FRANCHISE DISCLOSURE DOCUMENT

FLIPPIN' PIZZA NY PIES & SLICES™	**Flippin' Pizza International, LLC** a Delaware limited liability company 107 S. Cedros, Suite 220 Solana Beach, CA 92075 (866) 236-7480 www.flippinpizza.com

The franchise offered is for a quick-serve restaurant operating under the name FLIPPIN' PIZZA NY PIES & SLICES™ offering pizza, various appetizers, salads, and fountain drinks on a dine-in, delivery, and carry-out basis.

The total investment necessary to begin operation of a single Flippin' Pizza restaurant is $220,700 to $513,400. This includes $0 to $25,000 that you must pay to us.

Franchisees generally must sign a Development Agreement under which the franchisee has the right and obligation to develop a specified number of Flippin' Pizza restaurants. The total investment necessary for the Development Agreement is $50,000 to $75,000, assuming a commitment of 3 to 5 restaurants. All of this amount is payable to us.

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 the 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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Franchise Support Team at 107 S. Cedros, Suite 220, Solana Beach, California 92075 and (866) 236-7480.

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, DC 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: September 1, 2017

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 I 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 AND DEVELOPMENT AGREEMENT REQUIRE YOU TO FILE ANY LITIGATION AGAINST US IN THE STATE WHERE WE HAVE OUR HEADQUARTERS (CURRENTLY CALIFORNIA). OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US THE STATE WHERE WE HAVE OUR HEADQUARTERS THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT DELAWARE LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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 next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that this 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 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:

STATES	EFFECTIVE DATE
California	
Hawaii	Not filed
Illinois	
Indiana	
Maryland	
Michigan	Not filed
Minnesota	Not filed
New York	Not filed
North Dakota	Not filed
Rhode Island	Not filed
South Dakota	Not filed
Virginia	
Washington	Not filed
Wisconsin	Not filed

In all other states, the effective date of this disclosure document is the issuance date of September 1, 2017.

TABLE OF CONTENTS

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES 1
ITEM 2 BUSINESS EXPERIENCE 3
ITEM 3 LITIGATION 4
ITEM 4 BANKRUPTCY 4
ITEM 5 INITIAL FEES 4
ITEM 6 OTHER FEES 6
ITEM 7 ESTIMATED INITIAL INVESTMENT 11
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 15
ITEM 9 FRANCHISEE'S OBLIGATIONS 18
ITEM 10 FINANCING 20
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 20
ITEM 12 TERRITORY 29
ITEM 13 TRADEMARKS 32
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 34
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS 35
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 36
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 37
ITEM 18 PUBLIC FIGURES 44
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS 45
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 49
ITEM 21 FINANCIAL STATEMENTS 52
ITEM 22 CONTRACTS 53
ITEM 23 RECEIPTS 53

EXHIBITS

A - Financial Statements
B - Franchise Agreement (including New and Emerging Markets Addendum)
C - Development Agreement
D - List of Franchisees as of December 31, 2016
E - Franchises that Left the System in 2016
F - Table of Contents of Operations Manual
G - Additional State-Required Information and Contract Addenda
H - Compliance Questionnaire
I - List of State Franchise Administrators/Agents for Service of Process
J - Sample Release

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

Flippin' Pizza International, LLC (referred to in this Disclosure Document as "FPI," "we," "us," or "our") was formed as a Delaware limited liability company on November 16, 2010. Our principal place of business is at 107 S. Cedros, Suite 220, Solana Beach, California 92075, and we do business under our company name and the Marks as described below. In this disclosure document, "you" and "your" refer to the person or business entity that signs the Franchise Agreement with us. If the purchaser of the franchise is a corporation, limited liability company, or other business entity, the individuals who own the business entity will have direct personal obligations to us, as described in this disclosure document.

We began offering "Flippin' Pizza" franchises in December 2010. We have never offered franchises in any other line of business.

Our agents for service of process in franchise registration states are listed in Exhibit I to this disclosure document.

We have no predecessor. Our parent company is FPB, LLC, a Delaware limited liability company with the same address as ours. FPB, LLC has never offered franchises in this or any other line of business, but FPB, LLC granted two "Flippin' Pizza" trademark license agreements to licensees in California. On January 1, 2017, one of the trademark licensees signed a Franchise Agreement with us and converted to a Flippin' Pizza franchise. The remaining licensee of FPB, LLC has the right to use the "Flippin' Pizza" proprietary marks and trade secrets at one location in Vista, California, for which the licensee pays FPB, LLC the sum of $100 annually.

Our affiliates began operating Flippin' Pizza restaurants in 2009, but as of the date of this Disclosure Document, neither we nor any of our affiliates operate any company-owned Flippin' Pizza restaurants. Our affiliate, Flippin' Pizza, LLC, previously owned Flippin' Pizza Restaurants in Maryland, Virginia, and Washington, D.C., one of which closed and the remainder of which were sold to franchisees in 2011. Our affiliate also operated Flippin' Pizza stands at Washington Nationals Park during the 2010-2012 Major League Baseball seasons. Other affiliates operated Flippin' Pizza restaurants in Florida and Mexico City that have closed. All of the affiliates have the same address as us, and none have offered franchises in this or any other line of business. We refer to Flippin' Pizza restaurants operated by us and our affiliates as "company-owned" outlets for purposes of this disclosure document.

The Flippin' Pizza Franchise

Flippin' Pizza Restaurants are quick serve restaurants featuring pizza, various appetizers, salads, and fountain drinks on a dine-in, delivery, and carry-out basis. The Restaurants also offer beer and wine. The Restaurants operate under the trade name and mark FLIPPIN' PIZZA NY PIES & SLICES™. We may designate other service marks, trademarks, trade names, logos, emblems, and indicia of origin for use with the System (defined below).

The existing Flippin' Pizza Restaurants operate within shopping centers, but we will consider other types of locations, such as multi-use developments, lifestyle centers, entertainment centers, and office buildings. The existing Restaurants range from 1,000 to 2,500 square feet in size, and typically offer dine-in, carry-out, delivery, and catering services. We may develop a food truck program in the future.

Flippin' Pizza Restaurants operate under a distinctive menu, format, appearance, and operating system (collectively, the "System"). The System includes standards, specifications, and procedures for food preparation and operations; inventory, management and financial control procedures (including point of sale and tracking systems); training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop. We have described our mandatory and recommended standards and procedures in a set of confidential Operations Manuals (described in Item 11).

We seek qualified candidates who will commit to develop multiple franchised Restaurants to be located within a defined geographic territory (the "Development Area") under a Development Agreement. We also offer single-unit franchises without a development obligation. Our current form of Development Agreement is in Exhibit C to this disclosure document. Under the Development Agreement, you will have the right and the obligation to develop a specified number of Restaurants by certain deadlines. You will negotiate both the number of Restaurants and the deadlines with us. We generally require a commitment of at least three Restaurants.

You must enter into our standard form of Franchise Agreement for each Restaurant that you develop. Our current form of Franchise Agreement appears in Exhibit B to this Disclosure Document. When you are ready to enter into a Franchise Agreement for a Restaurant, you must sign the form of Franchise Agreement that we are then offering to new franchisees.

The individuals who own the franchise (the "Owners") must agree to be personally bound by certain obligations in the Development Agreement and Franchise Agreement, including confidentiality obligations and non-compete restrictions, and to personally guarantee your performance under the Franchise Agreement (see Item 15).

Market and Competition

The market for quick serve restaurants is well developed and intensely competitive, and the market for pizza restaurants in particular is saturated. You will serve the general public and will compete with a variety- of businesses, including locally owned, regional, national and chain restaurants, some of which may be franchise systems. We may establish other Restaurants in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area. Also, we may sell products through the Internet, toll-free telephone numbers, catalogs, or other similar means of distribution to customers at any location, which may be located in your area. See Items 12 and 16 for a description of your permitted activities and your rights, and our permitted and restricted activities and rights.

Industry Regulations

We are not aware of any laws applicable to a Flippin' Pizza Restaurant that would not apply to restaurant businesses generally. All Restaurants must comply with federal, state and local laws applicable to the operation and licensing of a food service business, including obtaining all applicable health permits and/or inspections and approvals by municipal, county or state health departments that regulate food service operations. If applicable to your Restaurant, the Americans with Disabilities Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, bathrooms, drinking facilities, etc. You should consider these laws and regulations when evaluating your purchase of a franchise.

You must obtain all licenses and permits required by federal, state, county, municipal, or other local laws and regulations to permit you to offer and sell beer and wine at the Restaurant. The difficulty and cost of obtaining a license and the procedures for securing the license vary greatly from area to area. There is wide variation in state and local laws and regulations that govern the sale of alcoholic beverages. In addition, state "dram shop" laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol. Each of your managers and other employees we designate must be Training for Intervention Procedures (TIPS) certified relating to alcohol awareness for alcoholic beverages served at your Restaurant.

Among the other licenses and permits you may need are: zoning or land use approvals, Sunday sale permits, sales and use tax permits, special tax stamps, fire department permits, food establishment permits, health permits, alarm permits, county occupational permits, retail sales licenses, and wastewater discharge permits. There may be other laws, rules or regulations which affect your Restaurant, including minimum wage and labor laws along with ADA, OSHA and EPA considerations. We recommend that you consult with your attorney for an understanding of them.

Each of your managers and other employees we designate must be ServSafe Certified Professional Food Managers or meet other similar requirements.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce regulations that govern food preparation and service and sanitary conditions. State and local agencies inspect Restaurants to ensure that they comply with these laws and regulations. Recent U.S. Food and Drug Administration regulations require nutrition labeling of menu items.

ITEM 2
BUSINESS EXPERIENCE

Chairman – Herminio Llevat

Mr. Llevat has been our Chairman since November 2010. He was our Chief Executive Officer from November 2010 through August 2015. Mr. Llevat is also Chairman and Chief Executive Officer of our parent company, FPB, LLC.

Chief Executive Officer – Chuck Rink

Mr. Rink has been our Chief Executive Officer since September 2017. From April 2012 to October 2016, he was President and CEO of Fresh Enterprises, LLC, the owner of the BAJA FRESH® and LA SALSA® franchised restaurant brands. From November 2016 to August 2017, he was self-employed as a consultant in the restaurant industry.

Director of Operations – Jim Polito

Mr. Polito has been our Director of Operations since January 2016. From October 2008 to April 2015, he was Director of Operations for PJ Las Vegas, LLC, a Papa John's Pizza franchisee in Las Vegas, Nevada.

Director of Marketing – Michelle McKee

Ms. McKee has been our Director of Marketing since September 2015. From November 2014 to August 2015, she traveled internationally researching various food cultures. From December 2011 to October 2014, she was Menu Strategy Category Leader for Jack in the Box, Inc. in San Diego, California.

Director of Training – Andres DeLeon

Mr. DeLeon has been our Director of Training since September 2014. From February 2008 to August 2014, he was employed in the Flippin' Pizza Restaurants operated by Patrick Farley, the founder of the Flippin' Pizza concept, in Carlsbad and San Marcos, California, ending as manager.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

[Remainder of page intentionally left blank]

ITEM 5
INITIAL FEES

Development Fee: Under the Development Agreement, you must pay us a Development Fee equal to $25,000 for the first Restaurant plus half of the initial franchise fee for each additional Restaurant you commit to develop, payable in full at the time you sign the Development Agreement. We establish the number of Restaurants by negotiation with you, but we typically seek a commitment of at least three Restaurants. The Development Fee is not refundable, but we will credit a portion of the Development Fee against the franchise fee you must pay us for each Restaurant.

We currently have an incentive program under which we reduce the initial franchise fee to encourage signing Development Agreements for New and Emerging Markets. "New and Emerging Market" means a market in which we are not currently doing business but are actively seeking franchisees. If you sign a Development Agreement to open three or more Restaurants in a New and Emerging Market, the initial franchise fee for the Restaurants will be as follows:

First Restaurant	$25,000
Restaurants 2 - 5	$20,000 per Restaurant
Restaurants 6+	$15,000 per Restaurant

For a Development Agreement covered by the incentive program, the Development Fee will be based on these amounts rather than the standard initial franchise fee of $25,000 per Restaurant.

Franchise Fee: You must pay us an initial franchise fee of $25,000 for each Restaurant, unless the Franchise Agreement is for a Restaurant covered by the New and Emerging Markets incentive program, in which case you will sign a New and Emerging Markets Addendum to the Franchise Agreement to reduce the initial franchise fee as described above. The franchise fee is payable in a lump sum when you sign the Franchise Agreement, minus any applicable credit under a Development Agreement.

If you are a qualified United States military veteran and you meet all of our other criteria for a franchisee, we will waive the initial franchise fee for your first Restaurant only.

The initial franchise fee is non-refundable and, except as described above, imposed uniformly on all franchisees receiving this offering.

[Remainder of page intentionally left blank]

ITEM 6
OTHER FEES

Type of fee[1]	Amount	Due Date	Remarks
Royalty	6% of Gross Sales 5% of Gross Sales for first 12 months only, for certain Restaurants in the New and Emerging Markets incentive program (see Item 5) 3% of Gross Sales for first 12 months only, for qualified U.S. Veterans (first Restaurant only)	Payable weekly by Thursday	"Gross Sales" means all revenue from the sale of services and products and all other income related to the Restaurant, except sales taxes. Royalty Fees are payable by automatic debit, and funds must be made available in your account for withdrawal. See Note 2.
Brand Fund Fee	2% of Gross Sales	Payable at the same time and in the same manner as the Royalty	We administer a Brand Fund for the brand. See Item 11 for details.
Local Advertising	1% of Gross Sales	Must be spent each month	Payable directly to your local advertising vendors. Any advertising that you propose to use must first be approved by us.
Advertising Cooperative	As determined by the members, but not more than 1.5% of Gross Sales	As determined by the members	Payable only if we form an advertising cooperative applicable to your Restaurant. See Item 11 for a discussion of advertising cooperatives.
Initial Training Program for Additional or Replacement Employees	Our then-current training fee per person, plus expenses Current training fee = $2,000	Before training begins	Training for two individuals is included in the initial franchise fee, but you must pay your trainees' expenses, including travel, lodging, meals and wages. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses.

Type of fee[1]	Amount	Due Date	Remarks
Additional On-Site Training	Our then-current per diem rate per trainer, plus expenses Current per diem rate = $500	As incurred	If you request that we provide additional training at your Restaurant, you must pay our daily fee for each trainer we send to your Restaurant, and you must reimburse each trainer's expenses, including travel, lodging and meals.
Supply Chain Management	$0.25 per piece/case	As incurred	See Note 3.
Supplier or Product Testing	Actual costs of our evaluation, but not more than $500	On demand	Payable only if you ask us to review a proposed new supplier or supplies you wish to purchase. May be paid by suppliers.
Technology Fee	Approximately $100 per month	Monthly	Payable to Revention, our designated vendor. You must reimburse us for license fees associated with additional file sharing systems.
Gift Cards	Currently $35 including pooling fee.	Monthly	The set-up fee of $50 is included in the cost of the Revention POS system. The monthly fee is payable to the designated gift card service merchant (currently, Valutec).
Loyalty Program	Currently $60	Monthly	Payable to Revention, which passes it through to the designated loyalty program provider (currently, Honeycomb). The initial set-up fee is included in the cost of the Revention POS system.
On-Line Ordering	Currently $59	Monthly	Payable to Revention, our designated vendor. Includes both on-line (internet) and mobile ordering.
Online Reporting	Currently $49	Monthly	Payable to Revention, which passes it through to the designated provider (currently, Enterprise). The initial set-up fee is included in the cost of the Revention POS system.
Transfer Fee	50% of our then-current initial franchise fee	On or before the date of the proposed transfer	No fee for a one-time transfer to a business entity you form for the convenience of ownership.
Renewal Fee	15% of our then-current initial franchise fee	Before renewal	You only pay this fee if you renew the Franchise Agreement. There is no renewal under the Development Agreement.

Type of fee[1]	Amount	Due Date	Remarks
Relocation Fee	$2,500	With request for our permission to relocate your Restaurant	If you wish to relocate your Restaurant, you must apply for our consent to the relocation and pay the relocation fee.
Interest	Lesser of 12% per annum of balance due or highest commercial contract interest rate law allows	With payment of past due amount	Due on all overdue amounts. Interest accrues from the original due date until payment is received in full.
Late Fees	$100 for the 2nd occurrence of a payment that is more than 30 days past due, $200 for the 3rd such occurrence, and $300 for the 4th and each subsequent occurrence	With payment of past due amount	The late fee is to compensate us for our administrative costs incurred in enforcing your obligation to pay us.
Audit	Cost of audit	When billed	Payable only if we find, after an audit, that you have understated any amount you owe to us or Gross Sales by 2% or more. You must also pay the understated amount plus interest.
Insurance	Actual premiums plus our costs and expenses	When billed	Payable only if you fail to maintain insurance and we (at our option) obtain insurance on your behalf.
Management Fee	5% of Gross Sales plus expenses	If incurred	We may step in and manage your Restaurant in certain circumstances. We will charge a management fee if we manage your Restaurant, and you must reimburse our expenses.
Indemnification	Our actual damages and expenses; will vary under circumstances	As incurred	You must reimburse us for damages and expenses we incur as a result of any claim arising from your activities under the Franchise Agreement, including the costs of defending against the claim.
Costs and attorneys' fees	Our actual expenses; will vary under circumstances	As incurred	Payable if you default and we incur expenses (such as attorneys' fees) in enforcing or terminating the agreement.

Type of fee[1]	Amount	Due Date	Remarks
Liquidated damages	The average monthly Royalty fees and Brand Fund contributions due for the last twelve months before our delivery of notice of default, multiplied by the lesser of 24 or the number of months remaining in the Agreement Term. The resulting amount is discounted to present value, and then we subtract the present value of the expenses of performance we avoid as a result of termination.	15 days after termination	Payable if we terminate the Franchise Agreement based on your default. The liquidated damages are in addition to the costs and expenses we incur to enforce the agreement.

Notes:

(1) Except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us. Except as noted above, all fees are non-refundable and uniformly imposed on franchisees receiving this offering.

(2) If a state or local law prohibits or restricts your ability to pay and our ability to collect Royalty Fees, Brand Fund contributions, or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Restaurant, then you and we agree that "Gross Sales" will be interpreted to exclude sales of alcoholic beverages and the percentage rates for calculating Royalty Fees and Brand Fund contributions will be changed in a manner such that the Royalty Fees and Brand Fund contributions you pay equal the Royalty Fees and Brand Fund contributions you would have been required to pay if sales from alcoholic beverages were included in Gross Sales. For example, if you generated $1,000 in Gross Sales, of which $200 was from the sale of alcoholic beverages, then your weekly Royalty Fee would be $60 (6% x $1,000). If you are not permitted by law to pay Royalty Fees on the sale of alcoholic beverages, then we recalculate your royalty percentage so that you still pay the full Royalty Fee. In our example, we deduct $200 from the Gross Sales and raise your royalty percentage to 7.5% so that we collect the same $60 Royalty Fee ($1,000 - $200 = $800 x 7.5% = $60).

If you do not report the Restaurant's Gross Sales for any week, we can estimate your Gross Sales and draft from your bank account the estimated amount due for Royalties, Brand Fund contributions and any other charges that are calculated based on Gross

Sales. When you provide the delinquent Gross Sales report to us, we will reconcile any difference between the estimated amount and the actual charges due for the period.

We have the right to change the timing and terms for payment of Royalty Fees, Brand Fund Fees and other amounts payable to us under the Franchise Agreement. For example, we may change the frequency at which we calculate payments to bi-weekly or monthly.

(3) We have engaged an outsourced supply chain management company, Creative Purchasing Solutions, to negotiate prices with suppliers, monitor their performance, etc. The fees for this service are paid through Restaurant purchases from the designated foodservice distributors for our Restaurants. The foodservice distributor will tally the number of pieces delivered to your Restaurant every month and cut a check directly to Creative Purchasing.

[Remainder of page intentionally left blank]

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**
Franchise Fee (1)	$0 to $25,000	Lump Sum	On signing Franchise Agreement	Us
Leasehold Improvements, Construction Cost (2)	$80,000 to $225,000	As Incurred	As Agreed	Supplier
Blueprints (3)	$7,500 to $15,000	As Arranged	As Arranged	Architect, Engineer
Lease Payments and Other Rental Expenses (4)	$7,500 to $26,000	As Arranged	As Arranged	Landlord
Furnishings, Equipment & Signage Installed (5)	$75,000 to $125,000	As Arranged	As Incurred	Suppliers
Point of Sale System (6)	$11,500 to $16,400	As Arranged	As Arranged	Approved Supplier
Travel & living expenses while training (7)	$2,500 to $5,000	Lump Sum	As Incurred	Supplier
Pre-Opening Expenses (8)	$6,500 to $8,000	As Incurred	As Incurred	Suppliers
Professional Fees (9)	$1,200 to $3,000	As Arranged	As Arranged	Attorney, Accountant
Licenses and Permits (10)	$1,000 to $7,000	As Arranged	As Incurred	Government Agencies
Grand Opening Advertising (11)	$5,000 to $8,000	As Incurred	As Incurred	Suppliers
Opening Inventory (12)	$3,500 to $4,500	As Incurred	As Incurred	Suppliers
Insurance (13)	$2,500 to $5,500	As Arranged	As Arranged	Insurance Companies
Additional Funds – 3 Months (14)	$17,000 to $40,000	As Incurred	As Incurred	Third Parties
TOTAL (15)	**$220,700 to $513,400**			

Notes:

1. ***Initial Franchise Fee***. The Initial Franchise Fee is discussed in detail in Item 5. The chart assumes that the Restaurant does not qualify for a reduced franchise fee under the New and Emerging Markets incentive program.

2. ***Leasehold Improvements and Construction Costs***. Leasehold improvement and construction costs vary significantly depending on the condition, location, size and configuration of the Restaurant premises, the layout of the mall or retail center, and other factors relating to the geographic location of the business, suppliers, government regulations, labor costs and other considerations. You will contract directly with the construction contractor and possibly other construction suppliers on terms you negotiate.

   The ideal Flippin' Pizza Restaurant will generally occupy between 1,000 and 1,800 square feet. Our estimated range of costs for leasehold improvements, building construction, and site work is based on that size range. If you choose to build a Restaurant larger than 1,800 square feet, your costs will likely be higher than the estimates in the chart. Conversely, if you are able to locate a site that previously operated as a pizza restaurant, your cost for leasehold improvements may be significantly lower than the estimates in the chart.

3. ***Blueprints***. We will provide you with prototype or protostyle plans for the build-out of a Flippin' Pizza Restaurant. You must hire your own architect to adapt our plans to the specific shape and dimensions of the approved location for your Restaurant. You may not use your architect's plans until they have been approved by us. Our approval only relates to how well the build-out plans implement our prototype plans and implementation and presentation of the Proprietary Marks. You and your architect must make sure that the plans comply with all applicable laws, rules, regulations, ordinances and building codes, including any relating to accommodations for disabled persons. If you are able to locate a site that previously operated as a pizza restaurant, your estimated cost for blue prints will be significantly lower.

4. ***Lease Payments and Other Rental Expenses***. The estimate is for the first three months of business, and it assumes that the premises of the Restaurant will be in a strip shopping center or urban location ranging in size from approximately 1,000 to 1,800 square feet, and that no security deposit is required. Your landlord may charge both base rent and rent based on a percentage of gross sales. The lease may also require you to pay common area maintenance charges ("CAM charges"), your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will depend on the size of the Restaurant, the types of charges that are allocated to you under the lease, your ability to negotiate with the landlord, and the prevailing rental rates in the geographic region.

   If you choose to purchase real property on which to build your Restaurant, your initial investment will probably be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

5. ***Furnishings, Equipment and Signage Installed***. You must lease or purchase the following: kitchen equipment according to our specifications (including pizza oven, prep tables, refrigerator, ice maker, and slice oven), water filtration system, mixer, smallwares, display stands, interior décor items (accessories, paneling, lighting, ceiling treatments, floor treatments and artwork), tables, chairs, phones, security system, safe, music system

and signs. Signs include exterior and interior signs. Local codes may restrict the allowed signage for a particular site and affect your costs. If you are able to locate a site that previously operated as a pizza restaurant, your estimated cost for furnishings and equipment may be significantly lower.

6. ***Point of Sale System***. You must purchase or lease the point of sale system that we specify. Our estimate assumes that you will purchase the point of sale system and not lease it. Additional information regarding the required point of sale system is included in Item 8 and Item 11. Our estimate includes the initial set-up fees of $400 for the on-line ordering program, $300 for gift card integration, $100 for the Loyalty Program, and $100 for the enterprise system.

7. ***Travel & Living Expenses While Training***. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages for the first two trainees. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. The lower end of our estimate assumes that the trainees live within driving distance of our training facility.

8. ***Pre-Opening Expenses***. Pre-opening expenses include uniforms, linens, first aid supplies, office supplies, initial cleaning supplies, gift certificates, menus and other printed items, and the opening cash drawer.

9. ***Professional Fees***. We strongly recommend that you engage the services of an attorney and/or accountant to assist you in evaluating this franchise offering. You may also wish to use an attorney to assist you in lease negotiations and/or to form an entity to own the franchise. Your costs may vary depending on how much you rely on your chosen advisors.

10. ***Licenses and Permits***. Our estimate includes the cost of obtaining local business licenses, which typically remain in effect for one year. The cost of these permits and licenses will vary substantially from one jurisdiction to another. For a beer and wine license, we have incurred costs of $500 - $1,000, but your costs could be much higher depending on local regulation. Our estimate does not include tap-in, fixture or similar fees which, depending on the municipality, can be several thousand dollars. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

11. ***Grand Opening Advertising***. You must submit to us your grand opening advertising plan and budget at least 30 days before your Restaurant's opening for our approval. If we do not receive your grand opening advertising plan when required, you must pay us the amount stated in this Item 7 for your grand opening advertising campaign, and we will conduct the grand opening advertising campaign on your behalf. If we do not receive your grand opening advertising plan when required, we also have the option of creating a grand opening advertising plan for you that you must then conduct.

12. ***Opening Inventory***. Our estimate includes the cost of your initial inventory of food items, beverage items and paper goods. The amount of your initial inventory will vary depending on the size of your Restaurant, the sales volume you anticipate for your Restaurant and current market prices.

13. ***Insurance***. Our estimate includes a full year's insurance premium for the insurance you must have (see Item 8 for our insurance requirements). The cost of insurance varies depending on many factors, such as driving records and where you or your drivers live. You should contact your insurance agent and obtain an estimate of your actual insurance costs.

14. ***Additional Funds***. The amount of working capital needed will depend on the time necessary to achieve cash flow to cover operating expenses. Our estimate is the minimum recommended for your first three months of operations. Shortfalls of capital may arise from independent factors such as labor shortages, delays in construction or delivery and installation of leasehold improvements and equipment; or possible recession. If you begin operating your Restaurant with inadequate cash, you may experience a total loss of your investment.

    This category includes estimated payroll, utilities, vendor invoices, advertising, promotion, Royalty Fees, Brand Fund Fees and similar costs during the initial phase of a new Restaurant, which we estimate will be three months from opening. We cannot guarantee that you will not have additional expenses starting your business. Your costs will depend on factors such as how closely you follow our System and procedures, the local market for purchasing food products, the prevailing wage rate, competition, and the sales level reached during the initial period. .

15. ***Total***. We relied on our principals' collective experience in the restaurant industry and our affiliates' experience in operating Flippin' Pizza Restaurants since 2009 when preparing these estimates. Your actual costs may vary greatly and will depend on factors such as the size and condition of the space and cost to convert to a Flippin' Pizza Restaurant, your management skill, experience, and business acumen; local economic conditions; the local market for products; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

[Remainder of page intentionally left blank]

YOUR ESTIMATED INITIAL INVESTMENT – Development Agreement				
Item	**Estimated Cost**	**Method of Payment**	**When Due**	**To Whom Paid**
Development Fee (1)	$50,000 (for 3 Restaurants) to $75,000 (for 5 Restaurants)	Lump Sum	When you sign Development Agreement	Us
Total (2)	**$50,000 to $75,000**			

1. The chart assumes that the Development Agreement does not qualify for the New and Emerging Markets incentive program (see Item 5).

2. In addition to the costs in this table, you will incur initial investment for each Flippin' Pizza Restaurant you develop under the Development Agreement. The total initial investment for a Restaurant as of the date of this Disclosure Document is estimated in the previous table, but is subject to inflation and other increases over time.

In general, none of the expenses listed in this Item are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have the right to require that all current and future food and beverage items, ingredients, supplies, equipment, furnishings, smallwares, merchandise, promotional items, information technology services, credit card processing services, and other products and services that you purchase for operation of or sale in the Restaurant: (a) meet specifications that we establish from time to time; and/or (b) be purchased only from suppliers that we have expressly approved; and/or (c) be purchased only from a designated supplier (which may be us or an affiliate or a buying cooperative that we organize).

As of the date of this disclosure document, neither we nor any of our affiliates is an approved supplier of products or services to our franchisees. We reserve the right to designate ourselves and/or our affiliates as an approved supplier, or as the only approved supplier, for particular products and services in the future. We may sell those products to you directly or through a designated foodservice distributor.

If we do not require you to use a designated source or approved supplier for a particular item, you may purchase the item from any supplier you choose, so long as your purchases conform to our standards and specifications. We have the right to restrict the sourcing of current and future items.

In addition to the general restrictions described above, the following specific restrictions on your purchasing are in effect as of the issuance date of this disclosure document, but we can impose other restrictions at any time.

Proprietary products. Flippin' Pizza Restaurants sell pizza and other menu items made with a proprietary sauce. You may not use any other pizza sauce. We have licensed a manufacturer to produce the sauce, which is sold to our approved foodservice distributor for resale to the Restaurants.

We may develop other proprietary food items in the future. If we do so, you must begin purchasing and using only the proprietary items, even if you have previously purchased similar items from another source.

Pizza oven and other build-out items and décor elements. The only approved pizza oven for Flippin' Pizza Restaurants is the Marsal Double-Stack Deck Oven. You may source the oven from any new or used restaurant equipment supplier. You must also purchase certain specific décor items for the Restaurant; these items are available from approved suppliers, but you can purchase them elsewhere if you wish. You must purchase furniture according to our specifications, but we do not restrict the source.

Foodservice distributor. You must use a designated foodservice distributor as the primary distributor of food and supplies to your Restaurant. Our proprietary pizza sauce is available only through the designated distributor. Currently, Shamrock Foods is the designated distributor for Restaurants on the West Coast and Reinhart Foods is the designated distributor for Restaurants on the East Coast. We are not affiliated with either company.

Fountain drinks. We have an agreement with Coca-Cola under which we have designated certain Coke® fountain drinks as exclusive products in Flippin' Pizza Restaurants (except for any Restaurants under a pre-existing agreement with another supplier, until the pre-existing agreement comes to an end). As a new franchisee, you must purchase and serve only these Coke® products.

POS system. We have designated Revention POS as the required point-of-sale system for Flippin' Pizza Restaurants. The owner and licensor of the Revention POS system is Revention, Inc., located at 1315 West Sam Houston Pkwy North, Suite 100, Houston, Texas 77043. We are not affiliated with Revention.

Music system. You must subscribe to the background music service that we specify, install the required equipment to facilitate playback in customer areas, and follow the playlist that we have approved for Flippin' Pizza Restaurants. We will evaluate audio specifications for each new Restaurant on a case by case basis, but each must provide an experience that is substantially similar to sound levels in existing Restaurants.

Advertising and promotional materials. All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Restaurant) and other items we designate must bear the Marks in the form, color, location and manner we prescribe. In addition, all advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements specified in the Manual or otherwise in writing. You must obtain our approval before you use any advertising and promotional materials and plans if we have not prepared or approved them during the 12 months before their proposed use. Any advertising and promotional materials you submit to us for our review will become our property.

Real estate lease or purchase contract. You must obtain our approval of the site for the Restaurant before you acquire the site. You must also obtain our approval of any contract of sale or lease for the Restaurant before you sign the contract or lease. As a condition of our approval, we may require that your landlord sign a lease rider containing some or all of the provisions set out in Exhibit B to the Development Agreement.

Insurance. Before you open your Restaurant, you must obtain the insurance coverages we require. Our current insurance requirements are set out in the Operations Manual. All policies must be with insurance companies authorized to do business in the state of the Restaurant location and with a Best's rating of A-VII or better. All of the policies must name us, those of our affiliates that we specify, and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds and must include a waiver of subrogation in favor of all those parties.

We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes.

Supplier approval process. If we require you to use an approved supplier or distributor for a particular item, but you wish to purchase the item from a source that we have not approved, you may submit a written request for approval of the supplier or distributor, unless it is an item for which we have designated a specific vendor. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We can 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, for testing. There is no stated fee for processing a request, but you may be asked to pay the cost of reviewing any proposed changes in, or deviations from, approved products or suppliers. 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 standards. Our supplier approval procedure does not obligate us to approve any particular supplier. We will notify you within 45 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier. We are not required to make available to you or to any supplier our criteria for product or supplier approval that we deem confidential.

We may negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of Flippin' Pizza operators. We have engaged Creative Purchasing Solutions, an outsourced supply chain management company based in Orlando, Florida, to oversee our purchasing arrangements. Creative Purchasing may, among other things, conduct reviews of proposed suppliers, negotiate prices and terms, and monitor supplier performance. As of the date of this disclosure document, Creative Purchasing charges our Restaurants $0.25 per piece for its supply chain management services.

If we establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all Flippin' Pizza Restaurants, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the brand.

As noted above, our supply arrangements may include payments from vendors to support the Flippin' Pizza brand. The payments may include rebates or commissions calculated as an amount per case, an amount per pound, an amount per gallon, and a percentage of the invoice price. Payment may also be in the form of participation fees per Restaurant, marketing contributions for joint promotion of the supplier's products with our brand, and sponsorship fees for conferences and other events. We will use any restricted funds in the manner agreed with the supplier. Subject to these agreements and applicable state law, we have no obligation to use vendor payments in a particular fashion or to pass them through to you. We reserve the right to retain any or all rebates, commissions, fees, and other economic benefits received from unaffiliated suppliers based on franchisees' purchases.

During the fiscal year ended December 31, 2016, FPI received $100,885 in rebates from suppliers. This was 9.8% of FPI's total 2016 revenue of $1,030,221.

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 70% to 75% of your total purchases in establishing the Restaurant, and approximately 90% to 95% of your total purchases in the continuing operation of the Restaurant.

As of the date of this Disclosure Document, there are no purchasing or distribution cooperatives in our franchise system, and none of our officers owns an interest in any of our approved suppliers.

We do not provide material benefits to franchisees based on their purchase of particular products or services or use of particular suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

In the table below, FA means the Franchise Agreement and DA means the Development Agreement.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/ lease	FA – Sections 4 and 7 DA – Section 3	Items 8 and 11
b. Pre-opening purchases/leases	FA – Sections 6 and 7	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	FA – Section 4	Items 1, 8 and 11
d. Initial and ongoing training	FA – Section 5 and 7	Items 5, 6 and 11

Obligation	Section in Agreement	Disclosure Document Item
e. Opening	FA – Section 4	Items 5, 6 and 11
f. Fees	FA – Sections 4, 5, 8, 9, 16, 17 and 20 DA – Sections 2 and 3	Items 5 and 6
g. Compliance with standards and policies/Manuals	FA – Sections 4, 7, 9, 10, 11, 12, 13 and 14	Items 11 and 14
h. Trademarks and proprietary information	FA – Sections 1 and 12 and Appendix C DA – Section 6	Items 11, 13 and 14
i. Restrictions on products/services offered	FA – Sections 2, 6 and 7 DA – Section 1	Items 8 and 16
j. Warranty and customer service requirements	FA – Section 7	Item 8
k. Territorial development and sales quotas	DA – Section 3	Item 12
l. Ongoing product/service purchases	FA – Section 7	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	FA – Sections 4 and 7	Items 8 and 11
n. Insurance	FA – Section 10 DA – Section 11	Items 7 and 8
o. Advertising	FA – Sections 7, 11 and 12	Items 6, 8 and 11
p. Indemnification	FA – Section 26 DA – Section 11	Item 6
q. Owner's participation/ management/staffing	FA – Sections 5, 7 and 9	Items 1, 11 and 15
r. Records and Reports	FA – Section 9	Item 6
s. Inspections and audits	FA – Sections 4, 7, 9 and 12	Items 6, 8 and 11
t. Transfer	FA – Section 16 DA – Section 7	Items 6 and 17
u. Renewal	FA – Sections 3 and 20	Items 6 and 17
v. Post-termination obligations	FA – Sections 12,15 and 18 DA – Section 6	Items 6 and 17
w. Non-competition covenants	FA – Section 14, 15, 19 and Appendix C DA – Section 6 and Appendix D	Item 17
x. Dispute Resolution	FA – Section 24 DA – Section 13	Items 6 and 17

Obligation	Section in Agreement	Disclosure Document Item
y. Liquidated Damages	FA – Section 17	Item 6

ITEM 10
FINANCING

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

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

Except as listed below, FPI is not required to provide you with any assistance.

Pre-Opening Obligations - Development Agreement:

Under the Development Agreement, before your Restaurant opens, we will:

1. Review information and materials we request to evaluate your proposed site and to assess your financial capability to develop the site and, if the site meets our criteria, approve the site for a Restaurant (Development Agreement – Section 3.1).

2. Furnish you with our general criteria for site selection and with site selection counseling and assistance as we deem appropriate (Development Agreement – Section 3.1).

3. Conduct on-site evaluations, as we deem advisable, as part of our evaluation of the site for a Restaurant (Development Agreement – Section 3.1).

Pre-Opening Obligations - Franchise Agreement:

Under the Franchise Agreement, before you open the Restaurant, we will:

1. Review, as we deem advisable, your preliminary and final drawings and specifications for the Restaurant and, if the specifications meet our criteria, provide our approval (Franchise Agreement, Section 4.1). We will also designate your Territory (see Item 12).

2. Conduct on-site evaluations, as we deem advisable, during the Restaurant construction (Franchise Agreement, Section 4.1).

3. Provide, on loan, our Confidential Operations Manual, which we may revise during the term of your Franchise Agreement (Franchise Agreement, Section 13).

4. Provide a list of our approved suppliers, which is subject to change during the term of your Franchise Agreement (Franchise Agreement, Section 6.1).

5. Conduct an initial training program at a location that we specify, as described below (Franchise Agreement, Section 5.1).

6. Review your grand opening marketing plan to promote the opening of your Restaurant (Franchise Agreement, Section 11.3).

7. At your request, provide on-site opening support. If you request on-site opening support, you must pay our then-current per diem fee (see Item 6) for each day our representative provides support (Franchise Agreement, Section 4.5).

Continuing Obligations

Under the Franchise Agreement, after the Restaurant opens, we will:

1. Visit and evaluate the Restaurant and the products and services provided, as we reasonably determine necessary to make sure that our high standards of quality, appearance and service of the System are maintained (Franchise Agreement, Section 7.9).

2. Provide advice and written materials (including updates to the Manual) concerning techniques of managing and operating the Restaurant, including new developments and improvements in equipment, food products, recipes, packaging and preparation (Franchise Agreement, Section 13).

3. Provide initial training to new Restaurant managers. We may also conduct additional required or optional training programs, meetings, seminar and conferences (Franchise Agreement, Sections 5.2 and 7.21).

4. Administer the Brand Fund (Franchise Agreement, Section 11.2).

5. Make available creative materials designed by the Brand Fund, at our cost of reproduction (Franchise Agreement, Section 11.2.2).

6. Defend you against any third-party claim that your use of the Marks or the Works infringes the rights of the third party (at our expense, if you have fully complied with the terms of the Franchise Agreement (Franchise Agreement, Section 12.6).

Advertising

Grand Opening Marketing: You must conduct grand opening marketing to promote the opening of your Restaurant. See Item 7 for the amount you must spend. You must submit your grand opening marketing plan and budget at least 30 days before your Restaurant's opening for our approval.

Brand Fund: The Brand Fund began operating in the first quarter of 2016. The purpose of the Brand Fund is to support general development and recognition of the FLIPPIN' PIZZA brand in the U.S.A. You must contribute 2% of Gross Sales to the Brand Fund. If we or our affiliates operate any Flippin' Pizza Restaurants in the USA, those Restaurants will contribute to the Brand Fund on the same basis as franchisees.

We will administer the Brand Fund as follows:

1. We direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund. We have final discretion over strategic direction, creative concepts, materials and endorsements used therein, and the geographic, market and media placement and allocation thereof.

2. We can use the Brand Fund as we determine in our sole discretion, including but not limited to: satisfy the costs of preparation and production of video, audio, written, online and mobile marketing materials; purchasing promotional items; sponsorship of sporting, charitable, or similar events; design, establishment, and maintenance of websites, social media, mobile applications and other electronic marketing; implementation of advertising programs and in-store promotions, including purchasing direct mail and media advertising and employing advertising agencies to assist us; other public relations, marketing, consumer research, and promotional activities, including product testing and test marketing programs, development, testing, and implementation of trade dress and design prototypes, and fulfillment charges; reasonable salaries and expenses of employees of FPI or our affiliates working for or on behalf of the Brand Fund or on advertising, marketing, public relations materials, programs, or activities or promotions prepared, planned or undertaken on behalf of the Brand Fund; administrative costs and overhead incurred in activities reasonably related to the administration and activities of the Brand Fund; fees of accounting firms, design firms, public relations firms, consultants and ad agencies; legal fees for advertising pre-clearance, defense of false advertising claims, and defense of any claims made regarding our administration of the Brand Fund; and interest on any monies borrowed by the Brand Fund.

3. We will make available to you any creative materials designed by the Brand Fund. You agree to pay or to reimburse us for any costs to reproduce the materials and/or to customize the materials for your use.

4. We may seek the advice of FLIPPIN' PIZZA franchisees by formal or informal means with respect to the creative concepts and media used for programs financed by the Brand Fund.

5. We will deposit the Brand Fund contributions in a separate account. We may reimburse ourselves out of the Brand Fund for our reasonable administrative costs and expenses that we may incur in the administration or direction of the Brand Fund and advertising programs, but not more than 1/3 of the Brand Fund. The Brand Fund and its earnings will not otherwise benefit us. The Brand Fund is operated solely as a conduit for collecting and expending the Brand Fund Fees as outlined above. Any sums paid to the Brand Fund that are not spent in the year they are collected will be carried over to the following year.

6. We will prepare an annual statement of the operations of the Brand Fund and will make it available to you if you request it. We are not required to have the Brand Fund audited.

7. Although the Brand Fund is intended to be perpetual, we may terminate the Brand Fund at any time. The Brand Fund will not be terminated until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Brand Fund, we have the right to reinstate it at any time and you must again contribute to the Brand Fund.

We currently advertise the Restaurants and the products offered by the Restaurants primarily using point of purchase advertising materials, SMS messaging, electronic and internet marketing, public relations and promotions, and print media. As the number of Restaurants in the

System expands, we envision using other forms of media, including television, radio, internet, magazine and newspaper advertising campaigns; and direct mail and outdoor billboard advertising. The majority of our advertising is developed by members of our staff or third-party consultants. No money will be spent from the Brand Fund for advertising that is primarily a solicitation of franchise sales.

During the fiscal year ending December 31, 2016, we spent a total of $188,716 from the Brand Fund. Of this total expenditure, approximately 14% went for production, 6% for media placement, 28% for administrative expenses, and 53% for print collateral, secret shopper services, and consulting services.

Local Store Marketing: You must spend at least 1% of Gross Sales annually for local advertising and promotion of your Restaurant. Discounts, promotional items, and food products that you give away in order to promote the Restaurant will count toward your Local Store Marketing obligation, but only at your cost (not the retail value) of the products.

Any advertising that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12 month period must be submitted to us for our approval before you may use it. Proposed advertising materials are deemed to be disapproved unless we have approved them in writing within 15 days after you submit them. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

We reserve the right to require you to include certain language in your local advertising, such as "Franchises Available" and our website address and telephone number.

Joint Marketing Programs and Cooperatives: We have the right to establish: (1) co-marketing programs in which we, franchisees and licensees join with suppliers or other third parties to cross-promote goods and services; (2) joint marketing efforts in which multiple franchisees and/or licensees contribute to a specific ad or event; and/or (3) local or regional marketing co-operatives ("Cooperatives") that pool funds of franchisees on an ongoing basis to jointly promote the Marks and the FLIPPIN' PIZZA Restaurants of the members. You must participate in each applicable joint marketing program and comply with the rules of the program.

With respect to Cooperatives, we have the right to designate any geographic area or set of common characteristics for purposes of establishing a Cooperative, or we may approve the formation of a Cooperative by a group of franchisees. We do not have any Cooperatives as of the date of this disclosure document.

If an existing Cooperative is applicable to your Restaurant at the time it opens for business, you must become a member of the Cooperative. If a Cooperative applicable to your Restaurant is established during the term of your franchise, you must become a member within 30 days after the date we approve for the Cooperative to begin operation. You will not have to contribute to more than one Cooperative at a time for the same Restaurant. We (or our affiliates, as the case may be) will become a member in any Cooperative applicable to a FLIPPIN' PIZZA Restaurant owned by us or our affiliates.

Each Cooperative will adopt a cooperative agreement governing the organization and operation of the Cooperative, subject to our approval. If the members of the Cooperative do not sign an agreement within a reasonable time, they must use our recommended form of Cooperative Agreement. We reserve the right to change the form of organization, governing documents, and manner of operation of any Cooperative, and you and the other members agree to implement any such change promptly after notice from us. No changes in the bylaws or other governing documents of a Cooperative may be made without our prior written consent.

You and each other member of the Cooperative must contribute to the Cooperative a percentage of Gross Sales determined by the membership, not to exceed 1.5% of Gross Sales. Your obligation for Local Store Marketing will be reduced by the amount of your contributions to the Cooperative, but if the amount you contribute to a Cooperative is less than the amount you must spend on Local Store Marketing, you must still spend the difference locally. No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without first obtaining our approval.

We may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative and/or from the obligation to contribute (including a reduction, deferral or waiver of the contribution), upon written request stating reasons that we deem sufficient to support the exemption. Our decision concerning any request for exemption will be final. If we grant an exemption to a franchisee, the franchisee will be required to spend on Local Store Marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative.

Electronic Marketing and Electronic Communications: Unless we have agreed to it in writing, you may not use, register, maintain, or sponsor any website, URL, social media, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or Internet presence that uses or displays any of the Marks (or any derivative thereof) or that promotes any products or services of the Restaurant. The use of any electronic medium constitutes advertising and promotion subject to our approval. You agree not to post or transmit, or cause any other party to post or transmit, advertisements or solicitations by telephone, e-mail, text message, instant message, website, social media, mobile apps, VoIP, streaming media, or other electronic media that are inconsistent with our brand advertising guidelines and standards. The brand advertising standards may include the use of disclaimers, warnings, and other statements that FPI may prescribe. All social media accounts, profiles, pages, and registrations that primarily promote the Marks or the Restaurant must be requested through us. We will register them in our own name and provide you with administrative access only, retaining ownership and ultimate control. We may offer to provide, or may require that you have, a website for your Restaurant (which may be structured as a separate page of a consumer website(s) supported by the Brand Fund) and we may charge you a reasonable fee for development and/or support of the Restaurant-specific site.

Other than administering the Brand Fund as described above, we do not have an obligation to conduct advertising. If we do so, it will likely be in local media but could be in media with regional or national coverage.

Advisory Council: We do not have a formal advisory council of franchisees to advise us on advertising policies, but we may consult franchisees informally. We reserve the right to establish an advisory council to work with us to improve various aspects of our System, including advertising, merchandising, food products, and other items. If we choose to establish an advisory council, its members will include franchisee representatives and our representatives. The franchisee representatives may be chosen by us or elected by other franchisees. If you are selected to participate in an advisory council, you will pay any costs you incur related to your participation, such as travel and living expenses to attend meetings. If established, the advisory council will act in an advisory capacity only and will not have decision making authority. We have the right to form, change, merge or dissolve any advisory council at any time.

Training

No later than 30 days before the date the Restaurant begins operation, you or your Key Person and one additional employee (for a maximum of two people) must attend and complete, to our satisfaction, our initial training program. We will conduct this training at an existing Flippin' Pizza Restaurant located in Dallas, Texas or San Diego, California, or at our corporate headquarters in California, or at another location we designate. Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement general managers and other personnel needing training, the number of new Restaurants being opened and the timing of the scheduled openings of Restaurants. It is anticipated that the initial training program will be offered five or six times a year.

We will provide instructors and training materials for the initial training, but you must pay the expenses incurred by you and your trainees while attending training. You may also have additional personnel trained by us for the Restaurant, at your expense (see Item 6). We will determine whether the Key Person has satisfactorily completed initial training. If the Key Person does not satisfactorily complete the initial training program or if we determine that this person cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training before you will be permitted to open your Restaurant. Any Key Person subsequently designated by you must also receive and complete the initial training to our satisfaction, even if this requires sending that manager to the training program, at your expense. We reserve the right to charge a reasonable fee for the initial training we provide to a replacement or successor employee if we have not approved you to provide the training (see Item 6). You must also pay for all expenses you and your Key Person and other personnel incur for any training program, including costs of travel, lodging, meals and wages.

At your request, and subject to the availability of our personnel, we will provide you with one of our representatives to provide on-site opening assistance. If you request on-site opening assistance, you must pay our then-current per diem fee (see Item 6) for each day our representative provides assistance. For opening assistance only, the per diem fee will be used by us to pay all of our representative's expenses while providing the assistance.

If, during the term of your Franchise Agreement, you request that we provide additional training on-site at your Restaurant, you must pay our then-current per diem fee for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals (see Item 6).

Our trainers have over 25 years of combined experience in the restaurant business and at least 5 years of experience with the Flippin' Pizza concept.

The instructional materials used in the initial training consist of our Operations Manual, marketing and promotion materials, and any other materials that we believe will be beneficial to our franchisees in the training process.

The training schedule and activities of the initial training program are described below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Orientation/Prep/Cook (safety first, making dough daily and completing all daily prep items, opening procedures, begin spinning out and making pies daily)	6 hours, including a daily one on one providing feedback on progress, a test at the end of the week with a performance review by Training GM	40	Dallas, Texas or San Diego, California
Front of House (safety first, making dough, continue opening procedures, work register, phones, spinning out and making pies daily)	6 hours, including a daily one on one providing feedback on progress, a test at the end of the week with a performance review by Training GM	40	Dallas, Texas or San Diego, California
Administration (safety first, making dough daily, spinning out and making pies daily, EOW paperwork, food cost analysis, scheduling, ordering, daily and weekly reports)	6 hours, including a daily one on one providing feedback on progress, a test at the end of the week with a performance review by Training GM	40	Dallas, Texas or San Diego, California
Running Shifts (safety first, making dough, spinning out and making pies daily, running shifts, pulling it all together)	8 hours, including a daily one on one providing feedback on progress, a test at the end of the week with a performance review by Training GM	40	Dallas, Texas or San Diego, California
Marketing Training (brand strategy; marketing tools & distribution; community marketing; fundraising program)	5 hours, including a one on one overview of strategies, programs and tools, followed by a field ride with one or more members of the Marketing Department	5	Dallas, Texas or San Diego, California

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the experience of those persons being trained.

In addition to the initial training program and any additional on-site assistance or training you request, as described above, we may offer refresher training programs or an annual meeting of our franchisees. We may designate that attendance at any refresher training program or annual meeting is mandatory for you and/or your Key Person. We will choose the location for any refresher training or annual meeting, which may be our headquarters, a conference center or resort close to our headquarters or a hotel. We will not designate an unreasonably expensive site. We expect that refresher training and/or annual meetings will last for up to seven days for refresher training and up to three days for an annual meeting.

Refresher training programs generally include training in new methods and techniques, as well as an overview of basic concepts for operating a Flippin' Pizza Restaurant. Annual meetings may include some training, but generally give our franchisees the opportunity to meet each other and exchange ideas. The annual meeting also gives us an opportunity to discuss with our franchisees ideas to improve the System, menu items, marketing and other items of general interest. We will bear the costs of presenting any refresher training program or annual meeting, or we may use money from the Brand Fund to pay these costs. You must pay for the expenses of your trainees/attendees, including travel, lodging, meals and wages.

Operations Manual

The Table of Contents for our Operations Manual is attached to this Disclosure Document as Exhibit F. Our Operations Manual contains approximately 160 pages.

Site Selection and Opening

The procedure for securing a location for each Restaurant is outlined in Section 3 of the Development Agreement. You must identify and obtain a site for each Restaurant at your own expense. We will furnish you with our general criteria for site selection and with site selection counseling and assistance as we deem appropriate. The criteria we use when evaluating a site include: general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings, ease of access to the location, visibility to the site, co-tenants within the building, lease terms, and level of competition in the area, and demographic characteristics such as income levels, household size, population density and ethnic mix.

Before acquiring a site by lease or purchase, you must submit any information and materials we request to evaluate the site and to assess your financial capability to develop the site, along with a letter of intent or other evidence of your ability to obtain the site. We will conduct an on-site evaluation of each proposed site, unless we waive this requirement in our sole discretion. You must pay us a per diem charge for each day that our representative spends in the Development Area to review proposed sites (see Item 6). If we do not approve any of the proposed sites on the initial site review trip, you must pay the reasonable travel and lodging expenses of our representative (in addition to the per diem charge) for any subsequent site review trips for the same Restaurant. We will either approve or reject a proposed site within 30 days after conducting our on-site evaluation or receiving all information and materials we have requested for the site, whichever is later. Approval or rejection is at our sole discretion. No site will be deemed to have received our approval unless it has been approved in writing by an officer of FPI with authority to give approval. If we reject your proposed site, we will encourage you to submit alternative sites. If you do not obtain approval of a site, eventually you will miss your agreed deadlines for Restaurant openings and we will have the right to terminate your Development Agreement.

If you will occupy the approved site under a lease, you must submit the proposed lease to us for approval before signing it. As a condition of our approval, we may require that the lessor execute a lease rider containing some or all of the provisions set out in Exhibit B to the Development Agreement. You must furnish us with a copy of each executed lease and lease rider within 10 days after signing.

When we receive a signed copy of the lease and lease rider for the approved site, we will issue a Franchise Agreement and the site will be the "Approved Location" referred to in the Franchise Agreement. You must return the executed Franchise Agreement and pay the initial franchise fee within 20 days of your receipt of the Franchise Agreement, or we can withdraw our approval of the site. Concurrently with signing each Franchise Agreement, you and the Owners must sign and deliver a general release of any and all claims against us and our affiliates, officers, directors, employees, agents, successors and assigns, subject to any limits or exceptions imposed by applicable law.

We estimate that the time from when you sign the Franchise Agreement to the opening of the Restaurant will be approximately 6 months to one year. This time may be shorter or longer depending on the time necessary to obtain a site, to obtain financing, to obtain the permits and licenses for the construction and operation of the Restaurant, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Restaurant (including decorating, purchasing and installing fixtures, equipment and signs), and to complete preparation for operating the Restaurant, including purchasing inventory and supplies.

You must open the Restaurant by the date specified in the Appendix to your Franchise Agreement, which will typically be 9 months after we approve the site for the Restaurant. If you request an extension of the opening deadline, we have complete discretion whether to give an extension. If we agree to an extension, we have the right to charge you an extension fee (see Item 6).

Computer Systems

As of the date of this disclosure document, we require franchisees to use the Revention POS system licensed by Revention, Inc. of Houston, Texas. The point of sale system is used to collect and monitor point of sale information and to create business reports, and may be used to collect and monitor inventory control and shrinkage, payroll and accounting information, processing gift cards and loyalty cards, on-line orders, delivery orders, and credit card sales.

The point of sale system is designed to enable us to have independent access to the information monitored by the system, and there is no contractual limitation on our right to access or use the information we obtain. You must install and maintain equipment and a high-speed telecommunication line in accordance with our specifications to permit us to access the point of sale system at the Restaurant premises as described above. This will permit us to electronically inspect and monitor information concerning your Restaurant's Gross Sales and any other information that may be contained or stored in the point of sale system. You must make sure that we have access at the times and in the manner we specify, at your cost.

As of the date of this disclosure document, the cost of the Revention POS system is between $11,500 and $16,400 per Restaurant. You must also purchase a maintenance contract from Revention at a cost of approximately $2,400 per year per Restaurant. We reserve the right to change the designated point of sale system.

You must obtain any upgrades and/or updates to the software used with the point of sale system, at your expense. In addition, we may require you to update and/or upgrade all or a portion of your point of sale system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your point of sale system or the cost of any update and/or upgrade. Neither we nor any of our affiliates will provide you with any maintenance, updates and/or upgrades for your point of sale system.

You must obtain and maintain Internet access or other means of electronic communication, as specified by us. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. We must have access at all times and in the manner that we specify.

You must participate in the on-line and mobile ordering system we designate, which will permit your customers to order menu items remotely for pick up at your Restaurant. The cost of the Revention POS system includes the initial fee to set up on-line and mobile ordering for your Restaurant. However, you must also pay Revention a monthly fee for this program, which is currently $59.

You must participate in the loyalty program we designate (currently, Honeycomb), which will serve as a marketing communications tool to reward and retain customers. The initial setup fee for the Honeycomb Loyalty Program is included in the cost of the Revention POS system; however, you must also pay Revention a monthly fee for this program, which is currently $60.

You must participate in an online reporting system we designate (currently, Enterprise), which will permit us to access your register reports and sales. The initial fee to set up Enterprise for your Restaurant is included in the cost of the Revention POS system. However, you must also pay Revention a monthly fee for this program, which is currently $49.

ITEM 12
TERRITORY

Development Agreement: Under the Development Agreement, we grant you the right and you undertake the obligation to develop a minimum number of Flippin' Pizza Restaurants in the Development Area. We typically define the Development Area in terms of municipal or county boundaries, but we may define it as a specified trade area within a municipality. The size of the Development Area will vary depending on the number of Restaurants you commit to develop, our long range development plans, your financial and operational resources, and population and market conditions. We have no obligation to approve sites which do not meet our criteria.

Except as described below, during the term of the Development Agreement, we and our affiliates will not operate, and will not grant anyone else a franchise to operate, a Restaurant located within the Development Area.

We and our affiliates retain the right to acquire, establish, operate, and franchise or license others to operate Non-Traditional Outlets in the Development Area. "Non-Traditional Outlet" means a mobile or temporary foodservice outlet (such as a food truck, cart, kiosk, or so-called "pop-up" restaurant) or a foodservice outlet at a facility where the primary function is not a restaurant business, such as (but not limited to) a performing arts arena, sports stadium, shopping mall, department store, retail store, wholesale club, grocery store, supermarket, casino, amusement park, fairground, college or university, factory, hospital, penal institution, military base, airport, turnpike, limited access highway rest stop, or other transportation facility. We and our affiliates may also sell products under the Marks within the Development Area through any method of distribution other than a Flippin' Pizza Restaurant, including sales through channels of distribution such as the Internet, catalog sales, grocery stores, club stores, telemarketing or other direct marketing sales. We have no obligation to compensate you for our sales through alternative distribution channels.

We and our affiliates also retain the right to own, acquire, establish, operate, and franchise or license others to establish and operate other restaurant concepts under names and marks other than FLIPPIN' PIZZA, at any location within or outside of the Development Area, even if the restaurant concepts or businesses are similar to FLIPPIN' PIZZA Restaurants. However, while the Development Agreement is in effect, if we acquire the ownership or assets of any business operating at one or more sites located within the Development Area that we determine in our sole discretion to convert to a FLIPPIN' PIZZA Restaurant (a "Conversion Restaurant"), we will offer to sell the Conversion Restaurant to you for the price we paid for it. Any Conversion Restaurant that you purchase and convert under this Section will be counted toward the minimum cumulative number of FLIPPIN' PIZZA Restaurants required by the Development Schedule.

To maintain your rights under the Development Agreement, you must have open and in operation the cumulative number of Flippin' Pizza Restaurants stated in the Development Schedule by the deadlines agreed upon in the Development Schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Development Agreement. Other than your obligation to satisfy the Development Schedule, there are no minimum sales, market penetration goals or other contingency that you must meet to keep the territorial protection of your Development Area.

Upon completion of the Development Schedule, your territorial protection with respect to the Development Area will terminate and we and our affiliates will have the right to operate and to grant others development rights and franchises to develop and operate Restaurants within the Development Area. This right will be subject only to the Protected Areas defined in the Franchise Agreements you have signed for Restaurants in the Development Area.

Franchise Agreement: Under the Franchise Agreement, we grant you the right to operate a Restaurant at a specific location. If you wish to relocate your Restaurant, or if the Restaurant is damaged or destroyed and cannot be repaired within 60 days, you must submit the information we require concerning the proposed new location, and you must meet certain other requirements, such as being in compliance with the Franchise Agreement and signing our then-current form of Franchise Agreement. We will use our then-current criteria in reviewing a proposed new location for your Restaurant. If we permit you to relocate, you will not pay a new initial franchise fee when you sign the new Franchise Agreement, but you must pay our then-current relocation fee for our expenses related to reviewing your relocation request.

While the Franchise Agreement is in effect, we will not operate a Flippin' Pizza Restaurant or authorize others to operate a Flippin' Pizza Restaurant in the Protected Area defined for your Restaurant, except as described below. There are no circumstances under which we can alter the Protected Area before your Franchise Agreement expires or is terminated, but we have the right to re-evaluate your Protected Area when you request renewal of your franchise rights, as described below. Your territorial protection does not depend on your achieving a certain sales volume, market penetration, or other factor, other than compliance with the Franchise Agreement.

The Protected Area will be defined in Appendix A to the Franchise Agreement. Unless otherwise specified, the Protected Area will be the area within a radius of 0.25 mile to 1 mile from the front door of the Approved Location. In urban areas, the Protected Area may be smaller or you may not receive a Protected Area.

We may define service areas for delivery, catering and/or wholesaling programs ("Off-Premises Programs") that differ from the Protected Area for the Restaurant.

We and our affiliates retain the right to acquire, establish, operate, and franchise or license others to operate Non-Traditional Outlets (as defined above) in the Protected Area. We and our affiliates also retain the right to acquire and operate other restaurants or food service businesses located or operating in your Protected Area.

We and our affiliates may also sell products under the Marks within the Protected Area through any method of distribution other than a Flippin' Pizza Restaurant, including sales through channels of distribution such as the Internet, catalog sales, grocery stores, club stores, telemarketing or other direct marketing sales. We have no obligation to compensate you for our sales through alternative distribution channels. Any orders placed through our Website for non-menu items (such as memorabilia) will be fulfilled by us and you will not receive any portion of our revenue from these sales.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned restaurants which sell our products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Although you will receive the territorial protection described above, 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.

Except for Off-Premises Programs expressly authorized by us, you may not sell products or services through any channel or facility other than to retail customers for consumption on the Restaurant premises or for personal carry-out consumption. If you request approval of any other distribution channel or type of outlet, we will consider the factors we deem appropriate, which may include the period of time you have been operating the Restaurant, your sales volume, whether you have met certain quality standards and other benchmarks, and other standards that we may determine.

* * *

Other than your right to develop Restaurants under a Development Agreement, we do not grant you any options, rights of first refusal, or similar rights to acquire additional franchises.

[Remainder of page intentionally left blank]

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us, including the Marks described in Item 1. You may use these Marks only in the manner we authorize and only for the operation of your Franchised Restaurant. The Development Agreement does not give you the right to use the Marks or our System.

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 sign 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 ownership of, or our rights in and to the Marks.

Our parent company, FPB, LLC, has registered the following Marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Mark	Registration Date	Registration Number
Flippin' Pizza New York Style (and design)	May 13, 2008	3426016
Flippin' Pizza New York Pies & Slices (and design)	December 3, 2013	4442945

FPB, LLC intends to file all affidavits and to renew its registrations for these Marks as they become due.

In addition, FPB, LLC has applied for registration of the following mark on the Principal Register of the United States Patent and Trademark Office:

Mark	Serial No.	Application Date
FLIPPIN' PIZZA NY PIES & SLICES	87296851	January 11, 2017

Although FPB, LLC has filed this application, we do not have a federal registration for the marks in the foregoing chart. Therefore, this mark does not have the same legal benefits and rights as a federally registered trademark. If our right to use this mark is challenged, you may have to change to an alternative mark, which may increase your expenses.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings, and no pending litigation involving any of the principal Marks that may be relevant to their use in any state.

There are no agreements currently in effect which limit our right to use or to license others to use the Marks, except for the trademark license agreement between us and our parent company dated November 19, 2010. The license agreement term is for 99 years, with automatic annual extensions thereafter, and does not contain any specific provisions under with the license can be terminated.

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal Marks. You must immediately notify us 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. We have the exclusive right to control any litigation or USPTO or other administrative or agency proceeding caused by any infringement, challenge or claim relating to any of the Marks. You must sign 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 USPTO or other administrative or agency proceeding.

We will defend you against third-party claims that your use of the Marks infringes any rights of the third party, at our expense provided that you have complied with the Franchise Agreement in using the Marks.

Except as provided 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 intend to defend the Marks vigorously.

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 trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin if we determine that an addition or substitution will benefit the System.

Your license to use the Marks is non-exclusive. We retain certain rights, including the following:

1. To grant other licenses for the use of the Marks in addition to those licenses already granted to existing franchisees and development agents;

2. To develop and establish other systems using the Marks or other names or marks, and to grant licenses or franchises in those systems without providing any rights to you; and

3. To engage, directly or indirectly, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services and (b) the use of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans,

emblems, symbols, designs and other identifying characteristics we may develop for that purpose.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. We and our affiliates claim copyright protection for our advertising materials, the Manual, training materials, our website, and other written, photographic, audio or other materials. However, neither we nor our affiliates have registered the copyrights in any of these materials.

We claim proprietary rights in the recipe for our pizza sauce, which we protect as a trade secret and disclose only to our licensed manufacturer.

You are prohibited, both during and after the term of the Franchise Agreement, from communicating or divulging Confidential Information to any unauthorized person and from using Confidential Information for your benefit or for the benefit of any other person, other than for operation of the Restaurant. "Confidential Information" means all knowledge and data not generally known to the public, whether or not constituting trade secrets, that we disclose to you and/or the Owners or that you obtain by virtue of any franchise activities, including but not limited to: (i) methods, techniques, specifications, standards, policies, procedures, and design and layout plans relating to the construction and operation of FLIPPIN' PIZZA Restaurants; (ii) marketing and promotional programs for FLIPPIN' PIZZA Restaurants; (iii) loyalty card data and other information concerning consumer preferences; (iv) inventory requirements and specifications; (iv) ingredients, recipes, formulations, mixes and methods of preparing, serving, and packaging Proprietary Products; (v) sales, operating results, financial performance and other financial data of FLIPPIN' PIZZA Restaurants; (vi) the contents of the Operations Manuals and our training programs; (vii) supplier lists, terms of purchase, and other information concerning the selection and sourcing of food and paper products, equipment and supplies; (viii) marketing studies, cost studies, marketing plans and techniques, and promotion and marketing aids; (ix) research and development, test results, and feasibility studies; and (x) business plans and non-public financial information of or about us and our affiliates.

You may divulge Confidential Information only: (i) to your employees and agents who must have access to it in order to carry out their duties relating to the Restaurant; and (ii) to your contractors and landlord with our prior written approval. All information, knowledge, trade secrets, know-how, techniques, and other data that we designate as confidential is deemed to be Confidential Information, except information that you can demonstrate came to your attention by lawful means before we disclosed it to you, or that, at or after the time of our disclosure to you, had become or later becomes a part of the public domain, through publication or communication by others.

At our request, you must require your Owners, Key Person, officers, and Restaurant managers to sign a separate Confidentiality and Non-Competition Agreement in the form of Appendix C to the Franchise Agreement, and must use your best efforts to obtain signed confidentiality agreements from your landlord, contractors, and any other person outside of your organization to whom you wish to disclose any of our Confidential Information. The confidentiality agreements must be in a form satisfactory to us and identify us as a third party beneficiary with the independent right to enforce the agreement.

If you or any Owner, employee or agent develops any new concept (including any advertising concept or idea), product, process, or improvement or slogan relating to the operation or promotion of the Restaurant ("Improvement"), you must promptly notify us and provide us with all related information, without compensation. Any such Improvement is our property and you must sign all documents necessary to verify assignment of the Improvement to us. You may not introduce any Improvement into the Restaurant without our prior written consent.

To the extent permitted by applicable law, all data that you collect from customers of the Restaurant or through marketing is deemed to be owned exclusively by FPI and our affiliates. The customer and marketing data is Confidential Information, and you must install and maintain the security measures and devices necessary to protect the customer data from unauthorized access or disclosure. You may not sell or disclose to anyone else any personal or aggregated information concerning any customers without first obtaining our written consent. You have the right to use the customer data only in connection with the Restaurant while the Franchise Agreement is in effect. In the event of an approved sale of the Restaurant to a new owner who will continue to operate the Restaurant under an agreement with us, you may transfer the customer data to the buyer as part of the going concern value of the business.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

When you sign your Development Agreement, you must designate an individual as your "Key Person." The Key Person is responsible for managing the day-to-day development activities and must have the authority to bind you in all decisions regarding development of the FLIPPIN' PIZZA Restaurants. The Key Person may be, but need not be, an Owner. The initial Key Person will be designated in Appendix A to the Development Agreement. The Key Person must be fluent in written and spoken English. We have the right to rely on any statement, agreement, or representation made by the Key Person. If the Key Person leaves the Developer's organization, you must nominate a new Key Person within 30 days thereafter. If you have not obtained our approval of a new Key Person within 90 days, you will be in material default of the Development Agreement.

You must also designate a Key Person under each Franchise Agreement, who may be the same person designated under the Development Agreement. The Key Person will be responsible for supervision and management of each Restaurant, and must satisfy our applicable training requirements. Each Restaurant must also have a Restaurant manager or assistant manager who has completed our training program.

The Key Person must attend all meetings, seminars and conferences that we specify as mandatory, including but not limited to an annual conference, marketing meetings for the marketing area in which the Restaurant is located, and special meetings related to new products or product preparation procedures, new System programs, new operations procedures or programs, financial management, sales or sales promotion, or similar topics. If the Key Person is not able to attend the meeting, seminar or conference, you must notify us before the meeting, seminar or conference and substitute another person from your organization to attend

The Owners and Key Person must agree to be personally bound by certain obligations under the Agreements, including confidentiality obligations and non-compete restrictions, and Owners must personally guarantee your performance under the Agreements. If an Owner resides in a community property state, we may also require his or her spouse to sign the Personal Guarantee.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale in the Restaurant all menu items, merchandise, and other products and services that we designate from time to time as required items, including beer and wine. You may also offer for sale any optional menu items, merchandise, products and services that we have approved for sale in FLIPPIN' PIZZA Restaurants, but you are prohibited from selling any unapproved food or beverage products or other products or services without our prior written consent. To ensure that all menu items meet our standards for taste, texture, appearance and freshness, all menu items must be prepared only by properly trained personnel in accordance with our recipes, cooking techniques, and processes as prescribed in the Operations Manuals. The recipes, cooking techniques and processes are integral to the System, and failure to adhere to them strictly (including the handling and storage of both ingredients and fully prepared menu items) will constitute a default of the Franchise Agreement. All products must be sold only in the weights, sizes, forms, and packages that we have approved. You must discontinue selling or offering for sale any menu items, merchandise, products or services that we disapprove at any time, in our sole discretion

You must maintain a sufficient inventory of food and beverage products, ingredients and supplies to meet the System Standards (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards).

To the extent permitted by applicable law where the Restaurant is located, we have the right to establish maximum and/or minimum prices that you must follow for menu items and other products and services sold in the Restaurant. You must participate in and comply with the terms of special promotional activities that we prescribe for FLIPPIN' PIZZA Restaurants generally or in specific geographic areas or for specific types of venues. These activities may include value menu, special offer, limited time offer, and other pricing promotions, and the featured price(s) may be less than your cost for the promoted item(s).

We have the right (but no obligation) to establish delivery, catering and/or wholesaling programs ("Off-Premises Programs"), either on our own or in conjunction with one or more outside vendors. Off-Premises Programs may be mandatory or optional for franchisees and may include online and telephone ordering features. If we establish a mandatory Off-Premises Program or you choose to participate in a voluntary program, you agree to pay the fees and costs associated with participation and to comply with all other rules and procedures that we specify for the program in the Operations Manuals or otherwise in writing. You acknowledge that you may have to purchase equipment, including a delivery vehicle, in order to participate in an Off-Premises Program. We may define service areas for Off-Premises Programs that differ from your Protected Area. We can modify or terminate an Off-Premises Program by notice to the participating FLIPPIN' PIZZA Restaurants.

You may not directly solicit catering customers outside of the Protected Area without our permission. "Direct solicitation" includes, but is not limited to, solicitation in person, by telephone, by mail, through the Internet, social media, email or other electronic means, and by distribution of brochures, business cards or other materials. If any direct solicitation of catering customers within the Protected Area is in media that will or may reach a significant number of persons outside of the Protected Area, you must notify us in advance and obtain our consent.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	3	Term is 10 years from the date of the Franchise Agreement.
b. Renewal or extension of the term	3 and 20	Agreement may be renewed at your option for one additional term of 10 years, unless we have announced a decision to stop franchising the FLIPPIN' PIZZA concept or we decide to withdraw the FLIPPIN' PIZZA concept from the metropolitan area that includes the Approved Location. In either case, we will notify you within 45 days after receipt of your notice of intention to renew, and we will waive the post-term restriction on competition (see r. below).
c. Requirements for franchisee to renew or extend	20	You must: provide notice that you wish to renew your Franchise Agreement; be current in all payments and not in default of your Franchise Agreement; have a good record of customer service; demonstrate the right to remain in possession of the Approved Location for the full renewal term; implement design changes or remodeling, if the Restaurant is due for them; sign renewal Franchise Agreement; pay renewal fee; sign a release; and attend additional or refresher training. The terms of the renewal Franchise Agreement may be materially different from the terms of your expiring contract, including with respect to fees charged.
d. Termination by franchisee	17.7	You may terminate the Franchise Agreement only if: (a) we commit a material breach of the Agreement; (b) you give us written notice of the breach; (c) we fail to cure the breach, or to take reasonable steps to begin curing the breach, within 60 days after receipt of your notice; and (d) you are in full compliance with your own obligations.
e. Termination by franchisor without cause	Not applicable	None, except that the Agreement terminates without cause when the term expires.

Provision	Section in Franchise Agreement	Summary
f. Termination by franchisor with "cause"	17.1, 17.2, 17.3	Depending on the nature of the breach, the Franchise Agreement terminates without notice, we can terminate on notice, or we can terminate only after giving you notice and an opportunity to cure the default.
g. "Cause" defined – curable defaults	17.3 to 17.6	Unless a default is specified to be non-curable, you will have 30 days to cure after written notice (7 days for monetary defaults; 24 hours for serious health or safety violation). In addition, a curable default under any other agreement you or an affiliate has with us will constitute a curable default of the Franchise Agreement. This is known as a cross-default provision.
h. "Cause" defined – non-curable defaults	17.1, 17.2 and 17.5	Non-curable defaults include: insolvency or bankruptcy (to the extent permitted by law); failure to open Restaurant by deadline; abandonment or unauthorized closing of the Restaurant; loss of your lease; refusing to permit inspection or audit; violation of non-compete restrictions; sale or assignment of any interest in the Restaurant contrary to transfer restrictions; Restaurant comes under control of publicly-held company; misuse or disclosure of Confidential Information; knowingly submitting false reports; conviction of crime; being named as a "blocked" person under anti-terrorism law; repeated defaults within 18-month period; failure to achieve prescribed minimum score on two consecutive quality assurance assessments; public health or safety hazard at Restaurant; and notice of non-curable default under any other agreement with us.
i. Franchisee's obligations on termination/non-renewal	17.8, 18.1 – 18.4	At our option, you must assign your lease and sell other Restaurant assets to us. If we elect not to assume the location, obligations include: de-identify the Restaurant premises and change the telephone number; remove all branded presence in electronic channels; turn over customer data to CCFG and assist in transitioning customers to another Comet Store; cease using Confidential Information, the Marks and proprietary materials; return all Confidential Information; cancel assumed name registrations and transfer any domain names containing any variation of the Marks; comply with non-compete restrictions (see "r." below), indemnification obligations, and other surviving obligations; pay us liquidated damages, if termination was the result of your default; and pay any costs we incur to enforce these obligations.

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by Franchisor	16.12	We have the right to transfer or assign the Franchise Agreement to any person or entity without restriction. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations.
k. "Transfer" by franchisee – defined	16.1	"Transfer" as a verb means to sell, assign, give away, pledge, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings), any interest in the Franchise Agreement, in the assets of the Restaurant, or in the ownership of the Franchisee (if you are a corporation, partnership, or limited liability company). "Transfer" as a noun means any such sale, assignment, etc.
l. Franchisor approval of transfer by franchisee	16.2	No Transfer is permitted without our prior written consent. We will not unreasonably withhold our consent, but we can impose reasonable conditions.
m. Conditions for franchisor approval of transfer	16.3 and 16.4	Conditions that we can impose for sale of the business include: no defaults and all monetary obligations satisfied; pay transfer fee (see Item 6); landlord consents to assignment of Restaurant lease; you and Owners release any claims against us; transferee meets our then-current qualifications for new franchisees; transferee signs our then-current form of Franchise Agreement; transferee completes training; transferee makes arrangements to upgrade the Restaurant to current standards; if transferee is another Flippin' Pizza franchisee, transferee has no defaults and a good record of customer service; owners of transferee sign personal guarantee; price and other terms of sale do not jeopardize viability of Restaurant; financing is subordinated to obligations to us; and transferor remains liable for pre-Transfer obligations. For a proposal to admit a new Owner, remove an existing Owner, change the distribution of ownership, or any other transaction that amounts to the Transfer of a partial interest in the Restaurant, you must give us advance notice and a copy of all proposed contracts. We can withhold consent on any reasonable grounds or give consent subject to reasonable conditions, including those described above for sale of the business.

Provision	Section in Franchise Agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	16.8	We have the right to match any offer. Does not apply if you Transfer ownership to a corporation or LLC that you form for that purpose, or to a Transfer to your spouse or adult son or daughter (including as a result of your death or incapacity).
o. Franchisor's option to purchase franchisee's business	18.1	Upon expiration or termination of the Franchise Agreement, at our option, you must assign your lease and sell us other Restaurant assets (see "i." above).
p. Death or disability of franchisee	16.6	If you or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within 3 months for consent to Transfer the person's interest. The Transfer will be subject to the conditions in "m." above, as applicable. If the deceased or incapacitated person is the Key Person, we will have the right (but no obligation) to manage the Restaurant until the Transfer is completed and to charge a reasonable management fee. If a person's interest is not Transferred within one year after the date of death or appointment of a personal representative or trustee, we can terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	15.1	Franchisee and Owners cannot have any interest in a Competing Business during the term of the Franchise Agreement. "Competing Business" means a foodservice brand or outlet featuring pizza as a principal menu item. Also cannot divert customers to any Competing Business or employ any person who is or was employed by us or our affiliates at the level of Restaurant manager or above within the last 3 months.
r. Non-competition covenants after the franchise is terminated or expires	15.2	For 2 years following termination, expiration, or approved Transfer, no interest in any Competing Business (as defined in "q." above) within 10 miles of the Approved Location or within 5 miles of any other Flippin' Pizza Restaurant. However, we will waive this restriction if you are denied renewal because we are no longer offering franchises (see b. above). Also cannot divert customers to any Competing Business or employ any person who is or was employed by us or our affiliates at the level of Restaurant manager or above within the last 3 months.
s. Modification of the agreement	13 and 23.10	Amendments to the Franchise Agreement must be in writing and signed by you and us. However, we can modify the System and the Manual.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	23.10	Only the terms of the Franchise Agreement and the documents referred to in the Franchise Agreement are binding (subject to state law in your state). Any other promises are not enforceable. However, nothing in the Franchise Agreement is intended to disclaim the express representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Not applicable	
v. Choice of forum	24.2	You and the Owners must file any suit against us in the federal or state court where our principal office is located at the time the suit is filed (currently San Diego, California). We can sue you where we have our principal office or where your Restaurant is located. You and we both waive the right to trial by jury and the right to seek punitive damages. All of these provisions are subject to state law in your state.
w. Choice of Law	24.1	Delaware law governs the Franchise Agreement and your relationship with us. This designation of Delaware law is subject to state law in your state.

THE DEVELOPER RELATIONSHIP

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	4	Length of the Development Schedule
b. Renewal or extension of the term	Not applicable	
c. Requirements for developer to renew or extend	Not applicable	
d. Termination by developer	None	
e. Termination by franchisor without cause	None	
f. Termination by franchisor with cause	8.1, 8.2, 8.3	We can terminate if you commit any one of several listed violations.
g. "Cause" defined – curable defaults	8.3	Unless a default is specified to be non-curable, you will have 30 days to cure after written notice

Provision	Section in Development Agreement	Summary
h. "Cause" defined – non-curable defaults	8.2	Non-curable defaults include: Failure to meet your Development Schedule; termination of a Franchise Agreement based on your default; Transfer of any interest contrary to transfer restrictions; you or parent company is or becomes a publicly-held company; knowingly submitting false reports; conviction of crime; or being named as a "blocked" person under anti-terrorism law.
i. Developer's obligations on termination/non-renewal	8.4	You must stop selecting sites for Restaurants, and you may not open any more Restaurants.
j. Assignment of contract by franchisor	7.10	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Development Agreement.
k. "Transfer" by developer – defined	7.1	"Transfer" as a verb means to sell, assign, or give away, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings), any interest in the Development Agreement, in the development rights, or in the ownership of the Developer (if you are a corporation, partnership, or limited liability company). "Transfer" as a noun means any such sale, assignment, etc. Neither you nor any Owner may: (i) pledge or otherwise encumber the Development Agreement; or (ii) pledge or otherwise encumber any ownership interest in Developer.
l. Franchisor approval of transfer by developer	7.1	We have the right to approve all Transfers. We will not unreasonably withhold consent, but we may impose reasonable conditions.

Provision	Section in Development Agreement	Summary
m. Conditions for franchisor approval of transfer	7.3	Conditions that we can impose for sale of the business include: no defaults and all monetary obligations satisfied; transferee meets our then-current qualifications for multi-Restaurant developers, including financial resources to complete the Development Schedule on time; transferee completes training; if transferee is another Flippin' Pizza franchisee, transferee has no defaults and a good record of customer service; owners of transferee sign personal guarantee; pay transfer fee (see Item 6); you Transfer all Restaurants along with the development rights, to the same transferee in the same transaction; you and the Owners release any claims against us; price and other terms of sale do not jeopardize ability to compete Development Schedule; and financing is subordinated to obligations to us. For a proposal to admit a new Owner, remove an existing Owner, change the distribution of ownership, or any other transaction that amounts to the Transfer of a partial interest in Developer or the development rights, you must give us advance notice and a copy of all proposed contracts. We can withhold consent on any reasonable grounds or give consent subject to reasonable conditions, including those described above for sale of the business.
n. Franchisor's right of first refusal to acquire developer's business	7.2	We have the right to match any offer. Does not apply if you Transfer ownership to a corporation or LLC that you form for that purpose, or to a Transfer to your spouse or adult son or daughter (including as a result of your death or incapacity).
o. Franchisor's option to purchase developer's business	Not applicable	
p. Death or disability of developer	7.6	If you or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within 3 months for consent to Transfer the person's interest. The Transfer will be subject to the conditions in "m." above, as applicable. If the person's interest is not Transferred within one year after the date of death or appointment of a personal representative or trustee, we can terminate the Development Agreement.

Provision	Section in Development Agreement	Summary
q. Non-competition covenants during the term of the franchise	6.1	Developer and Owners cannot have any interest in a Competing Business while Development Agreement is in effect. "Competing Business" means a foodservice brand or outlet featuring pizza as a principal menu item. Also cannot divert customers to any Competing Business or employ any person who is or was employed by us or our affiliates at the level of Restaurant manager or above within the last 3 months.
r. Non-competition covenants after the franchise is terminated or expires	6.2	For 2 years following termination, expiration, or approved Transfer, no interest in any Competing Business (as defined in "q." above) within the Development Area. Also cannot divert customers to any Competing Business or employ any person who is or was employed by us or our affiliates at the level of Restaurant manager or above within the last 3 months.
s. Modification of the agreement	12.10	No modifications except by mutual written agreement of the parties.
t. Integration/merger clause	12.10	Only the terms of the Development Agreement and the documents referred to in the Development Agreement are binding (subject to state law in your state). Any other promises are not enforceable. However, nothing in the Development Agreement is intended to disclaim the express representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Not applicable	
v. Choice of forum	13.2	You and the Owners must file any suit against us in the federal or state court where our principal office is located at the time the suit is filed (currently San Diego, California). We can sue you where we have our principal office or where you or the Development Area is located. You and we both waive the right to trial by jury and the right to seek punitive damages. All of these provisions are subject to state law in your state.
w. Choice of law	13.1	Delaware law governs the Development Agreement and your relationship with us. This designation of Delaware law is subject to state law in your state.

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.

The following Tables present certain historical financial information for Flippin' Pizza Restaurants in the USA. The explanatory notes following each Table are an important part of the information presented.

Table 1 – 2016 Average Gross Sales – 17 Franchised and Licensed Restaurants

Tier	Number of units in Tier (Note 1)	Average Gross Sales (Notes 2-6)	Median Gross Sales
Top Third	5	$937,595	$921,908
Middle Third	6	$652,931	$635,788
Bottom Third	6	$525,444	$559,075
All	17	$691,660	$628,229

<u>Notes to Table 1</u>:

1. Table 1 includes the franchised and licensed Restaurants in the USA that were open throughout all of 2016. The 2 licensed Restaurants (see Item 1) did not pay royalties but otherwise did not have material financial or operational differences from franchised Restaurants. During 2016, 2 franchised Restaurants opened and 3 franchised Restaurants closed in the USA; these Restaurants did not operate for the full year and are therefore excluded from Table 1. Table 1 also excludes the franchised Restaurant operating outside of the USA. There were 18 franchised and licensed Restaurants in operation in the USA and the UAE at the end of 2016 (see Item 20).

2. "Gross Sales" is defined as total sales before discounts, less sales tax.

3. Two of the "Top Third" Restaurants, or 40%, surpassed the Average Gross Sales of $937,595 for that tier.

4. Two of the "Middle Third" Restaurants, or 33%, surpassed the Average Gross Sales of $652,931 for that tier.

5. Four of the "Bottom Third" Restaurants, or 67%, surpassed the Average Gross Sales of $525,444 for that tier.

6. Seven of the 17 total Restaurants in Table 1, or 41%, surpassed the Average Gross Sales of $691,660.

Table 2 – 2016 Average Gross Sales and EBITDA – 9 Franchised Restaurants

Tier	Number of Units in Tier (Note 1)	Average Gross Sales (Note 3)	Median Gross Sales	Average EBITDA (Note 4)	Median EBITDA	Average EBITDA as % of Average Gross Sales	Median EBITDA as % of Gross Sales
Top Third (Note 2)	3	$959,498	$921,908	$115,425	$121,821	12%	13%
Middle Third	3	$718,906	$721,858	$97,954	$106,363	14%	15%
Bottom Third	3	$583,734	$583,200	$82,472	$82,696	14%	15%
All	9	$754,046	$721,858	$98,617	$90,650	13%	15%

<u>Notes to Table 2</u>:

1. The figures in Table 2 are based on 9 franchised Restaurants operating in the USA that were open throughout all of 2016. Table 2 excludes the following Restaurants:

- Two franchised Restaurants that opened in the USA in 2016 but did not operate for the full year.
- Three franchised Restaurants that closed during 2016 and did not operate for the full year.
- One franchised Restaurant that transferred from the founder of the Flippin' Pizza concept to a new owner during 2016. This Restaurant did not pay royalties while owned by the founder, so it paid royalties only for a portion of 2016. Including this Restaurant would skew the average EBITDA reported in Table 2, because royalty expenses reduce EBITDA. Gross Sales for this Restaurant are included in Table 1.
- Five franchised Restaurants that received royalty/marketing fee relief during a portion of 2016. Including these 5 Restaurants would skew the average EBITDA reported in Table 2, because royalty and marketing expenses reduce EBITDA. Gross Sales for these Restaurants are included in Table 1.
- The 2 licensed Restaurants mentioned in Item 1, which did not pay royalties in 2016 and would therefore skew the average EBITDA results in Table 2. Gross Sales for these Restaurants are included in Table 1.

2. One Restaurant in the "Top Third" is considered an "outlier" because its size is over 2,200 square feet and it has the highest occupancy cost in the entire system. Excluding this Restaurant would improve the "Top Third" average EBITDA to $146,061 and average EBITDA percentage to 15%.

3. "Gross Sales" is defined as total sales before discounts, less sales tax.

4. "EBITDA" is defined as earnings before interest payments, taxes, depreciation and amortization. In other words, it is calculated as Net Income with the addition of interest payments, taxes, depreciation and amortization.

- One of the "Top Third" Restaurants, or 33%, surpassed the Average Gross Sales of $959,498 for that tier and two, or 67%, surpassed the Average EBITDA of $115,425 for that tier.

- Two of the "Middle Third" Restaurants, or 67%, surpassed the Average Gross Sales of $718,906 for that tier and two, or 67%, surpassed the Average EBITDA of $97,954 for that tier.

- One of the "Bottom Third" Restaurants, or 33%, surpassed the Average Gross Sales of $583,734 for that tier and two, or 67%, surpassed the Average EBITDA of $82,472 for that tier.

- Four of the 9 total Restaurants in Table 2, or 44%, surpassed the Average Gross Sales of $754,046 for the total group and four, or 44%, surpassed the Average EBITDA of $98,617 for the total group.

Table 3 – 2016 Average Sales to Investment Ratio – 9 Franchised Restaurants

Tier	Number of Units in Tier (Note 1)	Average Buildout Cost (Note 2)	Median Buildout Cost	Average Sales to Investment Ratio (Note 3)	Median Sales to Investment Ratio	Average Return on Investment Ratio (Note 4)	Median Return on Investment
Top Third (by Gross Sales)	3	$276,562	$279,686	3.5	3.3	43%	44%
Middle Third (by Gross Sales)	3	$217,647	$195,969	3.3	3.7	49%	54%
Bottom Third (by Gross Sales)	3	$240,255	$240,444	2.4	2.4	35%	34%
All	9	$244,821	$250,000	3.1	3.1	42%	41%

<u>Notes to Table 3</u>:

1. Table 3 includes the same 9 Restaurants, in the same tiers, as in Table 2.

2. "Average Buildout Cost" represents the average of the actual amounts spent for architectural services, permitting, construction, FF&E (Furniture, Fixtures and Equipment) and smallwares to open up the Restaurants in each tier. These amounts were incurred at various times in the past, depending on when each Restaurant was constructed.

3. "Average Sales to Investment Ratio" is equal to Average Gross Sales for each tier (from Table 2) divided by the Average Buildout Costs for that tier.

4. "Average Return on Investment Ratio" is equal to Average EBITDA for each tier (from Table 2) divided by the Average Buildout Costs for that tier.

* * *

The financial performance representations in Tables 1-3 are historical representations and are not a forecast of future financial performance. We obtained the data for the franchised restaurants in Tables 1-3 from the internal operating records of our franchisees. Neither the raw data nor the figures in Tables 1-3 have been audited. Some adjustments were necessary to eliminate minor discrepancies related to different financial reporting calendars used by our franchisees.

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

Written substantiation for the financial performance representations in this Item will be made available to you upon reasonable request.

We strongly encourage you to consult a financial advisor or an accountant to help you determine how to interpret the information contained in this Item.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing unit, however, we may provide you with the actual records of that unit. 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 Chuck Rink (crink@flippinpizza.com) at 107 S. Cedros, Suite 220, Solana Beach, California 92075, tel. (866) 236-7480, the Federal Trade Commission, and the appropriate state regulatory agencies.

[Remainder of page intentionally left blank]

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For years 2014 to 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised[1]	2014	15	17	+2
	2015	17	21	+4
	2016	21	18[1]	-3
Company-Owned	2014	1	2	+1
	2015	2	2	0
	2016	2	0	-2
Total Outlets[1]	2014	16	19	+3
	2015	19	23	+4
	2016	23	18	-5

[1] Figures include one franchised Restaurant in Dubai, UAE and the two California restaurants licensed by FPB, LLC (see Item 1). One of the licensed restaurants converted to a Flippin' Pizza franchise on January 1, 2017.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2014 to 2016

State	Year	Number of Transfers
California	2014	0
	2015	4
	2016	1
Maryland	2014	1
	2015	0
	2016	0
Total	2014	1
	2015	4
	2016	1

Table No. 3
Status of Franchised Outlets
For years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
California[1]	2014	6	1	0	0	0	0	7
	2015	7	3	0	0	0	0	10
	2016	10	1	0	0	0	0	11
District of Columbia	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
Maryland	2014	3	0	0	0	0	0	3
	2015	3	2	0	0	0	0	5
	2016	5	0	2	0	0	0	3
Virginia	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	1	0	0	0	3
Dubai, UAE	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	1	1
	2016	1	0	0	0	0	0	1
Total[1]	2014	15	2	0	0	0	0	17
	2015	17	5	0	0	0	1	21
	2016	21	2	3	0	0	0	20

[1] Figures include the two California restaurants licensed by FPB, LLC (see Item 1). The licensed restaurant in Encinitas, California converted to a Flippin' Pizza franchise on January 1, 2017. The remaining licensed restaurant is in Vista, California.

Table No. 4
Status of Company-Owned Outlets
For years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2014	0	1	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	1	0	0
Mexico City, Mexico	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	1	0	0
Total	2014	1	1	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	2	0	0

Table No. 5
Projected Openings

State	Franchise Agreement Signed But Outlet Not Open as of 12/31/2016	Projected New Franchised Outlets In 2017	Projected New Company-Owned Outlets In 2017
California	0	5	0
District of Columbia	0	1	0
Georgia	1	1	0
Texas	0	1	4
Total	**1**	**8**	**4**

Exhibit D to this disclosure document is a list of franchised outlets as of December 31, 2016. As previously noted, one of the two California restaurants licensed by FPB, LLC (see Item 1) converted to a Flippin' Pizza franchise on January 1, 2017. The franchised Restaurant is located at 215 S El Camino Suite H, Encinitas, CA 92024. The franchise owner is Jason Bennett.

The franchisee for the Georgia franchise agreement signed but not open as of December 31, 2016, is Manita Amin, 910 Marietta Highway, Suite C340, Roswell, GA 30075, tel. (404) 934-0756.

Exhibit E lists the name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee and developer who had a Franchise Agreement or Development Agreement terminated, cancelled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business in 2016, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with us.

We have not created or sponsored any trademark-specific franchisee organizations associated with the franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Exhibit A to this Disclosure Document contains the following financial statements:

1. Our audited balance sheets as of December 31, 2016 and December 31, 2015, and the related audited statements of income, changes in members' equity, and cash flows for the years then ended.

2. Our audited balance sheets as of December 31, 2015 and December 31, 2014, and the related audited statements of income, changes in members' equity, and cash flows for the years then ended.

3. Our unaudited balance sheet as of July 31, 2017 and our unaudited profit and loss statement for the period of January through July 2017.

ITEM 22
CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

Exhibit B	Franchise Agreement (including New and Emerging Markets Addendum)
Exhibit C	Development Agreement
Exhibit J	Sample Release (to be signed when you renew or transfer the franchise)

We also require that you fill out a Compliance Questionnaire before signing the Franchise Agreement or Development Agreement. The Compliance Questionnaire is in Exhibit H.

ITEM 23
RECEIPTS

Two copies of a Receipt appear at the end of this Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT B TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

FLIPPIN' PIZZA

TM

FRANCHISE AGREEMENT

Restaurant Number: ______________________________

Restaurant Address: ______________________________

____

Agreement Date: ______________________________

Expiration Date: ______________________________

Franchisee Name: ______________________________

Type of Business Entity: ______________________________

State in which organized: ______________________________

Owner Name(s):	Ownership Percentage:
______________________________	_____%
______________________________	_____%
______________________________	_____%

If this Franchise Agreement is being signed pursuant to a development commitment:

Development Agreement Date: ______________________________

Development Area: ______________________________

TABLE OF CONTENTS

Section		Page
1.	DEFINITIONS	1
2.	FRANCHISE GRANT AND TERRITORIAL PROTECTION	3
3.	AGREEMENT TERM	4
4.	CONSTRUCTING AND OPENING THE RESTAURANT	4
5.	TRAINING	5
6.	PURCHASING REQUIREMENTS AND RESTRICTIONS	6
7.	RESTAURANT OPERATIONS	7
8.	FEES	10
9.	COMMUNICATIONS, ACCOUNTING AND RECORDS	11
10.	INSURANCE	12
11.	MARKETING AND ADVERTISING	12
12.	PROPRIETARY MARKS AND COPYRIGHTS	15
13.	OPERATIONS MANUALS	16
14.	CONFIDENTIAL INFORMATION	16
15.	RESTRICTIONS ON COMPETITION	17
16.	SALE OR ASSIGNMENT	18
17.	DEFAULT AND TERMINATION	22
18.	OBLIGATIONS UPON TERMINATION OR EXPIRATION	24
19.	BUSINESS ENTITY REQUIREMENTS	25
20.	RENEWAL TERMS	26
21.	INDEMNIFICATION	26
22.	NOTICES	27
23.	GENERAL PROVISIONS	27
24.	DISPUTES	28

APPENDIX A - TERMS SPECIFIC TO FRANCHISEE OR LOCATION

APPENDIX B - PERSONAL GUARANTEE

APPENDIX C - OWNER/OFFICER CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

FRANCHISE AGREEMENT

This Agreement is entered into as of the Agreement Date shown on the cover page between FLIPPIN' PIZZA INTERNATIONAL, LLC, a Delaware limited liability company (**"we"**, **"us"** or **"FPI"**), and the individual or business entity identified on the cover page (**"you"** or **"Franchisee"**).

As used in this Agreement, **"Owners"** means the person(s) identified on the cover page as the owners of the Franchisee and all other persons whom we may subsequently approve to acquire an interest in the Franchisee.

BACKGROUND

A. We and our affiliates have developed a distinctive menu, format, appearance and set of specifications and procedures (collectively, the **"System"**) for the operation of FLIPPIN' PIZZA NEW YORK STYLE® restaurants (**"FLIPPIN' PIZZA Restaurants"**).

B. The distinguishing characteristics of the System include, but are not limited to: our exterior and interior restaurant design, décor, color scheme, fixtures, and furnishings; our Proprietary Products (as defined below), menu and product mix; our standards and specifications for ingredients, food preparation, equipment, supplies, and restaurant operations; our advertising and promotional programs and marketing techniques; our customer service standards; and the accumulated experience reflected in our operating procedures and training program.

C. We identify FLIPPIN' PIZZA Restaurants by means of the FLIPPIN' PIZZA NEW YORK STYLE mark for restaurant services and certain other trademarks, service marks, logos and commercial symbols (collectively, the **"Marks"**). We may designate new or different trade names, trademarks, service marks, logos and commercial symbols as Marks that you must or may use. Our affiliate, FPB, LLC, owns the Marks and has licensed us to use them and to license others to use them. FPB, LLC is not a party to this Agreement.

D. You wish to obtain the right to operate a FLIPPIN' PIZZA Restaurant at the Approved Location, as defined below.

AGREEMENT

1. DEFINITIONS

The terms defined in the Background section and this Section 1 have the meanings set forth in those Sections; other capitalized terms used in this Agreement are defined where they first appear within the text.

1.1. **"Agreement Date"** means the Agreement Date shown on the cover page of this Agreement.

1.2. **"Approved Location"** means the Restaurant Address shown on the cover page of this Agreement.

1.3. **"Brand Fund"** means the fund to which we and franchisees contribute to support development and recognition of the FLIPPIN' PIZZA brand in the U.S.A., as more fully described in Section 11.3.

1.4. **"Confidential Information"** means all knowledge and data not generally known to the public, whether or not constituting trade secrets, that we disclose to you and/or the Owners or that you obtain by virtue of this Agreement or any activities under this Agreement, including but not limited to: (i) methods, techniques, specifications, standards, policies, procedures, and design and layout plans relating to the construction and operation of FLIPPIN' PIZZA Restaurants; (ii) marketing and promotional programs for FLIPPIN' PIZZA Restaurants; (iii) loyalty card data and other information concerning consumer preferences; (iv) inventory requirements and specifications; (iv) ingredients, recipes, formulations, mixes and methods of preparing, serving, and packaging Proprietary Products; (v) sales, operating results, financial performance and other financial data of FLIPPIN' PIZZA

Restaurants; (vi) the contents of the Operations Manuals and our training programs; (vii) supplier lists, terms of purchase, and other information concerning the selection and sourcing of food and paper products, equipment and supplies; (viii) marketing studies, cost studies, marketing plans and techniques, and promotion and marketing aids; (ix) research and development, test results, and feasibility studies; and (x) business plans and non-public financial information of or about us and our affiliates.

1.5. "Designated Supplier" means a particular manufacturer, wholesaler, distributor or other source that we designate for particular products or services.

1.6. "Development Agreement" means the Flippin' Pizza Development Agreement in effect between you and us, if any.

1.7. "Gross Sales" means all revenue from the sale of products and services and all other income of every kind related to the Restaurant, whether for cash or credit, and regardless of collection in the case of credit. Gross Sales includes any proceeds from business interruption insurance. Gross Sales does not include gratuities paid by customers or any sales taxes or other taxes you collect from customers and pay directly to the appropriate taxing authority.

1.8. "Key Person" means the individual who is responsible for the day-to-day operational performance of the Restaurant and who has the authority to bind Franchisee in all operational decisions regarding the Restaurant. The Key Person may be, but need not be, an Owner. The Key Person must be fluent in written and spoken English.

1.9. "Menu Items" means food and beverage products that we have approved for sale in FLIPPIN' PIZZA Restaurants in the U.S.A.

1.10. "Merchandise" means packaging, paper products, apparel, and consumer merchandise bearing any of the Marks and used or sold in the operation of FLIPPIN' PIZZA Restaurants, including but not limited to uniforms, menus, napkins, cups, hats, tee shirts, and gift cards. We have the right to modify, discontinue, substitute, and/or add items to the Merchandise from time to time in our sole discretion.

1.11. "Non-Traditional Outlet" means a mobile or temporary foodservice outlet (such as a food truck, cart, kiosk, or so-called "pop-up" restaurant) or a foodservice outlet at a facility where the primary function is not a restaurant business, such as (but not limited to) a performing arts arena, sports stadium, shopping mall, department store, retail store, wholesale club, grocery store, supermarket, casino, amusement park, fairground, college or university, factory, hospital, penal institution, military base, airport, turnpike, limited access highway rest stop, or other transportation facility.

1.12. "Operations Manuals" means, collectively, our confidential manuals relating to the development and operation of FLIPPIN' PIZZA Restaurants, which may, in our discretion, consist of one or more volumes, handbooks, manuals, written materials, electronic files, video or audio recordings, and other materials, all of which we can modify, replace and supplement.

1.13. "Proprietary Products" means food and beverage products prepared using ingredients, recipes, formulations, mixes and/or methods of preparation created, adapted or developed by us or our affiliates. We have the right to modify, discontinue, substitute, and/or add items to the Proprietary Products from time to time in our sole discretion.

1.14. "Protected Area" means the geographic area defined in Appendix A and/or in a map attached to Appendix A of this Agreement.

1.15. "Restaurant" means the FLIPPIN' PIZZA Restaurant that you operate at the Approved Location under the terms of this Agreement.

1.16. **"System Standards"** means our mandatory and recommended specifications, standards, policies and procedures for FLIPPIN' PIZZA Restaurants.

2. FRANCHISE GRANT AND TERRITORIAL PROTECTION

2.1. License. We grant you the right, and you undertake the obligation, on the terms and conditions of this Agreement, to establish and operate one FLIPPIN' PIZZA Restaurant at the Approved Location only, and to use the Marks and the System only in connection with the Restaurant.

2.2. Territorial Protection. While this Agreement is in effect, we will not operate a FLIPPIN' PIZZA Restaurant or authorize others to operate FLIPPIN' PIZZA Restaurants within the Protected Area, except as permitted under Section 2.3 below.

2.3. Rights Reserved. We and our affiliates retain the rights, despite anything to the contrary in Section 2.2 and regardless of the proximity to or effect on the Restaurant:

2.3.1 To own, acquire, establish, operate, and franchise or license others to operate FLIPPIN' PIZZA Restaurants located outside of the Protected Area;

2.3.2 To own, acquire, establish, operate, and franchise or license others to operate Non-Traditional Outlets under the FLIPPIN' PIZZA name or any other name, whether inside or outside of the Protected Area;

2.3.3 To develop, manufacture, have manufactured, market, sell and distribute, at retail or wholesale, and license others to manufacture, sell or distribute, packaged food products or any other goods or services under the FLIPPIN' PIZZA mark or any other name or mark, including but not limited to the Internet, supermarkets, specialty food stores, convenience stores, wholesale clubs, and retail food stores, anywhere in the world;

2.3.4 To use the FLIPPIN' PIZZA brand in other lines of business besides the operation of restaurants, anywhere in the world; and

2.3.5 To own, acquire, establish, operate, and franchise or license others to establish and operate other restaurant concepts under names and marks other than FLIPPIN' PIZZA, at any location within or outside of the Protected Area, even if the restaurant concepts or businesses are similar to FLIPPIN' PIZZA Restaurants. However, while this Agreement is in effect, if we acquire the ownership or assets of any business operating at one or more sites located within the Protected Area that we determine in our sole discretion to convert to a FLIPPIN' PIZZA Restaurant (a **"Conversion Restaurant"**), we will offer to sell the Conversion Restaurant to you for the price we paid for it, provided that, in our judgment: (1) the sale to you will not conflict with any existing legal obligation we have; (2) the sale to you will not interfere with the completion of our acquisition on the terms agreed to by us; (3) the sale to you will not adversely affect any financing or federal or state income tax consequences arising from the acquisition; and (4) you agree: (a) to execute, concurrently with your purchase, a Franchise Agreement as modified for use in connection with each Conversion Restaurant; and (b) to convert each Conversion Restaurant to a FLIPPIN' PIZZA Restaurant in accordance with our standards and specifications. Your purchase price for the Conversion Restaurant will include the direct and indirect costs and liabilities we incurred or assumed in making the acquisition, and other expenses allocated or otherwise related to the Conversion Restaurant (including losses from continuing operations and renovation costs). You will have thirty (30) days after receipt of our offer in which to accept or reject the offer. Acceptance must be communicated in writing. If accepted, you will have thirty (30) days from the date of acceptance to complete the purchase of the Conversion Restaurant. If you reject or do not timely accept our offer to sell you the Conversion Restaurant, or if you do not timely complete the purchase after accepting, or if we are not obligated to extend an offer to you for any of the reasons stated in this Section, we will have the right to alter, modify, refurbish, remodel, promote and market, operate, or franchise others to operate the Conversion Restaurant as a FLIPPIN' PIZZA Restaurant or any other business. For purposes of this Section, all references to us are deemed to include our affiliates.

2.4. Off-Premises Programs. We have the right (but no obligation) to establish delivery, catering and/or wholesaling programs (**"Off-Premises Programs"**), either on our own or in conjunction with one or more outside vendors. Off-Premises Programs may be mandatory or optional for franchisees and may include online and telephone ordering features. If we establish a mandatory Off-Premises Program or you choose to participate in a voluntary program, you agree to pay the fees and costs associated with participation and to comply with all other rules and procedures that we specify for the program in the Operations Manuals or otherwise in writing. You acknowledge that you may have to purchase equipment, including a delivery vehicle, in order to participate in an Off-Premises Program. We may define service areas for Off-Premises Programs that differ from your Protected Area. We can modify or terminate an Off-Premises Program by notice to the participating FLIPPIN' PIZZA Restaurants.

2.4.1 If we establish an Off-Premises Program for catering services, you will have the exclusive right to provide catering services from the Restaurant to locations within the Protected Area. We may also permit you to provide catering services outside of the Protected Area on a non-exclusive basis, provided that your Restaurant is located within the distance limits that we set for catering services based on quality and safety parameters. If multiple FLIPPIN' PIZZA Restaurants are able to provide catering services in the same non-exclusive area, we may establish rules and policies to coordinate their activities and to prevent customer confusion.

2.4.2 You may not directly solicit catering customers outside of the Protected Area without our permission. **"Direct solicitation"** includes, but is not limited to, solicitation in person, by telephone, by mail, through the Internet, social media, email or other electronic means, and by distribution of brochures, business cards or other materials. If any direct solicitation of catering customers within the Protected Area is in media that will or may reach a significant number of persons outside of the Protected Area, you must notify us in advance and obtain our consent.

2.4.3 We can change the rules of the catering program and/or define service areas and solicitation restrictions for catering that differ from the Protected Area. Upon receipt of notice from us of a change in catering service areas, you must stop providing catering services outside of your newly-defined area and turn over all customer information for customers outside of the newly-defined area.

2.5. No Other Sales Channels. Except for Off-Premises Programs expressly authorized by us under Section 2.4, you may not sell products or services through any channel or facility other than to retail customers for consumption on the Restaurant premises or for personal carry-out consumption. If you request approval of any other distribution channel or type of outlet, we will consider the factors we deem appropriate, which may include the period of time you have been operating the Restaurant, your sales volume, whether you have met certain quality standards and other benchmarks, and other standards that we may determine.

2.6. Relocation. You may not relocate the Restaurant without our prior written consent. If you apply to relocate the Restaurant, we have the right to charge a fee to reimburse us for our costs and expenses (including legal and accounting fees) associated with the relocation, not to exceed $2,500.

3. AGREEMENT TERM

This Agreement will expire on the 10th anniversary of the Agreement Date (the **"Expiration Date"**), unless terminated sooner as provided in this Agreement. You will have an opportunity to renew the franchise rights when the term expires, subject to the terms of Section 20.

4. CONSTRUCTING AND OPENING THE RESTAURANT

4.1. Construction. You must construct and equip the Restaurant at your own expense. At our request, you must submit preliminary and final drawings and specifications to us for approval. If we have not approved or rejected the drawings and specifications within thirty (30) days after receipt of a complete set of drawings and specifications, then our approval will be deemed received. Once we approve the drawings and specifications, you cannot change them without our prior written consent. You must complete construction and installation of all furniture, fixtures, equipment, and signs in accordance with the final plans and specifications approved by us and you must notify us of the anticipated construction completion date. During the entire period of construction of the Restaurant, you must permit our representatives to inspect the site at all reasonable times.

4.2. Permits. You must obtain, at your own expense, all zoning classifications, permits, and clearances (including but not limited to construction permits, certificates of occupancy, health permits, environmental permits, sign permits, and mall or strip center clearances) that may be required by federal, state, or local law or your landlord. You have sole responsibility for constructing your Restaurant in compliance with all permits.

4.3. Approval to Open. You agree not to open the Restaurant for business until we notify you that (1) all of your obligations under this Section 4 have been fulfilled; (2) pre-opening training of your personnel has been completed as required by Section 5; and (3) we have been furnished with copies of all certificates of insurance required by Section 10.1.

4.4. Opening Deadline. You must open the Restaurant by the date specified in Appendix A (the **"Opening Deadline"**). If you request an extension of the Opening Deadline, we have complete discretion whether to give an extension. If we agree to an extension, we have the right to charge you an extension fee of up to $1,000 per month of extension.

4.5. Opening Support. Upon your request, and subject to the availability of our personnel, we will provide you with opening support by one (1) representative for a period to be agreed upon. You agree to pay our then-current per diem fee for each day our representative is onsite for opening support.

5. TRAINING

5.1. Initial Training Program. Before you open the Restaurant, the Key Person, any Owners that we designate, and the Restaurant manager must attend and successfully complete an initial training program at a location that we specify. We have the right to reduce the duration and content of initial training if the trainee has prior experience with FLIPPIN' PIZZA Restaurants or in similar businesses.

5.2. Additional Training. After the Restaurant opens for business:

5.2.1 Any person you employ to serve as Restaurant manager, before starting his or her duties, must successfully complete our initial training program;

5.2.2 The Key Person, any Restaurant employees we designate, and/or any Owners we designate must attend and successfully complete any additional training programs we require from time to time; and

5.2.3 We may offer optional training programs.

5.3. Multi-Unit Management Training. If this Agreement is for your second or a subsequent FLIPPIN' PIZZA Restaurant, the Key Person will be excused from attending the initial training program in Section 5.1 but we may require the Key Person to successfully complete a training program in multi-unit management.

5.4. Successful Completion. We alone have the right to judge whether a person has successfully completed a training program. If any person fails to complete a required training program to our satisfaction, he or she may repeat the course or you may send a substitute to the next available scheduled training session, but we will have no obligation to extend the Opening Deadline in Section 4.4 for this purpose.

5.5. Training Methods. Except for the initial training program, we have the right to provide training programs in person, by video, via the Internet, or by other means, as we determine.

5.6. Training Fees. We may charge a training fee: (a) for additional trainees that you request in excess of the maximum number we designate for a training program; (b) if we require additional training as a result of your failure to comply with our quality assurance program; (c) for re-training persons who are repeating a training program, or their substitutes; and (d) for training programs that we make optional for franchisees.

5.7. Expenses. For all training, including initial training, you are responsible for all travel expenses, living expenses, wages, and other expenses incurred by your trainees. If we conduct training at your Restaurant, you must pay, in addition to any applicable training fee, the reasonable travel, meal and lodging expenses of our trainer(s).

5.8. Restaurant Personnel. You are responsible for ensuring that all personnel of the Restaurant are properly trained to perform their duties. Before opening the Restaurant, you must hire and train the number and level of management and hourly personnel required for the initial operation of the Restaurant, in accordance with guidelines we establish from time to time.

5.9. Self-Training. If this Agreement is for your fourth or a subsequent FLIPPIN' PIZZA Restaurant, you may conduct your own Restaurant manager training with our written approval, which will be based on our assessment of your ability to administer training to our satisfaction. The content and administration of your training program must be at least equal to those of our initial training program and must be approved by us in advance. We will provide you with materials and, to the extent we deem it necessary or appropriate, assistance in designing and developing your training program. We will have the right to review your training program periodically to ensure its quality and to verify that Restaurant managers are being trained in a timely and satisfactory manner. We will notify you of any deficiencies we find in the training program. If you fail to correct the deficiencies within a reasonable time, we can require all Restaurant managers to attend our training program at your expense (including payment of reasonable training fees), until the deficiencies in your program have been corrected to our satisfaction.

6. PURCHASING REQUIREMENTS AND RESTRICTIONS

6.1. Sourcing of Products and Services. We have the right to require that all current and future food and beverage items, ingredients, supplies, equipment, furnishings, smallwares, Merchandise, promotional items, information technology services, credit card processing services, and other products and services that you purchase for operation of or sale in the Restaurant: (a) meet specifications that we establish from time to time; and/or (b) be purchased only from suppliers that we have expressly approved; and/or (c) be purchased only from a Designated Supplier (which may be us or an affiliate or a buying cooperative that we organize).

6.2. FPI as Approved or Designated Supplier. If we elect to name ourselves or an affiliate as an approved supplier, you acknowledge that we and/or our affiliates may receive profits from direct or indirect sales of products and services to you. If we elect to name ourselves or an affiliate as the Designated Supplier for a particular item, you must purchase all of your requirements of the item from us or the affiliate. You must submit orders in accordance with the terms and procedures we specify from time to time. Any conflicting terms and conditions of sale stated in your purchase order will have no effect. In case of shortages, we will have complete discretion to allocate products among FLIPPIN' PIZZA Restaurants (and, at our option, other channels of distribution). If because of shortages or an event of force majeure under Section 6.3, we are not able to supply the Restaurant with its requirements, you are authorized to purchase from other sources for use at the Restaurant until we are again able to meet the Restaurant's requirements, provided that the alternative supplies meet our specifications and that we have given prior written approval.

6.3. Force Majeure. We will not be liable for any delay in performance under Section 6.2 due to natural disaster, riot, war, acts of terrorism, general strike, or similar causes beyond our reasonable control.

6.4. No Liability for Unaffiliated Suppliers. We and our affiliates disclaim all express and implied warranties (including any warranties of merchantability, fitness for a particular purpose, availability, quality, pricing or profitability) concerning any products or services that you obtain from any source other than us and our affiliates, even if we designated or approved the source under Section 6.1. You agree not to assert any claims against us (or any of our officers, directors or affiliates) with respect to any products and services that you obtain from sources other than us and our affiliates. You must assert any claims only against the supplier in question. You must provide us with written notice before taking any action on a claim against a Designated Supplier.

6.5. Supplier Payments. You acknowledge and agree that we and/or our affiliates may receive commissions, rebates, promotional allowances, volume discounts, and other payments or benefits based on your purchases from suppliers. Except as limited by applicable law or by agreement with the supplier, we and our affiliates have the right to retain any payments received from suppliers.

7. RESTAURANT OPERATIONS

7.1. Compliance with System Standards. In order to protect the reputation and goodwill of the FLIPPIN' PIZZA brand and to maintain high standards of operation under the System, you agree to comply strictly with all of our mandatory System Standards. You acknowledge that the System Standards may relate to any aspect of the appearance, function, cleanliness, and operation of the Restaurant. Any material failure to comply with the mandatory System Standards or to pass our periodic quality control inspections will constitute a material breach of this Agreement. However, you acknowledge that we have the right to vary our standards and specifications, in our reasonable judgment, to accommodate the individual circumstances of different franchisees.

7.2. Approved Products and Services. You must offer for sale in the Restaurant all Menu Items, Merchandise, and other products and services that we designate from time to time as required items. You may also offer for sale any optional Menu Items, Merchandise, products and services that we have approved for sale in FLIPPIN' PIZZA Restaurants, but you are prohibited from selling any unapproved food or beverage products or other products or services without our prior written consent. To ensure that all Menu Items meet System Standards for taste, texture, appearance and freshness, all Menu Items must be prepared only by properly trained personnel in accordance with our recipes, cooking techniques, and processes as prescribed in the Operations Manuals. You acknowledge that the recipes, cooking techniques and processes are integral to the System and that failure to adhere to them strictly (including the handling and storage of both ingredients and fully prepared Menu Items) will constitute a default of this Agreement. All products must be sold only in the weights, sizes, forms, and packages that we have approved. You must discontinue selling or offering for sale any Menu Items, Merchandise, products or services that we disapprove at any time, in our sole discretion.

7.3. Inventory. You must maintain a sufficient inventory of food and beverage products, ingredients and supplies to meet the System Standards (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards).

7.4. Management. The Restaurant must at all times be under the supervision of the Key Person and the on-site supervision of a Restaurant manager or assistant manager who has completed our training program. We have the right to rely on any statement, agreement, or representation made by the Key Person. If the Key Person leaves your organization, you must nominate a new Key Person within 30 days thereafter. If you have not obtained our approval of a new Key Person within 90 days, you will be in material default of this Agreement.

7.5. Quality Assurance Program. You must comply fully with our quality assurance program, at your own expense and on the frequency and timing that we require. The program may include, among other things, customer satisfaction surveys, mystery shopper reports, employee satisfaction and perception surveys, health and safety reviews, pest control inspections, product and ingredient testing, and observation of food preparation areas and processes. You must pay for the services of any independent third parties that we designate to conduct these programs. If you fail to achieve the minimum score that we prescribe for a specific quality assurance category, we may require you and/or your employees to complete additional training at the Restaurant or a location that we designate, at your expense. If you fail to achieve the prescribed minimum score on two consecutive assessment occasions or on three or more assessment occasions in any five (5) year period, we will have the right to terminate this Agreement under Section 17.2.

7.6. Use of Approved Location; Hours of Operation. You must use the Approved Location only for the operation of the Restaurant, must keep the Restaurant open and in normal operation for the minimum hours and days specified in the Operations Manuals (subject to applicable laws), and must not use or permitting others to use the Approved Location for any other purpose or activity at any time without first obtaining our written consent. You acknowledge that we may vary the minimum hours and days of operation by market, type of facility, or other reasonable basis.

7.7. Furnishings, Equipment and Signs. You must acquire and install in or on the Restaurant, at your expense, the fixtures, furnishings, equipment, décor, and signs that we reasonably require from time to time. You must not install or permit to be installed on or about the Approved Location any fixtures, furnishings, equipment, décor, signs, or other items that we have not approved.

7.8. Condition of Premises. You must maintain the Restaurant (including adjacent public areas) in a clean, orderly condition and in excellent repair, at your own expense. Maintenance may include repairs and replacement of fixtures, furnishings and/or equipment. At our request, you must provide us with copies of any report of inspection conducted by a government agency or supplier.

7.9. Site Visits. We may send representatives to visit the Restaurant up to four (4) times per year to assess your operations and compliance with System Standards and this Agreement. We will allocate the reasonable travel, meal and lodging expenses of our representatives among the FLIPPIN' PIZZA Restaurants visited by the representatives and invoice you for your share of the expenses. We will bear the expense for any site visits to the Restaurant in excess of four in the same year, unless you have an outstanding notice of default or as otherwise expressly provided in this Agreement. You must permit our representatives to enter the Restaurant during normal business hours to conduct inspections and to interview your employees and customers. You must provide assistance as reasonably requested by our representatives. Upon notice from us, you must immediately begin any steps necessary to correct deficiencies noted during a site visit.

7.10. Cosmetic Changes. You acknowledge that the System continues to evolve as we and our affiliates adjust to new markets, customer feedback and consumer trends. Accordingly, upon reasonable notice from us, you must implement any changes that we specify with respect to the appearance and color scheme of the Restaurant.

7.11. Remodeling. At our request (which we will not make more often than once every five (5) years), or sooner if required by your lease, you must fully remodel the Restaurant to conform to the then-current design, service system, trade dress, and color schemes for FLIPPIN' PIZZA Restaurants. Remodeling may require, among other things, expenditures for structural changes, installation of new fixtures and equipment, new furnishings, redecoration, and/or modifications to existing improvements. We will consider the useful life of the capital improvements in developing our standards for remodeling.

7.12. Pricing and Promotional Activities. To the extent permitted by applicable law where the Restaurant is located, we have the right to establish maximum and/or minimum prices that you must follow for Menu Items and other products and services sold in the Restaurant. You must participate in and comply with the terms of special promotional activities that we prescribe for FLIPPIN' PIZZA Restaurants generally or in specific geographic areas or for specific types of venues. You acknowledge that these activities may include value menu, special offer, limited time offer, and other pricing promotions and that the featured price(s) may be less than your cost for the promoted item(s). Subject to the limitations in Section 11, you agree to bear your own costs of participating in these activities. You must display promotional signs and materials and otherwise participate in the manner we request.

7.13. Credit Cards. You must honor all credit, charge, courtesy or cash cards or other credit devices that we designate. You must comply with the then-current Payment Card Industry Data Security Standards (PCI/DSS), as those standards may be revised by the PCI Security Standards Council, LLC (see *www.pcisecuritystandards.org*) or successor organization. Among other things, you agree to implement the security requirements that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. Compliance may include having an independent third party conduct a PCI/DSS audit of the Restaurant at your own expense.

7.14. Electronic Money Programs and Loyalty Programs. You must participate in programs relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, online or mobile ordering systems, and other electronic money programs as we may prescribe from time to time for FLIPPIN' PIZZA Restaurants in the U.S.A. Participation includes both issuing program benefits or credits and accepting them for payment by customers, and may require you to purchase additional equipment. We will coordinate the crediting and debiting of funds among FLIPPIN' PIZZA Restaurants based on customer purchases and redemption of stored value. You must also participate in any "frequent guest" or customer loyalty programs we prescribe from time to time. You agree to bear your own costs of participating in these programs, which may include vendor fees to third parties. You may not offer your own gift card, electronic money, or loyalty program for the Restaurant without our prior approval.

7.15. Customer Amenities. You must provide the customer amenities we specify for FLIPPIN' PIZZA Restaurants in the U.S.A. (such as, but not limited to, complimentary wi-fi Internet access and background music).

7.16. Employer Responsibilities. You have sole responsibility for all employment decisions and functions relating to the Restaurant, including but not limited to decisions related to hiring, firing, scheduling, training, compensation, benefits, wage and hour requirements, recordkeeping, supervision, safety, security and discipline of employees. Any information we provide about employment matters, whether voluntarily or in response to your request, is a recommendation only and not intended to exercise control over the means or manner in which you operate the Restaurant. You alone will direct and control all Restaurant employees, subject only to applicable legal requirements, the terms of this Agreement, and the System Standards that we prescribe for the preservation of the goodwill associated with the Marks. You must ensure that your employees (i) are trained in product preparation; preserve good customer relations; render prompt, courteous, and knowledgeable service; and meet required governmental health standards; and (ii) do not violate the provisions of this Agreement relating to the use of electronic media by Franchisee, including but not limited to our policies regarding the posting of information relating to FPI, the System, the Marks, or the Restaurant.

7.17. Compliance with Lease. You must comply with all terms of the lease or sublease for the Approved Location and all other agreements affecting the operation of the Restaurant. You must use best efforts to maintain a good working relationship with your landlord and refrain from any activity which may jeopardize your right to remain in possession of, or to renew the lease or sublease for, the Approved Location.

7.18. Compliance with Laws. You must operate the Restaurant in full compliance with all applicable municipal, county, state and federal laws, rules, regulations and ordinances. You have sole responsibility for compliance despite any information or advice that we may provide.

7.19. Alcohol Sales. You have sole responsibility for obtaining all required permits or licenses to sell alcoholic beverages. You must obtain the proper insurance coverage and participate in any additional training we require for sale of alcoholic beverages, at your own expense.

7.20. Taxes and Indebtedness. You must promptly pay when due all taxes and all accounts and other indebtedness you incur in the operation of the Restaurant. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but you may not permit a tax sale or seizure or attachment by a creditor against the Restaurant.

7.21. Attendance at Meetings, Seminars and Conferences. The Key Person must attend all meetings, seminars and conferences that we specify as mandatory, including but not limited to an annual conference, marketing meetings for the marketing area in which the Restaurant is located, and special meetings related to new products or product preparation procedures, new System programs, new operations procedures or programs, financial management, sales or sales promotion, or similar topics. If the Key Person is not able to attend the meeting, seminar or conference, you must notify us before the meeting, seminar or conference and substitute another person from your organization to attend. If we hold an annual convention, we have the right to charge a reasonable per-person registration fee.

7.22. Participation in Advisory or Other Committees. We may establish committees of franchisees to advise us on various matters involving the System from time to time. You will be eligible to participate on committees in accordance with the rules that we or the committees establish, but only if you are in "good standing" at that time and have been in good standing for the six month period before serving on the committee. In order to be in "good standing," you must: (a) be current in all monetary obligations to us and our affiliates, and (b) have no outstanding notices of default.

8. FEES

8.1. Franchise Fee. You must pay us a non-refundable initial franchise fee of $25,000 when you sign this Agreement, minus any applicable credit under the Development Agreement.

8.2. Royalty. You must pay us an ongoing royalty fee of six percent (6%) of the Gross Sales of the Restaurant. Unless we designate a different period, the royalty fee will be paid weekly on Tuesday based on Gross Sales for the week ending the preceding Sunday.

8.3. Brand Fund Contribution. You must contribute two percent (2%) of Gross Sales to the Brand Fund. The Brand Fund contribution will be calculated for the same period and paid in the same manner as the royalty fee and will be used as described in Section 11.2.

8.4. Adjustment for Alcoholic Beverage Sales. If a state or local law prohibits or restricts your ability to pay and our ability to collect Royalty Fees, Brand Fund contributions, or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Restaurant, then you and we agree that "Gross Sales" will be interpreted to exclude sales of alcoholic beverages and the percentage rates for calculating Royalty Fees and Brand Fund contributions will be changed in a manner such that the Royalty Fees and Brand Fund contributions to be paid by you, and received by us, equal the Royalty Fees and Brand Fund contributions you would have been required to pay, and we would have received, if sales from alcoholic beverages were included in Gross Sales.

8.5. Withholding Taxes. The payments that you are required to make to us pursuant to this Agreement must be the gross amount determined according to the applicable section of this Agreement without deduction for any taxes, except for any non-resident income taxes that are assessed against us by taxing authorities in the jurisdiction where the Restaurant is located and that you are obligated by law to withhold (**"Withholding Taxes"**). If you fail to withhold or to pay any Withholding Taxes to the appropriate government authority, you must indemnify us and our affiliates for any penalties, interest, and expenses (including legal and accounting fees) resulting from your failure to withhold or to pay the taxes as required by law.

8.6. Payment Method. For all amounts payable to us (including amounts due for product purchases under Section 6), you must use the payment method(s) that we designate from time to time. If we require payment by electronic funds transfer, you must designate an account at a commercial bank of your choice (the **"Account"**) and furnish the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer. You agree to maintain sufficient funds in the Account to cover the amounts payable to us and our affiliates. If funds in the Account are insufficient to cover the amounts payable at the time we make our periodic electronic funds transfer, the amount of the shortfall will be deemed overdue.

8.7. No Set-off; Application of Payments. Your obligations for the full and timely payment of the fees described in this Agreement are absolute and unconditional. You may not set off, deduct, delay, escrow or withhold any payment based on our alleged non-performance of obligations or any other claims that you believe you have against us or our affiliates. We may apply any payments received from you to royalty fees, Brand Fund contributions, purchases from us or our affiliates, interest, late charges or any other obligation in the order we choose, regardless of any designation you make.

8.8. Estimated Payments. If you do not provide a Gross Sales report to us when due, we have the right to estimate your Gross Sales and to draft from your bank account the estimated amount due for Royalties, Brand Fund contributions and any other charges that are calculated based on Gross Sales. When you provide the delinquent Gross Sales report to us, we will reconcile any difference between the estimated amount and the actual charges due for the period.

8.9. Interest and Late Fees. If any payment to us is overdue, you must pay us, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid, at the rate of 12% per annum or the maximum rate permitted by law, whichever is less. Unpaid interest charges will compound annually. In addition, we will have the right to charge a late fee of $100 for the second occurrence of a payment that is more than 30 days past due, $200 for the third such occurrence, and $300 for the fourth and each subsequent occurrence. The late fee is to compensate us for our administrative costs incurred in enforcing your obligation to pay us.

9. COMMUNICATIONS, ACCOUNTING AND RECORDS

9.1. Information Systems. We have the right to specify the point-of-sale (POS) system, back-office computer, digital menu boards, software applications, audio/visual equipment and programs, electronic payment devices, and other hardware and software that you must install and use in the Restaurant. We may develop a proprietary POS system or other proprietary systems and applications that we require you to use. You agree to sign any standard license agreement or user agreement that may be required to use a system that we specify. You must maintain your systems in good working order at all times and promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other information system components as we direct. You agree to bear all costs of acquisition, installation, use, maintenance and upgrade of your systems.

9.2. Access to Your System. You must give us independent access to your systems and provide us with any user names and passwords necessary for that purpose. You must maintain an electronic connection between your information systems and our systems at all times; must use the systems in accordance with all policies and operational procedures that we issue from time to time; and must ensure that your employees are adequately trained in the use of the systems and our related policies and procedures.

9.3. Business Records. You must prepare, and must preserve for at least three (3) years from the dates of their preparation, complete and accurate books, records, and accounts, in accordance with generally accepted accounting principles and in the form and manner we prescribe, which may include a prescribed chart of accounts and/or use of a designated accounting program or platform.

9.4. Online Portal. We have the right (but no obligation) to establish a secure website for FLIPPIN' PIZZA Restaurants and to require you to use it for reporting, training, or other purposes as we direct. We may charge a reasonable user fee to support the costs of establishing and maintaining the online portal.

9.5. Financial Statements. Within twenty (20) days after the end of each calendar month, you must submit a statement of financial condition (a balance sheet) as of the end of the calendar month and a statement of income and expenses relating to the Restaurant for the month and for the fiscal year-to-date. The financial statements must be certified as correct and complete by the Key Person. If you have received a written notice of default from us for non-payment of any amounts due, or if an examination or audit under Section 9.7 reveals that the Gross Sales reported for any period of three consecutive months were more than 5% below the actual Gross Sales for the period, we have the right to require that subsequent financial statements be audited by an independent certified public accountant.

9.6. Parent and Guarantor Financial Statements. At our request, you agree to furnish an annual statement of financial condition for each individual or corporate guarantor of your obligations to us and, if applicable, for each of Franchisee's direct and indirect corporate parents.

9.7. Right to Examine or Audit. We are entitled: (i) upon reasonable notice, to require you to engage an independent accounting firm, at your own expense, to review or audit any financial statements submitted to us under Section 9.5 or Section 9.6; (ii) upon 72 hours' notice, to examine or audit your books and records at your office, using any combination of our own personnel and/or outside service providers; and (iii) upon 10 business days' notice, to require you to assemble, copy and deliver financial statements, books and records to us for examination or audit at our offices. In any such examination or audit, all books, records, accounts, correspondence, data, financial statements required by Sections 9.5 and 9.6, and tax returns related to the Restaurant must be made available for our inspection. You must cooperate with the persons making the examination or audit on our behalf. If you or we discover at any time, by means of an audit or otherwise, that there has been an underpayment of royalty fees or other amounts due, you must pay the amount due, together with applicable late fees and interest under Section 8.10. Payment and acceptance of the overdue amounts will not constitute a waiver of or prejudice our right to exercise any other remedy in this Agreement, including termination in accordance with Section 17.3 of this Agreement.

9.8. Cost of Examination or Audit. If we perform an examination or audit due to: (i) your failure to submit reports of Gross Sales or financial statements, or (ii) your failure to maintain books and records as required, or if the cumulative Gross Sales you report for any period of three consecutive months is more than 2% below the actual Gross Sales for the period as determined by the examination or audit, then you must pay us the reasonable and customary cost of the examination or audit, including travel and lodging expenses for the examiners or auditors. For purposes of calculating the reasonable and customary cost, we will use hourly rates for our own personnel that are commensurate with the rates of mid-level professionals of independent accounting firms.

9.9. Ownership of Data. To the extent permitted by applicable law, all data that you collect from customers of the Restaurant or through marketing is deemed to be owned exclusively by FPI and our affiliates. The customer and marketing data is Confidential Information subject to Section 14. You agree to install and maintain the security measures and devices necessary to protect the customer data from unauthorized access or disclosure, including (but not limited to) the measures in Section 7.13. You may not sell or disclose to anyone else any personal or aggregated information concerning any customers without first obtaining our written consent. You have the right to use the customer data only in connection with the Restaurant while this Agreement is in effect. In the event of an approved sale of the Restaurant to a new owner who will continue to operate the Restaurant under an agreement with us, you may transfer the customer data to the buyer as part of the going concern value of the business.

10. INSURANCE

10.1. Basic Requirements. You must at your own expense maintain the types and minimum amounts of insurance coverage specified in the Operations Manuals. The policy or policies must be written by a carrier or carriers with an industry rating acceptable to us; must name FPI, our affiliates, and their respective officers, directors, shareholders, and employees as additional insureds as we direct; and must not have deductibles, exclusions or co-insurance that are unacceptable to us. Each insurance policy must contain a waiver by the insurance company of subrogation rights against us, our affiliates, and their successors and assigns. You must provide us with evidence of all required insurance coverage and payment of premiums before beginning construction of the Restaurant. At least 30 days before each insurance policy expires, you must furnish a copy of renewal or replacement insurance and evidence of payment of the premium. Your obligation to obtain coverage is not limited by insurance that we maintain.

10.2. Our Rights. We have the right to increase the amounts of coverage required and to require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All public liability and property damage policies must contain a waiver of subrogation rights by the insurance company against us and our affiliates, successors and assigns. If you fail to maintain the insurance required by this Agreement, we have the right (but no obligation) to obtain insurance on your behalf. If we do so, you agree to reimburse us for the cost of insurance, plus a reasonable fee for our services.

11. MARKETING AND ADVERTISING

11.1. Acknowledgments. You acknowledge the importance of standardization of marketing and advertising programs to the goodwill and public image of the System, the Marks, and the FLIPPIN' PIZZA

Restaurants. You further acknowledge our rights in this Section to modify advertising, marketing and public relations programs and the manner in which marketing and advertising funds are used from time to time.

11.2. Brand Fund. The purpose of the Brand Fund is to support general development and recognition of the FLIPPIN' PIZZA brand in the U.S.A. You must contribute to the Brand Fund as provided in Section 8.3. The Brand Fund will operate as follows:

11.2.1 We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund, with final discretion over strategic direction, creative concepts, materials and endorsements used therein, and the geographic, market and media placement and allocation thereof. We may use the Brand Fund to pay costs and expenses as we determine in our sole discretion, including but not limited to: preparation and production of video, audio, written, online and mobile marketing materials; purchasing promotional items; sponsorship of sporting, charitable, or similar events; design, establishment, and maintenance of websites, social media, mobile applications and other electronic marketing; implementation of advertising programs and in-store promotions, including purchasing direct mail and media advertising and employing advertising agencies to assist us; other public relations, marketing, consumer research, and promotional activities, including product testing and test marketing programs, development, testing, and implementation of trade dress and design prototypes, and fulfillment charges; reasonable salaries and expenses of employees of FPI or our affiliates working for or on behalf of the Brand Fund or on advertising, marketing, public relations materials, programs, or activities or promotions prepared, planned or undertaken on behalf of the Brand Fund; administrative costs and overhead incurred in activities reasonably related to the administration and activities of the Brand Fund; fees of accounting firms, design firms, public relations firms, consultants and ad agencies; legal fees for advertising pre-clearance, defense of false advertising claims, and defense of any claims made regarding our administration of the Brand Fund; and interest on any monies borrowed by the Brand Fund.

11.2.2 We will make available to you any creative materials designed by the Brand Fund. You agree to pay or to reimburse us for any costs to reproduce the materials and/or to customize the materials for your use.

11.2.3 We may seek the advice of FLIPPIN' PIZZA franchisees by formal or informal means with respect to the creative concepts and media used for programs financed by the Brand Fund. We retain final authority on all programs financed by the Brand Fund. We have the right to incorporate, replace, change or dissolve the Brand Fund.

11.2.4 You acknowledge that we are not obligated, in administering the Brand Fund, to make expenditures for you that are equivalent or proportional to your contributions, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Fund. You have no right to reduce or withhold contributions based on any alleged lack of benefits to your Restaurant or based on failure by any other franchisee (with or without our permission) to make its contributions to the Brand Fund.

11.2.5 Nothing in this Agreement is intended or will be construed to impose a trust or fiduciary duty on us in connection with the Brand Fund, including, but not limited to, with respect to the collection of contributions, maintenance of the bank account, bookkeeping, and disbursement of monies from the Brand Fund. Except as expressly provided in this Section 11, we assume no direct or indirect liability or obligation to you with respect to maintenance, direction, or administration of the Brand Fund.

11.3. Grand Opening Marketing. You must conduct initial marketing for the Restaurant in accordance with a grand opening marketing plan that you will create, subject to our approval. Unless otherwise agreed, you must spend not less than $5,000 to implement the grand opening marketing plan.

11.4. Local Store Marketing. You must spend not less than one percent (1%) of Gross Sales annually for local advertising and promotion of the Restaurant (**"Local Store Marketing"**). Discounts, promotional items, and food products that you give away in order to promote the Restaurant will count toward your Local Store Marketing obligation, but only at your cost (not the retail value) of the products, and the maximum that we will count toward Local Store Marketing for discounts, promotional items and give-aways combined is one percent (1%) of Gross Sales. All Local Store Marketing must be approved by us pursuant to Section 11.6 below. Expenses that you incur for activities under Section 7.12 will count toward your Local Store Marketing obligation.

11.5. Joint Marketing Programs and Cooperatives. We have the right at any time and from time to time to establish, and thereafter modify: (1) co-marketing programs in which we, franchisees and licensees join with suppliers or other third parties to cross-promote goods and services; (2) joint marketing efforts in which multiple franchisees and/or licensees contribute to a specific ad or event; and/or (3) local or regional marketing co-operatives (**"Cooperatives"**) that pool funds of franchisees on an ongoing basis to jointly promote the Marks and the FLIPPIN' PIZZA Restaurants of the members. You must participate in each applicable joint marketing program and comply with the rules of the program. The following provisions apply to Cooperatives:

11.5.1 We have the right to designate any geographic area or set of common characteristics for purposes of establishing a Cooperative. If an existing Cooperative is applicable to the Restaurant at the time the Restaurant opens for business, you must immediately become a member of the Cooperative. If a Cooperative applicable to the Restaurant is established during the term of this Agreement, you must become a member no later than thirty (30) days after the date we approve for the Cooperative to begin operation. You will not have to contribute to more than one Cooperative at a time for the same Restaurant. We (or our affiliates, as the case may be) will become a member in any Cooperative applicable to a FLIPPIN' PIZZA Restaurant owned by us or our affiliates.

11.5.2 Each Cooperative will adopt a cooperative agreement governing the organization and operation of the Cooperative, subject to our approval. If the members of the Cooperative do not sign an agreement within a reasonable time, you agree to sign our recommended form of Cooperative Agreement. We reserve the right to change the form of organization, governing documents, and manner of operation of any Cooperative, and you and the other members agree to implement any such change promptly after notice from us. No changes in the bylaws or other governing documents of a Cooperative may be made without our prior written consent.

11.5.3 Each Cooperative will be organized for the exclusive purpose of developing, administering, and executing advertising programs for use by the members of the Cooperative.

11.5.4 No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval under Section 11.6 below.

11.5.5 You and each other member of the Cooperative must contribute to the Cooperative a percentage of Gross Sales determined by the membership, not to exceed 1.5% of Gross Sales. Your obligation for Local Store Marketing in Section 11.4 will be reduced by the amount of your contributions to the Cooperative.

11.5.6 We may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative and/or from the obligation to contribute (including a reduction, deferral or waiver of the contribution), upon written request stating reasons that we deem sufficient to support the exemption. Our decision concerning any request for exemption will be final. If we grant an exemption to a franchisee, the franchisee will be required to spend on Local Store Marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative.

11.5.7 We and our designated agents will have the right to examine and copy, at our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Cooperative. We will also have the right, at any time, to have an independent audit made of the books of any Cooperative.

11.6. Approval Requirement. All proposed advertising and promotional plans and materials that you intend to use must be submitted to us for approval at least thirty (30) days before their intended use. You do not have to submit samples of plans or materials that were prepared by us or that we have approved within the last twelve (12) months. Proposed advertising plans or materials are deemed to be disapproved unless we have approved them in writing within fifteen (15) days after your submission of the samples. All advertising and promotion must be in the media and of the type and format that we approve, must be conducted in a dignified manner, and must conform to our standards.

11.7. Electronic Marketing and Electronic Communications. Unless we have agreed to it in writing, you may not use, register, maintain, or sponsor any website, URL, social media, blog, messaging system, email account, user name, text address, mobile application, or other electronic, mobile or Internet presence that uses or displays any of the Marks (or any derivative thereof) or that promotes any products or services of the Restaurant. You acknowledge that the use of any electronic medium constitutes advertising and promotion subject to our approval under Section 11.6. You agree not to post or transmit, or cause any other party to post or transmit, advertisements or solicitations by telephone, e-mail, text message, instant message, website, social media, mobile apps, VoIP, streaming media, or other electronic media that are inconsistent with our brand advertising guidelines and standards. The brand advertising standards may include the use of disclaimers, warnings, and other statements that FPI may prescribe. All social media accounts, profiles, pages, and registrations that primarily promote the Marks or the Restaurant must be requested through us. We will register them in our own name and provide you with administrative access only, retaining ownership and ultimate control. We may offer to provide, or may require that you have, a website for your Restaurant (which may be structured as a separate page of a consumer website(s) supported by the Brand Fund) and we may charge you a reasonable fee for development and/or support of the Restaurant-specific site.

12. PROPRIETARY MARKS AND COPYRIGHTS

12.1. Identification of the Restaurant**.** You must operate, advertise, and promote the Restaurant only under the Marks. In conjunction with any use of the Marks, you must identify yourself to the public as an independent franchisee operating under authority of this Agreement

12.2. Your Acknowledgments. You acknowledge that: (a) the Marks are valid and serve to identify the Proprietary Products and the FLIPPIN' PIZZA Restaurants operating under the System; (b) your use of the Marks under this Agreement does not give you any ownership interest in the Marks; and (c) all goodwill associated with and identified by the Marks belongs exclusively to FPI and our affiliates. Upon the expiration or termination of this Agreement, no monetary amount will be attributable to goodwill associated with your activities as a franchisee under the Marks. During the Agreement Term and after expiration or termination of this Agreement, you agree not to contest or aid in contesting the validity or ownership of the Marks or take any action harmful to our or our affiliates' rights in the Marks.

12.3. Limitations on Use of the Marks. You agree to:

12.3.1 Operate and advertise the Restaurant only under the Marks;

12.3.2 Use only the Marks designated by us and use them only in the manner we authorize;

12.3.3 Use the Marks only for the operation of the Restaurant at the Approved Location and for approved marketing and advertising for the Restaurant;

12.3.4 Not use any of the Marks as part of your corporate or legal name;

12.3.5 Comply with our instructions in filing and maintaining any requisite trade name or fictitious name registrations, and execute any documents we deem necessary to obtain protection for the Marks and the Works or to maintain their continued validity and enforceability;

12.3.6 Permit us or our representatives to inspect your operations to assure that you are properly using the Marks;

12.3.7 Use the Marks to promote and to offer for sale only the products and services that we have approved, and not use any Marks in association with the products, materials or services of others;

12.3.8 Not use the Marks to incur any obligation or indebtedness on our behalf; and

12.3.9 Ensure that the Marks bear the "®", "™", or "SM" symbol, as we prescribe.

12.4. Changes to the Marks. We have the right, upon reasonable notice, to change, discontinue, or substitute for any of the Marks and to adopt new Marks for use with the System. You agree to implement any such change at your own expense within the time we reasonably specify.

12.5. Copyrighted Materials. You acknowledge that FPI and/or our affiliates are the owners of certain copyrighted or copyrightable works (the **"Works"**) and that the copyrights in the Works are valuable property. The Works include, but are not limited to, the Operations Manuals, advertisements, promotional materials, labels, menus, posters, coupons, signs, Internet sites, and store designs, plans and specifications. The Works may incorporate all or part of the Marks or other trade dress used as part of the System. We authorize you to use the Works on the condition that you comply with all of the terms and conditions of this Section 12. You acknowledge that this Agreement does not confer any interest in the Works on you, other than the right to use them in the operation of the Restaurant in compliance with the terms of this Agreement. If you prepare any adaptation, translation or work derived from the Works, whether or not authorized by us, you agree that such material will be our property and you hereby assign all your right, title and interest therein to us (or a person designated by us). You agree to execute any documents which we deem necessary to reflect or perfect such ownership.

12.6. Third-Party Challenges. You agree to notify us promptly of any unauthorized use of the Marks or Works that you suspect or of which you have knowledge. You also agree to inform us promptly of any challenge by any person or entity to the validity of, our ownership of, or our right to license others to use any of the Marks or Works. We have the exclusive right (but no obligation) to initiate, direct and control any litigation or administrative proceeding relating to the Marks and Works, including but not limited to any settlement. We will defend you against any third-party claim that your use of the Marks or the Works infringes the rights of third parties. We will bear the cost of the defense (including the cost of any judgment or settlement) if you have used the Marks and the Works in accordance with the terms of this Agreement, but otherwise you must bear the cost of defense (including the cost of any judgment or settlement). You agree to execute all documents and render any other assistance as our counsel may deem necessary and advisable to the defense or prosecution to protect and maintain our interests in the Marks and the Works.

13. OPERATIONS MANUALS

We will furnish you with one copy of, or electronic access to, the Operations Manuals. You acknowledge that we own the copyright in the Operations Manuals and that any portions in your possession or control are on loan from us and remain our property. We have the right to modify the Operations Manuals from time to time to reflect changes in the System Standards. In the event of a dispute about the contents of the Operations Manuals, the master copy that we maintain at our principal office takes precedence. You acknowledge that the Operations Manuals and any digital identification necessary to access digital versions of the Operations Manuals are part of the Confidential Information and will be used and protected accordingly.

14. CONFIDENTIAL INFORMATION

14.1. Nondisclosure. You are prohibited, both during and after the term of this Agreement, from communicating or divulging Confidential Information to any unauthorized person and from using Confidential Information for your benefit or for the benefit of any other person, other than for operation of the Restaurant. You may divulge Confidential Information only: (i) to your employees and agents who must have access to it in order to carry out their duties relating to the Restaurant; and (ii) to your contractors and landlord with our prior written approval. All information, knowledge, trade secrets, know-how, techniques, and other data that we designate as confidential will be deemed to be Confidential Information for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means before we disclosed it to you, or that, at or after the time of our disclosure to you, had become or later becomes a part of the public domain, through publication or communication by others.

14.2. Owners, Officers, Managers and Third Parties. At our request, you must require your Owners, Key Person, officers, and Restaurant managers to sign a separate Confidentiality and Non-Competition Agreement in the form of Appendix C to this Agreement, and must use your best efforts to obtain signed confidentiality agreements from your landlord, contractors, and any other person outside of your organization to whom you wish to disclose any of our Confidential Information. The confidentiality agreements must be in a form satisfactory to us and identify us as a third party beneficiary with the independent right to enforce the agreement.

14.3. Improvements. If you or any Owner, employee or agent of Franchisee develops any new concept (including any advertising concept or idea), product, process, or improvement or slogan relating to the operation or promotion of the Restaurant (**"Improvement"**), you must promptly notify us and provide us with all related information, without compensation. You and the Owners, for yourselves and on behalf of all employees and agents, acknowledge that any such Improvement is our property and agree to sign all documents necessary to verify assignment of the Improvement to us. You acknowledge that we have the right to use, disclose and/or license the Improvement for use by others. You may not introduce any Improvement into the Restaurant without our prior written consent.

15. RESTRICTIONS ON COMPETITION

15.1. During the Term. You acknowledge that the relationship established by this Agreement will provide access to valuable Confidential Information, training and business opportunities that you and the Owners did not possess before entering into this Agreement. Accordingly, you and the Owners agree that, while this Agreement is in effect, except as we otherwise approve in writing, you and they will not, either directly or indirectly:

15.1.1 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in any Competing Business, as defined in Section 15.3 below;

15.1.2 Divert or attempt to divert any present or prospective business or customer to any Competing Business, or do or perform, directly or indirectly, any other act harmful to the goodwill associated with the Marks and the System; or

15.1.3 Employ or seek to employ any person who is at that time employed by FPI or our affiliates at the level of Restaurant manager or above, or who has been so employed by us or our affiliates within the preceding three (3) months, or otherwise directly or indirectly induce any person to leave his or her employment with us or our affiliates.

15.2. After Expiration, Termination or Transfer. You agree that, except as provided in other Franchise Agreements you have with FPI or our affiliates, or as we otherwise approve in writing, you and the Owners will not, for two (2) years after the expiration or termination of this Agreement or the approved transfer of this Agreement to a new operator, either directly or indirectly:

15.2.1 Own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any Competing Business operating within ten (10) miles of the Restaurant or within five (5) miles of any other FLIPPIN' PIZZA Restaurant;

15.2.2 Divert or attempt to divert any present or prospective business or customer to any Competing Business, or do or perform, directly or indirectly, any other act harmful to the goodwill associated with the Marks and the System; or

15.2.3 Employ or seek to employ any person who is at that time employed by FPI or our affiliates at the level of Restaurant manager or above, or who has been so employed by us or our affiliates within the preceding three (3) months, or otherwise directly or indirectly induce any person to leave his or her employment with us or our affiliates.

15.3. Definition of Competing Business. In this Agreement, **"Competing Business"** means a foodservice brand or outlet featuring pizza as a principal menu item.

15.4. Exception for Publicly-Held Shares. Sections 15.1.1 and 15.2.1 do not apply to ownership of less than five percent (5%) beneficial interest in the equity securities of any publicly-held corporation.

15.5. Owner and Officer Restrictions. As to the individuals who are bound personally by the restrictions in this Section 15 or by a separate Confidentiality and Non-Competition Agreement, the time periods in Section 15.2 will run from the expiration, termination, or transfer of this Agreement or from the end of the individual's relationship with Franchisee, whichever occurs first.

15.6. Enforcement.

15.6.1 Neither you nor any person bound by the restrictions of this Section 15 may circumvent the restrictions by engaging in prohibited activity indirectly through any other person or entity.

15.6.2 We have the right to reduce the scope of any restriction in this Section 15, without the consent of Franchisee or its Owners, effective immediately upon written notice to Franchisee.

15.6.3 You and your Owners agree that the existence of any claim that you or any of them may have against us, whether or not arising from this Agreement, will not constitute a defense to enforcement of this Section 15 or any separate Confidentiality and Non-Competition Agreement.

15.6.4 You acknowledge that a violation of this Section 15 would result in irreparable injury for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction, without the need to post bond, prohibiting any violation of this Section 15. Injunctive relief is in addition to any other remedies we may have. You agree to pay all costs and expenses that we reasonably incur in enforcing this Section 15, including reasonable attorneys' fees.

15.6.5 If you or any of the Owners fails to abide by any of the restrictions in this Section 15 and we obtain enforcement in a judicial proceeding, the obligations under the breached restriction will continue in effect for a period ending two (2) years after the date of the order enforcing the restriction.

16. SALE OR ASSIGNMENT

16.1. Definition of Transfer. In this Agreement, **"Transfer"** as a verb means to sell, assign, give away, pledge, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings), any interest in this Agreement, in the assets of the Restaurant, or in the ownership of Franchisee (if the Franchisee is a corporation, partnership, or limited liability company). "Transfer" as a noun means any such sale, assignment, etc.

16.2. No Transfer without Our Consent. We have entered into this Agreement in reliance on your and the Owners' business skill, financial capacity, and personal character. Accordingly, neither you nor any of the Owners may make any Transfer or permit any Transfer to occur without obtaining our prior written consent. We will not unreasonably withhold our consent, but we can impose reasonable conditions. You agree that the conditions in Sections 16.3 through 16.8 below are reasonable and that they do not preclude other reasonable conditions that we may impose. We have the right to communicate with and counsel both you and the proposed transferee on any aspect of a proposed Transfer. No Transfer that requires our consent may be completed until at least 60 days after we receive written notice of the proposed Transfer. You agree to provide all information and documentation relating to the proposed Transfer that we request. If we have not responded within 60 days after we receive all requested information, our consent will be deemed to have been given. Unless otherwise agreed, we do not waive any claims against the transferring party if we approve the Transfer. If we do not approve the Transfer, you must continue to operate the Restaurant in accordance with this Agreement.

16.3. Transfer of Entire Business. For a proposed Transfer of the assets of the Restaurant and/or the rights granted by this Agreement, the conditions set forth in this Section apply (unless waived by FPI). If Franchisee is a corporation, limited liability company or other entity, this Section also applies to a Transfer of ownership interests that would result in a change of control of Franchisee:

16.3.1 You must be in compliance with all obligations to us under this Agreement and any other agreement you have with us and our affiliates as of the date of the request for our approval of the Transfer, or you must make arrangements satisfactory to us to come into compliance by the date of the Transfer.

16.3.2 The proposed transferee must:

(a) Demonstrate to our satisfaction that he or she meets all of our then-current qualifications to become a FLIPPIN' PIZZA franchisee. If the proposed transferee is already a FLIPPIN' PIZZA franchisee, that fact does not guarantee approval to become the operator of the Restaurant. We have no less discretion with respect to a proposed transferee than we have with granting a new FLIPPIN' PIZZA franchise.

(b) Sign our then-current standard form of Franchise Agreement (or the standard form most recently offered to new franchisees in the U.S.A., if we are not then offering franchises to new franchisees). There is no limitation on the extent to which the terms of the new Franchise Agreement may differ from the terms of this Agreement.

(c) Unless the proposed transferee is another FLIPPIN' PIZZA franchisee, pay the then-current fee for training (at closing, out of escrow if an escrow is established for the transaction) and successfully complete our then-current training requirements.

(d) Make arrangements to modernize and upgrade the Restaurant, at the transferee's expense, to the current System Standards.

(e) If the proposed transferee is another FLIPPIN' PIZZA franchisee, he or she must not be in default under his or her agreements with us, must have a good record of customer service and compliance with the System Standards, and must sign a general release in a form acceptable to us.

(f) If the transferee is a business entity, all owners of a beneficial interest in the transferee must sign our then-current forms of personal guarantee and Confidentiality and Non-Competition Agreement.

16.3.3 You must pay us a Transfer fee equal to fifty percent (50%) of the initial franchise fee that we are then charging to new FLIPPIN' PIZZA franchisees in the U.S.A. (or 50% of the franchise fee in Section 8.1, if we are not then offering franchises to new franchisees), plus $1,000 for each individual associated with the proposed transferee to cover our costs of investigating the individual's qualifications and background. Notwithstanding the foregoing, the transfer fee will not exceed $5,000 if the transferee (i) has been a FLIPPIN' PIZZA franchisee for at least three years and is in compliance with its agreement(s) with us; (ii) has been employed by a FLIPPIN' PIZZA Restaurant at the manager level or above for at least five years; or (iii) is a member of the transferring Owner's immediate family.

16.3.4 You and all Owners must sign a general release, in a form satisfactory to us, of all claims against us and our past, present and future affiliates, officers, directors, shareholders, agents and employees. You and the Owners will remain liable to us for all obligations arising before the effective date of the Transfer.

16.3.5 The price and other proposed terms of the Transfer must not, in our reasonable business judgment, have the effect of negatively impacting the future viability of the Restaurant.

16.3.6 Any financing incurred in connection with the Transfer must be expressly subordinated to the transferee's obligations to us.

16.4. Transfer of Minority Ownership Interest. For any proposal to admit a new Owner, to remove an existing Owner, or to change the distribution of ownership shown on the cover page, or for any other transaction that amounts to the Transfer of a partial interest in the Restaurant, you must give us advance notice and submit a copy of all proposed contracts and other information concerning the Transfer that we may request. We will have a reasonable time (not less than 45 days) after we have received all requested information to evaluate the proposed Transfer. We may withhold our consent or give our consent subject to the conditions in Sections 16.3.1, 16.3.2(a), 16.3.3, and 16.3.4. You acknowledge that any proposed new owner must submit a personal application and execute a personal guarantee and Confidentiality and Non-Competition Agreement in our then-current form.

16.5. Transfer to a Business Entity. We will consent to the assignment of this Agreement to and assumption of this Agreement by a corporation or limited liability company that you form solely for the convenience of ownership (a **"Company"**), without payment of a Transfer fee, provided that you comply with all of the following:

16.5.1 You must provide us with proof that the Company is in existence and in good standing in the state where it was organized. The Company must have no other business besides the development and operation of FLIPPIN' PIZZA Restaurants. The legal name of the Company must not contain the words "FLIPPIN' PIZZA" or any similar words or phrases.

16.5.2 The Owners must hold equity interests in the Company in the same proportion shown on the cover page of this Agreement.

16.5.3 All Owners must sign a Confidentiality and Non-Competition Agreement and a Personal Guarantee in the form attached to this Agreement.

16.5.4 You must reimburse us for the reasonable costs and expenses we incur in connection with the assignment, including legal fees.

16.5.5 You and the Company must comply with the requirements in Section 19 for the remaining term of this Agreement.

16.6. Transfer on Death, Incapacity or Bankruptcy. If you or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within 3 months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to Transfer the person's interest. The Transfer will be subject to the provisions of Sections 16.2 through 16.8, as applicable. In addition, if the deceased or incapacitated Owner is the Key Person, we will have the right (but no obligation) to take over operation of the Restaurant upon giving notice to the executor, administrator, personal representative, or trustee and to manage the Restaurant until the Transfer is completed. If we exercise this right, we can charge a reasonable management fee for our services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of 30 or more consecutive days or (ii) for 60 or more total days during a calendar year. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 16.3, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 16.6 within one year after the date of death or appointment of a personal representative or trustee, we can terminate this Agreement under Section 17.2.

16.7. Non-Conforming Transfers. Any purported Transfer that is not in compliance with this Section 16 is null and void and constitutes a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure.

16.8. Our Right of First Refusal. We have the right, exercisable within 45 days after receipt of the notice specified in Section 16.2, to send written notice to you that we intend to purchase the interest proposed to be Transferred. The request for approval of Transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, description of financing or other contingencies, and any other documents reasonably necessary to support a prudent business decision on whether to exercise the right of first refusal. We can assign our right of first refusal to someone else either before or after we exercise it. However, our right of first refusal will not apply to a Transfer under Section 16.5 or Section 16.9.2 or a Transfer to a spouse or adult son or daughter (including Transfers to a spouse, son, or daughter as a result of death or incapacity as described in Section 16.6).

16.8.1 If the proposed Transfer is a sale, we or our designee may purchase on the same economic terms and conditions offered by the third party. Closing on our purchase must occur within 60 days after the date of our notice to the seller electing to purchase the interest. If we cannot reasonably be expected to furnish the same type of consideration as the third-party, then we may substitute the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash, you and we will jointly designate and pay the cost of an independent appraiser, and the appraiser's determination will be final. We will have thirty (30) days after receipt of the appraiser's determination to decide whether to proceed with the purchase. Any material change in the third party's offer after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as for the third party's initial offer.

16.8.2 If a Transfer is proposed to be made by gift, you and we will jointly designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We will have thirty (30) days after receipt of the appraiser's determination to decide whether to purchase the interest at the fair market value determined by the appraiser. If we decide to purchase, closing on the purchase will occur within 45 days after our notice to the transferor of our decision.

16.8.3 If we elect not to exercise our rights under this Section, the transferor may complete the proposed Transfer after complying with Sections 16.2 through 16.6, provided that the final sale price is not less than the price at which we were entitled to purchase. If we determine that the final sale price is less than the price at which we were entitled to purchase, we may refuse to give our consent to the Transfer. Closing of the Transfer must occur within 60 calendar days of our election not to exercise our rights. If closing does not occur within the 60-day period, the third party's offer will be treated as a new offer subject to our right of first refusal.

16.9. Transfer of Development Agreement. We believe it is important to the integrity of the System to keep markets intact. Accordingly, if you propose to transfer your rights under the Development Agreement, you must (unless we otherwise approve) Transfer this Agreement, the Restaurant, and all other Restaurants developed under the Development Agreement to the same transferee in the same transaction.

16.10. Security Interest. Any security interest that may be created in this Agreement by virtue of Section 9-408 of the Uniform Commercial Code will be limited as described in Section 9-408(d) of the Uniform Commercial Code.

16.11. Securities Offering. If you or an Owner desires to offer securities, the offering will be subject to all of the conditions of this Section 16, including our right of first refusal under Section 16.8. All materials required for the offering by federal or state law must be submitted to us for review and consent prior to their use. No offering may imply, by use of the Marks or otherwise, that we are participating in underwriting, issuing, or offering the securities. Our review of the offering materials will be limited solely to the subject of the relationship between you and us. All participants in the offering must fully indemnify us in connection with the offering. For each proposed offering, we may require you to pay, in addition to the transfer fee under Section 16.3, a non-refundable fee of up to $10,000 to reimburse us for our costs and expenses associated with reviewing the proposed offering. You must give us written notice at least thirty (30) days before the commencement date of any offering for which we have completed our review.

16.12. Sale or Assignment by FPI. We have the right to transfer or assign all or any portion of our rights or obligations under this Agreement to any person or legal entity. With respect to any assignment that results in the subsequent performance by the assignee of all of our obligations under this Agreement, the assignee will expressly assume our obligations and become solely responsible for them from the date of assignment. You acknowledge that we can sell our assets, sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

17. DEFAULT AND TERMINATION

17.1. Termination without Notice. You will be deemed to be in material default of this Agreement and, to the extent permitted by law, all rights granted by this Agreement will automatically terminate without notice to you if you become insolvent or make an assignment for the benefit of your creditors; if a receiver is appointed for the Restaurant; if execution is levied against your business assets; if a suit to foreclose any lien or mortgage is filed against you and not dismissed within 60 days; if a bankruptcy petition is filed by or against you and not dismissed within 60 days; or if your business entity is dissolved.

17.2. Termination without Cure Period. If any of the following events of default occurs, we will have the right to terminate this Agreement without providing you any opportunity to cure the default, effective immediately upon delivery of written notice:

17.2.1 If you fail to complete the requirements for approval to open the Restaurant within the time specified in Section 4.4;

17.2.2 If you close the Restaurant for 3 or more consecutive business days without our prior approval, or cease to operate for any period in circumstances where it is reasonable to conclude that you do not intend to promptly resume operation of the Restaurant;

17.2.3 If you lose the right to possession of the Approved Location, or otherwise forfeit the right to do business in the jurisdiction where the Approved Location is located. However, if, through no fault of your own, the Restaurant premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then you will have thirty (30) days after that event in which to apply for our approval to relocate and/or reconstruct the Restaurant, which approval will not be unreasonably withheld;

17.2.4 If you refuse to permit us to inspect the Restaurant or your books, records, or accounts as provided herein;

17.2.5 If you fail to comply with the restrictions on competition in Section 15;

17.2.6 If any Transfer occurs that does not comply with Section 16;

17.2.7 If Franchisee or any entity that controls Franchisee becomes a publicly-held corporation.

17.2.8 If you disclose or divulge any contents of the Operations Manuals or other Confidential Information;

17.2.9 If you knowingly maintain false or misleading books or records or knowingly submit any false or misleading information to us;

17.2.10 If you or any Owner is convicted of, pleads guilty to, or pleads no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe is likely to have an adverse effect on the System, the Marks, or the goodwill associated with them. Once you or the Owner has been arrested for or formally charged with a serious criminal offense, we will have the right: (i) to require that the individual(s) charged be removed from any active role in the Restaurant pending final disposition of the charges; and (ii) if the person(s) charged include the Key Person, to take over operation of the Restaurant and to manage the

Restaurant pending final disposition of the charges. If we exercise the right in clause (ii), we may charge a reasonable management fee for our services;

17.2.11 If you or any Owner appears on any government list of "blocked" persons or your assets, property, or interests are "blocked" under any anti-terrorism law or similar law that prohibits us from doing business with you or the Owner;

17.2.12 If, after the cure of a default under Section 17.3 or Section 17.4, the same default occurs again within one (1) year, whether or not cured after notice;

17.2.13 If you receive three (3) or more written notices of default under Section 17.3 and/or Section 17.4 within any eighteen (18) month period, whether the defaults are of a similar or different nature and whether or not any of them is cured after notice; or

17.2.14 If the Restaurant does not achieve the prescribed minimum score for our quality assurance program on two consecutive assessment occasions, or on any three or more assessment occasions during any five (5) year period.

17.3. Termination for Non-Payment. If you fail to pay any monies owed to us or our affiliates within seven (7) days after receipt of notice of default from us, this Agreement will terminate at the end of the 7-day period without further notice from us.

17.4. Termination Following Expiration of Cure Period. Except as provided in Sections 17.1 through 17.3, we can terminate this Agreement only by giving you written notice of termination stating the nature of the default at least thirty (30) days before the effective date of termination. If the default is not cured to our reasonable satisfaction within the thirty (30) day period (or such longer period as applicable law may require) this Agreement will terminate without further notice to you, effective at the end of the cure period. Any material failure to comply with the requirements imposed by this Agreement (as reasonably supplemented by the Operations Manuals) will be a default under this Section 17.4.

17.5. Cross-Default. Any default under any other agreement that you or an affiliate have with us will constitute a default under this Agreement, subject to any applicable provisions for notice and cure set forth in the other agreement. For purposes of this section, "affiliate" means a person or business entity controlling, controlled by, or under common control with Franchisee.

17.6. Emergency Closing. If we in good faith believe that you are serving products or using procedures at the Restaurant that are unsafe to customers and/or employees, we have the right, without prior notice, to immediately close the Restaurant until such time as the unsafe products or procedures are no longer served or used. You will have twenty-four (24) hours after the closing of the Restaurant to prepare a written plan detailing the procedures that you will put in place to ensure that the unsafe practice has been fully remedied and will not recur. If you and we cannot agree on a plan, or if you intentionally fail to follow the plan agreed upon, then we will have the right to terminate this Agreement by written notice, with no further opportunity for you to cure the default.

17.7. Termination by Franchisee. You may terminate this Agreement only if: (a) we commit a material breach of this Agreement; (b) you give us written notice of the breach; (c) we fail to cure the breach, or to take reasonable steps to begin curing the breach, within sixty (60) days after receipt of your notice; and (d) you are in full compliance with your obligations under this Agreement. Termination will be effective no less than 10 days after you deliver to us written notice of termination for failure to cure within the allowed period.

17.8. Liquidated Damages. If we terminate this Agreement based on your default, you must pay us liquidated damages, calculated as follows: (a) the average monthly Royalty fees and Brand Fund contributions due for the last twelve months before our delivery of notice of default, (b) multiplied by the lesser of 24 or the number of months remaining in the Agreement Term, (c) discounted to present value using the then-current prime rate of interest quoted by our principal commercial bank; (d) minus the present value of the expenses of performance avoided by us as a result of termination of this Agreement. The liquidated damages are in addition to costs and expenses that you may owe us under Section 18.4 or Section 24.7.

18. OBLIGATIONS UPON TERMINATION OR EXPIRATION

18.1. Our Rights to Acquire Approved Location and Restaurant Assets. Upon termination or expiration of this Agreement under any circumstances, at our option, you must:

18.1.1 Assign to us your interest in the lease or sublease for the Approved Location (or provide us with a commercially reasonable lease in the event you own the Approved Location). If we elect not to exercise our option to acquire the lease, you must make modifications or alterations to the Approved Location as necessary to comply with Section 18.2 and to distinguish the Approved Location from a FLIPPIN' PIZZA Restaurant.

18.1.2 Sell to us such of the furnishings, equipment, signs, and fixtures of the Restaurant as we may designate, at fair market value, and such of the inventory and supplies of the Restaurant as we may designate, at fair market wholesale value. If the parties cannot agree on the price of any such items within a reasonable time, we will appoint an independent appraiser at our expense, and the appraiser's determination will be final. We will have thirty (30) days after receipt of the appraiser's determination to decide whether to proceed with the purchase. If we exercise our option to purchase any items, we will have the right to set off any amount due from you against any payment for the items.

18.1.3 We can exercise either or both of our options under Sections 18.1.1 and 18.1.2: (a) at any time before the expiration of the Agreement Term, in the case of expiration of this Agreement; and (b) at any time between the date of delivery of written notice of termination and thirty (30) days after the effective date of termination, in the case of termination of this Agreement. To preserve the value of these options, we may issue to you, and you must comply with, written instructions to refrain from, delay, or reverse any of the actions required of you under Section 18.2.

18.2. De-identification. Except as provided in Section 18.1, upon termination or expiration of this Agreement under any circumstances, you must:

18.2.1 Cease to operate the Restaurant, change your business telephone number, and make any additional changes that we request to dissociate yourself and the Restaurant from the System;

18.2.2 Remove all branded presence of the Restaurant online and in any mobile network or other electronic marketing or communications channel, including but not limited to any social media, blog, messaging system, email account, user name, text address, directory, or smart phone application;

18.2.3 Cease to use the Confidential Information and the Marks, the Works, and all other distinctive elements associated with the System, and return all materials in your possession or control, in any medium, that contain Confidential Information, bear any of the Marks, or constitute Works;

18.2.4 Withdraw all advertising that can be canceled and remove from the Approved Location all Merchandise, signs, menus, and other items that display the Marks;

18.2.5 Cancel any assumed name registration, and transfer to us any domain name or similar registration, that contains "FLIPPIN' PIZZA" or any variation of any Marks, and furnish evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement;

18.2.6 Not directly or indirectly represent yourself to the public or hold yourself out as a present or former FLIPPIN' PIZZA franchisee; and

18.2.7 Not use any reproduction, counterfeit, copy, or colorable imitation of the Marks or the Works in connection with any other business that, in our opinion, is likely to cause confusion, mistake, or deception or to dilute our and our affiliates' rights in and to the Marks and the Works. You must not use any designation of origin or description or representation that falsely suggests or represents an association or connection with us.

You hereby appoint us as your attorney-in-fact to carry out the requirements of this Section 18.2 if you fail to do so within a reasonable time. You agree that we will have the right to enter the Approved Location and to contact your landlord and other third parties to make any required changes that you fail to make. You agree to reimburse us on demand for any costs that we incur to carry out your obligations.

18.3. Continuing Obligations. After termination or expiration of this Agreement under any circumstances, you will remain liable to us for certain obligations. Among other things, you must:

18.3.1 Promptly pay all sums owing to us and our affiliates;

18.3.2 Permit access to and examination of books and records as provided in Section 9.7 to determine any amounts due;

18.3.3 Protect the Confidential Information as provided in Section 14;

18.3.4 Not make any statements about us or our affiliates that may constitute trade disparagement;

18.3.5 Comply with the post-term restrictions on competition in Sections 15.2 and 15.5; and

18.3.6 Indemnify us with respect to the period through the effective date of expiration or termination as provided in Section 21.

18.4. Enforcement Expenses. You must reimburse us for all damages, costs, and expenses (including, but not limited to, reasonable attorneys' fees) incurred in obtaining injunctive, declaratory, or other relief to enforce this Section 18.

19. BUSINESS ENTITY REQUIREMENTS

19.1. Ownership Information. If Franchisee is a limited liability company, corporation, partnership, or other business entity, Franchisee and each of the Owners represents and warrants that the ownership information on the cover page is correct and complete as of the Agreement Date. You must maintain a current list of all stockholders, general partners, limited partners, members, or other direct and indirect beneficial owners (as applicable) and furnish the list to us upon request. If any Owner is a business entity, you must provide all information we request concerning that business entity and its owners.

19.2. Personal Obligations of Owners and Officers. Each person who is or becomes an Owner must sign a Personal Guarantee in the form we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement. The current form of Personal Guarantee is attached to this Agreement as Appendix B. Each person who is or becomes an Owner or executive officer of Franchisee must sign a Confidentiality and Non-competition Agreement in the form we prescribe, the current form of which is attached to this Agreement as Appendix C.

19.3. Governing Documents. At our request, you must furnish us with copies of your company's articles of incorporation, bylaws, partnership agreement, certificate of formation, limited liability company operating agreement, or other governing documents, as applicable. You must give us at least thirty (30) days prior written notice of any proposed amendments to your governing documents. Your governing documents must provide at all times that your activities are confined exclusively to developing and operating FLIPPIN' PIZZA Restaurants. If any controlling Owner is a business entity, you must provide similar information concerning that business entity as we may request.

19.4. Control Arrangements. Any voting trust, management agreement, or other arrangement affecting the power to direct and control the affairs of Franchisee requires our prior written consent. You must furnish any information and documentation that we may request concerning a proposed control arrangement.

20. RENEWAL TERMS

You will have the option to continue the franchise relationship with us for one additional term of 10 years, unless before the end of the Agreement Term: (a) we have announced a decision to stop franchising the FLIPPIN' PIZZA concept; or (b) we decide to withdraw the FLIPPIN' PIZZA concept from the metropolitan area that includes the Approved Location. If clause (a) or (b) applies, we will notify you within 45 days after receipt of your notice of intention to renew, and we will waive the post-term restriction on competition in Section 15.2.1. We may require you to satisfy any or all of the following requirements as a condition of renewing the franchise relationship with us:

20.1. You must give us written notice of your desire to renew not less than six (6) months and not more than nine (9) months before the end of the expiring term;

20.2. You must cooperate with us in completing any review process that we may establish to determine your eligibility for a new term, such as (but not limited to) furnishing all required information and participating in meetings, which may be held at our headquarters;

20.3. You must not be in default of this Agreement or any other agreement with us, our affiliates, or our suppliers at the time you give the notice in Section 20.1 or during the remainder of the expiring term;

20.4. You must demonstrate that you have the right to remain in possession of the Approved Location for the full new 10-year term;

20.5. You must have a good record of customer service and of compliance with System Standards and your contractual obligations to us;

20.6. At our option, you must sign the standard form of franchise agreement that we are then offering to new franchisees of FLIPPIN' PIZZA Restaurants in the U.S.A. (the **"Successor Franchise Agreement"**). The terms of the Successor Franchise Agreement may be substantially different from the terms of this Agreement. All Owners must sign a personal guarantee of the Successor Franchise Agreement;

20.7. You must pay us a renewal fee equal to fifteen percent (15%) of the initial franchise fee that we are then charging to new FLIPPIN' PIZZA franchisees in the U.S.A. (or 15% of the franchise fee in Section 8.1, if we are not then offering franchises to new franchisees);

20.8. You and all Owners must sign a general release, in a form we prescribe, of any and all claims against us, our affiliates, and our officers, directors, shareholders and employees;

20.9. The Key Person and/or Restaurant managers must successfully complete any additional or refresher training courses that we may require; and

20.10. If the Restaurant is due for design changes or remodeling under Section 7.10, you must complete the design changes or remodeling before the end of the expiring term or obtain our approval of arrangements to complete the work on a schedule satisfactory to us.

21. INDEMNIFICATION

You agree to hold harmless, defend, and indemnify us, our affiliates, and their respective past, present, and future officers, directors, shareholders, employees, and agents against any claims, losses, costs, expenses, liabilities, and damages (collectively, **"Claims"**) arising directly or indirectly from, as a result of, or in connection with your activities under this Agreement, as well as the costs of defending against such Claims (including, but not limited to, reasonable attorneys' fees, costs of investigation, settlement costs, and interest). To the extent permitted by law, this indemnity includes Claims alleged to be caused by our negligence, unless (and then only to the extent that) the Claim is finally determined by a court to have been caused solely by our gross negligence or willful misconduct. With respect to any threatened or actual litigation, proceeding, or dispute that could directly or indirectly affect any of the indemnitees, the indemnitees will have the right, but no obligation, to: (i) choose counsel; (ii) direct, manage, and control the handling of the matter; and (iii) settle, on behalf of the indemnitees, any claim against the indemnitees. Your obligation under this Section is not limited by the amount of your insurance coverage. This Section will survive the expiration or termination of this Agreement.

22. NOTICES

All notices pursuant to this Agreement must be in writing and must be delivered in person or sent by certified mail, by national commercial delivery service, or by other written or electronic means which affords the sender reliable evidence of delivery or attempted delivery, to the addresses following our respective signature blocks, unless and until a different address has been designated by written notice to the other party. This Section does not apply to changes to the Operations Manuals or any written instructions that we furnish to you relating to operational matters.

23. GENERAL PROVISIONS

23.1. Notice of Suit. You must immediately notify us in writing of any lawsuit or legal proceeding or any order, writ, injunction, award, or decree of any court or government agency that may adversely affect the operation or financial condition of the Restaurant.

23.2. Independent Contractor. Nothing in this Agreement is intended to make us or you an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf or to incur any debt or other obligation in our name. We will not assume liability for, or be deemed liable as a result of, any such action, nor will we be liable by reason of your act or omission or any claim or judgment arising therefrom against you or us. You must hold yourself out to the public as an independent contractor operating under this Agreement. This Agreement does not create a fiduciary relationship between you and us.

23.3. Public Notice of Independent Status. You must conspicuously identify yourself and the Restaurant in all dealings with customers, contractors, suppliers, public officials, and employees as a franchisee and display a conspicuous notice of independent ownership in the Restaurant and on all business cards, stationery, advertising, payroll forms, purchase orders and other materials as we specify from time to time.

23.4. Severability. If any provision of this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, the invalidity will not impair the operation of any other provisions of this Agreement that remain otherwise intelligible. The latter will continue to be given full force and effect and the invalid provision(s) will be deemed not to be a part of this Agreement.

23.5. No Implied Waiver. No failure to exercise any right reserved to us in this Agreement or to insist upon your strict compliance with any obligation or condition in this Agreement, and no custom or practice of the parties, will constitute a waiver of our right to exercise any right or to demand your compliance with this Agreement. Our waiver of any particular default will not affect or impair our rights with respect to any subsequent default. No delay, forbearance, or omission by us to exercise any power or right arising out of your breach or default will affect or impair our right to exercise the power; nor will it constitute a waiver of our right to declare any subsequent breach or default and to terminate this Agreement.

23.6. No Implied Third Party Beneficiaries. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity other than Franchisee, the Owners, and us, and such of their successors and assigns as may be contemplated by Section 16 above.

23.7. No Implied Consent. Whenever this Agreement requires our prior approval or consent, you or the Owners must make a timely written request, and the approval or consent must be obtained in writing and signed by one of our officers. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you by providing any waiver, approval, consent or suggestion in connection with this Agreement.

23.8. Survival of Obligations. All obligations which expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment.

23.9. Our Business Judgment. Except as otherwise expressly provided in this Agreement, whenever we exercise a right and/or discretion to take or withhold an action, we can make our decision or exercise our discretion on the basis of what we believe to be the best interests of the FLIPPIN' PIZZA brand at the time, even though (a) there may have been alternative decisions or actions that could have been taken; (b) our decision or the action taken promotes our own financial interest; or (c) our decision or the action may apply differently to different FLIPPIN' PIZZA franchisees or any company-owned FLIPPIN' PIZZA Restaurants. In the absence of an applicable statute, we will have no liability to you for any such decision or action. If applicable law implies a duty of good faith and fair dealing in this Agreement, we and you agree that the duty does not encompass any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

23.10. Entire Agreement. This Agreement and its Appendices constitute the entire agreement between you and us concerning the Restaurant and supersede all prior agreements, negotiations, representations, and correspondence concerning the same subject matter, except that nothing in this Agreement is intended to disclaim any representations made in any Franchise Disclosure Document that you received from us in connection with this Agreement. No amendment, change, or variance from this Agreement will be binding unless agreed to in writing and signed by authorized representatives of each party.

24. DISPUTES

24.1. Governing Law. This Agreement and the relationship between us, you and the Owners is governed by the laws of the State of Delaware, except that if a provision of this Agreement would not be enforceable under the laws of Delaware, and if the Restaurant is located outside of Delaware and the provision would be enforceable under the laws of the state in which the Restaurant is located, then that provision will be governed by the laws of the state in which the Restaurant is located. In the event of any conflict of law question, the laws of Delaware will prevail, without regard to the application of Delaware conflict-of-law rules. This Section 24.1 is not intended to subject this Agreement or our relationship with you to any Delaware statute or regulation that would not apply by its own terms without considering this Agreement.

24.2. Venue for Litigation. You and the Owners must file any lawsuit against us, and we may file any lawsuit against you or the Owners, in the federal or state court where our principal office is located at the time the suit is filed. The parties waive all objections to personal jurisdiction and venue for the purpose of carrying out this provision.

24.3. Time Limit on Filing. Any lawsuit arising out of or relating to this Agreement or the relationship between us, you and the Owners must be filed and served within one (1) year from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

24.4. Waiver of Jury Trial. We, you, and the Owners irrevocably waive trial by jury in any action, proceeding, or counterclaim.

24.5. Waiver of Exemplary Damages. You and the Owners, on the one hand, and us on the other, waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary, multiple, or consequential damages against the other and agree that, in the event of a dispute, each will be limited to the recovery of any actual damages sustained.

24.6. Class Action Waiver. TO THE EXTENT PERMITTED BY LAW, YOU AND THE OWNERS WAIVE THE RIGHT TO SEEK CERTIFICATION OF A CLASS IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM AGAINST US.

24.7. Attorney's Fees and Costs. You must reimburse us for all expenses reasonably incurred by us (including attorneys' fees): (a) to enforce the terms of this Agreement; and (b) in the defense of any claim asserted by Franchisee or the Owners on which we substantially prevail in court or other formal legal proceedings.

24.8. Remedies are Cumulative. Except as otherwise provided in this Section 24, no right or remedy under this Agreement is exclusive of any other right or remedy provided herein or permitted by law or equity.

FLIPPIN' PIZZA INTERNATIONAL, LLC	**FRANCHISEE (Print name of company):**
	______________________________
By:______________________________	By:______________________________
Title:	Print Name:______________________
	Title:____________________________

Address for Notices under Section 22:	**Address for Notices under Section 22:**
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________

APPENDIX A TO FRANCHISE AGREEMENT

Protected Area (Section 1.14):

Opening Deadline (Section 4.4):

APPENDIX B TO FRANCHISE AGREEMENT

PERSONAL GUARANTEE

As an inducement to FLIPPIN' PIZZA INTERNATIONAL, LLC (**"FPI"**), a Delaware limited liability company, to execute a Franchise Agreement (the **"Agreement"**) with ____ (**"Franchisee"**), a ______________, the undersigned individuals (collectively, the **"Guarantors"**), jointly and severally, unconditionally guarantee to FPI, its affiliates, and their successors and assigns (collectively, **"FLIPPIN' PIZZA Group"**) that all of Franchisee's obligations under the Agreement and under other agreements or arrangements between Franchisee and the FLIPPIN' PIZZA Group will be punctually paid and performed.

1. Guarantee. Upon demand by FPI, the Guarantors will immediately make each contribution or payment required of Franchisee under the Agreement and under other agreements or arrangements between Franchisee and the FLIPPIN' PIZZA Group. Each Guarantor waives any right to require the FLIPPIN' PIZZA Group to: (a) proceed against Franchisee or any other Guarantor for any contribution or payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee or any other Guarantor; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee or any other Guarantor. Without affecting the obligations of the Guarantors under this Guarantee, FPI may, without notice to the Guarantors, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The Guarantors waive notice of amendment of the Agreement and notice of demand for contribution or payment and agree to be bound by any and all such amendments and changes to the Agreement.

2. Indemnity. The Guarantors agree to hold harmless and indemnify the FLIPPIN' PIZZA Group against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) arising out of or in connection with any failure by Franchisee to perform any obligation under the Agreement or any other agreement between Franchisee and the FLIPPIN' PIZZA Group.

3. Other Personal Obligations. The Guarantors acknowledge and agree to be bound personally by all restrictions on competition, confidentiality provisions, governing law and dispute resolution provisions, and restrictions on transfer of interest contained in the Agreement. Except as expressly authorized by the Agreement, the Guarantors may not make use of any of the intellectual property rights licensed under the Agreement. The Guarantors may not disclose to any third party or make use of any trade secrets, know-how, systems or methods of which Guarantors may acquire knowledge by virtue of training they may have received from PPF, their involvement in the business, or their ownership interest in Franchisee.

4. Survival of Obligations. Upon the death of a Guarantor, the Guarantor's estate will be bound by this Guarantee, but only for obligations existing at the time of death. The obligations of the surviving Guarantors will continue in full force and effect.

5. Spouses. If the Guarantor resides in a community property state, the Guarantor will cause his or her spouse, if any, to execute this Guarantee.

GUARANTOR:

______________________________ Spouse: ______________________________

Date:______________________________ Date:______________________________

GUARANTOR:

______________________________ Spouse: ______________________________

Date:______________________________ Date:______________________________

GUARANTOR:

______________________________ Spouse: ______________________________

Date:______________________________ Date: ______________________________

APPENDIX C TO FRANCHISE AGREEMENT

OWNER/OFFICER CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

______[name of Franchisee]___ (**"Franchisee"**) has entered into a Franchise Agreement (the **"Franchise Agreement"**) with Flippin' Pizza International, LLC (**"we"** or **"us"**). The Franchise Agreement requires officers of Franchisee and persons with legal or beneficial ownership interests in Franchisee to be personally bound by the confidentiality and noncompetition restrictions in the Franchise Agreement. In conjunction with your investment in and/or employment by Franchisee, you acknowledge and agree as follows:

1. Your execution of this Agreement is a condition of your employment by or ownership interest in Franchisee and you have received good and valuable consideration for executing this Agreement. You acknowledge that we have the right to enforce this Agreement directly against you.

2. You will or might gain access to Confidential Information (as defined in the Franchise Agreement) as a result of your role with Franchisee. You agree that you will: (a) not use the Confidential Information in any other business or capacity; (b) exert best efforts to maintain the confidentiality of the Confidential Information; and (c) not make unauthorized copies of any Confidential Information. If you cease to have an interest in Franchisee, you must deliver to us any Confidential Information in your possession or control.

3. While the Franchise Agreement is in effect and you are an officer or legal or beneficial owner of Franchisee, you will not, without our consent (which we may withhold at our discretion) directly or indirectly (such as through an affiliate or a family member) own, operate, engage in, be employed by, provide assistance to, or have any economic interest in any Competing Business. **"Competing Business"** means a foodservice brand or outlet featuring pizza as a principal menu item.

4. For two (2) years after (i) your relationship with Franchisee ends; (ii) the expiration or termination of the Franchise Agreement; or (iii) the approved transfer of the Franchise Agreement to a new franchisee, whichever comes first, you will not, without our consent (which we may withhold at our discretion) directly or indirectly (such as through an affiliate or a family member) own, operate, engage in, be employed by, provide assistance to, or have any economic interest in any Competing Business operating within ten (10) miles of the Approved Location or five (5) miles of any other FLIPPIN' PIZZA outlet. If you fail to abide by any of the foregoing restrictions and we or Franchisee obtains enforcement in a judicial or arbitration proceeding, the obligations under the breached restriction will continue in effect for a period of time ending two (2) years after the date of the order enforcing the restriction.

5. You acknowledge that enforcement of the restrictions contained in Paragraphs 3 and 4 will not deprive you of the ability to earn a living. If a court rules that any of these restrictions is unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited, and/or length of time, you agree to comply with any lesser restriction deemed enforceable by the court. If we or Franchisee initiates a legal proceeding to enforce this Agreement and prevails in the proceeding, you agree to reimburse us and Franchisee for its enforcement costs and expenses, including reasonable attorneys' fees.

OWNERS AND OFFICERS OF FRANCHISEE:

If an Individual:

Signature: ______________________________

Print name______________________________

Date: __________________________________

Signature: ______________________________

Print name______________________________

Date: __________________________________

Signature: ______________________________

Print name______________________________

Date: __________________________________

If an Owner of Franchisee is another business entity:

____
Name of entity

Type of Business entity:___________________

State of Organization:_____________________

By:____________________________________

Print name:_____________________________

Title: __________________________________

Date: __________________________________

Shareholders/partners/members of Business Entity named immediately above:

____

Print name: ______________________

Date: ___________________________

____

Print name: ______________________

Date: ___________________________

EXHIBIT C TO FRANCHISE DISCLOSURE DOCUMENT

DEVELOPMENT AGREEMENT

FLIPPIN' PIZZA

TM

DEVELOPMENT AGREEMENT

Territory Name: ______________________________

Agreement Date: ______________________________

Developer Name: ______________________________

Business Address: ______________________________

____

Type of Business Entity: ______________________________

State in which organized: ______________________________

Owner Name(s):	Ownership Percentage:
______________________________	_____%
______________________________	_____%
______________________________	_____%

TABLE OF CONTENTS

Section		Page
1.	DEVELOPMENT RIGHTS AND OBLIGATIONS	1
2.	FEES	3
3.	DEVELOPMENT PROCESS	3
4.	TERM	3
5.	CONFIDENTIAL INFORMATION	3
6.	RESTRICTIONS ON COMPETITION	4
7.	SALE OR ASSIGNMENT	5
8.	DEFAULT AND TERMINATION	9
9.	BUSINESS ENTITY REQUIREMENTS	9
10.	NOTICES	10
11.	INSURANCE AND INDEMNIFICATION	10
12.	GENERAL PROVISIONS	11
13.	APPLICABLE LAW; DISPUTES	12

APPENDIX A – DEVELOPMENT AREA, DEVELOPMENT SCHEDULE, FINANCIAL AND OPERATIONAL CRITERIA, DEVELOPMENT FEE, FRANCHISE FEES, DEVELOPMENT FEE CREDIT, AND KEY PERSON

APPENDIX B – FORM OF LEASE RIDER

APPENDIX C – PERSONAL GUARANTEE

APPENDIX D – OWNER/OFFICER CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

DEVELOPMENT AGREEMENT

This Agreement is entered into as of the Agreement Date shown on the cover page between FLIPPIN' PIZZA INTERNATIONAL, LLC, a Delaware limited liability company (**"we"**, **"us"** or **"FPI"**), and the individual or business entity identified on the cover page (**"you"** or **"Developer"**).

As used in this Agreement, **"Owners"** means the person(s) identified on the cover page as the owners of Developer and all other persons whom we may subsequently approve to acquire an interest in Developer.

BACKGROUND

A. We and our affiliates are engaged in the business of developing, operating and franchising FLIPPIN' PIZZA NEW YORK STYLE® restaurants (**"FLIPPIN' PIZZA Restaurants"**).

B. FLIPPIN' PIZZA Restaurants operate under a distinctive format and set of specifications and procedures developed by us and our affiliates (the **"System"**).

C. Developer wishes to obtain the right to develop FLIPPIN' PIZZA Restaurants within the territory defined in this Agreement.

AGREEMENT

1. DEVELOPMENT RIGHTS AND OBLIGATIONS

1.1. Rights Granted. We grant you the right, and you undertake the obligation, to develop the number of FLIPPIN' PIZZA Restaurants shown in Appendix A to this Agreement, solely within the territory defined in Appendix A (the **"Development Area"**). Your right to develop FLIPPIN' PIZZA Restaurants is contingent on satisfaction of the requirements in Section 1.2 below.

1.2. Development Obligations. You must develop and open FLIPPIN' PIZZA Restaurants in accordance with the schedule set forth in Appendix A to this Agreement (the **"Development Schedule"**). For each FLIPPIN' PIZZA Restaurant, you must:

1.2.1 Submit for our approval a proposed location for the FLIPPIN' PIZZA Restaurant pursuant to Section 3.1 below;

1.2.2 At the time you propose a specific location, demonstrate continuing satisfaction of the financial and operational criteria set out in Appendix A; and

1.2.3 Execute a separate Franchise Agreement (**"Franchise Agreement"**) in the form that we are then offering for new franchises in the USA, along with a release of claims, as provided in Section 3.3 below.

1.3. Failure to Satisfy Development Schedule. If you fail to have in operation the cumulative minimum number of FLIPPIN' PIZZA Restaurants required on the dates specified in the Development Schedule, we will have the right to terminate this Agreement by written notice to you. Termination of this Agreement pursuant to this Section 1.3 will not affect your right or obligation to operate each FLIPPIN' PIZZA Restaurant in the Development Area for which we have signed a Franchise Agreement before termination of this Agreement.

1.4. Disclaimer of Other Rights. You acknowledge that this Agreement does not grant you any right to use the System or the FLIPPIN' PIZZA name or any of our other names or marks (collectively, the **"Marks"**). The rights to use the System and Marks are granted only under the Franchise Agreement. You have no right or power under this Agreement or under any Franchise Agreement: (i) to sublicense or subfranchise any other person or legal entity to use the Marks or the System; or (ii) to subdivide or partition the Development Area or any development rights granted in Section 1.1.

1.5. Territorial Protection. While this Agreement is in effect, we will not establish FLIPPIN' PIZZA Restaurants or franchise or license others to establish FLIPPIN' PIZZA Restaurants within the Development Area, except for Non-Traditional Outlets as permitted by Section 1.6.2 below and Conversion Restaurants to the extent permitted by Section 1.6.5 below.

1.6. Rights Reserved. We and our affiliates retain the rights, despite anything to the contrary in Section 1.5 and regardless of the proximity to or effect on any FLIPPIN' PIZZA Restaurant that you operate:

1.6.1 To own, acquire, establish, operate, and franchise or license others to operate FLIPPIN' PIZZA Restaurants located outside of the Development Area;

1.6.2 To own, acquire, establish, operate, and franchise or license others to operate Non-Traditional Outlets under the FLIPPIN' PIZZA name or any other name, both inside and outside of the Development Area. **"Non-Traditional Outlet"** means a mobile or temporary foodservice outlet (such as a food truck, cart, kiosk, or so-called "pop-up" restaurant) or a foodservice outlet at a facility where the primary function is not a restaurant business, such as (but not limited to) a performing arts arena, sports stadium, shopping mall, department store, retail store, wholesale club, grocery store, supermarket, casino, amusement park, fairground, college or university, factory, hospital, penal institution, military base, airport, turnpike, limited access highway rest stop, or other transportation facility;

1.6.3 To develop, manufacture, have manufactured, market, sell and distribute, at retail or wholesale, and license others to manufacture, sell or distribute, packaged food products or any other goods or services under the FLIPPIN' PIZZA mark or any other name or mark, through any channel of distribution, including but not limited to the Internet, supermarkets, specialty food stores, convenience stores, wholesale clubs, and retail food stores, anywhere in the world;

1.6.4 To use the FLIPPIN' PIZZA brand in other lines of business besides the operation of restaurants, anywhere in the world; and

1.6.5 To own, acquire, establish, operate, and franchise or license others to establish and operate other restaurant concepts under names and marks other than FLIPPIN' PIZZA, at any location within or outside of the Development Area, even if the restaurant concepts or businesses are similar to FLIPPIN' PIZZA Restaurants. However, while this Agreement is in effect, if we acquire the ownership or assets of any business operating at one or more sites located within the Development Area that we determine in our sole discretion to convert to a FLIPPIN' PIZZA Restaurant (a **"Conversion Restaurant"**), we will offer to sell the Conversion Restaurant to you for the price we paid for it, provided that, in our judgment: (1) the sale to you will not conflict with any existing legal obligation we have; (2) the sale to you will not interfere with the completion of our acquisition on the terms agreed to by us; (3) the sale to you will not adversely affect any financing or federal or state income tax consequences arising from the acquisition; and (4) you agree: (a) to execute, concurrently with your purchase, a Franchise Agreement as modified for use in connection with each Conversion Restaurant; and (b) to convert each Conversion Restaurant to a FLIPPIN' PIZZA Restaurant in accordance with our standards and specifications. Any Conversion Restaurant that you purchase and convert under this Section will be counted toward the minimum cumulative number of FLIPPIN' PIZZA Restaurants required by the Development Schedule. Your purchase price for the Conversion Restaurant will include the direct and indirect costs and liabilities we have incurred or assumed in making the acquisition, and other expenses allocated or otherwise related to the Conversion Restaurant (including losses from continuing operations and renovation costs). You will have thirty (30) days after receipt of our offer in which to accept or reject the offer. Acceptance must be communicated in writing. If accepted, you will have thirty (30) days from the date of acceptance to complete the purchase of the Conversion Restaurant. If you reject or do not timely accept our offer to sell you the Conversion Restaurant, or if you do not timely complete the purchase after accepting, or if we are not obligated to extend an offer to you for any of the reasons stated in this Section, we will have the right to alter, modify, refurbish, remodel, promote and market, operate, or franchise others to operate the Conversion Restaurant as a FLIPPIN' PIZZA Restaurant or any other business. For purposes of this Section, all references to us are deemed to include our affiliates.

2. FEES

2.1. Development Fee. In consideration of the development rights granted in Section 1.1, upon execution of this Agreement you must pay us a fee in the amount shown in Appendix A (the **"Development Fee"**). The Development Fee is deemed fully earned and non-refundable in consideration of our lost or deferred development opportunities as a result of the rights we have granted you.

2.2. Franchise Fees. The initial franchise fee payable for each FLIPPIN' PIZZA Restaurant required by the Development Schedule will be as shown in Appendix A. If you are in compliance with the Development Schedule at the time you sign a Franchise Agreement, we will credit a portion of the Development Fee against the initial franchise fee payable under the Franchise Agreement, as specified in Appendix A.

3. DEVELOPMENT PROCESS

3.1. Site Selection. You must identify and obtain a site for each FLIPPIN' PIZZA Restaurant at your own expense. We will furnish you with our general criteria for site selection and with site selection counseling and assistance as we deem appropriate. Before acquiring a site by lease or purchase, you must submit any information and materials we request to evaluate the site and to assess your financial capability to develop the site, along with a letter of intent or other evidence of your ability to obtain the site. We will conduct an on-site evaluation of each proposed site, unless we waive this requirement in our sole discretion. You must pay us a per diem charge of $500 per day for each day that our representative spends in the Development Area to review proposed sites. If we do not approve any of the proposed sites on the initial site review trip, you must pay the reasonable travel and lodging expenses of our representative (in addition to the per diem charge) for any subsequent site review trips for the same Restaurant. We will either approve or reject a proposed site within thirty (30) days after conducting our on-site evaluation or receiving all information and materials we have requested for the site, whichever is later. Approval or rejection is at our sole discretion. No site will be deemed to have received our approval unless it has been approved in writing by an officer of FPI with authority to give approval. You acknowledge that our review is solely for the purpose of determining whether the site is within our acceptable criteria and that our approval is not a representation or guarantee that a FLIPPIN' PIZZA Restaurant will be successful at the site.

3.2. Lease Terms. If you will occupy the approved site under a lease, you must submit the proposed lease to us for approval before signing it. As a condition of our approval, we may require that the lessor execute a lease rider containing some or all of the provisions set out in Exhibit B to this Agreement. You must furnish us with a copy of each executed lease and lease rider within ten (10) days after their execution.

3.3. Execution of Franchise Agreement. When we receive a signed copy of the lease and lease rider for the approved site, we will issue a Franchise Agreement and the site will be the "Approved Location" referred to in the Franchise Agreement. You must return the executed Franchise Agreement and pay the initial franchise fee within 20 days of your receipt of the Franchise Agreement, or we can withdraw our approval of the site. Concurrently with signing each Franchise Agreement, you and the Owners must execute and deliver a general release of any and all claims against us and our affiliates, officers, directors, employees, agents, successors and assigns, subject to any limits or exceptions imposed by applicable law.

4. TERM

This Agreement will expire on the last date set forth in the Development Schedule, unless terminated sooner under Section 1.3 or Section 8.

5. CONFIDENTIAL INFORMATION

5.1. Nondisclosure. You are prohibited, both during and after the term of this Agreement, from communicating or divulging Confidential Information to any unauthorized person and from using Confidential Information for your benefit or the benefit of any other person, other than for the development of FLIPPIN' PIZZA Restaurants. **"Confidential Information"** means all knowledge and data not generally known to the public, whether or not constituting trade secrets, that we disclose to Developer or that you obtain by virtue of this

Agreement or any activities hereunder, including but not limited to: (i) business procedures and communications concerning the development of FLIPPIN' PIZZA Restaurants; (ii) our site selection guidelines and criteria; (iii) specific sites that have been identified as candidates for FLIPPIN' PIZZA Restaurants; (iv) plans and specifications for construction of a FLIPPIN' PIZZA Restaurant, including exterior and interior design and layout plans, and including samples, prototypes, and site-specific drafts; (v) supplier lists, mailing lists, prospect lists, marketing studies, cost studies, marketing plans and techniques, and promotion and marketing aids; (vi) actual or proposed lease terms, specific negotiating strategies and the status of negotiations; and (vii) business forms, accounting procedures, business plans, feasibility studies, and non-public financial information of or about us and our affiliates. You may divulge Confidential Information only: (i) to your employees who must have access to it in order to carry out their duties relating to the FLIPPIN' PIZZA Restaurants; and (ii) to your contractors and prospective landlords with our prior written approval. All information, knowledge, trade secrets, know-how, techniques, and other data which we designate as confidential will be deemed to be Confidential Information for purposes of this Agreement, except information which you can demonstrate came to your attention by lawful means before we disclosed it to you, or which, at or after the time of our disclosure to you, had become or later becomes a part of the public domain, through publication or communication by others.

5.2. Owners, Officers and Others. At our request, you must require your Owners, Key Person (as defined in Section 9.3), officers, and any other person to whom you wish to disclose any of our Confidential Information to sign a separate Confidentiality and Non-Competition Agreement in the form of Appendix D to this Agreement.

6. RESTRICTIONS ON COMPETITION

6.1. During Term. You acknowledge that the relationship established by this Agreement will provide access to valuable Confidential Information and business opportunities that you and the Owners did not have before entering into this Agreement. Accordingly, you and the Owners agree that, while this Agreement is in effect, except as we otherwise approve in writing, you and they will not, either directly or indirectly:

6.1.1 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in any Competing Business, as defined in Section 6.3 below;

6.1.2 Divert or attempt to divert any present or prospective business or customer to any Competing Business, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or

6.1.3 Employ or seek to employ any person who is at that time employed by FPI or our affiliates at the level of FLIPPIN' PIZZA Restaurant manager or above, or who has been so employed by us or our affiliates within the preceding three (3) months, or otherwise directly or indirectly induce a person to leave his or her employment with us or our affiliates.

6.2. After Expiration, Termination or Transfer. You agree that, except as provided in any Franchise Agreements you have with FPI or our affiliates, or as we otherwise approve in writing, you and the Owners will not, for two (2) years after the expiration or termination of this Agreement or the approved transfer of this Agreement to a new developer, either directly or indirectly:

6.2.1 Own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any Competing Business operating within the Development Area.

6.2.2 Divert or attempt to divert any present or prospective business or customer to any Competing Business operating within the Development Area, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

6.2.3 Employ or seek to employ any person who is at that time employed by us or our affiliates at the level of FLIPPIN' PIZZA Restaurant manager or above, or who has been so employed by us or our affiliates within the preceding three (3) months, or otherwise directly or indirectly induce a person to leave his or her employment with us or our affiliates.

6.3. Definition of Competing Business. In this Agreement, **"Competing Business"** means a foodservice brand or outlet featuring pizza as a principal menu item.

6.4. Exception for Publicly-Held Shares. Sections 6.1.1 and 6.2.1 do not apply to ownership of less than five percent (5%) beneficial interest in the equity securities of any publicly-held corporation.

6.5. Owner and Officer Restrictions. As to the individuals who are bound personally by the restrictions in this Section 6 or by a separate Confidentiality and Non-Competition Agreement, the time periods in Section 6.2 will run from the expiration, termination, or transfer of this Agreement or from the end of the individual's relationship with Developer, whichever occurs first.

6.6. Enforcement.

6.6.1 Neither Developer nor any person bound by the restrictions of this Section 6 may circumvent the restrictions by engaging in prohibited activity indirectly through any other person or entity.

6.6.2 We have the right to reduce the scope of any restriction in this Section 6, without the consent of Developer or its Owners, effective immediately upon written notice to Developer.

6.6.3 Developer and its Owners agree that the existence of any claim that any of them may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 6 or any Confidentiality and Non-Competition Agreement.

6.6.4 You acknowledge that a violation of this Section 6 would result in irreparable injury for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction, without the need for us to post bond, prohibiting any violation of this Section 6. Injunctive relief is in addition to any other remedies we may have. You agree to pay all costs and expenses that we reasonably incur in enforcing this Section 6, including reasonable attorneys' fees.

6.6.5 If you or any of the Owners fails to abide by any of the restrictions in this Section 7 and we obtain enforcement in a judicial proceeding, the obligations under the breached restriction will continue in effect for a period ending two (2) years after the date of the order enforcing the restriction.

7. SALE OR ASSIGNMENT

7.1. No Assignment or Ownership Change without Consent. We have entered into this Agreement in reliance on your and the Owners' business skill, financial capacity, and personal character. Accordingly, neither you nor any of the Owners may sell, assign, transfer, convey, or give away, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) (collectively, **"Transfer"**) any direct or indirect interest in this Agreement, in Developer or in the development rights granted by this Agreement without our prior written consent. You must notify us in writing of any proposed Transfer at least sixty (60) days before the Transfer is to take place, and provide information and documentation relating to the proposed Transfer as we request. We will not unreasonably withhold our consent, but we can impose reasonable conditions. You agree that the conditions in Section 7.3 through 7.9 below are reasonable and that they do not preclude other reasonable conditions that we may impose. We have the right to communicate with and counsel both you and the proposed transferee on any aspect of a proposed Transfer. If we have not responded within 60 days after we receive your written notice of the proposed Transfer, our consent will be deemed to have been given. Unless otherwise agreed, we do not waive any claims against the transferring party if we approve the Transfer. If we do not approve the Transfer, you must continue to develop FLIPPIN' PIZZA Restaurants in accordance with this Agreement.

7.2. Right of First Refusal. We have the right, exercisable within 45 days after receipt of the notice required by Section 7.1, to send written notice to you that we intend to purchase the interest proposed to be transferred. The request for approval of Transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, description of financing or other contingencies, and any other documents reasonably necessary to support a prudent business decision on whether to exercise the right of first refusal. We can assign our right of first refusal to someone else either before or after we exercise it. However, our right of first refusal will not apply to a Transfer under Section 7.5 or Section 7.6 or a Transfer to a spouse or adult son or daughter (including Transfers to a spouse, son, or daughter as a result of death or incapacity as described in Section 7.6).

7.2.1 If the proposed Transfer is a sale, we or our designee may purchase on the same economic terms and conditions offered by the third party. Closing on our purchase must occur within sixty (60) days after the date of our notice to the seller electing to purchase the interest. If we cannot reasonably be expected to furnish the same type of consideration as the third party, then we may substitute the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash, you and we will jointly designate and pay the cost of an independent appraiser, and the appraiser's determination will be final. We will have thirty (30) days after receipt of the appraiser's determination to decide whether to proceed with the purchase. Any material change in the third party's offer after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as for the third party's initial offer.

7.2.2 If a Transfer is proposed to be made by gift, you and we will jointly designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We will have thirty (30) days after receipt of the appraiser's determination to decide whether to purchase the interest at the fair market value determined by the appraiser. If we decide to purchase, closing on the purchase will occur within 45 days after our notice to the transferor of our decision.

7.2.3 If we elect not to exercise our rights under this Section, the transferor may complete the proposed Transfer after complying with Sections 7.3 through 7.9, provided that the final sale price is not less than the price at which we were entitled to purchase. If we determine that the final sale price is less than the price at which we were entitled to purchase, we may refuse to give our consent to the Transfer. Closing of the Transfer must occur within 60 calendar days of our election not to exercise our rights. If closing does not occur within the 60-day period, the third party's offer will be treated as a new offer subject to our right of first refusal.

7.3. Transfer of Entire Business. For a proposed Transfer of this Agreement or the development rights granted hereunder, the conditions set forth in this Section apply (unless waived by FPI). If Developer is a business entity, this Section also applies to a Transfer of ownership interests that would result in a change of control of Developer:

7.3.1 You must be in compliance with all obligations to us under this Agreement and any other agreement you have with us and our affiliates as of the date of the request for our approval of the Transfer, or you must make arrangements satisfactory to us to come into compliance by the date of the Transfer.

7.3.2 The proposed transferee must:

(a) Demonstrate to our satisfaction that he or she meets all of our then-current qualifications to become a FLIPPIN' PIZZA multi-unit developer, which may include educational, managerial, and business standards; absence of involvement with Competing Businesses; good moral character and business reputation; financial resources and credit rating; and aptitude and ability to develop FLIPPIN' PIZZA Restaurants. If the proposed transferee is already a FLIPPIN' PIZZA franchisee, that fact does not guarantee approval to become a multi-unit developer. We have no less discretion with respect to a proposed transferee than we have with a new FLIPPIN' PIZZA multi-unit developer.

(b) Demonstrate that the transferee has adequate financial resources and capital to complete the Development Schedule in a timely manner.

(c) Complete (or cause its owners and/or employees to complete, if the transferee is a business entity) any training programs that we then require for multi-unit developers in the U.S.A.

(d) If the proposed transferee is an existing FLIPPIN' PIZZA franchisee or multi-unit developer, he or she must not have any outstanding notice of default under his or her agreements with us, must have a good record of customer service and compliance with the System Standards, and must execute a general release in a form acceptable to us.

(e) If the transferee is a business entity, all owners of a beneficial interest in the transferee must sign our then-current forms of personal guarantee and Confidentiality and Non-Competition Agreement.

7.3.3 You must pay us a Transfer fee equal to ten percent (10%) of the Development Fee in Appendix A, plus $1,000 for each individual associated with the proposed transferee to cover our costs of investigating the individual's qualifications and background. Notwithstanding the foregoing, the transfer fee will not exceed $5,000 if the transferee (i) has been a FLIPPIN' PIZZA franchisee or multi-unit developer for at least three years and is in compliance with its agreement(s) with us; or (ii) is a member of the transferring Owner's immediate family.

7.3.4 Because we believe it is important to the integrity of the System to keep markets intact, you must (unless we otherwise approve) Transfer all FLIPPIN' PIZZA Restaurants that have been developed under this Agreement to the same transferee in the same transaction.

7.3.5 You and all Owners must sign a general release, in a form satisfactory to us, of all claims against us and our past, present and future affiliates, officers, directors, shareholders, agents and employees. You and the Owners will remain liable to us for all obligations arising before the effective date of the Transfer.

7.3.6 The price and other proposed terms of the Transfer must not, in our reasonable business judgment, have the effect of negatively impacting the transferee's ability to complete the Development Schedule.

7.3.7 Any financing incurred in connection with the Transfer must be expressly subordinated to the transferee's obligations to us.

7.4. Transfer of Minority Ownership Interest. For any proposal to admit a new Owner, to remove an existing Owner, or to change the distribution of ownership shown on the cover page of this Agreement, or for any other transaction that amounts to the Transfer of a partial interest in Developer or this Agreement, you must give us advance notice and submit a copy of all proposed contracts and other information concerning the Transfer that we may request. We will have a reasonable time (not less than 45 days) after we have received all requested information to evaluate the proposed Transfer. We may withhold our consent or give our consent subject to the conditions in Sections 7.3.1, 7.3.2(a), 7.3.3, and 7.3.4. You acknowledge that any proposed new owner must submit a personal application and execute a personal guarantee and Confidentiality and Non-Competition Agreement in our then-current form.

7.5. Transfer to a Business Entity. We will consent to the assignment of this Agreement to and assumption of this Agreement by a corporation or limited liability company that you form solely for the convenience of ownership (a **"Company"**), without payment of a Transfer fee, provided that you comply with all of the following:

7.5.1 You must provide us with proof that the Company is in existence and in good standing in the state where it was organized. The Company must have no other business besides the development and operation of FLIPPIN' PIZZA Restaurants. The legal name of the Company must not contain the words "Flippin' Pizza" or any similar words or phrases.

7.5.2 The Owners must hold equity interests in the Company in the same proportion shown on the cover page of this Agreement.

7.5.3 You must designate a Key Person, as defined in Section 9.3.

7.5.4 All Owners must sign a and Confidentiality and Non-Competition Agreement and a Personal Guarantee in the form attached to this Agreement.

7.5.5 You must reimburse us for the reasonable costs and expenses we incur in connection with the assignment, including legal fees.

7.5.6 You and the Company must comply with the requirements in Section 9 for the remaining term of this Agreement.

7.6. Transfer on Death, Incapacity or Bankruptcy. If you or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within 3 months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to Transfer the person's interest. The Transfer will be subject to the provisions of Sections 7.2 through 7.4, as applicable. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of 30 or more consecutive days or (ii) for 60 or more total days during a calendar year. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the applicable conditions, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this Section 7.6 within one year after the date of death or appointment of a personal representative or trustee, we can terminate this Agreement under Section 8.2.

7.7. Non-Conforming Transfers. Any purported Transfer that is not in compliance with this Section 7 is null and void and constitutes a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure.

7.8. Prohibited Transfers. Notwithstanding Sections 7.1 to 7.6, neither Developer nor any Owner may: (i) pledge or otherwise encumber this Agreement; or (ii) pledge or otherwise encumber any ownership interest in Developer. Any security interest which, notwithstanding the pervious sentence, may be created in this Agreement by virtue of Section 9-408 of the Uniform Commercial Code will be limited as described in Section 9-408(d) of the Uniform Commercial Code.

7.9. Securities Offering. If Developer or an Owner desires to offer securities, the offering will be subject to all of the conditions of this Section 7, including our right of first refusal under Section 7.2. All materials required for the offering by federal or state law must be submitted to us for review and consent prior to their use. No offering may imply, by use of the Marks or otherwise, that we are participating in underwriting, issuing, or offering the securities. Our review of the offering materials will be limited solely to the subject of the relationship between you and us. All participants in the offering must fully indemnify us in connection with the offering. For each proposed offering, we may require you to pay, in addition to the transfer fee under Section 7.3, a non-refundable fee of up to $10,000 to reimburse us for our costs and expenses associated with reviewing the proposed offering. You must give us written notice at least thirty (30) days before the commencement date of any offering for which we have completed our review.

7.10. Sale or Assignment by FPI. We have the right to transfer or assign all or any portion of our rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of our obligations under this Agreement, the assignee will expressly assume the obligations and become solely responsible for them from the date of the assignment. You acknowledge that we can sell our assets, sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company, or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

8. DEFAULT AND TERMINATION

8.1. Termination without Notice. You will be deemed to be in material default of this Agreement and, to the extent permitted by law, all rights granted by this Agreement will automatically terminate without notice to you if you become insolvent or make an assignment for the benefit of your creditors; if a receiver is appointed for your business; if execution is levied against your business assets; if a suit to foreclose any lien or mortgage is filed against you and not dismissed within 60 days; if a bankruptcy petition is filed by or against you and not dismissed within 60 days; or if your business entity is dissolved.

8.2. Termination without Cure Period. If any of the following events of default occurs, we will have the right to terminate this Agreement without giving you an opportunity to cure the default, effective immediately upon delivery of written notice:

8.2.1 If you fail to comply with the Development Schedule;

8.2.2 If we terminate any Franchise Agreement based on your default;

8.2.3 If any Transfer occurs that does not comply with Section 7;

8.2.4 If Developer or any entity that controls Developer becomes a publicly-held corporation.

8.2.5 If you knowingly maintain false or misleading books or records or knowingly submit any false or misleading information to us;

8.2.6 If you or any Owner is convicted of, pleads guilty to, or pleads no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe is likely to have an adverse effect on the System, the Marks, or the goodwill associated with them. Once you or the Owner has been arrested for or formally charged with a serious criminal offense, we will have the right to require that the individual(s) charged be removed from any active role in Developer's business pending final disposition of the charges;

8.2.7 If you or any Owner appears on any government list of "blocked" persons or your assets, property, or interests are "blocked" under any anti-terrorism law or similar law that prohibits us from doing business with you or the Owner.

8.3. Termination upon Expiration of Cure Period. If you fail to cure any default of any other provision of this Agreement within thirty (30) days after receiving written notice of default from us, this Agreement will terminate at the end of the thirty-day period without further notice from us.

8.4. Effect of Termination. Upon termination of this Agreement, you will have no right to establish or operate any FLIPPIN' PIZZA Restaurant for which a Franchise Agreement has not been executed by us prior to termination. We will be entitled to establish, and to franchise others to establish, FLIPPIN' PIZZA Restaurants at any location in the former Development Area except as may be otherwise provided under the terms of any Franchise Agreement which remains in effect between us and you.

8.5. No Refund. Upon termination of this Agreement, you will have no right to a refund of any part of the Development Fee, regardless of whether you have entered into any Franchise Agreements.

9. BUSINESS ENTITY REQUIREMENTS

9.1. Ownership Information. If the Developer is a limited liability company, corporation, partnership, or other entity, Developer and each of the Owners represents and warrants that the ownership information on the cover page is correct and complete as of the Agreement Date. Developer must maintain a current list of all stockholders, general partners, limited partners, members, or other direct and indirect beneficial owners (as applicable) and furnish the list to us upon request. If any Owner is a business entity, you must provide all information we request concerning that business entity and its owners.

9.2. Personal Obligations of Owners and Officers. Each person who is or becomes an Owner must sign a Personal Guarantee in the form we prescribe, undertaking to be bound jointly and severally by the terms of this Agreement. The current form of Personal Guarantee is attached to this Agreement as Appendix C. Each person who is or becomes an Owner or executive officer of Developer must sign a Confidentiality and Non-competition Agreement in the form we prescribe, the current form of which is attached to this Agreement as Appendix D.

9.3. Key Person. **"Key Person"** means the individual who is responsible for managing the day-to-day development activities under this Agreement and who has the authority to bind Developer in all decisions regarding development of the FLIPPIN' PIZZA Restaurants. The Key Person may be, but need not be, an Owner. The initial Key Person is designated in Appendix A. The Key Person must be fluent in written and spoken English. We have the right to rely on any statement, agreement, or representation by the Key Person. If the Key Person leaves the Developer's organization, you must nominate a new Key Person within 30 days thereafter. If you have not obtained our approval of a new Key Person within 90 days, you will be in material default of this Agreement.

9.4. Governing Documents. At our request, you must promptly furnish us with copies of your articles of incorporation, bylaws, partnership agreement, certificate of formation, limited liability company operating agreement, or other governing documents, as applicable. You must give us at least thirty (30) days prior written notice of any proposed amendments to your governing documents. Your governing documents must provide at all times that your activities are confined exclusively to developing and operating FLIPPIN' PIZZA Restaurants. If any controlling Owner is a business entity, you must provide similar information concerning that business entity as we may request.

9.5. Control Arrangements. Any voting trust, management agreement, or other arrangement affecting the power to direct and control the affairs of Developer requires our prior written consent. You must furnish any information and documentation that we may request concerning a proposed control arrangement.

10. NOTICES

All notices pursuant to this Agreement must be in writing and must be delivered in person or sent by certified mail, by national commercial delivery service, or by other written or electronic means which affords the sender reliable evidence of delivery or attempted delivery, to the addresses following our respective signature blocks, unless and until a different address has been designated by written notice to the other party.

11. INSURANCE AND INDEMNIFICATION

11.1. Insurance. You must at your own expense maintain the types and minimum amounts of insurance coverage that we specify from time to time for multi-unit developers. The policy or policies must be written by a carrier or carriers with an industry rating acceptable to us; must name FPI, our affiliates, and their respective officers, directors, shareholders, and employees as additional insureds as we direct; and must not have deductibles, exclusions or co-insurance that are unacceptable to us. Each insurance policy must contain a waiver by the insurance company of subrogation rights against us, our affiliates, and their successors and assigns. Upon signing this Agreement, you must provide us with evidence of insurance coverage and payment of premiums. Thereafter, before each insurance policy expires, you must furnish us with a copy of each renewal or replacement insurance policy and evidence of payment of the premium. If you fail to maintain the insurance required by this Agreement, we have the right (but no obligation) to obtain insurance on your behalf. If we do so, you agree to reimburse us for the cost of insurance, plus a reasonable fee for our services. We may increase the amounts of coverage required and/or require different or additional kinds of insurance, including excess liability insurance, at any time on reasonable notice to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Your obligation to obtain coverage is not limited in any way by insurance that we maintain.

11.2. Indemnification. You agree to hold harmless, defend, and indemnify us, our affiliates, and their respective past, present, and future officers, directors, shareholders, employees, and agents against any claims, losses, costs, expenses, liabilities, and damages (collectively, **"Claims"**) arising directly or indirectly from, as a result of, or in connection with your activities under this Agreement, as well as the costs of defending against the Claims (including but not limited to reasonable attorneys' fees, costs of investigation, settlement costs, and interest). To the extent permitted by law, this indemnity includes Claims alleged to be caused by our negligence, unless (and then only to the extent that) the Claim is finally determined by a court to have been caused solely by our gross negligence or willful misconduct. With respect to any threatened or actual litigation, proceeding, or dispute which could directly or indirectly affect any of the indemnitees hereunder, the indemnitees will have the right, but not the obligation, to: (i) choose counsel; (ii) direct, manage, and control the handling of the matter; and (iii) settle, on behalf of the indemnitees, any claim against the indemnitees. Your obligations under this Section are not limited by the amount of your insurance coverage. This Section will survive the expiration or termination of this Agreement.

12. GENERAL PROVISIONS

12.1. Notice of Suit. You must immediately notify us in writing of any lawsuit or legal proceeding or any order, writ, injunction, award, or decree of any court or government agency that may adversely affect your financial condition or development of FLIPPIN' PIZZA Restaurants.

12.2. Independent Contractor. Nothing in this Agreement is intended to make us or you an agent, legal representative, subsidiary, joint venturer, partner, or employee of the other for any purpose. Nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf or to incur any debt or other obligation in our name. We will not assume liability for, or be deemed liable as a result of, any such action, nor will we be liable for your acts or omissions or any claim or judgment arising therefrom against you or us. You must hold yourself out to the public as an independent contractor operating under this Agreement. This Agreement does not create a fiduciary relationship between you and us.

12.3. Public Notice of Independent Status. You must conspicuously identify yourself by your own company name in all dealings with landlords, contractors, suppliers, public officials, and employees and on all business cards, stationery, advertising, payroll forms, purchase orders and other materials as we specify from time to time.

12.4. Severability. If any provision of this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, the invalidity will not impair the operation of any other provisions of this Agreement that remain otherwise intelligible. The latter will continue to be given full force and effect and the invalid provision(s) will be deemed not to be a part of this Agreement.

12.5. No Implied Waiver. No failure to exercise any right reserved to us in this Agreement or to insist upon your strict compliance with any obligation or condition in this Agreement, and no custom or practice of the parties, will constitute a waiver of our right to exercise any right or to demand your compliance with this Agreement. Our waiver of any particular default will not affect or impair our rights with respect to any subsequent default. No delay, forbearance, or omission by us to exercise any power or right arising out of your breach or default will affect or impair our right to exercise the power; nor will it constitute a waiver of our right to declare any subsequent breach or default and to terminate this Agreement.

12.6. No Implied Third Party Beneficiaries. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity other than Developer, the Owners, and us, and such of their successors and assigns as may be contemplated by Section 7 above.

12.7. No Implied Consent. Whenever this Agreement requires our prior approval or consent, you or the Owners must make a timely written request, and the approval or consent must be obtained in writing and signed by one of our officers. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you by providing any waiver, approval, consent or suggestion in connection with this Agreement.

12.8. Survival of Obligations. All obligations which expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or Transfer of this Agreement will survive expiration, termination, or Transfer.

12.9. Our Business Judgment. Whenever we exercise a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly provided in this Agreement, we can make our decision or exercise our discretion on the basis of our judgment of what is in our best interests. "Best interests" includes what we believe to be the best interests of the FLIPPIN' PIZZA brand at the time the decision is made or the right or discretion is exercised, even though (a) there may have been other alternative decisions or actions that could have been taken; (b) our decision or action taken promotes our own financial interest; or (c) our decision or the action may apply differently to different FLIPPIN' PIZZA franchisees, multi-unit developers or FLIPPIN' PIZZA Restaurants. In the absence of an applicable statute, we will have no liability to you for any such decision or action. If applicable law implies a duty of good faith and fair dealing in this Agreement, we and you agree that the duty does not encompass any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

12.10. Entire Agreement. This Agreement and its Appendices constitute the entire agreement between you and us concerning the subject matter hereof and supersede all prior agreements, negotiations, representations, and correspondence concerning the same subject matter, except that nothing in this Agreement is intended to disclaim any representations made in any Franchise Disclosure Document that you received from us in connection with this Agreement. No amendment, change, or variance from this Agreement will be binding unless agreed to in writing and executed by authorized representatives of each party.

13. APPLICABLE LAW; DISPUTES

13.1. Governing Law. This Agreement and the relationship between us, you and the Owners is governed by the laws of the State of Delaware, except that if a provision of this Agreement would not be enforceable under the laws of Delaware, and if the Development Area is located outside of Delaware and the provision would be enforceable under the laws of the state in which the Development Area is located, then that provision will be governed by the laws of the state in which the Development Area is located. In the event of any conflict of law question, the laws of Delaware will prevail, without regard to the application of Delaware conflict-of-law rules. This Section is not intended to subject this Agreement or our relationship with you to any Delaware statute or regulation that would not apply by its own terms without considering this Agreement.

13.2. Venue for Litigation. Developer and the Owners must file any lawsuit against us, and we may file any lawsuit against Developer or the Owners, in the federal or state court where our principal office is located at the time the suit is filed. The parties waive all objections to personal jurisdiction and venue for the purpose of carrying out this provision.

13.3. Time Limit on Filing. Any lawsuit arising out of or relating to this Agreement or the relationship between us, you and the Owners must be filed and served within one (1) year from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

13.4. Waiver of Jury Trial. We, you and the Owners irrevocably waive trial by jury in any action, proceeding, or counterclaim.

13.5. Waiver of Exemplary Damages. You and the Owners, on the one hand, and us on the other, waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary, multiple, or consequential damages against the other and agree that, in the event of a dispute, each will be limited to the recovery of any actual damages sustained.

13.6. Class Action Waiver. TO THE EXTENT PERMITTED BY LAW, YOU AND THE OWNERS WAIVE THE RIGHT TO SEEK CERTIFICATION OF A CLASS IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM AGAINST US.

13.7. Attorney's Fees and Costs. You must reimburse us for all expenses reasonably incurred by us (including attorneys' fees): (a) to enforce the terms of this Agreement; and (b) in the defense of any claim asserted by Franchisee or the Owners on which we substantially prevail in court or other formal legal proceedings.

13.8. Remedies are Cumulative. Except as otherwise provided in this Section 13, no right or remedy under this Agreement is exclusive of any other right or remedy provided herein or permitted by law or equity.

FLIPPIN' PIZZA INTERNATIONAL, LLC

By:______________________________

Title: ______________________________

DEVELOPER: If a corporation, partnership, or limited liability company, print name of business entity on the line below:

____

By:______________________________

Print Name:______________________________

Title:______________________________

Address for Notices:

____

____

____

Address for Notices:

____

____

____

APPENDIX A TO AREA DEVELOPMENT AGREEMENT

DEVELOPMENT AREA (Section 1.1)

The Development Area (see Section 1.1) is the following:

DEVELOPMENT SCHEDULE (Section 1.2)

Deadline:	**Minimum cumulative number of Restaurants that you must have open and operating in the Development Area by Deadline (see notes 1 and 2):**

Note 1: Any existing FLIPPIN' PIZZA Restaurants acquired by Developer at the time of or before signing this Agreement do not count toward the required minimum numbers in the Development Schedule.

Note 2: Any FLIPPIN' PIZZA Restaurant which closes within the time period of the Development Schedule will be subtracted from Developer's cumulative total if the FLIPPIN' PIZZA Restaurant was previously counted toward the minimum requirements.

FINANCIAL AND OPERATIONAL CRITERIA (Section 1.2.2)

To be eligible for development of each new FLIPPIN' PIZZA Restaurant, at the time you propose a specific location, you must demonstrate satisfaction of the following financial and operational criteria:

DEVELOPMENT FEE (Section 2.1)

The Development Fee is $______________

FRANCHISE FEE (Section 2.2)

The franchise fees payable for each FLIPPIN' PIZZA Restaurant required by the Development Schedule are:

First Restaurant: $_____

Second Restaurant: $_____

Third Restaurant: $_____

DEVELOPMENT FEE CREDIT (Section 2.2)

If you are eligible for the Development Fee credit in Section 2.2, the amount of the credit will be:

First Restaurant: $_____

Second Restaurant: $_____

Third Restaurant: $_____

KEY PERSON (Section 9.3)

The initial Key Person is ______________

APPENDIX B TO AREA DEVELOPMENT AGREEMENT

FORM OF LEASE RIDER

THIS ADDENDUM is dated ________________ amends and supplements the Lease Agreement dated ___________________ (the **"Lease"**) between ____________________________ ("Lessor") and ________________________________ (**"Lessee"**), a franchisee of FLIPPIN PIZZA INTERNATIONAL, LLC (**"Company"**).

1. Lessor acknowledges that Lessee intends to operate a FLIPPIN' PIZZA NEW YORK STYLE® restaurant at the premises specified in the Lease (the **"Premises"**) pursuant to the terms of a Franchise Agreement between Lessee and Company (the **"Franchise Agreement"**).

2. Lessor and Lessee agree as follows:

a. Lessor consents to Lessee's use of the Marks, signage, décor items and color scheme prescribed by Company for the Restaurant.

b. The use of the Premises is restricted solely to the operation of the Restaurant during the term of the Franchise Agreement.

c. Lessee is prohibited from subleasing or assigning all or any part of its occupancy rights or from extending the term of or renewing the lease without Company's prior written consent.

d. Lessor will provide Company with copies of all notices of default given to Lessee under the Lease and a reasonable opportunity to cure the default on Lessee's behalf.

e. Company has the right to enter the Premises to make modifications necessary to protect its Marks and System (as defined in the Franchise Agreement) or to cure any default under the Franchise Agreement or under the Lease.

f. Company has the option, within thirty (30) days after expiration or termination of the Franchise Agreement, and upon notice to Lessor, to assume (or to have Company's designee assume) all of Lessee's rights and obligations under the Lease, including any right to assign or sublease.

g. Lessee has the right, without the prior approval of Lessor, to remodel the Premises as and when required by the Franchise Agreement.

h. Lessee has the right, without Lessor's prior approval, to assign the Lease or sublet the leased Premises to Company or any of its affiliates, or to any other franchisee of Company.

i. Lessor and its affiliates will not lease space in property owned, managed or controlled by them within one-half mile of the Premises to any other Asian restaurant concept (a **"Competing Business"**); and

j. Lessor and Lessee will not amend the lease in any manner which could materially affect the foregoing requirements without Company's prior written consent.

3. Company is a third party beneficiary with the independent right to enforce the provisions of this Addendum.

LESSOR

By: ______________________________

LESSEE

By: ______________________________

APPENDIX C TO AREA DEVELOPMENT AGREEMENT

PERSONAL GUARANTEE

As an inducement to FLIPPIN' PIZZA INTERNATIONAL, LLC (**"FPI"**), a Delaware limited liability company, to execute a Development Agreement (the **"Agreement"**) with ______________________________ (**"Developer"**), a ____________, the undersigned individuals (collectively, the **"Guarantors"**), jointly and severally, hereby unconditionally guarantee to FPI, its affiliates, and their successors and assigns (collectively, **"Company"**) that all of Developer's obligations under the Agreement, and under other agreements or arrangements between the Developer and Company, will be punctually paid and performed.

1. Guarantee. Upon demand by Company, the Guarantors will immediately make each contribution or payment required of Developer under the Agreement and under other agreements or arrangements between Developer and the Company. Each Guarantor waives any right to require Company to: (a) proceed against Developer or any other Guarantor for any contribution or payment required under the Agreement; (b) proceed against or exhaust any security from Developer or any other Guarantor; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer or any other Guarantor. Without affecting the obligations of the Guarantors under this Guarantee, the Company may, without notice to the Guarantors, extend, modify, or release any indebtedness or obligation of the Company, or settle, adjust, or compromise any claims against the Company. The Guarantors waive notice of amendment of the Agreement and notice of demand for contribution or payment and agree to be bound by any and all such amendments and changes to the Agreement.

2. Indemnity. The Guarantors agree to hold harmless and indemnify the Company against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) arising out of or in connection with any failure by Developer to perform any obligation under the Agreement or any other agreement between Developer and the Company.

3. Other Personal Obligations. The Guarantors acknowledge and agree to be bound personally by all restrictions on competition, confidentiality provisions, governing law and dispute resolution provisions, and restrictions on transfer of interest contained in the Agreement. The Guarantors may not disclose to any third party or make use of any Confidential Information (as defined in the Agreement) they may have received from the Company, by virtue of their involvement in the business, or via their ownership interest in Developer.

4. Survival of Obligations. Upon the death of a Guarantor, the Guarantor's estate will remain bound by this Guarantee, but only for obligations existing at the time of death. The obligations of the surviving Guarantors will continue in full force and effect.

5. Community Property States. If the Guarantor resides in a community property state, the Guarantor will, at the Company's request, cause his or her spouse, if any, to execute this Guarantee.

GUARANTOR:

______________________	Spouse: ______________________
Date: ______________________	Date: ______________________

GUARANTOR:

______________________	Spouse: ______________________
Date: ______________________	Date: ______________________

GUARANTOR:

______________________________ Spouse: ______________________________

Date:______________________________ Date:______________________________

APPENDIX D TO AREA DEVELOPMENT AGREEMENT

OWNER/OFFICER CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

_____[name of Developer]__ (**"Developer"**) has entered into a Development Agreement (the **"Development Agreement"**) with FLIPPIN' PIZZA INTERNATIONAL, LLC (**"Company"**) to develop FLIPPIN' PIZZA NEW YORK STYLE® restaurants. The Development Agreement requires officers of Developer and persons with legal or beneficial ownership interests in Developer to be personally bound by the confidentiality and noncompetition covenants contained in the Development Agreement. In connection with your investment in and/or employment by Developer, you agree as follows:

1. Your execution of this Agreement is a condition of your employment by or ownership interest in Developer and you have received good and valuable consideration for executing this Agreement. You acknowledge that Company has the right to enforce this Agreement directly against you.

2. You will or might gain access to Confidential Information (as defined in the Development Agreement) as a result of your role with Developer. You agree that you will: (a) not use the Confidential Information in any other business or capacity; (b) exert best efforts to maintain the confidentiality of the Confidential Information; and (c) not make unauthorized copies of any Confidential Information. If you cease to have an interest in Developer, you must deliver to Company any Confidential Information in your possession or control.

13.9. While the Development Agreement is in effect and you are an officer or legal or beneficial owner of Developer, you will not, without Company's consent (which may be withheld at Company's discretion) directly or indirectly (such as through an affiliate or a family member) own, operate, engage in, be employed by, provide assistance to, or have any economic interest in any Competing Business. **"Competing Business"** means a foodservice brand or outlet featuring pizza as a principal menu item.

3. For two (2) years after (i) your relationship with Developer ends; (ii).the expiration or termination of the Development Agreement; or (iii) the approved transfer of the Development Agreement to a new developer, whichever comes first, you will not, without Company's consent (which may be withheld at Company's discretion) either directly or indirectly (such as through an affiliate or a family member) own, operate, engage in, be employed by, provide assistance to, or have any economic interest in any Competing Business operating within the Development Area. If you fail to abide by any of the foregoing restrictions and Developer or Company obtains enforcement in a judicial or arbitration proceeding, the obligations under the breached restriction will continue in effect for a period of time ending two (2) years after the date of the order enforcing the restriction.

4. You acknowledge that enforcement of the restrictions contained in Paragraphs 3 and 4 will not deprive you of the ability to earn a living. If a court rules that any of these restrictions is unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited, and/or length of time, you agree to comply with any lesser restriction deemed enforceable by the court. If Developer or Company initiates a legal proceeding to enforce this Agreement and prevails in the proceeding, you agree to reimburse Developer or Company for its enforcement costs and expenses, including reasonable attorneys' fees.

[DEVELOPER]	**OWNER/OFFICER:**
____________________________	____________________________
	[name / title]

EXHIBIT D TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISED OUTLETS AS OF DECEMBER 31, 2016

Restaurant Address	Franchisee	Contact
CALIFORNIA		
17933 MacArthur Blvd. Irvine, CA	F6 Unlimited, LLC	Steve Fisher 760-331-3797
7662 El Camino Real La Costa, CA	TRG Coastal, Inc.	James Ryan 760-533-3386
6269 E. Spring Street Long Beach, CA	Triboro Pizza, Inc.	Anthony Apostle 562-673-4108
27695 Santa Margarita Pkwy Mission Viejo, CA	F6 Unlimited, LLC	Steve Fisher 760-331-3797
27614 Clinton Keith Rd. Suite 102 Murrieta, CA	27614-102 CK Pizza, LLC	Scott Barone 951-816-9840
16615 Dove Canyon Road San Diego, CA	4S Pizzeria, LLC	Jason Bennett 760-583-7519
11975 Carmel Mountain Rd. Suite 606 San Diego, CA	Carmel Mt. Pizzeria, LLC	Jason Bennett 760-583-7519
8895 Towne Centre Dr. Suite 115 San Diego, CA	TRG Coastal, Inc.	James Ryan 760-533-3386
342 S. Twin Oaks Valley Rd. San Marcos, CA	TRG Coastal, Inc.	James Ryan 760-533-3386

Restaurant Address	Franchisee	Contact
DISTRICT OF COLUMBIA		
1745 Connecticut Avenue, NW Washington, D.C.	Madanji LLC	Purvesh & Pratik Patel 817-946-3706
1250 Maryland Avenue, SW Washington, D.C.	Munkandrai Inc.	Purvesh & Pratik Patel 817-946-3706
MARYLAND		
10400 Old Georgetown Road Unit 5-D Bethesda, MD	Broderick G, LLC	Brett Silver 301-518-9525
36 South Market Street Frederick, MD	VikB Holdings, LLC	Vik Bansal 240-426-3893
7645 Arundel Mills Blvd Suite 100 Hanover, MD	Madanji LLC	Purvesh & Pratik Patel 817-946-3706
VIRGINIA		
9548 Main Street Unit C Fairfax, VA	Good Eats ACC, LLC	Amy Chen 914-621-1655
800 West Broad Street Falls Church, VA	Good Eats ACC, LLC	Amy Chen 914-621-1655
11130 South Lakes Drive Unit 11130-G Reston, VA	Good Eats ACC, LLC	Amy Chen 914-621-1655
UNITED ARAB EMIRATES		
Ibn Battuta Mall, China Court Sheikh Zayed Road	Magnolia Restaurants Management, LLC Prism Tower, Office 3204 P.O. Box 333907 Business Bay, Dubai, UAE	Moustafa Farouk + 97 144416931

EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEES OR OUTLETS THAT LEFT THE SYSTEM IN 2016

Former Franchisee	Restaurant Address	Explanation
CALIFORNIA		
Patrick Farley 760-434-4599	27614 Clinton Keith Rd. Suite 102 Murrieta, CA	Sold to 27614-102 CK Pizza, LLC
MARYLAND		
Purvesh & Pratik Patel 817-946-3706	6507 America Blvd. Suite 105 Hyattsville, MD	Closed
Brett Silver 301-518-9525	8517 Colesville Rd Silver Spring, MD	Closed
VIRGINIA		
Amy Chen 914-621-1655	6544-A Little River Turnpike Annandale, VA	Closed

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

EXHIBIT F TO FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF OPERATIONS MANUAL

TABLE OF CONTENTS OF OPERATIONS MANUAL

TRAINING PROGRAM

4 Week Training Summary	1-5
On-Boarding Material	
B.I.G.	6
S.L.I.C.E	7
Management Policies	8-15
New Hire/Orientation Packet	16-36
Checklists	
Opening	37
Closing	38
POS Training for Managers & Owners	39-41
Safety Material	
Safety Topics	42-53
Safety Policies & Procedures	54-58
Week 1 Safety Test	59-61
Week 1 Safety Test Answers	62-63
Training Material (FOH/BOH/Administration)	
Week 2 Prep Test	64-67
Week 2 Prep Test Answers	68-71
Week 3 Cook Test	72-76
Week 3 Cook Test Answers	77-82
Week 4 Admin Test	83-86
Week 4 Admin Test Answers	87-89
Interview Process	90-91
Positional Training Programs/Guides	92-118
Termination Process	119-120
Emergency Kit	121
Daily Forms	
Prep Sheet	122-123
Waste Chart	124
Case Pie Par Sheet	125-126
Case Pie Log	127
Dough Log	128
Appraisals & Evaluations	
Flippin' Team Member Appraisal	129-130
Flippin' Management Appraisal	131-137
How Flippin' Clean Form	138-141
Flippin' Perfect Pie Grading Form	142-143
Flippin' Store Evaluation Form	144-149

Scheduling & Inventory Guides

Inventory	150-153
Scheduling	154-158

Bonus Program

Bonus Program	159

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT

ADDITIONAL STATE-REQUIRED INFORMATION AND CONTRACT ADDENDA

As a condition of registering our franchise offering in certain states, we are required to provide you with additional information and, in some states, to amend our Franchise Agreement and Development Agreement. The required disclosures and amendments are set out in the following pages, in alphabetical order by state.

CALIFORNIA - The following information is for California residents:

INFORMATION REQUIRED BY THE STATE OF CALIFORNIA

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement or Development Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement and Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement and Development Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement and Development Agreement require binding arbitration. The arbitration will occur in Delaware with the costs being borne by the franchisee and franchisor. 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 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

7. The Franchise Agreement and Development Agreement require application of the laws of Delaware. This provision may not be enforceable under California law.

8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

9. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

10. 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.

11. OUR WEBSITE, www.flippinpizza.com, 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.

ILLINOIS - The following is added to the disclosure document for Illinois residents:

INFORMATION REQUIRED BY THE STATE OF ILLINOIS

Cover Page, Additional Disclosures.

THE GOVERNING LAW, VENUE AND JURISDICTION REQUIREMENTS IN THE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND THE DEVELOPMENT AGREEMENT ARE SUBJECT TO THE PROVISIONS OF THE ILLINOIS FRANCHISE DISCLOSURE ACT, AND NOTHING IN THESE DOCUMENTS SHALL BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON YOU BY THE ILLINOIS FRANCHISE DISCLOSURE ACT.

Item 17, Additional Disclosures.

The conditions under which the Franchise Agreement/Development Agreement can be terminated and your rights upon non-renewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Pursuant to Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement/Development Agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void. In addition, Illinois law will govern any claim arising under the Illinois Franchise Disclosure Act.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance the Illinois Franchise Disclosure Act or any other law of Illinois is void.

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

This Addendum relates to franchises sold in Illinois and is intended to comply with the Illinois Franchise Disclosure Act of 1987 (the "Act") and the related Illinois regulations. The parties agree to modify the Franchise Agreement as follows:

1. Termination. Section 17 of the Franchise Agreement is amended by adding the following:

   If anything in this Section concerning termination is inconsistent with Section 19 of the Act, then the Act will apply.

2. Renewal. Section 20 of the Franchise Agreement is amended by adding the following:

   If anything in this Section concerning non-renewal is inconsistent with Section 20 of the Act, then the Act will apply.

3. Governing Law. Section 24.1 of the Franchise Agreement is deleted. The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois.

4. Venue for Litigation. Section 24.2 of the Franchise Agreement is amended by adding the following:

   Section 4 of the Act states that any provision in a franchise agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.

5. Time Limit on Filing. Section 24.3 of the Franchise Agreement is amended by adding the following:

   Notwithstanding the foregoing, any claims arising under the Act may be commenced within the period of limitation established in Section 27 of the Act.

6. Section 41 of the Act states that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the Act or any other law of Illinois is void. Section 41 will control over any inconsistent provisions in the Franchise Agreement.

This Addendum will have effect only if the Franchise Agreement and/or the relationship between you and Flippin' Pizza International, LLC satisfy all of the jurisdictional requirements of the Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FLIPPIN' PIZZA INTERNATIONAL, LLC	**FRANCHISEE (Print name of individual, limited liability company, or corporation:**
	____________________________
By __________________________	Signature ______________________
Title _________________________	Title _________________________

ILLINOIS ADDENDUM TO THE DEVELOPMENT AGREEMENT

This Addendum relates to franchises sold in Illinois and is intended to comply with the Illinois Franchise Disclosure Act of 1987 (the "Act") and the related Illinois regulations. The parties agree to modify the Development Agreement as follows:

1. Termination. Section 8 of the Development Agreement is amended by adding the following:

   If anything in this Section concerning termination is inconsistent with Section 19 of the Act, then the Act will apply.

2. Governing Law. Section 13.1 of the Development Agreement is amended by adding the following:

   Notwithstanding the foregoing, the Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois. If this Section is inconsistent with the Regulations, then Illinois law will apply.

3. Venue for Litigation. Section 13.2 of the Development Agreement is amended by adding the following:

   Section 4 of the Act states that any provision in a franchise agreement that designates jurisdiction or venue for litigation in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois. If this Section is inconsistent with Section 4 of the Act, then the Act will apply.

4. Time Limit on Filing. Section 13.3 of the Development Agreement is amended by adding the following:

   Notwithstanding the foregoing, any claims arising under the Act may be commenced within the period of limitation established in Section 27 of the Act.

5. Section 41 of the Act states that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the Act or any other law of Illinois is void. Section 41 will control over any inconsistent provisions in the Development Agreement.

This Addendum will have effect only if the Development Agreement and/or the relationship between you and Flippin' Pizza International, LLC satisfy all of the jurisdictional requirements of the Act, without considering this Addendum. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

FLIPPIN' PIZZA INTERNATIONAL, LLC	**DEVELOPER (Print name of individual, limited liability company, or corporation:**
	______________________________
By ____________________________	Signature ______________________
Title ___________________________	Title __________________________

ADDENDUM FOR THE STATE OF MARYLAND

This Addendum for the State of Maryland modifies Flippin' Pizza International, LLC's Franchise Disclosure Document and its Franchise Agreement and Development Agreement.

Item 17, Additional Disclosures.

The general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law. The appropriate sections of the Franchise Agreement and Development Agreement are deemed to be amended accordingly.

The Franchise Agreement and Development Agreement provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Your responses to the Compliance Questionnaire (Exhibit H to the Disclosure Document) do not act as a release, estoppel, or waiver of any liability of the Franchisor under the Maryland Franchise Registration and Disclosure Law. The appropriate sections of the Franchise Agreement and Development Agreement are hereby amended to state that all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise. The appropriate sections of the Franchise Agreement and Development Agreement are deemed to be amended accordingly.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. The appropriate sections of the Franchise Agreement and Development Agreement are deemed to be amended accordingly.

This Addendum will have effect only if the Agreement and/or the relationship between you and Flippin' Pizza International, LLC satisfy all of the jurisdictional requirements of the state statute, without considering this Addendum. Except as expressly modified by this Addendum, the Agreement remains unmodified and in full force and effect.

FLIPPIN' PIZZA INTERNATIONAL, LLC	**FRANCHISEE (Print name of individual, limited liability company, or corporation:**
	______________________________
By ___________________________	Signature ___________________________
Title ___________________________	Title ___________________________

MICHIGAN - The following is added to the disclosure document for Michigan residents:

INFORMATION REQUIRED
BY THE STATE OF MICHIGAN

Cover Page, Additional Disclosures.

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

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

(a) A prohibition of 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 the Michigan Franchise Investment Law. 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 franchises 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. **[Note: Flippin'**

Pizza reserves the right to challenge the restriction on the location of arbitration under the Federal Arbitration Act.]

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

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

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

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

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

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

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

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

Any questions regarding this Notice shall be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913 (517) 373-7117.

VIRGINIA - The following information is for Virginia residents:

INFORMATION REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Flippin' Pizza International, LLC for use in the Commonwealth of Virginia is amended to add the following:

> According 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 grounds for default or termination stated in the franchise agreement and development agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.
>
> According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

EXHIBIT H TO FRANCHISE DISCLOSURE DOCUMENT

COMPLIANCE QUESTIONNAIRE

QUESTIONNAIRE TO BE COMPLETED BEFORE SIGNING AGREEMENT

You are preparing to enter into a Development Agreement or Franchise Agreement with Flippin' Pizza International, LLC ("FPI"). The purpose of this Questionnaire is to confirm that you understand the terms of the agreement and that no unauthorized statements or promises have been made to you. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

Note: If you are purchasing an existing franchised Restaurant from an existing franchisee, you may have received information from the transferring franchisee, who is not our employee or representative. The questions below do not apply to any communications that you had with the transferring franchisee.

1. When and where did you have your first face-to-face meeting with a FPI representative?

   Date of meeting:____

   Place of meeting:____

2. Which FPI representative(s) have you been dealing with?

   Name(s):____

3. Have you personally reviewed FPI's Franchise Disclosure Document (FDD)?

   Yes _____ No _____

4. Did you give FPI a signed receipt for the copy of the FDD that was furnished to you?

   Yes _____ No _____ If yes, on what date? ____________________

5. Do you understand all of the information contained in the FDD?

   Yes _____ No _____

   If not, what parts of the FDD do you not understand? (Attach additional pages, if necessary.)

   ____

   ____

   ____

   ____

   ____

   ____

6. Have you personally read the Development Agreement and the Franchise Agreement?

Yes _____ No _____

7. Do you understand all of the terms of the Development Agreement and the Franchise Agreement?

Yes _____ No _____

If not, what parts do you not understand? (Attach additional pages, if necessary.)

____

____

____

____

____

8. Have you discussed the FDD, Development Agreement, Franchise Agreement, and the benefits and risks of operating a Flippin' Pizza franchise with an attorney, accountant, or other professional advisor?

Yes _____ No _____ If yes, name of advisor: _______________________

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Other than the information, if any, presented in Item 19 of the FDD, has any employee or other person speaking on behalf of FPI made any statement or representation (oral, written, or visual) regarding:

a. The amount of money that others have made or that you will make in operating a FLIPPIN' PIZZA restaurant?

Yes _____ No _____

b. The revenue or profit that a FLIPPIN' PIZZA restaurant will generate?

Yes _____ No _____

c. Any other information about the financial performance of a FLIPPIN' PIZZA restaurant?

Yes _____ No _____

10. If your answer to any part of Question 9 is "yes," was the statement or representation different from the information contained in the FDD?

Yes _____ No _____

11. If your answer to any part of Question 9 is "yes," who made the statement or representation, when, and where? Please provide full details in the following space.

____

____

____

____

____

12. Have you contacted one or more operators of any of our existing FLIPPIN' PIZZA restaurants about their financial performance?

Yes _____ No _____

13. If your answer to Question 12 is "yes," please describe generally the type of information that they shared with you in the following space. You do not need to identify the individuals with whom you spoke.

____

____

____

____

____

14. Please think about the statements or promises made to you by our employees (or by any other person purporting to speak on behalf of FPI) concerning the <u>advertising, marketing, training, support services or other assistance</u> that FPI will furnish to you. Were any statements or promises contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

15. If you answered "Yes" to Question 14, please provide full details in the following space. (Attach additional pages, if necessary.)

____

____

____

____

____

____

16. Have you entered into any agreement with FPI before today concerning the FLIPPIN' PIZZA restaurant franchise?

Yes _____ No _____ If Yes, please describe:

____

17. Have you paid any money to FPI before today in connection with the FLIPPIN' PIZZA restaurant franchise?

Yes _____ No _____ If Yes, please describe:

____

18. In entering into the Development Agreement or Franchise Agreement, are you relying on any statement, promise, or assurances by FPI (or anyone speaking on behalf of FPI) other than the contract terms themselves? If "Yes", please provide full details in the following space. (Attach additional pages, if necessary.)

____

____

____

____

____

____

19. Do you agree that the success or failure of your FLIPPIN' PIZZA restaurant franchise 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 _____

20. In what state do you reside?______________________________________

21. In what state do you intend to operate the FLIPPIN' PIZZA restaurant?

____

22. If your answers to questions 20 and 21 named a state for which additional disclosures are provided in the Exhibits to the FDD, have you personally reviewed those state-specific disclosures?

Yes _____ No _____

23. Do you understand all of the information contained in the state-specific disclosures for your state?

Yes _____ No _____

If not, what parts do you not understand?______________________________

____

____

____

____

____

24. Have you selected a specific city or location in which you propose to operate a FLIPPIN' PIZZA restaurant?

Yes _____ No _____

If yes, please identify (provide street address if available):____________________

____

25. Do you have personal knowledge of the city or location?

Yes _____ No _____

26. Did you obtain advice from anyone other than FPI in selecting your location?

Yes _____ No _____ If yes, name of advisor:____________________

If not, do you wish to have more time to do so?

Yes _____ No _____

27. Have all of your questions to FPI concerning your proposed investment in a FLIPPIN' PIZZA restaurant franchise been answered to your satisfaction?

Yes _____ No _____

28. If you intend to form a partnership, corporation, or limited liability company to operate the FLIPPIN' PIZZA restaurant franchise, please complete the appropriate ownership information form attached to this Questionnaire.

* * *

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

FRANCHISE APPLICANT

____

Date: __________________________________

CORPORATION/LLC INFORMATION FORM

By completing this form, you are notifying FPI that you intend to form a corporation or limited liability company to enter into the Development Agreement or Franchise Agreement. You may be asked to provide FPI with copies of documents relating to your corporation/LLC (e.g., articles of incorporation, bylaws, operating agreement, good standing certificate) from time to time. The transfer of any interest in your corporation/LLC will be subject to the restrictions in the Franchise Agreement.

Please provide the following information:

Type of entity: _____ Corporation _____ LLC

State in which incorporated/organized: ____________________________________

Date of incorporation/organization: ____________________________________

Number of shares or membership units the corporation/LLC is authorized to issue:

Officers and directors (if a corporation):

Name	Position
________________	________________
________________	________________
________________	________________

If an LLC, description of management structure (managing member, management board, etc.) and names of persons who will be appointed to management positions:

____

____

____

(continued)

The following list identifies all stockholders or members ("Owners") of your corporation or LLC. If the entity is a corporation, the list identifies the class of stock and the number of shares of each class held by each Owner; if it is an LLC, the list identifies the number of ownership units held by the Owner. For each Owner, the list specifies the Owner's percentage interest.

Owner	Class of Stock	Number of Shares or Membership Units	Percentage Ownership
______________	______	____________	____________
______________	______	____________	____________
______________	______	____________	____________
______________	______	____________	____________

PARTNERSHIP INFORMATION FORM

By completing this form, you are notifying FPI that you intend to form a partnership with one or more other individuals to operate the FLIPPIN' PIZZA restaurant franchise. You may be asked to provide FPI with copies of your partnership agreement and related documents from time to time. Any transfer of an interest in the partnership by any partner will be subject to the restrictions in the Franchise Agreement.

Please provide the following information:

Name of partnership: ____________________

State in which the partnership is organized: ____________________

Date of partnership agreement: ____________________

Managing Partner: ____________________

EXHIBIT I TO FRANCHISE DISCLOSURE DOCUMENT

STATE FRANCHISE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

We may register our franchise offering in some or all of the states listed on the "State Effective Dates" page at the front of this disclosure document. This Exhibit lists the state agencies that have responsibility for the review, registration, and oversight of franchise offerings in these states. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the state offices or officials listed in this Exhibit as our agent for service of process in these states. We may have additional agents appointed in some of the states listed.

LIST OF STATE FRANCHISE ADMINISTRATORS

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 876-7500 Toll Free: (866) 275-2677	**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
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department 600 East Boulevard Avenue, State Capitol Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Consumer Protection Div., Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-7117	**WASHINGTON** Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500	**WISCONSIN** Office of the Commissioner of Securities 201 W. Washington Ave., Suite 300 Madison, WI 53703 (608) 261-9555

LIST OF AGENTS FOR SERVICE OF PROCESS

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner 600 East Boulevard Avenue, State Capitol Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Department of Labor and Regulation Director of the Division of Securities 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Consumer Protection Div., Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-7117	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500	**WISCONSIN** Commissioner of Securities 201 W. Washington Ave., Suite 300 Madison, WI 53703 (608) 261-9555

EXHIBIT J TO FRANCHISE DISCLOSURE DOCUMENT

SAMPLE OF RELEASE TO BE SIGNED WHEN YOU RENEW OR TRANSFER THE FRANCHISE

SAMPLE OF RELEASE TO BE SIGNED WHEN YOU RENEW OR TRANSFER THE FRANCHISE

Note: Where required by applicable state law, this Release will be modified to exclude liability under the applicable state law. See Exhibit F to the disclosure document.

THIS RELEASE is made and entered into on ______________ by and between Flippin' Pizza International, LLC (**"FPI"**) and ___________________________ (**"Franchisee"**) in connection with the transfer or renewal of a FLIPPIN' PIZZA restaurant franchise.

In consideration of their respective obligations set out below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Release by Franchisee. Franchisee (if Franchisee is an entity, on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities and, if Franchisee is an individual, on behalf of himself/herself and his/her heirs, representatives, successors and assigns) (collectively, the **"Franchisee Releasors"**), hereby releases and forever discharges FPI, its affiliates, and their respective officers, directors, shareholders, employees, agents, attorneys, insurers, representatives, predecessors, successors, and assigns from any and all claims, debts, liabilities, demands, obligations, costs, expenses, suits, actions, and causes of action, known or unknown, suspected or unsuspected, vested or contingent (collectively, **"Claims"**) that the Franchisee Releasors ever had, now have, or may in the future have, arising out of or relating to any act, omission or event occurring on or before the date of this Release. The Franchisee Releasors understand and agree that this release extends to all claims, and each of them expressly waives all rights under Section 1542 of the Civil Code of the State of California, which provides:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him, must have materially affected the settlement with the debtor."

2. Risk of changed facts. Franchisee understands that the facts in respect of which the release in Section 1 above is given may turn out to be different from the facts now known or believed by Franchisee to be true. Franchisee hereby accepts and assumes the risk of the facts turning out to be different and agrees that the release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. No prior assignment. Franchisee represents and warrants that Franchisee is the sole owner of all Claims and rights released by Franchisee hereunder and that

Franchisee has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1 above.

4. Covenant not to sue. Franchisee (on behalf of the Franchisee Releasors) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 above with respect to any Claim released under Section 1 above.

5. Complete defense. Franchisee: (i) acknowledges that this Release will be a complete defense to any Claim released under Section 1 above; and (ii) consents to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

6. Authorization. Each person who executes this Release on behalf of Franchisee represents and warrants that Franchisee has authorized that person to enter into this Release on behalf of Franchisee. Franchisee represents and warrants that Franchisee has the authority to enter into this Release not only on its own behalf, but also on behalf of the other persons and entities to be bound by its signature.

7. Successors and assigns. This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of each party to this Release.

IN WITNESS WHEREOF, the parties have executed this Release as of the date first above written.

FLIPPIN' PIZZA INTERNATIONAL, LLC	**FRANCHISEE:**
	______________________________ (Print name of corporation, partnership, limited liability company or other legal entity)
By:______________________________	By:______________________________
Print Name:______________________	Print Name:______________________
Title:____________________________	Title:____________________________
	OWNERS:
	______________________________
	______________________________
	______________________________

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 Flippin' Pizza International, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Flippin' Pizza International, 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, DC 20580 and the appropriate state agency listed on Exhibit I.

The franchisor is Flippin' Pizza International, LLC, located at 107 S. Cedros, Suite 220, Solana Beach, California 92075, tel. (866) 236-7480.

Issuance date: September 1, 2017. See the State Effective Dates page for state-related information.

The franchise seller is: Chuck Rink, Flippin' Pizza International, LLC, 107 S. Cedros, Suite 220, Solana Beach, California 92075, tel. (866) 236-7480. If any other individuals are involved in offering the franchise, write in the name(s) of the individual(s):

____

Flippin' Pizza International, LLC authorizes the agents listed in Exhibit I to receive service of process.

I have received a disclosure document dated September 1, 2017, that included the following Exhibits:

A – Financial Statements	F – Table of Contents of Operations Manual
B – Franchise Agreement	G – Additional State-Required Information and Contract Addenda
C – Development Agreement	H – Compliance Questionnaire
D –Franchisees as of December 31, 2016	I – State Franchise Administrators/Agents for Service of Process
E – Franchises That Left the System in 2016	J – Sample Release

Date:____________________ ______________________________
(Do not leave blank) Signature of Prospective Franchisee

____
Print Name

Please sign and date this copy of the Receipt and return it to Flippin' Pizza International, LLC.

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 Flippin' Pizza International, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Flippin' Pizza International, 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, DC 20580 and the appropriate state agency listed on Exhibit I.

The franchisor is Flippin' Pizza International, LLC, located at 107 S. Cedros, Suite 220, Solana Beach, California 92075, tel. (866) 236-7480.

Issuance date: September 1, 2017. See the State Effective Dates page for state-related information.

The franchise seller is: Chuck Rink, Flippin' Pizza International, LLC, 107 S. Cedros, Suite 220, Solana Beach, California 92075, tel. (866) 236-7480. If any other individuals are involved in offering the franchise, write in the name(s) of the individual(s):

____

Flippin' Pizza International, LLC authorizes the agents listed in Exhibit I to receive service of process.

I have received a disclosure document dated September 1, 2017, that included the following Exhibits:

A – Financial Statements	F – Table of Contents of Operations Manual
B – Franchise Agreement	G – Additional State-Required Information and Contract Addenda
C – Development Agreement	H – Compliance Questionnaire
D –Franchisees as of December 31, 2016	I – State Franchise Administrators/Agents for Service of Process
E – Franchises That Left the System in 2016	J – Sample Release

Date:____________________ (Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

Please sign and date this copy of the Receipt and keep it for your records.