Sections 1 6(g) and (h), we will require you periodically to make reasonable capital expenditures to remodel, modernize and redecorate the premises of the Franchised Business so that the Restaurant reflects the then-current image of Famous Famiglia Restaurants All remodeling, modernization and redecoration will be deemed to be Capital Modifications as defined in Section 1 4(b), and they must be done in accordance with our standards as modified from time to time and with our prior written approval We may require you to make additional Capital Modifications as a condition to renewal pursuant to Section 5 1(c)(vi) You will complete all required Capital Modifications within the time period we reasonably require in our written notice

(j) *Use of the Premises* You will use the premises of the Franchised Business solely for the operation of the Franchised Business and for no other purpose or activity

(k) *Hours of Operation* You agree to keep the Franchised Business operating during such hours and days as we may specify from time to time or, if different, for such hours as the lease of the Restaurant premises may require

(l) *No Vending Machines* You will refrain from installing or permitting to be installed any vending machine, game or coin-operated or similar device, unless specifically approved by us in writing in advance

(m) *Entity Requirements* If your company is a corporation or limited liability company, it must be newly organized and its charter, certificate of incorporation or operating agreement must at all times provide that its activities are confined solely to operating the Franchised Business All certificates representing stock or other ownership interests in your company must contain a legend stating that transfer of such stock or ownership interest is limited by the provisions of this Agreement Upon our request, you will deliver to us copies of all organizational documents of your company, including articles of incorporation, bylaws, shareholders' agreements, limited liability company articles and operating agreements, and any certificates we may request certifying any resolution of directors If your company is a partnership, its activities must also be confined solely to operating the Franchised Business, and you agree, upon our request, to deliver to us a copy of your partnership agreement

(n) *Franchisee Advisory Council* We reserve the right to create a "Franchisee Advisory Council" for the purpose of fostering communication among and between franchisees and us, and to advise us in establishing, modifying or discussing various policies applicable to Famous Famiglia Restaurant franchisees If and when the Franchisee Advisory Council is created, you may be required to participate in such of its meetings and programs as we designate The Franchisee Advisory Council may advise and make recommendations, but will not act as a policy-making board and will have no authority whatsoever We will determine or approve the rules under which the Franchisee Advisory Council functions We may change the rules at any time and we may dissolve any Franchisee Advisory Council at any time We may require you to pay dues to the Franchisee Advisory Council and you will pay all costs and expenses incurred by you in connection with participation in the Franchisee Advisory Council, including the costs of transportation, lodging and meals

(o) *Customer Evaluations* We reserve the right to institute programs for auditing customer satisfaction and other quality control measures, and to require you to pay the cost of such programs You agree to present to your customers such evaluation forms as we periodically prescribe and to participate and request your customers to participate in any surveys performed by us or on our behalf

(p) *Inspections* During the term of this Agreement, we or our designated representatives will also have the right, at any time during your regular business hours, without prior notice to you, to enter upon the premises of the Franchised Business to inspect the premises, observe, photograph and videotape the operations of the Franchised Business for such periods as we deem necessary, and remove samples of any products, materials or supplies for testing and analysis, interview your personnel and customers You agree to cooperate fully with us and our representatives during all inspections, observations, photographing, videotaping, product removal and interviews, and to take all steps reasonably necessary to correct any deficiencies in your compliance with System Standards or this Agreement within the time we specify

(q) *Maximum Prices* We reserve the right to require you to comply with reasonable restrictions on maximum prices of specific goods or services offered and sold by the Franchised Business as required in the Manuals or as we otherwise reasonably direct in writing from time to time

(r) *Payments to Suppliers* You agree to pay all of your suppliers promptly in accordance with their payment terms and to comply in all other respect with your contractual obligations to third parties

Section 1 7 - ***Advertising, Promotion and Marketing***

(a) *Signage* You will post prominent signage relating to the franchised business in easily-seen locations both inside and outside the premises of the Franchised Business We will prescribe or approve from time to time in writing the size, form, color scheme, content and location of all such signage You agree to display and maintain signs reflecting the current image of Famous Famiglia Restaurants You also agree to post any signs we designate to reflect the fact that you are a franchisee and the fact that franchise opportunities are available to others You agree to discontinue the use of and destroy such signs as we declare to be obsolete within the reasonable time that we specify for such destruction, which will not be less than 30 days Because of the importance of the Famous Famiglia image, you grant to us the right to enter the premises of the Franchised Business to remove and destroy unapproved or obsolete signs in the event that you have failed to do so within the time we specify

(b) *Grand Opening* You agree to conduct a grand opening public relations and advertising program for the Franchised Business during the period commencing 30 days before and ending 30 days after its opening and to expend at least $5,000 for such program Such public relations and advertising program will use the materials we have developed or approved for public relations and advertising We will provide you with guidelines and lists of suppliers and consult with you on your grand opening public relations and advertising program, but it will be your sole responsibility to develop and implement this program

(c) *Local Advertising* You agree to use all reasonable efforts to promote the Franchised Business You are responsible at your expense for providing local advertising, marketing, promotional and public relations programs and activities for the Franchised Business You agree to spend annually for advertising and promotion of the Franchised Business not less than 2% of the Gross Sales of the Franchised Business (as defined in Section 2 1(c)) You may credit against your obligation for local advertising and promotion the amount of your contribution to the Advertising Fund described below, if any Your combined required payments for advertising and promotion, cooperative advertising and contributions to the Advertising Fund will not exceed 2% of the Gross Sales of the Franchised Business, although you may spend additional amounts in your discretion, and we encourage you to do so We have the right to review your books and records from time to time to determine your expenditures for such advertising and promotion If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts to the Advertising Fund

(d) *Local Advertising Materials* All materials you use in local advertising, marketing, promotional and public relations programs and activities must conform to such standards and requirements as we may specify from time to time All such materials must be clear, factual and not misleading You agree to submit to us, before you use them, samples of all materials you intend to use that we have not prepared or previously approved We will endeavor to deliver to you our written approval or disapproval within 15 days after our receipt of such materials, but we will not be liable for any delay If we have not notified you of disapproval within 15 days after your submission for approval, the materials will be considered approved We may withdraw our approval at any time If we withdraw our approval, you will immediately cease the use, distribution and dissemination of such material Any advertising, marketing or sales concepts, programs or materials proposed or developed by you for the franchised business and approved by us may be used by us and by our affiliates and other franchisees without any compensation to you You agree to use all point of sale materials that we may supply to you from time to time, in the manner prescribed by us

(e) *National and Regional Advertising* We or our designee will exclusively maintain and administer any national and regional advertising, public relations and marketing programs and market research, including without limitation the System Website and all programs financed by the Advertising Fund, as described below We have the right to form, change or dissolve advertising councils in accordance with Section 1 6(n)

(f) *Establishment of an Advertising Fund* At any time during the term of this Agreement, we may establish a public relations and advertising fund (the "Advertising Fund"), subsidized by fees paid by Famous Famiglia Restaurant franchisees, for such advertising, promotion, marketing and public relations programs and materials as we deem necessary or appropriate You agree to begin contributing to the Advertising Fund, on a date specified by us upon at least 90 days' notice to you, the amount we specify, which amount will be no more than 2% of the Gross Sales of the Franchised Business (as defined in Section 2 1(c)), payable together with the payment of Royalties within three days after the end of each Accounting Period (as defined in Section 2 1(e)) All Famous Famiglia Restaurants owned by us will contribute to the Advertising Fund based on their retail sales on the same basis as a franchisee under the terms of a standard franchise agreement for a Famous Famiglia Restaurant

(g) *Use of the Advertising Fund* The Advertising Fund will be used to enhance the recognition of the Marks and the patronage of Famous Famiglia Restaurants nationally or regionally We or our designee will have sole discretion over all matters relating to the Advertising Fund, including without limitation the creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation The Advertising Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials, administering national and regional advertising programs, and engaging advertising, promotion and marketing agencies to assist us, website development and maintenance, toll-free telephone costs, and supporting public relations, market research and other advertising, promotion and marketing activities The Advertising Fund will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Advertising Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Advertising Fund The source of the advertising may be our in-house advertising department or an outside advertising agency If we or our affiliates provide in-house advertising department services, we or our affiliates may be compensated from the Advertising Fund provided that any compensation is reasonable

(h) *Accounting for the Advertising Fund* We will separately account for the Advertising Fund monies, but we may commingle such monies with our other monies or maintain the Advertising Fund monies in one or more separate accounts, in our discretion We may spend, on behalf of the Advertising Fund, in any fiscal year, an amount greater or less than the aggregate contribution of all Famous Famiglia Restaurants to the Advertising Fund in that year, and the Advertising Fund may borrow from us or others at reasonable interest rates to cover deficits or invest any surplus for future use All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs before other assets of the Advertising Fund are expended We will prepare annually, or cause to be prepared, a report or reports of the operations of the Advertising Fund We will furnish such report or reports to you upon your written request

(i) *Advertising Fund Entity* We have the right, but not the obligation, to establish a separate entity to operate the Advertising Fund at any time Any such entity will have all of the rights and duties with respect to the Advertising Fund that we have under this section The Advertising Fund will not be deemed a trust, and we will have no fiduciary obligation to you in connection with the collection or administration of the Advertising Fund

(j) *Distribution of Advertising Expenditures* Although we will endeavor to use the Advertising Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Famous Famiglia Restaurants, we undertake no obligation to ensure that expenditures by the Advertising Fund will benefit all Famous Famiglia Restaurants equally nor in proportion to contributions

(k) *Termination of Advertising Fund* We reserve the right to defer or reduce contributions and, upon 30 days' prior notice to you, to reduce or suspend contributions to and operations of the Advertising Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Advertising Fund (and, if suspended, deferred or reduced, to reinstate such contributions) If the Advertising Fund is terminated, all unspent monies, if any, on the date of termination will be distributed to Famous Famiglia Restaurants in proportion to their respective contributions to the Advertising Fund during the preceding twelve month period

(l) *Internet Advertising* You may not advertise the Franchised Business over the Internet without our prior written approval, which we may withhold in our discretion You may not develop, maintain or authorize any website that mentions or describes the Franchised Business or displays any of the Marks, nor may you own an Internet domain name or use a meta tag or title tag that includes any of the Marks or variations of any of the Marks

(m) *Cooperative Advertising* We may establish and coordinate from time to time cooperative advertising, marketing and sales programs, customer satisfaction programs and other programs or activities among Famous Famiglia Restaurant franchisees These programs or activities may be on a local, regional or national basis You will participate in such programs and activities as we may prescribe Such programs and activities may (at our option) be paid for partially or wholly by the Advertising Fund described below or on any other equitable basis by the participants Your combined required payments for cooperative advertising and Advertising Fees (described in Section 2 1(d)) will not exceed 2% of the Gross Sales of the Franchised Business

Section 1 8 – ***Website***

(a) *System Website* We maintain one or more websites to advertise, market and promote Famous Famiglia Restaurants, the products sold at Famous Famiglia Restaurants and the Famous Famiglia Restaurant franchise opportunity (the "System Website") We own all intellectual property and other rights in the System Website and all information it contains We may at any time and in our sole discretion discontinue using the System Website If we discontinue using the System Website, we may at any time and in our sole discretion resume using it

(b) *Franchisee Extranet* In addition to the System Website, we may establish an extranet or other website for all Famous Famiglia Restaurant franchisees that can be accessed only by means of user names and passwords and that will not be available to the general public We may use this website to provide support for franchisees and to allow for electronic franchise discussion groups You agree both during and after the term of this Agreement not to disclose your user name or password to any person or entity who is not under your direct supervision and who does not have a need to know such password You agree to inform all persons under your supervision who may have access to such password of this obligation of confidentiality You further agree to comply with all guidelines and rules we establish from time to time for the use of this extranet or website

ARTICLE II – **FEES, PAYMENTS, RECORDS, INSPECTIONS**

Section 2 1 – ***Fees and Reports***

(a) *Initial Fee* Upon your signing of this Agreement, you will pay us an initial fee of $35,000 for a restaurant of approximately 700 to 2,000 square feet (a "Standard Unit"), or $10,000 for a restaurant of approximately 200 to 600 square feet (an "Express Unit"), as indicated in Schedule A, or, if applicable, such discounted initial fee as we may offer The amount of any deposit already paid will be deducted from this initial fee This initial fee is fully earned at the time we grant the franchise and is not refundable unless (i) we determine that you are unable to satisfactorily complete the initial training program required of all franchisees, or (ii) we determine that you will not be able to locate an approved site for the Restaurant within six (6) months after you have signed the Franchise Agreement In these instances, we may terminate the Franchise Agreement and you will be liable to us for the expenses we incurred to date

(b) *Royalties* You agree to pay us royalties ("Royalties") in the amount of 6% of the Gross Sales (as defined below) of the Franchised Business each Accounting Period (defined below), or 5% if you have already purchased five or more Famous Famiglia franchises and you continue to own and operate at least five such franchised restaurants at the time you enter into this Agreement

(c) *Definition of Gross Sales* As used in this Agreement, the term "Gross Sales" or "Gross Sales of the Franchised Business" means all sales made in the operation of the Franchised Business, whether collected or not, including, but not limited to, all amounts you receive at or away from the premises of the Franchised Business, whether from cash, check, credit card or credit transactions (with no deduction for credit card charges), including proceeds of any business interruption insurance policies, but excluding all federal, state or municipal sales or use taxes collected from customers for payment to the appropriate taxing authorities, and excluding actual customer refunds, adjustments and credits

(d) *Advertising Fee* If we initiate an Advertising Fund (as described in Section 1 7(f)), you agree to pay us an advertising fee each Accounting Period (the "Advertising Fee") commencing on the date specified in our notice We will specify the amount of the Advertising Fee at any given time in our notice, which amount will not exceed 2% of the Gross Sales of the Franchised Business each Accounting Period We may change the amount of the Advertising Fee within this range from time to time upon 60 days' prior notice to you as long as the Advertising Fee together with any cooperative advertising contribution you are required to make pursuant to Section 1 7(m) do not exceed 2% of Gross Sales

(e) *Other Fees* You agree to pay us the following fees upon the occurrence of the following events

(i) If you offer or sell products or services that we do not authorize or specify (contrary to Section 1 1(e)), you will pay us a penalty fee of $500 for each day that you offer or sell such products or services This payment is in addition to other remedies available to us

(ii) If you are late in submitting any required payment or report to us, you will pay us $50 for each day that we fail to receive such payment or report beyond the date due, in addition to any interest on late payment pursuant to Section 2 1(j)

(iii) If any required payment you make is rejected by your bank because of insufficient funds, you will pay us $25 for the first occurrence within any 12 month period, and $50 for each additional occurrence within such 12-month period

(iv) If you request additional or replacement copies of the Manual or any portion of the Manual, we may charge you a fee of $500

(v) If you relocate the Franchised Business with our approval pursuant to Section 1 1(b), we may charge you a relocation fee of $5,000

(vi) We do not charge for the initial on-site evaluation described in Section 1 2(a), but we may charge for each additional on-site evaluation a reasonable fee plus our reasonable costs

(vii) If you propose in accordance with Section 1 3(d) to purchase supplies or use any suppliers that are not then designated or approved by us, we may charge the reasonable cost of the inspection and the actual cost of the tests

(viii) If we license any software or systems to you specifically made for us or if we provide other systems maintenance or support services in accordance with Section 1 3(f), we may charge a reasonable systems fee

(ix) If we obtain insurance on your behalf in accordance with Section 1 3(g), you will pay us an amount equal to the premiums and related costs for the required insurance in full upon receipt of the invoice, plus a 25% service charge

(x) If we provide additional or remedial training that is not mandatory or that we require because your personnel are not meeting our standards in accordance with Section 1 5(d), we may charge our then-current fees and expenses

(xi) If you request and we agree to furnish additional on-site guidance or assistance in accordance with Section 1 5(f), we may require you to pay our then current fees and expenses

(xii) If we perform work to correct an unhealthy or unsafe condition at the Restaurant because you fail to perform the work after we notify you pursuant to Section 1 6(h), we may require you to pay for labor and materials plus a 25% service charge and an amount sufficient to reimburse us for our actual direct costs to supervise, perform and inspect the work and procure any replacement items, including labor, materials, transportation, lodging, meals, contractor fees and other direct expenses, all of which will be due and payable upon your receipt of our invoice

(xiii) If we perform an inspection or audit that is made necessary by your failure to furnish any information we require or if an audit or inspection reveals an understatement of Gross Sales greater than 2%, then we may require you to reimburse us for the reasonable cost of such inspection or audit in accordance with Section 2 2(f)

(xiv) If we permit you to hire an employee of ours or of another Famous Famiglia Restaurant we may require you to pay us in accordance with Section 3 3(a)

(xv) If you transfer the Franchised Business with our consent pursuant to Section 4 2, you agree to pay us a transfer fee of $5,000 when there is a change in ownership

(xvi) If the business is not being managed properly, we may appoint a manager until you appoint a trained replacement manager and we may require you to pay in accordance with Section 4 2(g)

(xvii) If you intend to offer stock or partnership or other interest in your company; we may require you to reimburse us for our reasonable costs and expenses for reviewing the proposed offering in accordance with Section 4 2(h)

You agree to pay these fees upon your receipt of our invoices These fees are nonrefundable Fees stated as dollar amounts may be increased from time to time to reflect increases in the Metropolitan Area Consumer Price Index for All Urban Consumers from the date of this Agreement, as published by the U S Department of Labor, or a successor index

(f) *Accounting Period* "Accounting Period" means the specific period that we designate from time to time in the Manual or otherwise in writing for purposes of your financial reporting and payment obligations described in this Agreement The Accounting Period may be a calendar month or a shorter or longer time period that we select, but not shorter than one week We may designate different Accounting Periods for different purposes

(g) *Reports* You will submit a report to us within three days after the end of each Accounting Period setting forth your true and correct Gross Sales for such Accounting Period in such detail and in such manner as we require from time to time We will have the right, upon notice to you (i) to require you to submit to us quarterly and annual balance sheets and income statements for the Franchised Business, prepared in accordance with generally accepted accounting principles consistently applied, in the format we prescribe, and verified as correct in the manner we prescribe from time to time, and (ii) to require you to supply us with reviewed financial statements prepared annually

(h) *Payment* At the time you submit each report to us after each Accounting Period, you will submit to us a check, payable to us, in the amount of the Royalties and Advertising Fee, if any, owed to us based on such Gross Sales You will pay us for other amounts within 10 days after you receive our invoice Time is of the essence with respect to all payments you are to make to us We have the right at any time, upon reasonable notice to you, to require that you pay all sums owed to us or to any of our affiliates electronically through one or more depository transfer accounts or using such methods as we may designate in the Manual or otherwise in writing At our request, you agree to execute such documents as we determine are necessary for us to process electronic funds transfers from your designated bank account for payment of the Royalties and Advertising Fee, if any, owed to us based on Gross Sales You will bear all costs to establish and maintain the required electronic payment system, and all bank service charges You will comply with our procedures for electronic payment, which we may modify from time to time, including the maintenance of such minimum bank account balance as we specify from time to time

(i) *Interest on Late Payments* Any payment that is not made by the date it is due will be subject to interest at the rate of 1 5%) per month or the highest rate allowed by law, whichever is less If no due date is stated, interest begins to run 10 days after billing Your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 5 2(b)(iv) Interest will accrue whether or not we exercise our right to terminate You acknowledge that this subsection does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to you or otherwise finance your operation of the Franchised Business

(j) *No Setoff* Your obligations to make payments in accordance with this Agreement and any other agreement with us or any of our affiliates with respect to the Franchised Business are not subject to any abatement, reduction, setoff, defense or counterclaim due or alleged to be due for any past, present or future claim that you have or may have against us or any of our affiliates

(k) *Application of Payments* All payments you make to us will be applied in such order as we may designate from time to time, regardless of any designation you may make with respect to the application of such payments, even if you specifically make payment conditional on our acceptance of your designated application or instructions

(l) *Taxes* In the event that we are required to collect and pay any sales or use tax from you for payment to any tax authority based on your purchase of the franchise or any items relating to the franchise, or based on any continuing payments you make to us under this Agreement, you will pay such amounts upon receipt of our invoice

Section 2 2 – ***Records, Inspection***

(a) *Records* You agree to maintain at the Franchised Business full, complete and accurate records and reports of the Franchised Business You will maintain bookkeeping, accounting and records retention systems conforming to the requirements that we prescribe from time to time, and records relating to Franchised Business operations, employee turnover and such other records that we prescribe from time to time You agree to maintain and to furnish to us upon request complete copies of all income, sales, value added, use and service tax returns, and employee withholding, worker's compensation and similar reports filed by you reflecting activities of the Franchised Business You agree to preserve all records described in this Section 2 2(a) for a period of at least five years after their creation, or such longer period as may be required by law, during both the term and each renewal term of this Agreement and following the expiration or termination of this Agreement

(b) *Access to Systems* We may use the computer and point of sale systems described in Section 1 3(f) to collect electronically the reports referred to in Section 2 1(g) and the records referred to in Section 2 2(a) We have the right to establish requirements that will permit us, as often as we deem appropriate, to access all cash registers and computer terminals and your computer system and to retrieve all information relating to the Franchised Business

(c) *Right to Inspect* During the term of this Agreement, we or our designated representatives will also have the right, at any time during your regular business hours, without prior notice to you, to enter upon the premises of the Franchised Business to inspect the books and records of the Franchised Business and take excerpts You agree to cooperate fully with us and our representatives during all such inspections

(d) *Right to Audit* We have the right at any time during your business hours, without prior notice to you, to inspect and audit the records of the Franchised Business, or to cause such records to be inspected and audited This right includes the right to access your computer systems

(e) *Discrepancies* If any inspection or audit demonstrates an understatement of Gross Sales, you will pay the deficiency to us within 15 days after you receive the inspection or audit report

(f) *Cost* All inspections and audits will be at our expense, but if an inspection or audit is made necessary by your failure to furnish, or your delay in furnishing, reports, supporting records, other information or financial statements we require, or if an understatement of Gross Sales for the period of any audit or inspection is determined by any such audit or inspection to be greater than 3%, you agree, within 15 days after our request, to reimburse us for the cost of such inspection or audit, including, without limitation, legal and accounting fees, and the travel expenses, including lodging, meals and per diem charges of the inspecting or auditing personnel These remedies are in addition to our other remedies and rights under this Agreement and applicable law

(g) *Survival of Inspection and Audit Rights* Our rights to inspect the books and records of the Franchised Business and to take excerpts, and to audit the Franchised Business, will continue for a period of six months following the expiration or termination of this Agreement, but we may only inspect such books and records or perform any such audit following the expiration or termination of this Agreement upon at least 24 hours' prior notice to you

(h) *Disclosure of Your Financial Information* We have the right to disclose data we receive from you regarding the Franchised Business without identifying you If we are required by law to disclose any data we receive from you regarding the Franchised Business and such disclosure will identify you, we will notify you of the disclosure to be made and, if you request, endeavor to obtain legally binding assurance that those who receive such disclosure will be bound by an obligation of confidentiality

Section 2 3 – ***Security Interest***

(a) *Grant of Security Interest* As security for the payment of all amounts you owe us from time to time under this Agreement and all other agreements between you and us, and your performance of all of your obligations under such agreements, you hereby grant to us a security interest in all of the assets of the Franchised Business, including, without limitation, all inventory, equipment, furniture and fixtures, as well as all proceeds from their sale and the related insurance (the "Collateral") You warrant and represent that the security interest granted hereby is prior to all other security interests in the Collateral except bona fide purchase money security interests, or security interests held by financial institutions, if any You agree not to remove the Collateral, or any portion of the Collateral, from the premises of the Franchised Business without our prior written consent

(b) *Default* Upon the occurrence of any event entitling us to terminate this Agreement or to terminate any other agreement between you and us, we will have all the rights and remedies of a secured party under the Uniform Commercial Code of the state in which the Franchised Business is located, including, without limitation, the right to take possession of the Collateral

(c) *Filings* You authorize us, without further notice to or consent by you, to file any records or other documents as we reasonably deem necessary to perfect, continue, amend or terminate our security interest in the Collateral

ARTICLE III - PROPRIETARY RIGHTS, CONFIDENTIALITY, NONCOMPETITION

Section 3 1 – ***Our Copyrights and Trademarks***

(a) *Our Copyrights* We are the sole owner of all copyrights in the Manual and of all advertising and promotional material created by or for us You may not copy any such materials, nor create derivative works of any such materials, except as specifically authorized or permitted by us

(b) *Our Trademarks* Your right to use the Marks is derived solely from this Agreement and is limited to your operation of the Franchised Business at and from the Restaurant premises pursuant to and in compliance with this Agreement and all System Standards we prescribe from time to time during its term Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks You acknowledge and agree that your use of the Marks and any goodwill established by such use will be exclusively for our 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 Franchised Business in compliance with this Agreement) You will not contest or assist others in contesting our right to use the Marks

(c) *Proper Use of the Marks* You may not use the Marks except as authorized under this Agreement You understand that any use of the Marks other than as expressly authorized by this Agreement, without our prior written consent, may constitute infringement and that your right to use the Marks does not extend beyond the expiration or termination of this Agreement You agree to use the Marks as the sole identification of the Franchised Business, except that you agree to identify yourself as the independent owner of the Franchised Business in the manner we prescribe You may not use any Mark as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you under this Agreement), or in any modified form, nor may you use any Mark in connection with the performance or sale of any unauthorized products or services or in any other manner we have not expressly authorized in writing You may not use any Mark as part of a domain name or electronic address of a website You agree to display the Marks prominently in the manner we prescribe at the Franchised Business, on packaging and serving materials that we designate and on business forms and advertising materials You agree to give such notices of trademark registrations and such other trademark notices as we specify and to obtain any fictitious or assumed name registrations required under applicable law

(d) *Modifying the Marks* We will have the right to modify or change any Mark from time to time upon written notice to you specifically referring to this Agreement and describing such modification or change Such right will include the right to use a trademark that is entirely different from "Famous Famiglia" and the right to require you to use one or more additional logos and marks, but we will make all such changes in the Marks only for good faith marketing, trademark or other reasons on a uniform basis for all Famous Famiglia Restaurant franchisees in the U S You agree, upon notice from us, to regard each such modified, changed, new or additional trademark as being within the definition of "Marks" under this Agreement, and to adopt and use each such trademark at your expense in accordance with the terms and conditions of this Agreement If we require a change in signage, we will reimburse you for your reasonable direct expenses of changing the signs at the premises of the Franchised Business However, we will not be obligated to reimburse you for any loss of revenue or expenses caused by any such modification or change

(e) *Infringement* You agree to notify us of any apparent infringement of any Mark or of any of our copyrights, by any third party, as soon as such apparent infringement comes to your attention, and to notify us immediately of any challenge to your use of any Mark and of any claim by any person of any rights in any Mark, and you agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim We have sole discretion to take such action as we deem appropriate with respect to such apparent infringement, challenge or claim and the right to control exclusively any litigation, U S Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark or our copyrights You agree not to initiate any such action or proceeding, but to cooperate with us in any such action or proceeding and sign any and all instruments and documents, render such assistance and do such acts and things as may be necessary or advisable, in the opinion of our attorneys, to protect and maintain our interests in any litigation or any proceeding at the Patent and Trademark Office, or otherwise to protect and maintain our interests in the Marks or copyrights In the event any sum is recovered based on our claim of infringement, we will have the exclusive right to such recovery

Section 3 2 – ***Confidentiality of Our Information***

(a) *Confidential Information* We possess and will continue to develop and acquire certain confidential information relating to the development and operation of Famous Famiglia Restaurants ("Confidential Information") Confidential Information includes, without limitation

(i) the contents of the Manual,

(ii) product recipes, mixes and formulas,

(iii) the content of our training and assistance,

(iv) site selection criteria,

(v) sales and marketing techniques,

(vi) planned advertising and marketing programs,

(vii) current, past and planned research, development and test programs for products, services and operations,

(viii) specifications for and suppliers of certain equipment, fixtures, furnishings, signs, materials and supplies,

(ix) the operating results and financial performance of Famous Famiglia Restaurants other than the Franchised Business,

(x) user names and passwords allowing access to protected areas on our website or computer network, and

(xi) all improvements and modifications to the franchise system developed by you or your personnel

You acknowledge and agree that you will not acquire any interest in any Confidential Information other than the right to use Confidential Information disclosed to you in operating the Franchised Business during the term of this Agreement

(b) *Nondisclosure and Non-Use* At all times both during the term and after the expiration or termination of this Agreement, (i) you will keep all Confidential Information in the strictest confidence and you will not disclose any Confidential Information to any person other than your employees, agents or representatives who have a legitimate need to know such information and who are informed of this obligation of confidentiality and have signed either a Guaranty in the form or Schedule B or a written agreement with your company substantially in the form of Schedule D, and (ii) you will not use any Confidential

Information except for the purpose of fulfilling your obligations under this Agreement Upon our request, you will promptly return to us all Confidential Information and all copies in your possession or under your control, and you will destroy all copies on your computers, disks and other digital storage devices

(c) *Isolated Disclosures* Notwithstanding the foregoing, we will not deem you to be in default of this Agreement as a result of isolated incidents of disclosure of Confidential Information by an employee other than an owner, provided that you have taken reasonable steps to prevent such disclosure, including but not limited to the steps a reasonable and prudent owner of confidential and proprietary information would take to prevent disclosure of such information by his employees, and further provided that you pursue all reasonable legal and equitable remedies against such employee for such disclosure of such Confidential information

(d) *Exceptions* The obligations of confidentiality and non-use described above will not apply to information that (i) you can clearly show was known to you on a non-confidential basis prior to its disclosure to you by us, (ii) is or becomes generally known in the food service business in the U S other than through disclosure by you or any of your employees, contractors, agents or representatives, or (iii) you can clearly show was received by you on a nonconfidential basis from a third party that is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation

(e) *Disclosures Required by Law* In the event that you become legally compelled to disclose any Confidential Information, you will (i) promptly notify us that such information is required to be disclosed, (ii) use your best efforts to obtain legally binding assurance that all those who receive disclosure of such information are bound by an obligation of confidentiality, and (iii) disclose only that portion of the Confidential Information that your legal counsel advises is legally required to be disclosed

Section 3 3 – ***Noncompetition***

(a) *Agreement Not to Compete* You agree that during the term of this Agreement and any extension of this Agreement (and thereafter pursuant to Section 3 3(c)), you will not, directly or indirectly (through one of your company's affiliates or owners or a member of the immediate family of any owner), either (i) have a direct or indirect interest in a Competitive Business located or operating anywhere in the U S or within 5 miles of any Famous Famiglia Restaurant outside of the U S , (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located or operating, (iii) divert or attempt to divert any business or customer of the Franchised Business to any competitor in any manner, or (iv) recruit or hire any person who is our employee or the employee of any Famous Famiglia Restaurant (whether company or affiliate-owned or franchised) or who has been our employee or the employee of any Famous Famiglia Restaurant within the six month period before such recruiting or hiring without the prior written permission of that person's employer If we permit you to hire any person who is an employee of ours or was our employee within such six month period, we may require you to pay us a nonrefundable fee equal to the first year's salary of such person, but not less than $25,000

(b) *Definition of Competitive Business* As used in this Agreement, the term "Competitive Business" means any business that operates, or grants franchises or licenses to others to operate, a food service business whose sales of pizza or pasta dishes in any distribution channel for consumption or resale comprise 10% or more of such business' revenues (other than a Famous Famiglia Restaurant operated under a franchise agreement with us or our affiliate) The restrictions of this section will not apply to the ownership of publicly traded securities that constitute less than 3% of a class of ownership interests of the issuing company

(c) *Noncompetition After Termination* Upon the expiration of this Agreement, your termination of this Agreement without cause, our termination of this Agreement in accordance with its terms and conditions, or your transfer in accordance with Article IV, you and your company's owners agree for a period of two years following such expiration, termination or transfer, that you will not, directly or indirectly (through one of your company's affiliates or owners or a member of the immediate family of any owner), either (i) have a direct or indirect ownership interest in a Competitive Business located or operating within 5 miles of the Site or of any Famous Famiglia Restaurant anywhere in the world , (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located or operating, (iii) divert or attempt to divert any business or customer of the Franchised Business to any competitor in any manner, or (iv) recruit or hire any person who is our employee or the employee of any Famous Famiglia Restaurant (whether company or affiliate-owned or franchised) or who has been our employee or the employee of any Famous Famiglia Restaurant within the six month period before such recruiting or hiring without the prior written permission of that person's employer If we permit you to hire any such person, you agree, upon our request, to pay us a nonrefundable fee equal to the first year's salary of such person, but not less than $25,000

ARTICLE IV - **TRANSFER**

Section 4 1 – ***Transfer by Us***

We may sell, assign or transfer our rights and obligations under this Agreement to any party, without the approval of or prior notice to you, provided that the buyer, assignee or transferee agrees in writing to assume all of our obligations under this Agreement We will not be liable for obligations of the transferee arising after the date of transfer

Section 4 2 – ***Transfer by You***

(a) *No Transfer Without Our Approval* This Agreement is personal to you We have granted the franchise to you in reliance upon our perceptions of your (or your company's owner's) individual or collective character, skill, aptitude, business ability and financial capacity Accordingly, you may make no Transfer (as defined below) without our prior written approval Any purported Transfer without such approval will be a breach of this Agreement and will entitle us to terminate this Agreement as provided below

(b) *Definition of Transfer* As used in this Agreement, the term "Transfer" means your (or your company's owner's) voluntary, involuntary, direct or indirect assignment, sale, gift, pledge or other disposition of any legal or beneficial interest in (i) this Agreement, (ii) any material asset of the Franchised Business, (iii) the lease or ownership of the premises of the Franchised Business (unless we agree to a relocation or unless the transfer of ownership does not affect your leasehold rights and obligations), or (iv) your company, whether in the form of equity or a voting interest "Transfer" also includes (i) the merger or consolidation of your company, (ii) the issuance of additional securities or other ownership interests of your company, and (iii) the admission or departure of a partner or owner It includes transfers resulting from proceedings under the U S Bankruptcy Code or any similar law, and transfers resulting from divorce You may grant a security interest in or otherwise encumber certain assets of the Franchised Business, excluding the Franchise Agreement, in connection with financing for the development or operation of the Franchised Business or equipment leasing, if such financing satisfies the requirements of Section 2 3(a) and any other requirements we may impose, which may include execution of agreements by us, you and the secured creditor, in a form satisfactory to us, acknowledging such creditor's obligations to be bound by the terms of this Section 4 2

(c) *Notice of Transfer* You agree to notify us of any planned Transfer, and to provide us with any information we may reasonably request in order to permit us to evaluate the planned Transfer If we do not exercise our right of first refusal under Section 4 3, we agree not to unreasonably withhold our approval of a Transfer If we approve the Transfer, then you will be free, for 90 days following such approval, to effect the Transfer to the person or persons approved by us You may not transfer any percentage ownership of your company or the franchised business to a direct competitor of ours Our consent to a

Transfer does not constitute a representation as to the fairness of the terms of any contract between you or your company's owners and the transferee, a guaranty of the successful operation of the Franchised Business by the transferee or a waiver of any claims we may have against you or your company's owners or of our right to demand the transferee's compliance with any of the terms or conditions of this Agreement

(d) *Conditions to Transfer* The following conditions will apply with respect to any Transfer except as described in Section 4 2(e)

(i) The proposed transferee, its management and owners, must be individuals of good character with sufficient business experience, aptitude, and financial resources to operate the Franchised Business and otherwise meet our then applicable standards for a new Famous Famiglia Restaurant franchisee

(ii) You will cure any default under this Agreement that we will have notified to you

(iii) You will pay all fees and any other amounts then owed to us and our affiliates

(iv) If any lease for the premises used in the business requires it, the lessor must consent to the assignment of the lease to the transferee

(v) You or the transferee will pay us a nonrefundable transfer fee described in Section 2 1(e)

(vi) We may require that the transferee or your company under ownership by the transferee, at the time of closing, enter into our then current form of franchise agreement amended to shorten the initial term to conform to the remaining term of this Agreement and to remove the requirement to pay the initial fee, and each Guarantor under the new franchise agreement will have signed our then-current form of guaranty You and we will also execute a written agreement terminating this Agreement We may require that the termination agreement include a general release of any claims against us and our affiliates

(vii) You will upgrade and remodel the premises of the Franchised Business as we may require to conform to the then-current standards and specifications of a new franchised business then being established, and you will complete the upgrading and remodeling within the time specified by us

(viii) The transferee or its designated personnel will have completed such training as we may require, to our satisfaction

(ix) Each transferor will sign an agreement (in a form satisfactory to us) acknowledging a continuing obligation for a period of two years after such transfer to comply with the requirements of Section 3 3

(x) We will have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business

(xi) If you or your owners finance any part of the sale price of the transferred interest, you or your owners will have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests are subordinate to the transferee's obligation to pay Royalties, Advertising Fund contributions and other amounts due to us

(xii) After our authorization of the transfer and your compliance with all of the requirements listed above, you will give us not less than five business days' written notice of the date, time and place of the closing of such Transfer, and you will give us an opportunity to have a representative present

(e) *Exceptions* Upon prior notice to us and the signing by the relevant parties of assignment documents acceptable to us, you may transfer this Agreement to an entity that conducts no business other than the Franchised Business in which you maintain management control and of which you own and control 100% of the equity and voting power, provided that all assets of the Franchised Business are owned, and the entire Franchised Business is conducted by, a single entity The requirements of Sections 4 2(d)(v) through (xii) will not apply to any such transfer, but you agree to remain personally liable under this Agreement by signing a Guaranty as described in Section 1 1(g)

(f) *Transfer Upon Death or Disability* You or your executor or other personal representative must promptly notify us in the event of your death or disability or, if your company is an entity, the death or disability of the owner of a 10% or greater interest in your company Any transfer upon death or disability will be subject to the same terms and conditions as those that apply to other transfers, as described in Sections 4 2(a) through (d), but you or your executor or other personal representative will have a period of 12 months in which to effect a transfer acceptable to us in the event of death, and six months in the event of disability As used in this Agreement, the term "disability" means a mental, emotional or physical injury, illness, incapacity, disability or impairment that is reasonably expected to prevent or actually does prevent a person from performing the obligations set forth in this Agreement for at least six consecutive months A person's disability for purposes of this section will be determined by a licensed practicing physician selected by us upon examination of such person or, if such person refuses to be examined, then such person will automatically be deemed disabled for purposes of this section as of the date of refusal We will pay the cost of the examination

(g) *Operation of the Franchised Business Upon Death or Disability* If upon your death or disability or, if your company is an entity, the death or disability of the owner of a controlling interest in your company, the Franchised Business is not being actively managed by a Principal Operator or a General Manager who has attended and successfully completed such training as we may require, you or such deceased or disabled owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed 30 days from the date of death or disability, appoint a Principal Operator or General Manager to operate the Franchised Business Such Principal Operator or General Manager will be required to complete our training at your expense Pending the appointment and training of a Principal Operator or General Manager or if, in our judgment, the Franchised Business is not being managed properly, we have the right, but not the obligation, to appoint a manager for the Franchised Business All funds from the operation of the Franchised Business during the management by our appointed manager will be kept in a separate account, and all expenses of the Franchised Business, including compensation, other costs and travel and living expenses of our manager, will be charged to this account We also have the right to charge a reasonable management fee (in addition to the Royalties and Advertising Fees payable under this Agreement) during the period that our appointed manager manages the Franchised Business Operation of the Franchised Business during any such period will be on your behalf We will not be liable to you or your company's owners for any debts, losses or obligations incurred by the Franchised Business or to any of your suppliers for any products, materials, supplies or services the Franchised Business purchased during any period it is managed by our appointed manager

(h) *Stock Offerings* You agree to submit to us, for our review, all materials for an offering or exempt private placement of stock or partnership or other interests in your company or any of your affiliates that are required by federal or state law before such materials are filed with any government agency and before they are used We may require such materials to contain a written statement, prescribed by us, indicating that we are not participating in such offering in any way You and all other participants in the offering must fully indemnify us and our subsidiaries, affiliates, successors and assigns, and our and their respective directors, officers, shareholders, partners, agents and representatives in connection with the offering For each proposed offering, you will reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering You will give us written notice at least 30 days before the date that any offering or other transaction described in this Section 4 2(h) commences Any such offering will be subject to all of the other provisions of this Section 4 2

Section 4 3 – ***Our Right of First Refusal***

(a) *Notice of Third Party Offer* If you or any of your company's owners at any time desire to sell, assign or transfer for consideration an interest in this Agreement and the Franchised Business or an ownership interest in your company to anyone other than as described in Section 4 3(d), you will obtain and immediately submit to us a true and complete copy of a bona fide written offer from the third party that desires to acquire such interest (the "Third Party Offer") The Third Party Offer must include lists of the record and beneficial owners of any entity offeror and all partners of any partnership offeror and, in the case of a publicly-held entity, copies of the most current annual and quarterly reports and Form 10K The Third Party Offer must contain details of the payment terms of the proposed sale and the source and terms of any financing of the proposed purchase price, and may not include or be contingent upon the purchase of assets of yours or your company's owner other than those related to the Franchised Business

(b) *Exercise of Our Right of First Refusal* We will have the right, exercisable by notice delivered to you or your company's selling owner or owners within 30 days after the date of our receipt of a copy of the Third Party Offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in the Third Party Offer, provided that (i) we may substitute cash for any form of payment proposed in such offer, and (ii) we will have at least 60 days after giving notice of our election to prepare for closing If we exercise our right of first refusal, you and your selling owners agree that, for a period of two years commencing on the date of the closing, you and your selling owners will be bound by the noncompetition covenant contained in Section 3 3

(c) *Consequence of Nonexercise of Our Right of First Refusal* If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Section 4 2, but if the sale to such purchaser is not completed within 120 days after delivery of the Third Party Offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the thirty day period following either the expiration of such 120-day period or the notice to us of the material changes in the terms of the sale, either on the terms originally offered or the modified terms, at our option

(d) *Exceptions* Our right of first refusal will not apply if the proposed transfer is among the current owners of your company or their immediate family members, or if it would constitute a transfer (whether in a single transaction or a series of transactions) of less than a 10% interest in your company

ARTICLE V - **TERM AND TERMINATION**

Section 5 1 - ***Term and Renewal***

(a) *Term* This Agreement will be effective as of the date set forth in the opening paragraph of this Agreement and, unless sooner terminated as provided below, will continue in effect for a term of 10 years

(b) *Renewal* You will have the right to renew the franchise for one additional ten-year term, provided that

(i) you will have given us notice of your desire to renew not less than six months nor more than 12 months before the end of the then-current term,

(ii) you and your affiliated companies must not be in default under this Agreement or any other agreement with us or any of our affiliates at the time you give your renewal notice, or if you are in default, you have cured such default in the manner described below,

(iii) you comply with our then-current financial qualifications and training requirements for new Famous Famiglia Restaurant franchises,

(iv) you must not have received more than three notices of default during any 24 month period during the then-current term, whether or not such defaults have been cured,

(v) you present evidence to us that you have the right to remain in possession of the premises of the Franchised Business for the duration of the renewal term, or you obtain our approval of a new location for the Franchised Business for the duration of the renewal term,

(vi) to comply with our then-current standards in effect for new Famous Famiglia Restaurant franchises, at your cost and expense, you remodel and refurbish the premises of the Franchised Business, and you repair or replace equipment (including electronic cash register or computer hardware or software systems), signs, interior and exterior decor items, fixtures, furnishings, catering or delivery vehicles, if applicable, supplies and other products and materials required for the operation of the Restaurant as we may reasonably require, and you obtain any new or additional equipment, fixtures, supplies and other products and materials that we may reasonably require,

(vii) if we require, you execute a general release, in a form prescribed by us, of any and all claims against us and our affiliates and their respective officers, directors, agents and employees, and

(viii) you execute our then-current standard form of franchise agreement, which agreement will supersede this Agreement in all respects, but you will not be required to pay the initial fee stated in the renewal agreement You understand that the renewal agreement may contain materially different terms than this Agreement, including, but not limited to, increased fees

If you or any of your affiliated companies is in default under this Agreement or any other agreement with us or any of our affiliates at the time you give your renewal notice, we will give you notice, not more than 30 days after receipt by us of notice of your desire to renew, of such default, and we will give you 30 days to cure In the event that you fail to cure in that period, or in the event that any other condition set forth in this Section 5 1(b) is not satisfied, your right to renew will terminate

(c) *Hold Over* If you do not sign a new franchise agreement before the term expires and you continue to accept the benefits of this Agreement after this Agreement expires, then at our option, we may treat this Agreement either as (i) expired as of the date of expiration, with you then being deemed to be operating without a franchise in violation of our rights, or (ii) continued on a month-to-month basis (the "Interim Period") until either (A) both you and we sign a new franchise agreement or (B) either you or we give at least 30 days' prior written notice to the other party of your or our intention to terminate the Interim Period, in which case the Interim Period and this Agreement will terminate on the date specified in the notice All of your obligations will remain in full force and effect during the Interim Period as if this Agreement had not expired Your obligations following the expiration or termination of this Agreement will remain in effect regardless of any extension of this Agreement into an Interim Period

Section 5 2 - ***Termination***

(a) *Termination by You* You may not terminate this Agreement before the expiration of its term (as described in Section 5 1(a)) except in the event of our material breach of this Agreement, or otherwise with our written consent In the event that you claim that we have materially breached this Agreement, you will provide us with written notice of such claim within twelve months of its occurrence, specifically enumerating all alleged deficiencies and providing us with an opportunity to cure, which will in no event be less than 90 days from the date of our receipt of the notice Your failure to give such notice will constitute a waiver of your right to terminate on the basis of such breach

(b) *Termination by Us Upon Notice* We may terminate this Agreement upon written notice to you with immediate effect if

(i) you or any of your company's owners have made any material misrepresentation or omission in connection with your application for and purchase of the franchise,

(ii) you or your manager fails to complete the initial training to our satisfaction in accordance with Section 1 5(b),

(iii) you fail to locate a Site acceptable to us within the time required by Section 1 2(a) or commence operation of the franchised business within the time required by Section 1 2(f),

(iv) you are more than five days late in your payment of any amount due to us under this Agreement or to any of the suppliers of the Franchised Business and you fail to make such payment within five days after we will have notified you that such payment is past due,

(v) you lose the right to possession of the premises of the Franchised Business and have not relocated to another site approved by us,

(vi) you no longer have a sufficient number of adequately trained personnel employed at the Franchised Business,

(vii) you or any of your company's owners use or disclose any Confidential Information in violation of the requirements of Section 3 2,

(viii) you or any of your company's owners make any unauthorized use of the Marks or challenge or seek to challenge the validity of any of the Marks,

(ix) a threat or danger to public health or safety results from the construction or maintenance of the premises or from the operation of the Franchised Business, or you violate any health, safety or sanitation law, ordinance or regulation and do not begin to correct such noncompliance or violation immediately, and completely correct such noncompliance or violation within seventy-two (72) hours after written notice of such threat, danger, noncompliance or violation is delivered to you,

(x) you fail for a period of 15 days after notification by appropriate authority to comply with any other law or regulation applicable to the operation of the Franchised Business,

(xi) you or any of your company's owners effect or attempt to effect a Transfer without our approval and contrary to the provisions of Article IV,

(xii) in the event of your death or disability or the death or disability of the owner of a controlling interest in your company, this Agreement or such owner's interest in your company is not assigned as required by Article IV,

(xiii) you or any of your company's owners are or have been convicted of, or plead or have pleaded guilty or no contest to, a felony or any other crime or offense, or engage in any dishonest, deceptive or unethical conduct that may, in our opinion, adversely affect the reputation of the Franchised Business, other Famous Famiglia Restaurants or the goodwill associated with the Marks,

(xiv) you knowingly maintain false books or records or submit a false report to us,

(xv) you fail to operate the Franchised Business for three consecutive business days, unless the Franchised Business has been closed for a purpose we have approved or because of casualty,

(xvi) you fail to pay when due any federal or state income, service, sales, withholding or other taxes due on the operations of the Franchised Business, unless you are contesting your liability for such taxes in good faith,

(xvii) you commit three or more defaults under this Agreement in any period of 12 consecutive months, whether or not each such default has been cured after notice was delivered to you,

(xviii) you become insolvent or make a general assignment for the benefit of creditors, or, unless prohibited by law, if a petition in bankruptcy is filed by you or filed against and consented to by you or not dismissed within 30 days, or if a bill in equity or other proceeding for the appointment of a receiver or other custodian of your company, business or assets is filed and consented to by you, or if a receiver or other custodian (permanent or temporary) of all or any part of your business or assets is appointed by any court of competent jurisdiction, or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you, or if a final judgment remains unsatisfied or of record for 30 days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement), or if your company is dissolved,

(xix) you or any of your affiliates default under any financing agreement or arrangement with any party advancing funds to you in connection with the operation of the Franchised Business or the operation of any other business under a franchise agreement now or hereafter in effect between us and you or any of your affiliates,

(xx) you or any of your affiliates default under your lease for the premises and have not cured within the time required under the lease, or

(xxi) any other Famous Famiglia Restaurant franchise agreement now or hereafter in effect between us and you or any of your affiliates is terminated due to a breach by you or any of your affiliates or any other event similar to those described above

(c) *Termination After Cure Period* Except as set forth in Section 5 2(b), you will have 30 days after receipt of written notice from us of a material default in which to remedy the default and provide evidence of that remedy to us If any such default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time unless we notify you otherwise in writing

(d) *Relationship Laws* Notwithstanding the provisions described in this Section 5 2, if any valid, applicable law or regulation limits our right to terminate this Agreement or requires different or longer notice periods than those set forth herein, this Section 5 2 is deemed amended to conform to the minimum notice periods or restrictions upon termination required by such rules and regulations We will not however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination of this Agreement

Section 5 3 - ***Consequences of Termination***

Upon the expiration of this Agreement or its termination for any reason

(i) all rights and licenses granted to you under this Agreement will immediately terminate,

(ii) you will remit to us, within 15 days of such expiration or termination, or on such later date that the amounts due to us are determined, such Royalties and Advertising Fund contributions, amounts owed for purchases from us, interest due and all other amounts owed to us that are then unpaid, and you will submit to us any reports and other information you may be required to submit to us,

(iii) if we do not exercise our option to purchase the Franchised Business in accordance with Section 5 4, you will promptly remove from the premises of the Franchised Business and deliver to us or otherwise dispose of as we may instruct, all printed materials containing any Mark and you will remove all copies from your computers and other electronic storage media, and you will allow us, without liability to you or to third parties, to remove all such items from the Franchised Business,

(iv) if we do not exercise our option to purchase the Franchised Business, you will assign to us or our designee all of your right, title and interest in and to your telephone numbers, websites, domain names and metatags associated with the Mark (the "Listings") and you will notify the telephone company and all listing agencies of the termination or expiration of your right to use any of the Listings, and you will authorize the transfer of the Listings to us or our designee,

(v) you will cease to use the Marks and the System in any way, cease referring to or identifying yourself as a Famous Famiglia Restaurant franchisee and remove all such identifying materials from the premises of the Franchised Business,

(vi) you will take such action as may be required to cancel all fictitious or assumed name or equivalent registrations or domain name registrations relating to your use of any Mark,

(vii) you will promptly return to us or deliver to us or otherwise dispose of as we may instruct, the Manual, and all amendments, revisions and copies of the Manual (including copies stored electronically), as well as all other Confidential Information and all copies of such information in your possession or under your control, and you will remove and destroy all copies from your computers and other electronic storage media, and

(viii) we will have the right to buy from you in accordance with Section 5 4(f) all of the equipment and fixtures that you originally purchased from us, our subsidiary or our designated supplier You may not sell any of these items without our written waiver of this option to purchase

Section 5 4 – ***Our Right to Purchase Upon Termination***

(a) *Exercise of Option* Upon our termination of this Agreement in accordance with its terms or your termination of this Agreement without cause, or upon the expiration of this Agreement, if we elect not to offer or you elect not to accept, a successor franchise, we have the option, exercisable by giving written notice to you within 60 days from the date of such termination, expiration or the expiration of our offer to you of a successor franchise, whichever is applicable, to purchase the assets of the Franchised Business from you, including the leasehold rights (subject to any rights of approval retained by the owner of the leasehold) to or ownership of the Site The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the "Notification Date" We have the unrestricted right to assign this option to purchase the Franchised Business We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, 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

(b) *Leasehold Rights* If we exercise the option described in Section 5 4(a), you agree at our election, (i) to assign your leasehold interest in the premises of the Franchised Business to us or (ii) if you are unable to assign your leasehold interest, to enter into a sublease at a fair market rental for the remainder of the lease term on the same terms (including renewal option) as the prime lease, or (iii) if you own the premises, to lease the premises to us at a reasonable commercial rent and according to terms comparable with rental terms for similar leased property in the marketplace where the Site is located

(c) *Purchase Price* If we exercise the option described in Section 5 4(a), the purchase price for the assets of the Franchised Business will be the fair market value of the Franchised Business, determined in a manner consistent with reasonable depreciation of the leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies The fair market value of the Franchised Business will include the goodwill you have developed in the market that is independent of the goodwill of the Marks and the System The length of the remaining term of the lease or sublease of the premises of the Franchised Business, if any, and the age and condition of the improvements, equipment, fixtures, furnishings, decor and signs will also be considered in determining the fair market value We may exclude from the assets purchased cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate to the operation of the Franchised Business or that we have not approved as meeting our standards, and the purchase price will reflect such exclusions

(d) *Appraisal* If we and you are unable to agree on the fair market value of the Franchised Business or the Site, or the fair rental value of the premises of the Franchised Business, such fair market value or fair rental value will be determined by one independent appraiser agreed to by you and us If we fail to agree on an appraiser within 15 days after we exercise the option described in Section 5 4(a), then each party will name its own reputable appraiser within seven days thereafter, and the average of their determinations will be binding If one appraiser is chosen, then the parties will share the cost of the appraiser equally If two appraisers are used, each party will pay its own appraisal fees You and we will instruct the appraiser or appraisers to complete their appraisal within 30 days after their appointment

(e) *Closing* The closing of the purchase described in this section will take place not later than 90 days after the determination of the purchase price We will pay the purchase price at the closing, but we have the right to set off against the purchase price any and all amounts you or your company's owners owe to us At the closing, you agree to deliver instruments transferring to us (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and other transfer taxes paid by you, (ii) all licenses and permits of the Franchised Business that are assignable, and (iii) a leasehold interest in (or unencumbered title to) the premises of the Franchised Business and the improvements to such premises If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the parties will endeavor to close the sale with the purchase price held in escrow pending resolution of such issues

(f) *Fixtures and Equipment* In lieu of exercising our option to buy the Franchised Business as provided above, we will have the option to buy from you all of the items of equipment and fixtures that you originally purchased from us, our affiliate or our designated supplier You may not sell any of these items without our written waiver of this option to purchase You may not sell any of these items to a known competitor The purchase price for such fixtures and equipment will be their fair market value, determined in the same manner as is set forth in Section 5 4(d)

ARTICLE VI - REPRESENTATIONS AND WARRANTIES, INDEMNIFICATION

Section 6 1 - ***Representations and Warranties***

(a) *Your Representations* You represent and warrant as follows

(i) YOU HAVE NOT RELIED ON ANY PROMISES, REPRESENTATIONS OR AGREEMENTS NOT EXPRESSLY CONTAINED IN THIS AGREEMENT OR THE FAMOUS FAMIGLIA FRANCHISE DISCLOSURE DOCUMENT IN MAKING YOUR DECISION TO SIGN THIS AGREEMENT WE AND OUR REPRESENTATIVES HAVE NOT MADE ANY PROMISES, REPRESENTATIONS OR AGREEMENTS, ORAL OR WRITTEN, EXCEPT AS EXPRESSLY CONTAINED IN THIS AGREEMENT AND THE FAMOUS FAMIGLIA FRANCHISE DISCLOSURE DOCUMENT

(ii) YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT, AND YOU RECOGNIZE THAT, LIKE ANY OTHER BUSINESS, AN INVESTMENT IN A FAMOUS FAMIGLIA FRANCHISE INVOLVES BUSINESS RISKS AND THAT YOUR ABILITIES AND EFFORTS ARE VITAL TO THE SUCCESS OF THE VENTURE

(iii) YOU RECEIVED THE FAMOUS FAMIGLIA FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS (AND 10 BUSINESS DAYS) BEFORE THE EARLIER OF (I) THE DATE ON WHICH YOU SIGNED THIS AGREEMENT OR ANY RELATED AGREEMENT, AND (II) THE PAYMENT BY YOU OF ANY CONSIDERATION IN CONNECTION WITH THE SALE OR PROPOSED SALE OF A FAMOUS FAMIGLIA RESTAURANT FRANCHISE

(iv) YOU RECEIVED A COPY OF THIS AGREEMENT AND ANY RELATED AGREEMENTS AT LEAST SEVEN DAYS BEFORE THE DAY YOU SIGNED SUCH AGREEMENTS

(v) YOU HAVE READ AND UNDERSTOOD THIS AGREEMENT AND HAVE HAD AMPLE OPPORTUNITY TO CONSULT WITH AN ATTORNEY AND OTHER ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT YOU ACKNOWLEDGE THAT WE HAVE ADVISED YOU TO HAVE THIS AGREEMENT REVIEWED AND EXPLAINED TO YOU BY AN ATTORNEY

(vi) ALL STATEMENTS YOU HAVE MADE AND ALL MATERIALS YOU HAVE SUBMITTED TO US IN CONNECTION WITH YOUR APPLICATION FOR AND PURCHASE OF THE FRANCHISE ARE ACCURATE AND COMPLETE AND, IN THAT CONNECTION, YOU HAVE MADE NO MISREPRESENTATIONS TO US OR OMITTED DISCLOSING ANY MATERIAL INFORMATION TO US

(vii) YOU ARE UNDER NO OBLIGATION OR RESTRICTION, NOR WILL YOU ASSUME ANY OBLIGATION OR RESTRICTION, THAT WOULD IN ANY WAY INTERFERE OR BE INCONSISTENT WITH, OR PRESENT A CONFLICT OF INTEREST CONCERNING, THE SERVICES THAT ARE THE SUBJECT OF THIS AGREEMENT OR THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT

(viii) SCHEDULE A COMPLETELY AND ACCURATELY DESCRIBES ALL OF YOUR COMPANY'S OWNERS, DIRECTORS, OFFICERS, MEMBERS, PARTNERS AND MANAGERS AND THEIR OWNERSHIP INTERESTS AND MANAGEMENT POSITIONS IN YOUR COMPANY

(b) *Your Representations as an Entity* If your company is a corporation, limited liability company or partnership, you further represent and warrant as follows

(i) Your company is duly organized or formed and in good standing under the laws of the state of its formation

(ii) Your company has the power and authority to enter into this Agreement and to perform its obligations under this Agreement

(iii) Your company's organizational documents, operating agreement or partnership agreement will recite that the issuance and transfer of your company's ownership interests are restricted by the terms of this Agreement, and all certificates and other documents representing your company's ownership interests will bear a legend referring to the restrictions of this Agreement

Section 6 2 - ***Indemnification***

(a) *Your Indemnity* You will indemnify and hold us and our affiliates, and the members, managers, stockholders, directors, officers, employees and agents of our company and our affiliates, harmless from and against all costs, expenses, liabilities and losses, including reasonable attorneys' fees and disbursements (including those of any in-house counsel), directly or indirectly relating to (i) the failure of any of your representations, warranties or covenants set forth in this Agreement, including its schedules, (ii) any act or conduct of yours that is not in compliance with any of your requirements under this Agreement, including its schedules, (iii) any act or omission of yours or anyone associated with or employed by or affiliated with you, or (iv) your failure to pay any amount owed by you to a third party provider of products or services to your Franchised Business or any other breach by you of a contractual obligation you may have to such provider We will have the right to participate in the defense, with counsel of our own choice and at our own expense, of any action that may give rise to your obligation to indemnify, and to reject any settlement that might adversely affect us

(b) *Our Indemnity* We will defend and indemnify and hold you and your affiliates, and the members, managers, stockholders, directors, officers, employees and agents of your company and its affiliates, harmless from and against all costs, expenses, liabilities and losses, including reasonable attorneys' fees and disbursements, directly or indirectly relating to (i) your use of the System or any of the Marks in accordance with the terms and conditions of this Agreement, or (ii) advertising or promotion carried out by us or by agencies or media engaged by us relating to the Famous Famiglia Restaurant brand, provided that you have timely notified us of each such claim or proceeding, have given us sole control of the defense and settlement, and have otherwise complied with this Agreement

(c) *Notice of Claim, Survival* Each party will give the other notice of any claim that may require indemnification promptly after such party learns of such claim The rights and obligations of the parties under this Section 6 2 will survive the expiration or termination of this Agreement

ARTICLE VII - MISCELLANEOUS

Section 7 1 – ***Relationship of the Parties*** You are an independent contractor and not an agent of ours You will have no power or authority to make any commitment or enter into any contract or agreement obligating or purporting to obligate us, and you will not hold yourself out as having such power or authority Nothing in this Agreement creates a fiduciary relationship between the parties You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, your employees and others as the owner of the Franchised Business under a franchise from us and to place such notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we require from time to time We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business

Section 7 2 – ***Reasonable Business Judgment*** You acknowledge that the long-term interests of the network of Famous Famiglia Restaurants, and our company and its shareholders, taken together, require that we have the latitude to make business decisions with respect to the franchise system The ultimate responsibility to make decisions with respect to the franchise system is vested in us because we, you and all Famous Famiglia Restaurant franchisees have a collective interest in working within a franchise system that can quickly adjust to changing business conditions, including changes in the competitive environment, new laws and regulations, and emerging business opportunities We have this right even if, at times, a particular decision adversely affects you We will not be required to consider your particular economic or other circumstances or to disregard our own economic or other business interest when making decisions under this Agreement

Section 7 3 – ***Injunctive Relief*** We and you have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction without first mediating the dispute pursuant to Section 7 11 You understand that your covenants set forth in Article III constitute essential elements of this Agreement If you fail to comply strictly with any such covenants, we will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against you in a court of competent jurisdiction

Section 7 4 – ***Severability*** If any restrictive covenant in this Agreement is held to be invalid or unenforceable because its duration is too long or its scope is too broad, you and we agree that the court making such determination will have the power to reduce the duration or scope in such a manner that the remaining revised covenant will be valid and enforceable Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is prohibited by or invalid under applicable law, such prohibition or invalidity will not invalidate the remainder of such provision or the other provisions of this Agreement

Section 7 5 – ***No Waiver of Rights*** No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy No waiver will be binding unless contained in a writing signed by the party waiving its rights Any waiver is limited to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default

Section 7 6 – ***Notices*** All notices, requests, consents and other communications required or permitted by this Agreement will be in writing and will be delivered by hand, overnight delivery service, or registered or certified first class mail, to the following address, or such other address as either party, by like notice, designates with respect to its own address

If to us	FF Franchise Systems, LLC 245 Main Street, Suite 410 White Plains, NY 10601 Attention President
If to you	The address indicated in Schedule A

Any such notice, request, consent or other communication will be deemed given and be effective upon receipt at such address

Section 7 7 – ***Affiliates*** As used in this Agreement, the term "affiliate" of party means a company directly or indirectly controlling, controlled by or under common control with such party "Control" of another company, as used in this Agreement, will mean the ownership of or the power to vote, directly or indirectly through majority-owned companies, 51% or more of the voting stock or voting rights of such other company

Section 7 8 – ***Limitation of Actions*** Any and all claims and actions arising out of or relating to this Agreement brought by either party against the other must be brought or asserted before the expiration of the earlier of (a) the time period for bringing an action under any applicable statute of limitations, (b) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to the claim, or (c) two years after the first act or omission giving rise to the alleged claim, or it is expressly acknowledged and agreed that such claims or actions will be irrevocably barred Claims by us of your underreporting of sales, and claims for failure to pay monies owed or for indemnification will be subject only to the applicable statute of limitations

Section 7 9 – ***Waiver of Punitive Damages and Jury Trial*** Except for your obligation to indemnify us for third party claims under Section 6 2, we and you each waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other party, and agree that any recovery in a dispute between us will be limited to equitable relief and to the recovery of actual damages sustained We and you irrevocably waive trial by jury in any action, proceeding or counterclaim brought by either of us

Section 7 10 – ***Governing Law*** This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within the State of New York, without regard to New York's conflict of laws principles, but nothing in this Agreement will be deemed to extend the application of the New York Franchise Act to the sale of franchises outside of the State of New York

Section 7 11 – ***Mediation*** The parties will endeavor to resolve amicably any dispute arising under or in connection with this Agreement and any claim relating to its validity, construction, effect, performance, termination or breach At the written request of either party, the parties will seek to resolve such dispute by mediation, at a location in the city in which our principal office is located at the time of such claim, under the then current rules of the National Franchise Mediation Program administered by the International Institute for Conflict Prevention and Resolution ("CPR") However, if after one party requests mediation the other party declines to participate in mediation or does not respond within 10 days to the request, or if the parties are unable to resolve a dispute within 60 days after either party has requested mediation, then either party may initiate litigation

Section 7 12 – ***Jurisdiction*** The parties hereby irrevocably consent to the non-exclusive jurisdiction of the federal and state courts located in the city in which our principal office is located at the time suit is filed (or a city within 25 miles of such office) If we assign or otherwise transfer this Agreement, all legal actions between the parties will be venued exclusively in a state or federal court in the judicial district in which the assignee's or transferee's principal offices are located at the time the suit is filed The parties hereby waive, to the full extent permitted by law, defenses based on jurisdiction, venue and forum *non conveniens* The parties further consent to service of process in any action by registered mail, return receipt requested, or by any other means permitted by law

Section 7 13 – ***Costs and Expenses*** In any legal action arising out of or pursuant to this Agreement or otherwise in connection with the relationship between us, the prevailing party will be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees, whether from inhouse attorneys or outside counsel) incurred in connection with the claims on which it prevailed

Section 7 14 – ***Entire Agreement*** This Agreement and all ancillary agreements executed simultaneously with this Agreement, constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement, but nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you Except for changes permitted under this Agreement to be made unilaterally by us, no amendment to this Agreement will be binding unless such amendment is in writing and executed by the parties

IN WITNESS WHEREOF, the parties have signed this Agreement on the dates set forth below, with effect as of the date first above written

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ______________________	By ______________________
Title ______________________	Title ______________________
Date ______________________	Date ______________________

SCHEDULE A

FRANCHISEE INFORMATION

Referred to in Sections 1 1(a) and (g), 1 2(a), 2 1(a), 6 1(a)(viii) and 7 6

1 Approved location ____

____

2 Territory (if the location is not yet approved) ____________________________

3 Type of Restaurant (indicate one)

Standard Unit (approximately 700 to 2,000 square feet) _____

Express Unit (approximately 200 to 600 square feet) _____

Initial Fee __________

4 Address for notices (if different than 1) ______________________________

____

5 Ownership and management of the franchisee The Franchisee is *[check one]*

_____ an individual
_____ a corporation State of incorporation ____________________
_____ a limited liability company State of formation ____________________
_____ a partnership
_____ other Explain ____________________

The following persons are the owners and managers of the Franchisee

Name & Address	*Office (or LLC manager)*	*Director, partner or LLC member*	*Percentage Ownership*
____________________ ____________________ ____________________	____________	__________	_____
____________________ ____________________ ____________________	____________	__________	_____
____________________ ____________________ ____________________	____________	__________	_____

Insert additional page if necessary

SCHEDULE B

SEE SECTION 1 1(G) OF THE FRANCHISE AGREEMENT

FAMOUS FAMIGLIA

Guaranty and Assumption of Obligations

In order to induce FF FRANCHISE SYSTEMS, LLC, a Delaware limited liability company (the "Franchisor") to enter into a Famous Famiglia Franchise Agreement dated as of ______________ (the "Franchise Agreement") with ________ ____________, a ____________ _______________ (the "Franchisee") for a Famous Famiglia franchise located in ____________________________, each of the undersigned persons (the "Guarantors"), jointly, individually and severally, hereby agrees as follows

1 ***Guaranty of Payment***

(a) *Personal Guaranty* Each Guarantor personally and unconditionally guarantees to the Franchisor and the Franchisor's successors and assigns the due, punctual and complete payment of all amounts that the Franchisee is obligated to pay to the Franchisor under the Franchise Agreement and under any modification of, amendment to or renewal of the Franchise Agreement

(b) *Waiver of Defenses* Each Guarantor waives to the fullest extent permitted by law (a) any defense based upon any (i) legal disability or lack of authority of the Franchisee, (ii) legal or equitable discharge or limitation of the liability of the Franchisee, whether consensual or arising by operation of law, (iii) bankruptcy, insolvency, reorganization or other similar proceeding affecting a Guarantor or the Franchisee, or (iv) invalidity, irregularity or unenforceability of any or all of the provisions of this Guaranty or the Franchise Agreement, (b) presentment, demand, protest or notice of any other kind, (c) notice of acceptance of this Guaranty, (d) other defenses available to a Guarantor under applicable law, or (e) any requirement of diligence on the part of the Franchisor or any right a Guarantor may have to require the Franchisor to proceed first against the Franchisee

(c) *Guaranty of Payment* This is a guaranty of payment and not of collection The Franchisor may require payment from each Guarantor of any obligation of the Franchisee under the Franchise Agreement and may sue each Guarantor for damages without first seeking or taking any action against the Franchisee

(d) *No Modification or Release* The liability of each Guarantor is unaffected by (a) any modification, amendment, termination or variation in or addition to the Franchise Agreement, (b) any extension of time for performance or any waiver of performance or any delay of the Franchisor in enforcing any right, remedy, power or privilege that the Franchisor may have against the Franchisee or any other person, (c) the release of the Franchisee, in whole or in part, from performance or observance of any of the agreements, covenants, terms or conditions contained in the Franchise Agreement, whether made with or without notice to Guarantor, or (d) any other guaranty now or hereafter executed by anyone else in connection with the transactions contemplated by the Franchise Agreement

(e) *Costs* In the event this Guaranty is placed in the hands of an attorney for enforcement and the Franchisor is the prevailing party, the Guarantors will reimburse the Franchisor for all reasonable expense incurred directly in the enforcement of the Franchisor's rights hereunder, including reasonable attorneys' fees and expenses (including those of any in-house counsel)

2 *Proprietary Rights, Confidentiality, Noncompetition*

(a) *Improvements* Each Guarantor agrees that if a Guarantor makes an improvement to the Franchisor's business system or method, such improvement will be the property of the Franchisor pursuant to the terms of Section 1 4(c) of the Franchise Agreement and the Guarantor will promptly disclose such improvement to the Franchisee or to the Franchisor with reference to this undertaking The Guarantor hereby assigns all rights in such improvements to the Franchisor and agrees to sign any documents that the Franchisor may reasonably request from time to time to evidence such assignment

(b) *Copyrights and Trademarks* Each Guarantor acknowledges that the Franchisor's copyrights and trademarks may only be used by the Franchisee in accordance with Section 3 1 of the Franchise Agreement Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3 1 and not to use any of the Franchisor's copyrights or trademarks except on behalf of the Franchisee in furtherance of the Franchisee's business, and each Guarantor agrees that any such use will be in compliance the Franchisee's obligations under the Franchise Agreement as if the Guarantor were the Franchisee under the Franchise Agreement

(c) *Confidentiality* Each Guarantor acknowledges the Franchisee's obligations of confidentiality under Section 3 2 of the Franchise Agreement Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3 2 and not to disclose or use any Confidential Information (as defined in Section 3 2(a) of the Franchise Agreement except on behalf of the Franchisee in furtherance of the Franchisee's business in compliance the Franchisee's obligations under the Franchise Agreement, and only to the extent that the Franchisee is permitted under the Franchise Agreement to disclose and use Confidential Information Upon the request of the Franchisor, the Guarantor will promptly return to the Franchisor all Confidential Information and all copies in the Guarantor's possession or under the Guarantor's control, and the Guarantor will destroy all copies on the Guarantor's computers, disks and other digital storage devices

(d) *Noncompetition* Each Guarantor acknowledges the Franchisee's obligations under Section 3 3 of the Franchise Agreement not to compete with the Franchisor Each Guarantor personally agrees to comply with and be bound by all of the Franchisee's obligations under Section 3 3 to the same extent that the Franchisee is bound by the obligations of Section 3 3, both during and after the term of the Franchise Agreement

(e) *Remedies* Each Guarantor acknowledges that if such Guarantor fails to comply strictly with any of the undertakings in Sections 2(a) through (d), the Franchisor will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against such Guarantor in a court of competent jurisdiction In the event that the Franchisor prevails in any such litigation, the Guarantor will reimburse the Franchisor for all costs, attorneys' fees (including those of any in-house counsel) and other expenses incurred by the Franchisor in connection with such litigation

3 *Miscellaneous*

(a) *Transfer by the Franchisor* If the Franchisor transfers its rights and obligations under the Franchise Agreement pursuant to Section 4 1 of the Franchise Agreement, this Guaranty will be deemed to be transferred automatically to the transferee who, upon such transfer, will have all of the rights granted to the Franchisor under this Guaranty vis-a-vis the Guarantors, and the obligations of the Guarantors will then accrue to the benefit of the transferee

(b) *Notices* All notices and other communications required or permitted by this Agreement will be in writing and will be delivered by hand, fax, overnight delivery service, or registered or certified first class mail, to the then-current address of the Guarantor known by the sender Any such notice or other communication will be deemed given and be effective upon receipt at such address

(c) *Waiver*. No delay, omission or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy

(d) *Governing Law* This Guaranty and Assumption of Obligations will be construed and enforced in accordance with the laws of the state in which the Franchisee's franchised restaurant is located, without regard to that state's conflict of laws principles

(e) *Amendments* This Guaranty and Assumption of Obligations may not be modified or amended except in writing signed by the Franchisor and the Guarantor to be bound by such modification or amendment No waiver or discharge will be valid unless in writing and approved by the Franchisor

IN WITNESS WHEREOF, each Guarantor has signed this Guaranty as of the date of the Franchise Agreement

______________________	______________________
Signature	Print Name
______________________	______________________
Signature	Print Name
______________________	______________________
Signature	Print Name

Acknowledged and agreed

FF FRANCHISE SYSTEMS, LLC

By ______________________

Title ______________________

Date ______________________

STATE OF)
) ss
COUNTY OF)

On the ____ day of ______________, before me personally came ____________________ ______________ and ________________, to me known to be the individuals described in and who executed the foregoing guaranty, and they acknowledged that they executed the same

____
Notary Public

SCHEDULE C

SEE SECTION 1 2(C) OF THE FRANCHISE AGREEMENT

Addendum
to
Lease Dated ________ ("Lease")

BY AND BETWEEN ________________________ ("Landlord")

AND ____________________________________ ("Tenant")

RE RIGHTS OF FF FRANCHISE SYSTEMS, LLC ("Franchisor")

Franchisor and Tenant are parties to a Famous Famiglia franchise agreement dated as of ________________ (the "Franchise Agreement"), pursuant to which Franchisor has granted to Tenant a franchise to use the Famous Famiglia system and trademarks in operating a Famous Famiglia Restaurant

Franchisor has approved Tenant's request to locate its Famous Famiglia Restaurant in certain premises ("Premises") owned by Landlord and described in the Lease, provided that the terms and conditions set forth in this Addendum are made a part of the Lease

Therefore, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows

1 *Use of Marks* Landlord consents to Tenant's use and installation of the marks, trade dress, signage and related features associated with the franchised system that Franchisor may prescribe from time to time

2 *Remodel Rights* Tenant will have the right to remodel, modify, paint and make installations in the interior of the leased premises as may be required by Franchisor from time to time, without being liable under any continuous operation covenant

3 *Use* The Premises may only be used for the operation of a Famous Famiglia Restaurant and for no other purpose

4 *Assumption of Lease by Franchisor* Landlord acknowledges that the Franchise Agreement grants Franchisor certain rights to assume Tenant's Lease in the event of a default by Tenant under the Franchise Agreement Upon any such assumption of the Lease by Franchisor, Franchisor will give Landlord notice of the assumption of the Lease and Franchisor will thereafter be bound by all of the terms and conditions in the Lease and Landlord agrees to recognize Franchisor as the new tenant under the Lease Franchisor will have the right to assign its interest in the Lease to an approved franchisee and following any such assignment Franchisor will have no further liability or obligation under the Lease Any assumption of the Lease by Franchisor or subsequent assignment of the Lease by Franchisor will not release Tenant from its obligations under the Lease, and any cure amount paid by Franchisor will be limited to an amount equal to two months' Rent Unless and until Franchisor exercises its rights under the Franchise Agreement and the provisions of the Addendum and agrees in writing to assume the Lease, Franchisor will have no liability or obligation under the Lease

5 *Notices to Franchisor* Landlord will deliver to Franchisor copies of any and all letters or notices sent to Tenant relating to the Tenant or the Leased Premises at the same time that such letters or notices are sent to Tenant In the event that the notice or letter is a default letter, and Tenant fails to timely cure such default, Landlord shall deliver to Franchisor written notice of such failure to timely cure This notice to Franchisor shall be a prerequisite for the Landlord's exercise of any remedies resulting from the default Franchisor shall have a ten (10) day period (or a reasonable period of time to cure a non-monetary default not capable of being cured within such ten (10) day period) following receipt of such written notice to cause a cure of Tenant's default Franchisor shall have the option, and not the obligation, to effect a cure, in advance of Landlord exercising any remedies Franchisor's election to cure shall not be deemed an election to assume the Lease, unless and until Franchisor expressly does so in writing If Franchisor elects not to cure the breach or default, Landlord may proceed directly against Tenant in the manner provided in the Lease, but will have no remedy against Franchisor

6 *Refranchising* At any time following Franchisor's election to take an assignment of Tenant's rights under the Lease, Franchisor may, on written notice, assign the Lease or sublet the Leased Premises to an affiliate of Franchisor or a franchisee approved by Franchisor, without charge or penalty, so long as such assignee or sublessee meets Landlord's reasonable financial qualifications Upon an assignment, Franchisor shall be released from any further obligations under the Lease Landlord agrees to execute written documentation confirming any such assignment and release

7 *Additional Covenants* Landlord agrees not to accept Tenant's voluntary surrender of the Lease without prior notice to Franchisor Tenant and Landlord agree that they will not renew or extend the term of the Lease without Franchisor's written consent Tenant and Landlord agree that they will not amend, modify, or alter any other Lease term without Franchisor's written consent Tenant may not assign its interest in the Lease, nor sublet all or any portion of the Leased Premises, without Franchisor's written consent

8 *Removal of Fixtures* Landlord agrees that, upon the earlier of the expiration or termination of the Franchise Agreement or the Lease, Franchisor will have the right, but not the obligation, at Franchisor's sole cost, to enter upon the Premises and to remove all trade names, trade dress and other trade indicia associated with Franchisor, including, without limitation, external and internal signage and menu boards, and all point of purchase materials and signage, and in general, all trade dress and architectural characteristics identifying the Premises as a Famous Famiglia Restaurant franchise, provided that Franchisor repairs any damage to the Premises caused by such removal or modifications

9 *Access* Franchisor will have the right to access the Premises during continuance of the Lease to ensure compliance by Tenant with its obligations under the Franchise Agreement Upon the expiration or termination of the Franchise Agreement, Franchisor will have the right to cause a de-identification of the Premises by entering to make any modifications to protect the franchise system, as determined by Franchisor in its sole discretion, without being guilty of trespass or liable for any tort Franchisor agrees repair any damage to the structure of the property caused by such entry Tenant shall remain liable to reimburse Franchisor for the costs of such de-identification

10 *Rider Supersedes* Landlord acknowledges that Franchisor is not a party to the Lease However, Franchisor is intended to be a third party beneficiary of the Lease Rider with an independent right to enforce its terms against Landlord and Tenant Landlord and Tenant hereby waive any claim that Franchisor has no right to enforce the Lease Rider

11 *Extensions* If the Lease contains term renewal or extension rights and if Tenant allows the term to expire without exercising such rights, Landlord will give Franchisor written notice of such rights, and Franchisor will have the option, for 30 days after receipt of such notice, to exercise the Tenant's renewal or extension rights on the same terms and conditions as are contained in the Lease If Franchisor elects to exercise such rights, Franchisor will so notify Landlord in writing, whereupon Landlord and Franchisor will promptly execute and deliver an agreement whereby franchisor assumes the Lease, effective

at the earlier to occur of (a) commencement of the extension or renewal term and (b) notice to Landlord of Franchisor's assumption of the Lease

12 *Notices* Any notices given to Franchisor pursuant to this Addendum must be in writing and must be given in compliance with the notice provision of the Lease Franchisor's address for any such notice is as follows

FF Franchise Systems, LLC
245 Main Street, Suite 410
White Plains, NY 10601
Attention President

13 *Effect* This Addendum amends and is a part of the Lease In the event of a conflict between the terms of the Lease and the terms set forth in this Addendum, the terms set forth in this Addendum will govern

14 Miscellaneous This Addendum will be binding upon, and will inure to the benefit of, the parties and their successors, assigns, heirs and personal representatives This Addendum sets forth the entire agreement of the parties with respect to Franchisor's rights, superseding any and all prior agreements and understandings between or among the parties relating to the subject matter of this Addendum This Addendum may be amended only by written agreement signed by each of the parties

FF FRANCHISE SYSTEMS, LLC

By ______________________

Title ______________________

Date ______________________

[Tenant]

By ______________________

Title ______________________

Date ______________________

[Landlord]

By ______________________

Title ______________________

Date ______________________

SCHEDULE D

SEE SECTION 1 5(G) OF THE FRANCHISE AGREEMENT

FAMOUS FAMIGLIA

CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

Recipient	Date
Recipient's Position with Franchisee	Franchisee

1 ***Purpose of this Agreement*** The franchisee named above (the "Franchisee") has entered into a Franchise Agreement with FF FRANCHISE SYSTEMS, LLC, a Delaware limited liability company (the "Franchisor") The recipient named above (the "Recipient") holds the position indicated above with the Franchisee In such position, the Recipient will or may have access to certain confidential information of the Franchisor In order to induce the Franchisor to enter into the Franchise Agreement, the Franchisee agreed to obtain from each of its managers and others who may have access to any confidential information of the Franchisor an agreement not to disclose to any third party any such information and to comply with the noncompete requirements set forth below

2 ***Confidentiality***

(a) *Confidential Information* As used in this Agreement, the term "Confidential Information" means the Franchisor's know-how, technical knowledge, methods of operation, business and marketing plans and all other information that the Recipient may receive from the Franchisee or the Franchisor or its affiliate or any of their employees, agents or representatives, prior to or on or after the date of this Agreement, that is not generally available to the public and that has commercial value to the Franchisor, or that is personally identifiable information of customers "Confidential Information" includes, without limitation the content of all manuals used or approved for use in the operation of the franchised business, the content of all training provided by the Franchisor, all recipes, mixes and formulas, site selection criteria, sales and marketing techniques, advertising and marketing programs and plans, current, past and planned research, development and test programs for products, services and operations, specifications for and suppliers of certain equipment, fixtures, furnishings, signs, materials and supplies, the operating results and financial performance of Famous Famiglia restaurants other than the Franchisee's business, and all improvements, amendments and modifications to the Famous Famiglia franchise system developed by the Recipient The Recipient acknowledges that all Confidential Information is confidential and proprietary information of the Franchisor

(b) *Nondisclosure* At all times both during and after the term of the Franchise Agreement, the Recipient will keep all Confidential Information in the strictest confidence and will not disclose any Confidential Information to any person other than Franchisee's employees, agents or representatives who have signed confidentiality agreements with or undertakings to the Franchisor substantially in the form of this undertaking and who have a legitimate need to know such information, except for any disclosure required by law, in which event Recipient will give notice to the Franchisor of the disclosure to be made

(c) *Non-Use* At all times both during and after the term of the Franchise Agreement, Recipient will not use any Confidential Information except for the purpose of fulfilling Recipient's legitimate obligations relating to the Franchisor's business

(d) *Exceptions* The obligations of confidentiality and non-use described above will not apply to information that, (i) can be clearly shown by the Recipient to have been known to Recipient on a non-confidential basis prior to its disclosure to the Recipient by the Franchisee or the Franchisor, (ii) is now, or hereafter becomes, information generally available to the public not due to any act or failure to act by the Recipient, or (iii) can be clearly shown by the Recipient to have been received by Recipient on a nonconfidential basis from a third party that is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation

(e) *Disclosures Required by Law* In the event that the Recipient becomes legally compelled to disclose any Confidential Information, the Recipient will (i) promptly notify the Franchisor that such information is required to be disclosed, (ii) use his or her best efforts to obtain legally binding assurance that all those who receive disclosure of such information are bound by an obligation of confidentiality, and (iii) disclose only that portion of the Confidential Information that legal counsel of the Recipient or the Franchisee advises is legally required to be disclosed

(f) *Return of Information* Upon the request of the Franchisor or the Franchisee, the Recipient will promptly return to the Franchisor or the Franchisee, as the case may be, all Confidential Information and all copies in the Recipient's possession or under the Recipient's control, and the Recipient will destroy all copies on the Recipient's computers, disks and other digital storage devices

3 ***Further Undertakings***

(a) *Improvements* Recipient agrees that if Recipient makes an improvement to the Franchisor's business system or method, such improvement will be the property of the Franchisor and the Recipient will promptly disclose such improvement to the Franchisee or to the Franchisor with reference to this undertaking The Recipient hereby assigns all rights in such improvements to the Franchisor and agrees to sign any documents that the Franchisor may reasonably request from time to time to evidence such assignment

(b) *Noncompetition During the Term* The Recipient agrees that during the term of the Franchise Agreement, the Recipient will not, directly or indirectly (such as through a member of the Recipient's immediate family), either (i) have a direct or indirect interest in a Competitive Business located or operating anywhere in the U S or within 5 miles of any Famous Famiglia Restaurant outside of the U S , (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located or operating, (iii) divert or attempt to divert any business or customer of the Franchised Business to any competitor in any manner, or (iv) recruit or hire any person who is an employee of the Franchisor without the Franchisor's prior written permission

(c) *Definition of Competitive Business* As used in this Agreement, the term "Competitive Business" means any business that operates, or grants franchises or licenses to others to operate, a food service business whose sales of pizza and pasta dishes in any distribution channels for consumption or resale comprise 10% or more of such business' revenues (other than a Famous Famiglia Restaurant operated under a franchise agreement with the Franchisor or its affiliate) The restrictions of this section will not apply to the ownership of publicly traded securities that constitute less than 3% of a class of ownership interests of the issuing company

(d) *Noncompetition After the Term* Following the expiration or the termination of the Franchise Agreement, or in the event that the Recipient ceases to be employed or by or to perform services for the, the Recipient will continue for a period of two years to comply with the obligations described in Section 3(b)

4 ***Miscellaneous***

(a) *Franchisor Third-Party Beneficiary* The Recipient and the Franchisee acknowledge and intend that the covenants contained in this Agreement will directly benefit the Franchisor, who will be a third-party beneficiary, entitled to enforce the provisions of this Agreement in the Franchisor's own name without the Franchisee as a party in any action filed for such purpose, and will further be entitled to all remedies provided in Section 4(b)

(b) *Remedies* Recipient acknowledges that if Recipient fails to comply strictly with any of the above undertakings, the Franchisor will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against Recipient in a court of competent jurisdiction In the event that the Franchisor prevails in any such litigation, the Recipient will reimburse the Franchisor for all costs, attorneys' fees (including those of any in-house counsel) and other expenses incurred by the Franchisor in connection with such litigation

(c) *Notices* All notices and other communications required or permitted by this Agreement will be in writing and will be delivered by hand, fax, overnight delivery service, or registered or certified first class mail, to the then-current address of the recipient known by the sender Any such notice or other communication will be deemed given and be effective upon receipt at such address

(d) *Entire Agreement* This Agreement constitutes the entire understanding between the parties, superseding all prior agreements, arrangements and understandings between the parties relating to its subject matter

(e) *Waiver* No delay, omission or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy

[Franchisee]	Recipient
By ____________________	____________________
	Print Name
Title ____________________	By ____________________
	Signature
Date ____________________	____________________
	Address
	Date ____________________

FF FRANCHISE SYSTEMS, LLC

MULTI-UNIT AGREEMENT

DEVELOPER

TERRITORY

DATE OF AGREEMENT

Version 4/11/2018

FF FRANCHISE SYSTEMS, LLC

MULTI-UNIT AGREEMENT

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FF FRANCHISE SYSTEMS, LLC

MULTI-UNIT AGREEMENT

AGREEMENT effective as of _____________, between FF FRANCHISE SYSTEMS, LLC, a Delaware limited liability company (referred to in this Agreement as "we" or "us"), and ______________________________, a _______________ *[if entity, indicate type and state of formation]* (referred to in this Agreement as "you" or "your company" or "Developer")

We and our affiliated companies have developed an integrated system (the "System") for the operation of quick service restaurants serving a variety of pizzas, pasta dishes and other Italian food items we may specify periodically (the "Famous Famiglia Restaurants")

We market and sell the System under the trademark FAMOUS FAMIGLIA and related trademarks, and we may create, use and license additional trademarks or substitute different trademarks in the future in conjunction with the operation of the Famous Famiglia Restaurants (collectively, the "Marks")

You desire to open and operate an agreed number of Famous Famiglia Restaurants in an agreed geographic area under an agreed timetable, and we desire to grant to you the right to do so on the terms and conditions set forth below

Accordingly, you and we agree as follows

ARTICLE I – GRANT OF RIGHTS TO YOU

Section 1 1 – ***Grant of Rights*** We grant to you the right, and you undertake the obligation, under the terms and conditions contained in this Agreement, to open and operate Famous Famiglia Restaurants in the geographic area described in Schedule A (the "Territory") in accordance with the development schedule contained in Schedule B (the "Development Schedule") The rights granted by this Agreement are limited to the Territory This Agreement does not confer any rights outside of the Territory

Section 1 2 – ***Franchise Agreements.*** Before you begin to develop a Famous Famiglia Restaurant at any specific location, you or your Affiliate (as defined below) will enter into our then-current standard form of Franchise Agreement setting forth the terms and conditions under which you or your Affiliate will open and operate the Famous Famiglia Restaurant This standard form may vary from the form we currently use, except that the initial fee for Franchise Agreements to be signed by you or your Affiliate will be the amount set forth in Section 3 2 of this Agreement

Section 1 3 – ***Affiliates*** At your request, we will permit the Franchise Agreement for any Famous Famiglia Restaurant in the Territory to be executed by an entity formed by you to develop and operate the Famous Famiglia Restaurant ("Affiliate"), provided all of the following conditions are met (a) you or your owners have management control of the Affiliate, (b) you or your owners own (i) more than 50% of the voting securities of an Affiliate that is a corporation, (ii) more than a 50% membership interest in an Affiliate that is a limited liability company, or (iii) all of the general partnership interests of an Affiliate that is a partnership, (c) the Affiliate conducts no business other than the operation of the Famous Famiglia Restaurant, (d) you and your owners agree to assume full and unconditional liability for, and agree to perform all obligations contained in the Franchise Agreement, and (e) all owners of the entity possess a good moral character, as determined by us, and you provide us all reasonably requested information to permit us to make such a determination

Section 1 4 – ***Exclusivity*** During the term of this Agreement, unless we have modified your rights in accordance with Section 6 4, neither we nor any of our affiliates will open or operate a Famous Famiglia Restaurant in the Territory, nor will we grant to any other person or entity the right to open or operate a Famous Famiglia Restaurant located in the Territory or the right to grant franchises to open and operate Famous Famiglia Restaurants located in the Territory

Section 1 5 – ***No Trademark License*** This grant of multi-unit rights is not a trademark license This Agreement by itself does not permit you to own or operate a Famous Famiglia Restaurant The right to own and operate a Famous Famiglia Restaurant is only granted pursuant to a signed Franchise Agreement This Agreement also does not give you the right to offer, sell or negotiate the sale of Famgila franchises to any third party

Section 1 6 – ***Business Entity*** If you are a business entity, or if this Agreement is assigned to a business entity, such entity will conduct no business other than the business contemplated by this Agreement and under any executed Franchise Agreement All owners of such business entity will represent and warrant their percentage ownership interest in the entity The articles of incorporation, articles of organization, partnership agreement and other organizational documents of such business entity shall recite that the issuance and transfer of any interest in such entity is subject to the restrictions set forth in this Agreement All issued and outstanding stock, share or membership certificates, if any, of such entity shall bear a legend referring to the restrictions in this Agreement You will not conduct any public offering of such entity's securities unless we consent in writing to such offering

Section 1 7 – ***Rights We Reserve*** We retain all rights not specifically granted to you under this Agreement These rights include the right to sell any products, including pizzas, pasta dishes and any other products, under the Marks and any other trademarks to grocery stores, supermarkets or similar outlets for resale at any time, and directly to customers anywhere through our website, and the right to acquire and operate, or be acquired by, any company, including, without limitation, a company operating one or more food service businesses in the Territory, including, without limitation, businesses selling pizzas, pasta dishes and other Italian food items under a trademark other than the Marks

ARTICLE II – DEVELOPMENT OBLIGATIONS

Section 2 1 – ***Site Selection*** For each site at which you propose to locate and open a Famous Famiglia Restaurant, you must follow our site approval procedure In evaluating each potential site, you agree to use our site selection criteria, which we will provide to you following the signing of this Agreement by both parties You agree to submit to us or our agent, as soon as practicable in each instance, your proposal identifying one or more potential sites for your development of a Famous Famiglia Restaurant in the Territory, together with all materials and information we or our agent reasonably request, in such format as we or our agent reasonably request, in order to permit us to evaluate such site or sites Such materials and information include the site plan, the preliminary design, relevant demographic and cost factors, and a letter of intent with the landlord or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site Following our receipt of your written site proposal, we may make an on-site visit to the proposed site at our expense if we believe that such a visit is necessary or desirable, although we are not required to make an on-site visit We will evaluate your proposed sites in accordance with our applicable standards in effect at the time of our evaluation

Section 2 2 – ***Time is of the Essence*** You or your Affiliate will open the first Famous Famiglia Restaurant under the Development Schedule no later than six months after the date of this Agreement You agree to open or arrange for the opening of subsequent Famous Famiglia Restaurants in accordance with the Development Schedule In this connection, you acknowledge that time is of the essence

Section 2 3 – ***Site Approval*** You are solely responsible for selecting the Site for the Franchised Business We merely approve the Site if it is acceptable However, you must obtain our written approval of the proposed site of each of your franchised Famous Famiglia Restaurants before you execute a lease or enter into a binding agreement to purchase the proposed site We will not unreasonably withhold or delay our approval of any site that meets our standards

Section 2 4 – ***No Assurance*** You acknowledge that our recommendation or approval of the site, and any information regarding the site we communicate to you, do not constitute a guaranty, assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for a Famous Famiglia Restaurant or of the successful operation or profitability of a Famous Famiglia Restaurant at the site You acknowledge agree that your acceptance of the franchise is based on your own independent investigation of the suitability of the site

Section 2 5 – ***Leases*** You must submit your proposed lease for each restaurant premises to us for our prior written approval in accordance with the terms of the Franchise Agreement You will not sign the lease for any site until we have reviewed and approved it You will consult your own attorneys and other advisors to determine the adequacy of any lease for your business You will deliver a copy of the fully-executed lease to us within 14 days after it is signed by you and the lessor

Section 2 6 – ***Execution of Franchise Agreements*** Before you begin to develop a franchised Famous Famiglia Restaurant at any specific site, and within seven days after we approve the lease or purchase agreement for the site, you or your Affiliate will execute and deliver to us our then-current standard form of Franchise Agreement setting forth the terms and conditions under which you or your Affiliate will open and operate the Famous Famiglia Restaurant This standard form of Franchise Agreement may vary from the form we currently use, except that the initial fee for Franchise Agreements to be signed by you or the Franchisee Entity will be the amount set forth in Section 3 1 Simultaneously with your signing of each Franchise Agreement, you must, at your expense, enter into a binding agreement to acquire the site or to lease the Famous Famiglia Restaurant premises for the site described in such agreement, unless you have already done so

Section 2 7 – ***Delivery of Franchise Agreements*** After our approval of the lease for an approved restaurant site and our receipt of the initial franchise fee and signed Franchise Agreement for the Famous Famiglia Restaurant site, we will sign such Franchise Agreement and deliver it to you, and you will commence construction and operation of the Famiglia Restaurant pursuant to the terms of the Franchise Agreement Notwithstanding the foregoing, if we are not legally able to deliver a disclosure document to you by reason of any lapse or expiration of our franchise registration, or because we are in the process of amending any such registration, or for any reason beyond our reasonable control, we may delay approval of the site for your proposed Famous Famiglia Restaurant and delivery of our disclosure document until such time as we are legally able to do so In no event will we be liable to you for any loss, cost or expense occasioned by such delays We will not be obligated to deliver a Franchise Agreement to you if you are in material breach of this Agreement or any Franchise Agreement

ARTICLE III – FEES

Section 3 1 – ***Development Fee*** You will pay us a development fee in the amount indicated in Schedule B in consideration for our grant of rights to you under this Agreement (the "Development Fee") The Development Fee is equal to one-half of the aggregate Initial Fees required to be paid if you were to execute today Franchise Agreements for the total number of Famous Famiglia Restaurants required to be developed under this Agreement This fee is payable in full by certified check or wire transfer upon your execution of this Agreement This fee is fully earned when received by us and is not refundable under any circumstances It compensates us for our expenses and administrative costs, and for our lost or deferred opportunity to grant rights to others for the Territory We will credit the Development Fee against the Initial Fee payable upon execution of each Franchise Agreement executed pursuant to this Agreement at the rate of one-half of the applicable Initial Fee per Franchise Agreement until the entire Development Fee has been so credited

Section 3 2 – ***Initial Fees for Franchise Agreements*** The initial fee for each franchise agreement that you enter into for a Famous Famiglia Restaurant franchise in the Territory under this Agreement (the "Initial Fee") will be the following, notwithstanding any different amount we may charge as the initial fee under our then-current standard form of Franchise Agreement

(a) $35,000 for your first restaurant of approximately 700 to 2,500 square feet (a "Standard Unit"), $25,000 for each of the second through the fifth Standard Unit, and $10,000 for the sixth and any subsequent Standard Unit, and

(b) $10,000 for a restaurant of approximately 200 to 600 square feet (an "Express Unit")

The specific requirements are described in Schedule B One half of the Initial Fee will be payable with respect to each restaurant at the time the Franchise Agreement for the restaurant is signed, and the other half will be credited from the Development Fee

ARTICLE IV – **CONFIDENTIALITY, NONCOMPETITION**

Section 4 1 – ***Confidentiality of Our Information***

(a) *Confidential Information* We possess and will continue to develop and acquire certain confidential information relating to the development and operation of Famous Famiglia Restaurants ("Confidential Information") Confidential Information includes, without limitation

(i) the contents of our operating manuals,

(ii) product recipes, mixes and formulas,

(iii) the content of our training and assistance,

(iv) site selection criteria,

(v) sales and marketing techniques,

(vi) planned advertising and marketing programs,

(vii) current, past and planned research, development and test programs for products, services and operations,

(viii) specifications for and suppliers of certain equipment, fixtures, furnishings, signs, materials and supplies,

(ix) the operating results and financial performance of Famous Famiglia Restaurants other than those owned by you or your affiliates,

(x) user names and passwords allowing access to protected areas on our website or computer network, and

(xi) all improvements and modifications to the franchise system developed by you or your personnel

You acknowledge and agree that you will not acquire any interest in any Confidential Information other than the right to use Confidential Information disclosed to you in operating your franchise business during the term of this Agreement

(b) *Nondisclosure and Non-Use* At all times both during the term and after the expiration or termination of this Agreement, (i) you will keep all Confidential Information in the strictest confidence and you will not disclose any Confidential Information to any person other than your employees, agents or representatives who have a legitimate need to know such information and who are informed of this obligation of confidentiality, and (ii) you will not use any Confidential Information except for the purpose of fulfilling your obligations under this Agreement Upon our request, you will promptly return to us all Confidential Information and all copies thereof in your possession or under your control, and you will destroy all copies thereof on your computers, disks and other digital storage devices

(c) *Isolated Disclosures* Notwithstanding the foregoing, we will not deem you to be in default of this Agreement as a result of isolated incidents of disclosure of Confidential Information by an employee other than an owner, provided that you have taken reasonable steps to prevent such disclosure, including but not limited to the steps a reasonable and prudent owner of confidential and proprietary information would take to prevent disclosure of such information by his employees, and further provided that you pursue all reasonable legal and equitable remedies against such employee for such disclosure of such Confidential information

(d) *Exceptions* The obligations of confidentiality and non-use described above will not apply to information that (i) you can clearly show was known to you on a non-confidential basis prior to its disclosure to you by us, (ii) is or becomes generally known in the food service business in the Territory other than through disclosure by you or any of your employees, contractors, agents or representatives, or (iii) you can clearly show was received by you on a nonconfidential basis from a third party that is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation

(e) *Disclosures Required by Law* In the event that you become legally compelled to disclose any Confidential Information, you will (i) promptly notify us that such information is required to be disclosed, (ii) use your best efforts to obtain legally binding assurance that all those who receive disclosure of such information are bound by an obligation of confidentiality, and (iii) disclose only that portion of the Confidential Information that your legal counsel advises is legally required to be disclosed

Section 4 2 – ***Noncompetition***

(a) *Agreement Not to Compete* You agree that during the term of this Agreement (and thereafter as set forth in Section 4 2(c)), you will not, directly or indirectly (through one of your company's affiliates or owners or a member of the immediate family of any owner), either (i) have a direct or indirect interest in a Competitive Business (as defined in Section 4 1(c)) located or operating anywhere in the U S or within 5 miles of any Famous Famiglia Restaurant outside of the U S, (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located or operating, (iii) divert or attempt to divert any business or customer of any Restaurant to any competitor in any manner, or (iv) recruit or hire any person who is our employee or the employee of any of our affiliates or franchisees or who has been our employee or the employee of any of our affiliates or franchisees within the six month period before such recruiting or hiring without the prior written permission of that person's employer If we permit you to hire any person who is an employee of ours or was our employee within such six month period, we may require you to pay us a nonrefundable fee equal to the first year's salary of such person, but not less than $25,000

(b) *Definition of Competitive Business* As used in this Agreement, the term "Competitive Business" means any business that operates, or solicits or grants franchises or licenses to others to operate, a quick service restaurant whose sales of pizzas, pasta dishes and other Italian food items in any distribution channel for consumption or resale comprise 10% or more of such business's revenues (other than a Famous Famiglia Restaurant operated under a franchise agreement with us or our affiliate) The restrictions of this section will not apply to the ownership of publicly traded securities that constitute less than 3% of a class of ownership interests of the issuing company

(c) *Noncompetition After Termination* Upon the expiration of this Agreement, your termination of this Agreement without cause, our termination of this Agreement in accordance with its terms and conditions, or your transfer in accordance with Article V, you and your company's owners agree for a period of two years following such expiration, termination or transfer, that you will not, directly or indirectly (through one of your company's affiliates or owners or a member of the immediate family of any owner), either (i) have a direct or indirect ownership interest in a Competitive Business located or operating within 5 miles of any Famous Famiglia Restaurant anywhere in the world , (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located or operating, (iii) divert or attempt to divert any business or customer of the Franchised Business to any competitor in any manner, or (iv) recruit or hire any person who is our employee or the employee of any Famous Famiglia Restaurant (whether company or affiliate-owned or franchised) or who has been our employee or the employee of any Famous Famiglia Restaurant within the six month period before such recruiting or hiring without the prior written permission of that person's employer If we permit you to hire any such person, you agree, upon our request, to pay us a nonrefundable fee equal to the first year's salary of such person, but not less than $25,000 This section is not intended to diminish the scope or duration of any noncompete obligation contained in any other agreement between our companies

Section 4 3 – ***Personal Undertaking*** Our grant of rights under this Agreement is made in reliance on the personal attributes of your company's owners and managers named in Schedule C If your company is a legal entity such as a corporation or limited liability company rather than a sole proprietorship or general partnership, then our grant of rights under this Agreement is made on the condition that each person who now or later owns or acquires, either legally or beneficially, 10% or more of the equity or voting interests of your company (the "Guarantor" or "Guarantors") must execute and deliver to us a personal undertaking in a form attached as Schedule D (the "Guaranty") If no person owns 10% or more, then persons approved by us whose combined equity interest is equal to or greater than 10% will be the Guarantors Transfers of interest are restricted in accordance with Article VI Upon our request at any time, you will furnish us with a list of all holders of legal and beneficial interests in your company, together with descriptions of the type of interests owned and percentage amounts, and the names, addresses and telephone numbers of the owners, certified as correct in the manner we specify If any of your company's general partners, managers, officers or directors ceases to serve as such or if any new person becomes a general partner, manager, officer or director after the date of this Agreement, you will notify us of such change within 10 days

ARTICLE V – **TRANSFER**

Section 5 1 – ***Transfer by Us*** We may sell, assign or transfer our rights and obligations under this Agreement to any party, without the approval of or prior notice to you, provided that the buyer, assignee or transferee agrees in writing to assume all of our obligations under this Agreement We will not be liable for obligations of the transferee arising after the date of transfer

Section 5 2 – ***Transfer by You***

(a) *No Transfer Without Our Approval* This Agreement is personal to you We have entered into this Agreement in reliance upon our perception of your (or your company's owner's) individual or collective character, skill, aptitude, business ability and financial capacity Accordingly, you may only transfer your rights and obligations under this Agreement if (i) at least 50% of the total number of Famous Famiglia Restaurants to be opened under this Agreement are open and operating at the time of the proposed transfer, (ii) you obtain our prior written consent, and (iii) in the case of an asset transfer, (A) you transfer all of your rights and interests under all Franchise Agreements for Famous Famiglia Restaurants in the Territory in accordance with the terms of those agreements, and (B) the transferee, at our election, must sign the then-current Franchise Agreement for all transferred Famous Famiglia Restaurants

(b) *Definition of Transfer* As used in this Agreement, the term "Transfer" means your (or your company's owner's) voluntary, involuntary, direct or indirect assignment, sale, gift, pledge or other disposition of any legal or beneficial interest in (i) this Agreement or (ii) your company, whether in the form of equity or a voting interest "Transfer" also includes (i) the merger or consolidation of your company, (ii) the issuance of additional securities or other ownership interests of your company, and (iii) the admission or departure of a partner or owner It includes transfers resulting from proceedings under the U S Bankruptcy Code or any similar law, and transfers resulting from divorce

(c) *Notice of Transfer* You agree to notify us of any planned Transfer, and to provide us with any information we may reasonably request in order to permit us to evaluate the planned Transfer If we do not exercise our right of first refusal under Section 5 3, we agree not to unreasonably withhold our approval of a Transfer If we approve the Transfer, then you will be free, for 90 days following such approval, to effect the Transfer to the person or persons approved by us You may not transfer any percentage ownership of your company to a direct competitor of ours Our consent to a Transfer does not constitute a representation as to the fairness of the terms of any contract between you or your company's owners and the transferee, a guaranty of the success by the transferee or a waiver of any claims we may have against you or your company's owners or of our right to demand the transferee's compliance with any of the terms or conditions of this Agreement

(d) *Conditions to Transfer* The following conditions will apply with respect to any Transfer other than a Transfer described in Section 5 2(e)

(i) The proposed transferee, its management and owners, must be individuals of good character with sufficient business experience, aptitude, and financial resources to operate the Franchised Business and otherwise meet our then applicable standards for a new Famous Famiglia Restaurant franchisee

(ii) You will cure any default under this Agreement and each Franchise Agreement entered into pursuant to this Agreement that we will have notified to you

(iii) You will pay all fees and any other amounts then owed to us and our affiliatesunder this Agreement and each Franchise Agreement entered into pursuant to this Agreement

(iv) You or the transferee will pay us a nonrefundable transfer fee of $5,000 when there is a change in ownership, or $1,000 if the transfer is to a newly-formed entity with no change in ownership or control in accordance with Section 5 2(e)

(v) We must review and approve the material terms and conditions of the transfer and the documents of assignment, and we may require you to sign a general release of any claims against us and our affiliates

(vi) The transferee or its designated personnel will have completed such training as we may require, to our satisfaction

(vii) Each transferor will sign an agreement (in a form satisfactory to us) acknowledging a continuing obligation for a period of two years after such transfer to comply with the requirements of Section 4 2(c)

(e) *Exceptions* Upon prior notice to us and the signing by the relevant parties of assignment documents acceptable to us, you may transfer this Agreement to an entity (i) that conducts no business other than the business described in this Agreement and (ii) in which you maintain management control and (iii) of which you own and control 100% of the equity and voting power You agree to remain personally liable under this Agreement as if the transfer to such entity had not occurred

(f) *Transfer Upon Death or Disability* You or your executor or other personal representative must promptly notify us in the event of your death or disability or, if your company is an entity, the death or disability of the owner of a 10% or greater interest in your company Any transfer upon death or disability will be subject to the same terms and conditions as those that apply to other transfers, as described in Sections 5 2(a) through (d), but you or your executor or other personal representative will have a period of 12 months in which to effect a transfer acceptable to us in the event of death, and six months in the event of disability As used in this Agreement, the term "disability" means a mental, emotional or physical injury, illness, incapacity, disability or impairment that is reasonably expected to prevent or actually does prevent a person from performing the obligations set forth in this Agreement for at least six consecutive months A person's disability for purposes of this section will be determined by a licensed practicing physician selected by us upon examination of such person or, if such person refuses to be examined, then such person will automatically be deemed disabled for purposes of this section as of the date of refusal We will pay the cost of the examination

(g) *Stock Offerings* You agree to submit to us, for our review, all materials for an offering or exempt private placement of stock or partnership or other interests in your company or any of your affiliates that are required by federal or state law before such materials are filed with any government agency and before they are used We may require such materials to contain a written statement, prescribed by us, indicating that we are not participating in such offering in any way You and all other participants in the offering must fully indemnify us and our subsidiaries, affiliates, successors and assigns, and our and their respective directors, officers, shareholders, partners, agents and representatives in connection with the offering For each proposed offering, you will reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering You will give us written notice at least 30 days before the date that any offering or other transaction described in this Section 5 2(g) commences Any such offering will be subject to all of the other provisions of this Section 5 2

Section 5 3 – ***Right of First Refusal***

(a) *Notice of Third Party Offer* If you or any of your company's owners at any time desire to sell, assign or transfer for consideration an interest in this Agreement or an ownership interest in your company to anyone other than as described in Section 5 3(d), you will obtain and immediately submit to us a true and complete copy of a bona fide written offer from the third party that desires to acquire such interest (the "Third Party Offer") The Third Party Offer must include lists of the record and beneficial owners of any entity offeror and all partners of any partnership offeror and, in the case of a publicly-held entity, copies of the most current annual and quarterly reports and Form 10K The Third Party Offer must contain details of the payment terms of the proposed sale and the source and terms of any financing of the proposed purchase price, and may not include or be contingent upon the purchase of assets of yours or your company's owner other than those related to the business described in this Agreement

(b) *Exercise of Our Right of First Refusal* We will have the right, exercisable by notice delivered to you or your company's selling owner or owners within 30 days after the date of our receipt of a copy of the Third Party Offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in the Third Party Offer, provided that (i) we may substitute cash for any form of payment proposed in such offer, and (ii) we will have at least 60 days after giving notice of our election to prepare for closing If we exercise our right of first refusal, you and your selling owners agree that, for a period of two years commencing on the date of the closing, you and your selling owners will be bound by the noncompetition covenant contained in Section 4 2

(c) *Consequence of Nonexercise of Our Right of First Refusal* If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Section 5 2, but if the sale to such purchaser is not completed within 120 days after delivery of the Third Party Offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the thirty day period following either the expiration of such 120-day period or the notice to us of the material changes in the terms of the sale, either on the terms originally offered or the modified terms, at our option

(d) *Exceptions* Our right of first refusal will not apply if the proposed transfer is among the current owners of your company or their immediate family members, or if it would constitute a transfer (whether in a single transaction or a series of transactions) of less than a 10% interest in your company

ARTICLE VI – **TERM AND TERMINATION**

Section 6 1 – ***Term*** This Agreement will be effective as of the date first above written and, unless sooner terminated as provided in this Agreement, will continue in effect until we approve the last restaurant site required to be developed under this Agreement This Agreement has no renewal term

Section 6 2 – ***Termination***

(a) *Termination Upon Notice* We may terminate this Agreement and your right to develop Famous Famiglia Restaurants in the Territory, effective upon notice to you with immediate effect, if

(i) you or any of your company's owners have made any material misrepresentation or omission in connection with your application to enter into this Agreement,

(ii) you fail to meet your obligations under the Development Schedule,

(iii) you or any of your companv's owners or Affiliates or their owners materially breaches any obligation under Articles IV or V,

(iv) you or your Affiliate remains in default beyond the applicable cure period under any franchise agreement for a Famous Famiglia Restaurant or any such agreement is terminated for any reason,

(v) you or your Affiliate or the owners of your company or your Affiliate are or have been convicted by a trial court of, or plead guilty or have pleaded no contest to, a felony or any other crime or offense, or engage in any dishonest or unethical conduct, that may adversely affect the reputation of the business, the Famous Famiglia Restaurants or the goodwill associated with our trademarks, or

(vi) you or any of your Affiliates 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 a substantial part of your property, or any order appointing a receiver, trustee or liquidator of your company is not vacated within 30 days following the entry of such order

(b) *Termination After Cure Period* Except as set forth in Section 6 2(a), you will have 30 days after receipt of written notice of default from us in which to remedy the default and provide evidence of that remedy to us If any such default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time unless we notify you otherwise in writing

(c) *Relationship Laws* Notwithstanding the provisions described in this Section 6 2, if any valid, applicable law or regulation limits our right to terminate this Agreement or requires different or longer notice periods than those set forth herein, Section 6 2 is deemed amended to conform to the minimum notice periods or restrictions upon termination required by such rules and regulations We will not however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination of this Agreement

Section 6 3 – ***Consequences of Termination*** Upon the expiration of this Agreement or its termination for any reason, all rights granted to you under this Agreement will immediately terminate, and you will have no further right to develop or open Famous Famiglia Restaurants in the Territory A default under this Agreement is not a default under any individual unit Restaurant franchise agreement

Section 6 4 – ***Other Remedies*** If we are entitled to terminate this Agreement in accordance with Section 6 2, we will have the unrestricted right, in our discretion, to undertake any one or more of the following actions upon notice to you with immediate effect instead of terminating this Agreement

(i) we may reduce the size of the Territory in a manner determined solely by us, and

(ii) we may modify the Development Schedule by reducing the number of Famous Famiglia Restaurants to be opened or changing the time periods for opening, or both, as determined solely by us

Any such action will be without prejudice to our right to terminate this Agreement in accordance with Section 6 2

ARTICLE VII - **REPRESENTATIONS AND WARRANTIES, INDEMNIFICATION**

Section 7 1 – ***Representations and Warranties*** You represent and warrant as follows

(i) All statements you have made and all materials you have submitted to us in connection with your application to become a franchisee are accurate and you have made no misrepresentations or material omissions

(ii) You are under no obligation or restriction, nor will you assume any obligation or restriction, that would in any way interfere or be inconsistent with, or present a conflict of interest concerning, the services that are the subject of this Agreement or the rights and obligations of the parties

(iii) Your company is duly incorporated, organized or formed and in good standing under the laws of the jurisdiction of its formation

(iv) Your company has the power and authority to enter into this Agreement and to perform its obligations under this Agreement

(v) Schedule C completely and accurately describes all of your company's owners, directors, officers, partners and managers and their ownership interests and management positions in your company

Section 7 2 - ***Indemnification***

(a) *Indemnification* You will indemnify and hold us and our affiliates, and the members, managers, stockholders, directors, officers, employees and agents of us and our affiliates, harmless from and against all costs, expenses, liabilities and losses, including reasonable attorneys' fees and disbursements (including those of any in-house counsel), directly or indirectly relating to (i) the failure of any of your representations, warranties or covenants set forth in this Agreement and in the schedules, (ii) any act or conduct of yours that is not in compliance with any of your requirements under this Agreement, or (iii) any act or omission of yours or anyone associated with or employed by or affiliated with you We will have the right to participate in the defense, with counsel of our own choice and at our own expense, of any action that may give rise to your obligation to indemnify, and to reject any settlement that might adversely affect us

(b) *Notice of Claim, Survival* We will give you notice of any claim that may require indemnification promptly after we learn of such claim The rights and obligations of the parties under this Section 7 2 will survive the expiration or termination of this Agreement and remain in effect for a period of three years thereafter

ARTICLE VIII - **MISCELLANEOUS**

Section 8 1 – ***Injunctive Relief*** We will be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to (a) your development of Famous Famiglia Restaurants, (b) your obligations of upon termination or expiration of this Agreement, (c) a Transfer of this Agreement, (d) as necessary to prohibit any act or omission by you or your employees that would constitute a violation of any applicable law, ordinance, or regulation, or that is dishonest or misleading to us or our other franchisees, and (e) enforcement of the provisions of Article IV

Section 8 2 – ***Severability*** If any restrictive covenant in this Agreement is held to be invalid or unenforceable because its duration is too long or its scope is too broad, you and we agree that the court making such determination (if it regards itself as having the jurisdiction to do so) will have the power to reduce the duration or scope in such a manner that the remaining revised covenant will be valid and enforceable Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is prohibited by or invalid under applicable law, such prohibition or invalidity will not invalidate the remainder of such provision or the other provisions of this Agreement

Section 8 3 – ***No Waiver of Rights*** No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy No waiver will be binding unless contained in a writing signed by the party waiving its rights Any waiver is limited to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default

Section 8 4 – ***Notices*** All notices, requests, consents and other communications required or permitted by this Agreement will be in writing and will be delivered by hand or overnight delivery service to the following address, or such other address as either party, by like notice, designates with respect to its own address

If to us FF Franchise Systems, LLC
245 Main Street, Suite 410
White Plains, NY 10601
Attention President

If to you The address indicated in Schedule A

Any such notice, request, consent or other communication will be deemed given and be effective upon receipt at such address

Section 8 5 – ***Waiver of Punitive Damages and Jury Trial*** Except for your obligation to indemnify us for third party claims under Section 7 2, we and you each waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other party, and agree that any recovery in a dispute between us will be limited to equitable relief and to the recovery of actual damages sustained We and you irrevocably waive trial by jury in any action, proceeding or counterclaim brought by either of us

Section 8 6 – ***Governing Law*** This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within the State of New York, without regard to New York's conflict of laws principles, but nothing in this Agreement will be deemed to extend the application of the New York Franchise Act to the sale of franchises outside of the State of New York

Section 8 7 – ***Mediation*** The parties will endeavor to resolve amicably any dispute arising under or in connection with this Agreement and any claim relating to its validity, construction, effect, performance, termination or breach At the written request of either party, the parties will seek to resolve such dispute by mediation, at a location in the city in which our principal office is located at the time of such claim, under the then current rules of the National Franchise Mediation Program administered by the International Institute for Conflict Prevention and Resolution ("CPR") However, if after one party requests mediation the other party declines to participate in mediation or does not respond within 10 days to the request, or if the parties are unable to resolve a dispute within 60 days after either party has requested mediation, then either party may initiate litigation

Section 8 8 – ***Jurisdiction*** The parties hereby irrevocably consent to the non-exclusive jurisdiction of the federal and state courts located in the city in which our principal office is located at the time suit is filed (or a city within 25 miles of such office) If we assign or otherwise transfer this Agreement, all legal actions between the parties will be venued exclusively in a state or federal court in the judicial district in which the assignee's or transferee's principal offices are located at the time the suit is filed The parties hereby waive, to the full extent permitted by law, defenses based on jurisdiction, venue and forum *non conveniens* The parties further consent to service of process in any action by any means permitted by law

Section 8 9 – ***Costs and Expenses*** If either we or you seek to enforce this Agreement in an arbitration, judicial or other proceeding, the prevailing party will be entitled to recover its reasonable costs and expenses (including attorneys' fees, whether from in-house attorneys or outside counsel) incurred in connection with the claims on which it prevailed

Section 8 10 – ***Entire Agreement*** This Agreement and all ancillary agreements executed simultaneously with this Agreement, constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement, but nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you Except for changes permitted under this Agreement to be made unilaterally by us, no amendment to this Agreement will be binding unless such amendment is in writing and executed by the parties

IN WITNESS WHEREOF, the parties have signed this Agreement on the dates set forth below, with effect as of the date first above written

FF FRANCHISE SYSTEMS, LLC	[Developer]
By ______________________	By ______________________
Title ______________________	Title ______________________
Date ______________________	Date ______________________

SCHEDULE A

TERRITORY

Territory

Address for notices (Section 8 4)

SCHEDULE B

DEVELOPMENT SCHEDULE

You agree to open and operate Famous Famiglia Restaurants in the Territory in accordance with the following development schedule

Time periods following the date of this Agreement	Minimum number of Famous Famiglia Restaurants to be opened in the Territory during each period		Minimum cumulative number of Famous Famiglia Restaurants to be open and operating in the Territory in good standing at the end of each period	
	Standard Units	Express Units	Standard Units	Express Units
First 12-month period				
Second 12-month period				
Third 12-month period				
Fourth 12-month period				
Fifth 12-month period				

Any Famous Famiglia Restaurants opened in excess of minimum in any period will be counted toward the minimum commitment for the next period

Development Fee $__________

SCHEDULE C

ENTITY INFORMATION OF DEVELOPER

Your company's ownership and management

Your company is *[check one]*

_____	an individual		
_____	a corporation	State of incorporation	____________________
_____	a limited liability company	State of formation	____________________
_____	a partnership		
_____	other	Explain	____________________

The following persons are the owners and managers of the Franchisee

Name & Address	*Office (or LLC manager)*	*Director, partner or LLC member*	*Percentage Ownership*
____________________ ____________________ ____________________	____________	____________	_____
____________________ ____________________ ____________________	____________	____________	_____
____________________ ____________________ ____________________	____________	____________	_____

Insert additional page if necessary

SCHEDULE D

SEE SECTION 4 3 OF THE MULTI-UNIT AGREEMENT

FAMOUS FAMIGLIA

Personal Undertaking

In order to induce FF FRANCHISE SYSTEMS, LLC, a Delaware limited liability company (the "Franchisor") to enter into a Famous Famiglia Multi-Unit Agreement dated as of _______________ (the "Multi-Unit Agreement") with _________ _______________, a ____________________________ (the "Developer") for the development of Famous Famiglia franchises in a territory encompassing __________________, each of the undersigned persons (the "Guarantors"), jointly, individually and severally, hereby agrees as follows

1 ***Confidentiality*** Each Guarantor acknowledges the Developer's obligations of confidentiality under Section 4 1 of the Multi-Unit Agreement Each Guarantor personally agrees to comply with all of the Developer's obligations under Section 4 1 and not to disclose or use any Confidential Information (as defined in Section 4 1(a) of the Multi-Unit Agreement except on behalf of the Developer in furtherance of the Developer's business in compliance the Developer's obligations under the Multi-Unit Agreement, and only to the extent that the Developer is permitted under the Multi-Unit Agreement to disclose and use Confidential Information Upon the request of the Franchisor, the Guarantor will promptly return to the Franchisor all Confidential Information and all copies in the Guarantor's possession or under the Guarantor's control, and the Guarantor will destroy all copies on the Guarantor's computers, disks and other digital storage devices

2 ***Noncompetition*** Each Guarantor acknowledges the Developer's obligations under Section 4 2 of the Multi-Unit Agreement not to compete with the Franchisor Each Guarantor personally agrees to comply with and be bound by all of the Developer's obligations under Section 4 2 to the same extent that the Developer is bound by the obligations of Section 4 2 both during and after the term of the Multi-Unit Agreement

3 ***Remedies*** Each Guarantor acknowledges that if such Guarantor fails to comply strictly with any of the undertakings in Sections 1(a) or (b), the Franchisor will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against such Guarantor in a court of competent jurisdiction In the event that the Franchisor prevails in any such litigation, the Guarantor will reimburse the Franchisor for all costs, attorneys' fees (including those of any in-house counsel) and other expenses incurred by the Franchisor in connection with such litigation

4 ***Transfer by the Franchisor*** If the Franchisor transfers its rights and obligations under the Multi-Unit Agreement pursuant to Section 5 1 of the Multi-Unit Agreement, this Agreement will be deemed to be transferred automatically to the transferee who, upon such transfer, will have all of the rights granted to the Franchisor under this Agreement vis-a-vis the Guarantors, and the obligations of the Guarantors will then accrue to the benefit of the transferee

5 ***Notices*** All notices and other communications required or permitted by this Agreement will be in writing and will be delivered by hand, fax, overnight delivery service, or registered or certified first class mail, to the then-current address of the Guarantor known by the sender Any such notice or other communication will be deemed given and be effective upon receipt at such address

6 ***Waiver*** No delay, omission or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy

7 ***Governing Law*** This Agreement will be construed and enforced in accordance with the laws of the state in which the Territory under the Multi-Unit Agreement is located, without regard to that state's conflict of laws principles

8 ***Amendments*** This Agreement may not be modified or amended except in writing signed by the Franchisor and the Guarantor to be bound by such modification or amendment No waiver or discharge will be valid unless in writing and approved by the Franchisor

IN WITNESS WHEREOF, each Guarantor has signed this Agreement as of the date of the Multi-Unit Agreement

Signature	Print Name
Signature	Print Name
Signature	Print Name

Acknowledged and agreed

FF FRANCHISE SYSTEMS, LLC

By ____________________________

Title ____________________________

Date ____________________________

FAMOUS FAMIGLIA

CONSENT TO TRANSFER AGREEMENT

AGREEMENT dated as of ___________, by and among ____________ ("Buyer"), ______________ ("Seller"), and FF FRANCHISE SYSTEMS, LLC, a Delaware limited liability company ("we", "us" or "Franchisor")

1 ***Purpose of this Agreement.*** Buyer entered into an agreement with Seller dated ________ (the "Purchase Agreement") to purchase from Seller the franchise rights and other assets pertaining to Seller's Famous Famiglia franchise Buyer and Seller understand that any transfer of the franchise rights described in the Franchise Agreement dated as of ___________, between Franchisor and Seller (the "Franchise Agreement") requires our prior consent as a condition to such transfer, and require that Buyer enter into a new franchise agreement with us This Agreement is being signed simultaneously with the signing of a new franchise agreement between Buyer and the Franchisor Upon the signing of such new franchise agreement, the Franchise Agreement will terminate and all of Seller's rights under the Franchise Agreement will end

2 ***Consent to Transfer, Conditions*** We consent to the transfer of the franchise rights and other assets pursuant to the Purchase Agreement provided that all of the conditions described in Section 4 2(d) of the Franchise Agreement are satisfied

3 ***Release*** Seller hereby releases, discharges and holds harmless Franchisor and its past and present affiliated companies, successors, assignees and each of their past and present members, managers, directors, officers employees, agents, attorneys, owners, shareholders, partners, designees and representatives, from any and all debts, losses, damages, expenses, claims, demands, actions, causes of action, liabilities, costs or obligations arising from or in any way connected with the sale or operation of Seller's franchise during Seller's ownership, which Seller may have had, now has or may hereafter discover, whether known or unknown, foreseen or unforeseen

4 ***Continuing Obligations*** Seller and all persons who have signed personal guaranties of Seller's obligations to us will be relieved of all of their in-term obligations under their personal guaranties, provided, however, that Seller and the guarantors acknowledge that the transfer of the franchise from Seller to Buyer does not terminate their post-term obligations under the Franchise Agreement These post-term obligations include the obligations not to disclose any of our confidential information and not to compete with us, as set forth in Sections 3 2 and 3 3(c) of the Franchise Agreement

5 ***No Representations by the Franchisor*** Buyer acknowledges that Buyer is purchasing the franchise rights and other assets directly from Seller and that this transaction has not been effected by or through any of our efforts In entering into the Purchase Agreement, Buyer and Seller each acknowledge that they have not relied on any representation from us or any of our representatives other than the content of the current Famous Famiglia franchise disclosure document, that they have had the opportunity to consult with their own financial, accounting and legal advisors, and that they have independently satisfied themselves that all of the terms and conditions of the sale and purchase, including, without limitation, the purchase price, are satisfactory and acceptable to them

6 ***Entire Agreement*** This Agreement constitutes the entire understanding of the parties and supersedes any prior oral or written agreements between the parties with respect to the subject matter hereof

7 ***Governing Law*** This Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to New York's conflict of laws principles

IN WITNESS WHEREOF, the parties have signed this Agreement on the dates set forth below

[Buyer]

By ______________________________

Title ____________________________

Date ____________________________

[Seller]

By ______________________________

Title ____________________________

Date ____________________________

FF FRANCHISE SYSTEMS, LLC

By ______________________________

Title ____________________________

Date ____________________________

RENEWAL ADDENDUM TO FAMOUS FAMIGLIA FRANCHISE AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

[insert name of franchisee]

This Addendum modifies and amends the Famous Famiglia Franchise Agreement dated as of ________ (the "Renewal Franchise Agreement"), between FF FRANCHISE SYSTEMS, LLC ("we" or "us") and [insert name of franchisee] ("you")

1 ***Purpose of this Agreement*** You and we entered into a franchise agreement dated as of ____________ (the "Original Franchise Agreement") You desire to renew the Original Franchise Agreement by entering into the Renewal Franchise Agreement, as modified by this Addendum, and by complying with the other renewal requirements under the Original Franchise Agreement This Addendum is being signed simultaneously with the Renewal Franchise Agreement

2 ***Renewal Fee*** The requirement in the Renewal Franchise Agreement to pay an "Initial Fee" is hereby deleted from the Renewal Franchise Agreement in accordance with Section 5 1(b)(viii) of the Original Franchise Agreement

3 ***Release*** You hereby release, discharge and hold harmless us and our past and present affiliated companies, successors, assignees and each of our and their past and present members, managers, directors, officers employees, agents, attorneys, owners, shareholders, partners, designees and representatives, from any and all debts, losses, damages, expenses, claims, demands, actions, causes of action, liabilities, costs or obligations arising from or in any way connected with the sale or operation of your franchise up to the date of this Agreement, which you may have had, now have or may hereafter discover, whether known or unknown, foreseen or unforeseen, to the extent permitted by law

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ____________________	By ____________________
Title ____________________	Title ____________________
Date ____________________	Date ____________________

EXHIBIT G

FRANCHISEE DISCLOSURE QUESTIONNAIRE

FAMOUS FAMIGLIA

FRANCHISEE DISCLOSURE QUESTIONNAIRE

You (either individually or as a principal of a corporation, partnership or limited liability company and on such entity's behalf) are preparing to enter into a Franchise Agreement for the establishment and operation of a Famous Famiglia franchise (the "Franchise") The purpose of this Questionnaire is to determine whether any statements or promises made to you were not authorized and may be untrue, inaccurate or misleading Please review each of the following questions carefully and provide honest and complete responses to each question

1 Have you received and personally reviewed the Franchise Agreement and each Addendum and related agreement attached to it? Yes _____ No _____

2 Do you understand all of the information contained in the Franchise Agreement and each schedule attached to it? Yes _____ No _____

3 If no, what parts of the Franchise Agreement or schedule do you not understand? (Attach additional pages, if necessary)

____
____
____
____
____

4 Have you received and personally reviewed the Franchise Disclosure Document (FDD) we provided to you? Yes _____ No _____

5 Did you sign a receipt for the FDD indicating the date you received it? Yes _____ No _____

6 Do you understand all of the information contained in the FDD? Yes _____ No _____

If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages if necessary)

____
____
____
____

7 Have you discussed the benefits and risks of operating the franchise with an attorney, accountant or other professional advisor, and do you understand those risks? Yes ____ No ____

8 Do you understand that the success or failure of your franchised business 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 ___

9 Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or possible revenues, profits or operating costs of a Famous Famiglia franchised business operated by the Franchisor or any of its affiliates or franchisees? Yes _____ No _____

10 Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the revenue, profit or operating costs of a Famous Famiglia franchised

business operated by the Franchisor or any of its affiliates or franchisees that is contrary to, or different from, 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 concerning the amount of money you may earn in operating a Famous Famiglia franchised business? Yes _____ No _____

12 Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the amount of money you may earn in operating a Famous Famiglia franchised business that is contrary to or different from, the information contained in the FDD? Yes _____ No _____

13 Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the franchised business will generate? Yes _____ No _____

14 Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the franchised business will generate that is contrary to, or different from, the information contained in the FDD? Yes _____ No _____

15 Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the costs you may incur in operating the franchised business? Yes _____ No _____

16 Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the costs you may incur in operating the franchised business that is contrary to, or different from, the information contained in the FDD? Yes _____ No _____

17 Have you paid any money to the Franchisor concerning the purchase of this franchise before today? Yes _____ No _____

18 Do you understand that the Franchise Agreement, along with the representations the Franchisor made in the FDD, contain the entire agreement between you and the Franchisor concerning the franchise rights for the Franchise, meaning that any prior oral or written statements not set out in the Franchise Agreement or the FDD will not be binding? Yes _____ No _____

19 If you have answered "Yes" to any of questions 9-16, please provide a full explanation of each "yes" answer in the following blank lines (Attach additional pages, if necessary, and refer to them below) If you have answered "no" to each of questions 9-16, then please leave the following lines blank

____
____
____
____

20 I signed the Franchise Agreement and Addenda (if any) on ___________, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor

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

____
Signed

____
Printed Name

______________________,
Date

EXHIBIT H

STATE ADDENDA

CALIFORNIA ADDENDUM

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW DBO CA GOV

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

Item 3 – LITIGATION

Neither we nor any person or franchise broker in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such persons from membership in that association or exchange

Item 6 – OTHER FEES

The maximum interest rate in California is 10% annually

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control

According to Item 17r, the Franchise Agreement requires you not to compete with us for a period of two years after the agreement is terminated or expires This provision may not be enforceable under California law

According to Items 17u and 17v, the Franchise Agreement provides that, except for certain claims, all disputes must be mediated or litigated in White Plains, New York, or in New York, NY Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

According to Item 17w, the Franchise Agreement and Multi-Unit Agreement provide that New York law applies This provision may not be enforceable under California law

Section 5 2(b)(xviii) of the Franchise Agreement and Section 6 2(a)(vi) allow us to terminate if you become insolvent or if a petition in bankruptcy is filed by you or filed against and consented to by you or not dismissed within 30 days These provisions may not be enforceable under federal bankruptcy law (11 U S C A § 101 et seq)

ILLINOIS ADDENDUM

Franchise sales in Illinois are governed by the Illinois Franchise Disclosure Act Section 41 of that Act provides as follows

"Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void This 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 of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code "

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20

The following subsection of Item 17 will apply to Illinois franchises

v Choice of forum	FA Section 7 12 MUA Section 8 8	FA Litigation will be in Illinois MUA Litigation will be in Illinois
w Choice of law	FA Section 7 10 MUA Section 8 6	FA Illinois law applies MUA Illinois law applies

See the Illinois Franchise Disclosure Act, 815 ILCS 705/1-44

ILLINOIS ADDENDUM TO FAMOUS FAMIGLIA FRANCHISE AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Franchise Agreement dated as of ____________________, between FF Franchise Systems, LLC and _______________ (the "Franchise Agreement")

Notwithstanding anything to the contrary contained in the Franchise Agreement

1 The Franchise Agreement will be governed by and construed in accordance with the laws of the State of Illinois

2 The parties agree that all disputes that cannot be resolved amicably will be resolved by the federal and state courts located in the State of Illinois in any action arising under or relating to the Franchise Agreement

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ________________________	By ________________________
Title ______________________	Title ______________________
Date ______________________	Date ______________________

ILLINOIS ADDENDUM TO FAMOUS FAMIGLIA MULTI-UNIT AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Multi-Unit Agreement dated as of ___________________, between FF Franchise Systems, LLC and _______________ (the "Multi-Unit Agreement")

Notwithstanding anything to the contrary contained in the Multi-Unit Agreement

1 The Multi-Unit Agreement will be governed by and construed in accordance with the laws of the State of Illinois

2 The parties agree that all disputes that cannot be resolved amicably will be resolved by the federal and state courts located in the State of Illinois in any action arising under or relating to the Multi-Unit Agreement

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By _________________________	By _________________________
Title ________________________	Title ________________________
Date ________________________	Date ________________________

MARYLAND ADDENDUM

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

No release required as a condition of renewal, sale, assignment or transfer will apply to any liability under the Maryland Franchise Registration and Disclosure Law

Claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise

The pages that follow constitute additions to the Franchise Agreement, the Multi-Unit Agreement and the Consent to Transfer Agreement for Maryland, and a new Renewal Addendum for Maryland

MARYLAND ADDENDUM TO FAMOUS FAMIGLIA FRANCHISE AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Franchise Agreement dated as of ____________________, between FF Franchise Systems, LLC and ________________ (the "Franchise Agreement")

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law within three years after the grant of the franchise

2 No provision in the Franchise Agreement or the Franchisee Certification is intended nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

FF FRANCHISE SYSTEMS, LLC

By ____________________________

Title ___________________________

Date ___________________________

[Franchisee]

By ___________________________

Title __________________________

Date __________________________

MARYLAND ADDENDUM TO FAMOUS FAMIGLIA MULTI-UNIT AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Multi-Unit Agreement dated as of ____________________, between FF Franchise Systems, LLC and ________________ (the "Multi-Unit Agreement")

No provision in the Multi-Unit Agreement is intended nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By __________________________	By __________________________
Title __________________________	Title __________________________
Date __________________________	Date __________________________

MARYLAND ADDENDUM
TO THE FAMOUS FAMIGLIA CONSENT TO TRANSFER AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Consent to Transfer Agreement dated as of __________________ (the "Consent to Transfer Agreement"), among _____ ________ ("Buyer"), __________ ________ ("Seller"), and FF Franchise Systems, LLC, a Delaware limited liability company

Section 3 of the Consent to Transfer Agreement is a general release This provision is not intended nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ________________________	By ________________________
Title ________________________	Title ________________________
Date ________________________	Date ________________________

MARYLAND RENEWAL ADDENDUM
TO THE FAMOUS FAMIGLIA FRANCHISE AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Franchise Agreement dated as of ________ (the "Renewal Franchise Agreement"), between FF FRANCHISE SYSTEMS, LLC ("we" or "us") and [insert name of franchisee] ("you")

1 ***Purpose of this Agreement*** You and we entered into a franchise agreement dated as of ____________ (the "Original Franchise Agreement") You desire to renew the Original Franchise Agreement by entering into the Renewal Franchise Agreement, as modified by this Addendum, and by complying with the other renewal requirements under the Original Franchise Agreement This Addendum is being signed simultaneously with the Renewal Franchise Agreement

2 ***Renewal Fee*** The requirement in the Renewal Franchise Agreement to pay an "Initial Fee" is hereby deleted from the Renewal Franchise Agreement in accordance with Section 5 1(b)(viii) of the Original Franchise Agreement

3 ***Release*** You hereby release, discharge and hold harmless us and our past and present owners, affiliated companies, successors, assignees and each of our and their past and present directors, officers employees, agents, attorneys, owners, shareholders, partners, designees and representatives, from any and all debts, losses, damages, expenses, claims, demands, actions, causes of action, liabilities, costs or obligations arising from or in any way connected with the sale or operation of your franchise up to the date of this Agreement, which you may have had, now have or may hereafter discover, whether known or unknown, foreseen or unforeseen, to the extent permitted by law This provision is not intended nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ______________________	By ______________________
Title ______________________	Title ______________________
Date ______________________	Date ______________________

MICHIGAN ADDENDUM

THE FOLLOWING APPLIES ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you

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

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

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

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

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations 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 endorsement by the attorney general

Any questions regarding this notice should be directed to

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

MINNESOTA ADDENDUM

Cover Page and Item 17

MINNESOTA STATUTES, SECTION 80C 21 AND MINNESOTA RULE 2860 4400(J) PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA, REQUIRING WAIVER OF A JURY TRIAL, OR REQURING THE FRANCHISEE TO CONSENT TO LIQUIDATED DAMAGES, TERMINATION PENALTIES OR JUDGMENT NOTES IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR AGREEMENT(S) CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

With respect to franchises governed by Minnesota law, the franchisor will comply with MINNESOTA STATUTES, SECTION 80C 14, Subds 3, 4, and 5 which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement, and that consent to the transfer of the franchise will not be unreasonably withheld

The Consent to Transfer Agreement and the Renewal Addendum (Exhibits F3 and F4), referred to in Items 17c and 17m, each contains a general release Minnesota Rule 2860 4400D prohibits a franchisor from requiring a franchisee to assent to a general release Accordingly, this requirement will not apply in Minnesota

The agreements you sign give us the right to obtain injunctive relief in certain cases (Section 7 3 of the Franchise Agreement and Section 4(b) of the Confidentiality and Non-Competition Agreement) Under Minnesota Rule 2860 4400J, a franchisee cannot consent to the franchisor obtaining injunctive relief Accordingly, these provisions are understood to mean that we have the right to seek injunctive relief

The pages that follow constitute additions to the Franchise Agreement, the Franchisee Disclosure Questionnaire and the Consent to Transfer Agreement for Minnesota, and a new renewal addendum

MINNESOTA ADDENDUM TO FAMOUS FAMIGLIA FRANCHISE AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Franchise Agreement dated as of ___________________, between FF Franchise Systems, LLC and _______________ (the "Franchise Agreement")

1 Nothing in this agreement will abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction We will not have the right to require you to litigate outside Minnesota, waive a jury trial or consent to liquidated damages, termination penalties or judgment notes The representations contained in Section 6 1 of the Franchise Agreement are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Minnesota Statutes, Chapter 80C

2 We will comply with Minn Stat Sec 80C 14, Subds 3, 4, and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement, and that consent to the transfer of the franchise will not be unreasonably withheld

3 Section 7 3 of the Franchise Agreement and Section 4(b) of the Confidentiality and Non-Competition Agreement give us the right to obtain injunctive relief in certain cases Under Minnesota Rule 2860 4400J, a franchisee cannot consent to the franchisor obtaining injunctive relief Accordingly, these provisions are understood to mean that we have the right to seek injunctive relief

4 Section 7 8 of the Franchise Agreement limits the time period in which you may bring certain actions The provisions of Section 7 8 will not affect your right under Minnesota Statues Section 80C 17 Subd 5, to bring an action pursuant to Section 80C 17 at any time during the three-year period after the cause of action accrues

IN WITNESS WHEREOF, the parties have executed this Addendum on the dates set forth below but with effect as of the date of the Franchise Agreement

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ______________________	By ______________________
Title ______________________	Title ______________________
Date ______________________	Date ______________________

MINNESOTA ADDENDUM TO THE FRANCHISEE DISCLOSURE QUESTIONNAIRE

This Addendum modifies and amends the FF Franchise Systems, LLC Franchisee Disclosure Questionnaire

The undersigned franchisee applicant understands and acknowledges that the representations the applicant makes in the Franchisee Disclosure Questionnaire are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under Minnesota Statutes, Chapter 80C

FRANCHISE APPLICANT

____
Signed

____
Printed Name

____
Date

MINNESOTA ADDENDUM
TO THE FAMOUS FAMIGLIA CONSENT TO TRANSFER AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Consent to Transfer Agreement dated as of __________________ (the "Consent to Transfer Agreement"), among _____ ________ ("Buyer"), __________ _________ ("Seller"), and FF Franchise Systems, LLC, a Delaware limited liability company

Section 3 of the Consent to Transfer Agreement is a general release Minnesota Rule 2860 4400D prohibits a franchisor from requiring a franchisee to assent to a general release Accordingly, Section 3 is hereby deleted from the Consent to Transfer agreement

IN WITNESS WHEREOF, the parties have executed this Addendum on the dates set forth below but with effect as of the date of the Consent to Transfer Agreement

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ______________________	By ______________________
Title ______________________	Title ______________________
Date ______________________	Date ______________________

MINNESOTA RENEWAL ADDENDUM
TO THE FAMOUS FAMIGLIA FRANCHISE AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Franchise Agreement dated as of ________ (the "Renewal Franchise Agreement"), between FF FRANCHISE SYSTEMS, LLC ("we" or "us") and [insert name of franchisee] ("you")

1 ***Purpose of this Agreement*** You and we entered into a franchise agreement dated as of ____________ (the "Original Franchise Agreement") You desire to renew the Original Franchise Agreement by entering into the Renewal Franchise Agreement, as modified by this Addendum, and by complying with the other renewal requirements under the Original Franchise Agreement This Addendum is being signed simultaneously with the Renewal Franchise Agreement

2 ***Renewal Fee*** The requirement in the Renewal Franchise Agreement to pay an "Initial Fee" is hereby deleted from the Renewal Franchise Agreement in accordance with Section 5 1(b)(viii) of the Original Franchise Agreement

3 ***Release*** You hereby release, discharge and hold harmless us and our past and present owners, affiliated companies, successors, assignees and each of our and their past and present directors, officers employees, agents, attorneys, owners, shareholders, partners, designees and representatives, from any and all debts, losses, damages, expenses, claims, demands, actions, causes of action, liabilities, costs or obligations arising from or in any way connected with the sale or operation of your franchise up to the date of this Agreement, which you may have had, now have or may hereafter discover, whether known or unknown, foreseen or unforeseen, to the extent permitted by law This provision is not intended nor shall it act as a release, estoppel or waiver of any liability incurred under the Minnesota franchise registration and disclosure law

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ____________________	By ____________________
Title ____________________	Title ____________________
Date ____________________	Date ____________________

NEW YORK ADDENDUM

THE STATE OF NEW YORK REQUIRES US TO DISCLOSE THE FOLLOWING INFORMATION

Item 3 - LITIGATION

Neither the franchisor nor its predecessor nor any person identified in Item 2 nor any affiliate offering franchises under the franchisor's principal trademark

A Has any administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations In addition, there are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations

B Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations

C Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent

Item 4 - BANKRUPTCY

During the ten-year period immediately before the date of this disclosure document, neither the franchisor nor its affiliate, its predecessor, officers, or general partner has (a) filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership

FRANCHISOR REPRESENTATION

THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT

NORTH DAKOTA ADDENDUM

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The Consent to Transfer Agreement and the Renewal Addendum (Exhibits F3 and F4), referred to in Items 17c and 17m, each contains a general release The North Dakota Commissioner of Securities has determined that a general release requirement in this context is contrary to the intent of Section 51-10-09 of the North Dakota Franchise Investment Law Accordingly, this requirement will not apply in North Dakota

According to Item 17r, the Franchise Agreement requires you not to compete with us for a period of two years after the agreement is terminated or expires Such covenants not to compete are generally considered unenforceable in the State of North Dakota

According to Item 17u, the Franchise Agreement requires most disputes to be mediated in the city in which the franchisor's principal office is located The North Dakota Commissioner of Securities has determined that a requirement to mediate at a location that is remote from the site of the franchisee's business is contrary to the intent of Section 51-19-09 of the North Dakota Franchise Investment Law Accordingly, any mediation will take place in a location agreed by the parties

According to Item 17v, the Franchise Agreement provides that litigation must be in the city in which our principal office is located when suit is filed The North Dakota Commissioner of Securities has determined that a requirement to consent to the jurisdiction of courts outside of North Dakota is contrary to the intent of Section 51-10-09 of the North Dakota Franchise Investment Law Accordingly, this provision will be deleted

According to Item 17w, the Franchise Agreement provides that New York law will apply The North Dakota Commissioner of Securities has determined that a franchise agreement provision stating that the franchise agreement is governed by the laws of a state other than North Dakota is contrary to the intent of Section 51-10-09 of the North Dakota Franchise Investment Law Accordingly, North Dakota law will apply for North Dakota franchises

The pages that follow constitute additions to the Franchise Agreement, the Multi-Unit Agreement and the Consent to Transfer Agreement for Maryland, and a new Renewal Addendum for North Dakota

NORTH DAKOTA ADDENDUM TO FAMOUS FAMIGLIA FRANCHISE AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Franchise Agreement dated as of ____________________, between FF Franchise Systems, LLC and _______________ (the "Franchise Agreement")

1 Sections 3 3(c), 7 8, 7 9 and 7 12 of the Franchise Agreement are hereby deleted

2 Notwithstanding the provisions of Section 7 10, the Franchise Agreement will be governed by and construed in accordance with the laws of the State of North Dakota

3 Notwithstanding the provisions of Section 7 11, any mediation under the Franchise Agreement will take place at a location agreed by the parties

4 You will not be required to sign the general releases contained in the Consent to Transfer Agreement or the Consent to Renew Agreement

IN WITNESS WHEREOF, the parties have executed this Addendum on the dates set forth below but with effect as of the date of the Franchise Agreement

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ____________________	By ____________________
Title ____________________	Title ____________________
Date ____________________	Date ____________________

NORTH DAKOTA ADDENDUM TO FAMOUS FAMIGLIA MULTI-UNIT AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Multi-Unit Agreement dated as of ____________________, between FF________________ (the "Multi-Unit Agreement")

1 Sections 4 2(c), 8 5 and 8 8 of the Multi-Unit Agreement are hereby deleted

2 Notwithstanding the provisions of Section 8 6, the Mulit-Unit Agreement will be governed by and construed in accordance with the laws of the State of North Dakota

IN WITNESS WHEREOF, the parties have executed this Addendum on the dates set forth below, with effect as of the date of the Multi-Unit Agreement

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ________________________	By ________________________
Title ________________________	Title ________________________
Date ________________________	Date ________________________

NORTH DAKOTA ADDENDUM
TO THE FAMOUS FAMIGLIA CONSENT TO TRANSFER AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Consent to Transfer Agreement dated as of __________________ (the "Transfer Agreement"), among _____ _________ ("Buyer"), __________ _________ ("Seller"), and FF Franchise Systems, LLC, a Delaware limited liability company

Section 3 of the Consent to Transfer Agreement is a general release, which the North Dakota Commissioner of Securities has determined to be contrary to the intent of Section 51-10-09 of the North Dakota Franchise Investment Law Accordingly, Section 3 is hereby deleted from the Transfer agreement

IN WITNESS WHEREOF, the parties have executed this Addendum on the dates set forth below but with effect as of the date of the Transfer Agreement

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ________________________	By ________________________
Title ________________________	Title ________________________
Date ________________________	Date ________________________

NORTH DAKOTA RENEWAL ADDENDUM
TO THE FAMOUS FAMIGLIA FRANCHISE AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Franchise Agreement dated as of ________ (the "Renewal Franchise Agreement"), between FF FRANCHISE SYSTEMS, LLC ("we" or "us") and [insert name of franchisee] ("you")

1 ***Purpose of this Agreement*** You and we entered into a franchise agreement dated as of ____________ (the "Original Franchise Agreement") You desire to renew the Original Franchise Agreement by entering into the Renewal Franchise Agreement, as modified by this Addendum, and by complying with the other renewal requirements under the Original Franchise Agreement This Addendum is being signed simultaneously with the Renewal Franchise Agreement

2 ***Renewal Fee*** The requirement in the Renewal Franchise Agreement to pay an "Initial Fee" is hereby deleted from the Renewal Franchise Agreement in accordance with Section 5 1(b)(viii) of the Original Franchise Agreement

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ______________________	By ______________________
Title ______________________	Title ______________________
Date ______________________	Date ______________________

RHODE ISLAND ADDENDUM

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

Section19-28 1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act"

RHODE ISLAND ADDENDUM TO FAMOUS FAMIGLIA FRANCHISE AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Franchise Agreement dated as of ________________, between FF Franchise Systems, LLC and ______________ (the "Franchise Agreement")

Nothing in Section 7 10 of the Franchise Agreement is intended nor shall it act as a release, estoppel or waiver of any liability incurred under the Rhode Island Franchise Investment Act

IN WITNESS WHEREOF, the parties have executed this Addendum on the dates set forth below but with effect as of the date of the Franchise Agreement

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ______________________	By ______________________
Title ______________________	Title ______________________
Date ______________________	Date ______________________

RHODE ISLAND ADDENDUM TO FAMOUS FAMIGLIA MULTI-UNIT AGREEMENT

between

FF FRANCHISE SYSTEMS, LLC

and

____

This Addendum modifies and amends the Famous Famiglia Multi-Unit Agreement dated as of ____________________, between FF Franchise Systems, LLC and ________________ (the "Multi-Unit Agreement")

Nothing in Section 8 6 of the Multi-Unit Agreement is intended nor shall it act as a release, estoppel or waiver of any liability incurred under the Rhode Island Franchise Investment Act

IN WITNESS WHEREOF, the parties have executed this Addendum on the dates set forth below, with effect as of the date of the Multi-Unit Agreement

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ________________________	By ________________________
Title ________________________	Title ________________________
Date ________________________	Date ________________________

VIRGINIA ADDENDUM

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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 Franchise Act or the laws of Virginia, that provision may not be enforceable

WASHINGTON FRANCHISE AGREEMENT AND MULTI-UNIT AGREEMENT ADDENDUM

Item 1 - THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisees who receive financial incentives to refer franchise prospects to franchisors may be required to register as franchise brokers under the laws of Washington State

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

a The state of Washington has a statute, RCW 19 100 180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise

b In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

c In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

d A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

e Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer

FF FRANCHISE SYSTEMS, LLC	[Franchisee]
By ____________________	By ____________________
Title ____________________	Title ____________________
Date ____________________	Date ____________________

EXHIBIT I

RECEIPTS

When you receive this Franchise Disclosure Document, please sign and return one copy of the receipt page to our headquarters office We cannot process your application until we receive a properly signed receipt

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 FF Franchise Systems, LLC offers you a franchise, it must provide this disclosure document to you at least 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 requires that we give you this disclosure document at the earlier of the first personal meeting to discuss the sale of a franchise 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

If FF Franchise Systems, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the applicable state agency listed in Exhibit A, which also includes a list of our agents authorized to receive service of process

The name, principal business address and telephone number of each seller offering the franchise is indicated below

Name	*Address*	*Telephone Number*
Paul Kolaj Alfred Rosu	FF Franchise Systems, LLC 245 Main Street, Suite 410 White Plains, NY 10601	914-328-4444

Other ____________________ ________________________

Date of Issuance April 11, 2018

I have received the Famous Famiglia franchise disclosure document dated April 11, 2018 This disclosure document included the following Exhibits

A State Administrators and Agents for Service of Process
B List of Franchisees
C Franchisee Organizations
D Financial Statements
E Table of Contents of Manual
F Agreements
G Franchisee Certification
H State Addenda

Proposed location

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Return this receipt to

FF Franchise Systems, LLC
245 Main Street, Suite 410
White Plains, NY 10601
Fax 914-328-4479

____
Company Name

By ____________________________
Signature

Title ___________________________

Date ___________________________

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