FRANCHISE DISCLOSURE DOCUMENT

GELSOSOMO'S FRANCHISE CORPORATION
AN INDIANA CORPORATION
317 NORTH SHELBY STREET
HOBART, IN 46342
219-942-0826
tomg@gelpizza.com
www.gelpizza.com

The franchise offered is for the operation of a Gelsosomo's Pizzeria® restaurant. Gelsosomo's Pizzeria® franchises are available in carryout or full service restaurants.

(1) The initial investment necessary to begin operation of a Gelsosomo's Pizzeria® franchise for carryout is $238,7281 or $416,935 for a full service location. This includes $25,000 that must be paid to the franchisor or affiliate.

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

(3) 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.

(4) Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

(5) There may also be laws in your state. Ask your state agencies about them.

Effective Date: December 31, 2024

FRANCHISE SELLER DISCLOSURE FORM

1. List the persons who will solicit, offer or sell franchises for the Franchisor in this state:

A.	Name:	Thomas R. Gelsosomo
B.	Business Address and Telephone Number:	Gelsosomo's Franchise Corp., 317 North Shelby Street, Hobart, IN 46342 (219) 942-0826
C.	Present Employer:	Officer and Director of Gelsosomo's Franchise Corporation
D.	Present Title:	President
E.	Employment or occupation during the past 5 years. For each such employment state the name of the employer, position held and beginning and ending dates.	Gelsosomo's Franchise Corporation, President for the last 5 years

2. State whether any person identified in 1. above:

A. Has any administrative, criminal or material action pending against that person alleging a violation of any franchise, antitrust or securities law, or alleging fraud, unfair or deceptive practices or any comparable allegations?

Yes ___________ No ______X______

B. Had during the 10-year period immediately before the disclosure document's issuance date been convicted of or pleaded nolo contendere to a felony charge; or been held liable in a civil action involving an alleged violation of a franchise, antitrust or securities law, or allegations of fraud, unfair or deceptive practices, or comparable allegations?

Yes ___________ No ______X______

C. Is subject to a currently effective injunction or restrictive order or decree resulting from a pending or concluded action brought by a public agency and relating to the franchise, or to a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law.

Yes ___________ No ______X______

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Item 1

THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "the Company" means Gelsosomo's Franchise Corporation, the franchisor. "You" means the person who buys the franchise, and includes owners of a corporation, partnership, or other entity that buys the franchise.

Franchisor, Parent, and Affiliates

The Company was incorporated in Indiana on April 20, 1990. Our Principal address is 317 North Shelby Street, Hobart, Indiana, 46342. The Company does business under the name Gelsosomo's Franchise Corporation. There are no predecessors or affiliates of the Company during the 10 year period prior to the close of the Company's most recent fiscal year. The name and address of the Company's agents for service of process are Thomas R. Gelsosomo, 317 North Shelby Street, Hobart, Indiana 46342 and the Illinois Office of the Attorney General, 500 South Second Street, Springfield, Illinois 62706.

Cerasimo, Inc., an Indiana corporation owned by the same shareholders as the Company, began operating a Gelsosomo's Pizzeria in 1987. Its principal address is 5023 US Highway 6, Portage, Indiana, 46368. (Cerasimo continues to operate the Gelsosomo's Pizzeria restaurant.) (The Company began offering franchises for Gelsosomo's Pizzerias in 1991.) The Company concentrates solely on the franchising of Gelsosomo's Pizzerias, and no other business activity. The Company has not offered franchises in any other line of business.

Applicable Regulations

The Company is not aware of any regulations specific to the operation of a Gelsosomo's Pizzeria® restaurant although you would be required to comply with all local and federal health and sanitation laws in the operation of your pizzeria restaurant.

Item 2

BUSINESS EXPERIENCE

Founder, President, Treasurer, Secretary, and Director Thomas R. Gelsosomo

Thomas R. Gelsosomo founded and has been with the Company since 1990 as Director, President, Treasurer, and Secretary. From 1987 to the present Mr. Gelsosomo has also been the Director, President and Secretary of Cerasimo, Inc. which was the owner and owner and operator of Gelsosomo's Pizzeria in Portage, Indiana until December 2022.

Franchise Director: Tracy Gelsosomo

Tracy Gelsosomo has been with the company since 1990.

Item 3

LITIGATION

No litigation is required to be disclosed in this item.

Item 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this offering circular has been involved as a debtor in proceedings under the U.S. bankruptcy Code required to be disclosed in this item.

Item 5

INITIAL FRANCHISE FEE

The initial franchise fee is $25,000. It is paid upon the signing of the franchise agreement and is not refundable. The Company escrows in a separate account the initial franchise fee until the completion of all of the Company's pre-opening obligations.

Other fees or payments which you would owe to the Company before you open for business include $1,000 for the payment of menus for use with full service Gelsosomo's pizzeria locations.

Item 6

OTHER FEES

Type of Fee [5, 6]	Amount	Due Date	Remarks
Royalty Fee	3% of Gross Sales[1], or $500, whichever is greater	Payable monthly on the 15th day of the next month	--
Local Advertising [2]	3% of Gross Sales	As Incurred	You pay this to your own advertisers. See Note 2
National Advertising	2.5% of Gross Sales	Payable monthly on the 15th day of the next month	Currently no National Advertising fee payment is required
Additional Assistance [3]	$500 per day, currently, plus expenses	As Incurred	See Note 2 and Item 11
Continuing Training Programs [4]	$500 per day, currently, plus expenses	As Incurred	See Note 3
Interest	2% per month	As Incurred	--
Transfer Fee	$7,000.00	At time of transfer	--
Audit Fees	Cost of inspection or audit	As Incurred	Payable only if the audit reveals you have understated your Gross Sales by more than 2%
Indemnification	Will vary under circumstances	As Incurred	You have to reimburse the Company if the Company is held liable for claims arising from your restaurant operation

Costs and Attorney's Fees	Will vary under circumstances	As Incurred	Payable upon your failure to comply with the Franchise Agreement

Notes:

1 If the Company commences regional and or national advertising fund into which you pay a percentage of your Gross Sales, then your Local Advertising expenditure requirement is reduced by 2% of gross sales.

2 At your request, the Company will provide additional assistance beyond the Company's standard support, at a cost to you based on our then current daily fee for the respective personnel performing such assistance plus reasonable expenses including all transportation, lodging, and other expenses.

3 At your request, the Company will provide continuing training, at a cost to you based on our then current daily fee for the respective personnel performing such training plus reasonable expenses including all transportation, lodging, and other expenses.

4 All fees are imposed by and payable to the Company.

5 All fees are non-refundable.

Item 7

INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

(CARRYOUT/DELIVERY RESTAURANT ONLY)

Type of Expenditures	**Lower Cost Restaurant 1200 ft**	**Moderate Cost Restaurant 1400 ft**	**High Cost Restaurant 1600 ft**	**Time of Payment/To Whom Paid**
Initial Franchise Fee	$25,000	$25,000	$25,000	Franchise Agreement Signing/ Company
Equipment (includes technology)	71,500	82,200	115,200	COD/Equipment Vendor
Architect/Engineer Fees	2,500	2,800	3,000	COD/Architect
Leasehold Improvements[2]	42,000	47,250	53,350	½ Down Payment; ½ Completion/ General Contractor
Lease Deposit[1]	6,500	7,100	10,000	Lease/Signing/Landlord
Outside Signage	4,200	4,800	6,400	½ Down Payment; ½ Completion/Sign Vendor
Opening Inventory/Small Wares	4,500	5,000	6,000	COD/Food Distributor
Insurance Down Payment	1,500	1,650	1,900	Policy Signing/Insurance Agent
Management Training (30 Days)	1,500	1,725	2,500	During Training/Employees
Hourly Employee Training (2 Weeks)	2,000	2,300	3,220	During Training/Employees
Legal & Accounting (Startup Costs)	1,500	1,725	2,500	Before Opening/CPA, Attorney
Grand Opening Advertising	2,250	2,600	3,700	Before Opening/Advertising Vendors
License/Permits	1,000	1,200	1,400	As Required/Localities
Miscellaneous	1,000	1,200	1,600	As Required
Additional Funds (Initial Period)[3]	8,500	9,500	13,150	As Required
Total Capital Investment[4-6]	$175,450	$196,050	$248,920	

YOUR ESTIMATED INITIAL INVESTMENT
(CARRYOUT/DELIVERY/DINE-IN RESTAURANT)

Type of Expenditures	Lower Cost Restaurant 3000 ft (Seating for 100)	Moderate Cost Restaurant 4000 ft (Seating for 175)	High Cost Restaurant 6000 ft (Seating for 250)	Time of Payment/To Whom Paid
Initial Franchise Fee	$25,000	$25,000	$25,000	Franchise Agreement Signing/ Company
Equipment (includes technology)	100,000	110,000	172,200	COD/Equipment Vendor
Dining (tables, booths, chairs etc.)	5,000	7,500	10,000	COD/Vendor
Architect/Engineer Fees	3,000	3,600	5,500	COD/Architect
Leasehold Improvements [2]	85,000	102,000	147,900	½ Down Payment; ½ Completion/ General Contractor
Lease Deposit[1]	10,000	12,000	17,500	Lease/Signing/Landlord
Outside Signage	5,000	6,000	9,000	½ Down Payment; ½ Completion/Sign Vendor
Opening Inventory/Small Wares	8,500	10,000	15,000	COD/Food Distributor
Insurance Down Payment	2,000	2,400	3,480	Policy Signing/Insurance Agent
Management Training (30 Days)	3,000	3,600	5,500	During Training/Employees
Hourly Employee Training (2 Weeks)	4,000	4,800	7,000	During Training/Employees
Legal & Accounting (Startup Costs)	3,000	3,600	5,500	Before Opening/CPA, Attorney
Grand Opening Advertising	2,250	3,000	3,500	Before Opening/Advertising Vendors
License/Permits	1,500	1,800	2,610	As Required/Localities
Miscellaneous	1,000	1,200	1,740	As Required
Additional Funds (Initial Period)[3]	8,500	10,000	14,500	As Required
Total Capital Investment [4-6]	$266,750	$306,500	$445,930	

Notes:

1 The lease charges will depend on the size, condition and location of the premises and the demand for the premises among prospective tenants.

2 Leasehold improvement costs vary significantly depending on the condition, location and size of the premises and many other factors relating to the geographic location, suppliers, governmental regulations, labor and other considerations.

3 This is an estimate of your additional funds required during the first three months after opening your restaurant. These expenses include payroll costs, but do not include any draw or salary for you. This estimate is based on more than thirty (30) years' experience in the restaurant business and more than twenty (20) years of franchising Gelsosomo's Pizzerias and consideration of all costs but not a draw or salary for you. The Company cannot guarantee you will not have additional expenses starting the business. Your costs will depend on factors such as: how closely you follow the Company's methods and procedures; your management skill; experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate;

advertising expenditures; rental charges; competition; and the sales level reached during this initial period.

[4] You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

[5] The Company does not offer financing for any part of the initial investment.

[6] Amounts paid to the Company are non-refundable. Amounts paid to others may not be refundable.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except for the Gelsosomo's pizza sauce spices, cheese, pizza sauce, flour, oil, and the Gelsosomo's pizza box, you are not obligated to purchase or lease from the Company or its designee any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or real estate relating to the establishment or operation of your Gelsosomo's Pizzeria. You are required to purchase the Gelsosomo's pizza sauce spices, cheese, pizza sauce, flour, oil and the Gelsosomo's pizza box from a supplier designated by the Company. The Company does not have any ownership interest in the supplier. The Company does not receive any compensation from the supplier. Neither the company nor any person affiliated with the company is currently an approved supplier.

All equipment, exterior and interior signs, food and beverage preparation equipment, fixtures, furniture, employee uniforms, interior and exterior design, construction and leasehold improvements, and other items which comprise just about all aspects of your Gelsosomo's Pizzeria must comply with the Company's standards and specifications and be purchased from a list of suppliers approved by the Company. The approved suppliers were selected based upon their ability to deliver prompt and reliable service and conform to the Company's standards and specifications for equipment, product and other items bought, and possess satisfactory quality control and the ability to fulfill the supply needs of franchisees. Neither the Company nor its affiliates derive revenue or other material consideration as a result of any purchase or lease from third parties by you.

In the event you shall desire to purchase any item from an unapproved supplier or source, you are required to submit a written request for said approval or in the alternative shall require the supplier or source to petition the Company for approval classification. Upon proper written notice to the Company by your other supplier in conjunction with written notice by you, the Company shall as a condition precedent to the rendering of its approval or disapproval, have the right to inspect samples of the supplier which shall be delivered to the Company or any other party the Company may designate for purposes of testing and analysis. The Company shall have the option to inspect the supplier's facility and investigate the ability of the supplier to fulfill your needs as per the standards and specifications of the Company on a continuing basis. The Company will typically notify you of its approval or disapproval of the supplier or source within thirty (30) days of receiving all information requested for the evaluation. Any cost of testing, inspection and analysis shall be paid by you or the supplier which cost shall not exceed the actual cost of the same to the Company, upon request, a supplier is approved by the Company, the Company shall reserve the right at its option to re-inspect the facilities and retest and investigate the supplier and products of any approved supplier at any time and revoke such prior approval if re-evaluation by the Company indicates the supplier cannot continue to meet the standards and specifications of the terms used in the operation of Gelsosomo's Pizzerias.

In the event you are leasing the location for your Gelsosomo's Pizzeria, you must include in the lease, in a form satisfactory to the Company, provisions that (1) provide for notice to the Company of, and the Company's right to cure, your default under said lease; (2) provide for your right to assign your interest under said lease to the Company without the lessor's consent; (3) authorize and require the lessor to disclose to the Company, upon the Company's request, any information pertaining to your Gelsosomo's Pizzeria or the location furnished to the lessor by you; (4) provide that, upon termination or expiration of your Franchise Agreement, the Company will have the right to assume said lease; and (5) provide that the lessor has consented to your use of the Company's required signage for your Gelsosomo's Pizzeria. If you lease the location for your Gelsosomo's Pizzeria, you must agree to deliver a true and complete copy of the signed lease to the Company within five (5) business days after the date of execution of the lease for your Gelsosomo's Pizzeria. You also must not execute or agree to any modification of the lease without the prior approval of the Company. You must agree that any new, amended, restated, extended or renewed lease for the location of your Gelsosomo's Pizzeria will include the above terms and conditions required to be included in a lease for a new Gelsosomo's Pizzeria.

The purchase or lease of required goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, and real estate is estimated to be nearly 100% of all purchases and leases you would incur in establishing your Gelsosomo's Pizzeria and approximately 95 to 100% of all purchases and leases you would incur in operating your Gelsosomo's Pizzeria.

The Company does not provide material benefits, including without limitation, renewal rights or preferences for receiving additional franchises, based on your use of a designated or approved source.

No purchasing or distribution cooperatives for Gelsosomo's Pizzerias exist.

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 other items of this Franchise Disclosure Document.

Obligation	Section in Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Sections 1A, B, C and D	Items 7, 8 and 11
b. Pre-opening purchases/leases	Sections 9, 10 and 11	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Sections 1A, 1B, 1C, 1D, 9, 10 and 11	Items 8 and 11
d. Initial and ongoing training	Section 8	Items 6 and 11
e. Opening	Sections 1 and 6	Items 8 and 11
f. Fees	Sections 3, 4 and 5	Items 5 and 6
g. Compliance with standards and policies/operating manual	Sections 9, 10, 11 and 12	Items 8 and 11
h. Trademarks and proprietary information	Section 1 and 14	Items 13 and 14
i. Restrictions on products/services offered	Sections 10, 11 and 12	Items 8, 11 and 16
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	None	None
l. Ongoing product/service purchases	Section 9, 10, 11 and 15	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Section 15	Items 8 and 17
n. Insurance	Section 16	Item 7
o. Advertising	Section 5	Item 6, 7 and 11
p. Indemnification	Section 16	Item 6
q. Owner's participation/ management staffing	None	Item 15
r. Records/reports	Section 7	Item 8
s. Inspections/audits	Section 7 and 13	Item 6
t. Transfer	Section 19	Items 6, 11 and 17
u. Renewal	Section 2	Item 17
v. Post-termination obligations	Section 17 and 21	Item 17

w. Non-competition covenants	Section 21	Item 17
x. Dispute resolution	Section 24	Item 17

Item 10

FINANCING

We do not offer direct or indirect financing. The Company is unable to estimate whether you will be able to obtain financing for any part or all of your investment and, if so, the terms of such financing. We do not guarantee your note, lease or obligation. The Company does not receive direct or indirect payments for placing financing.

Item 11

FRANCHISOR'S OBLIGATIONS

Except as listed below, the Company need not provide any assistance to you.

Before you open your Gelsosomo's Pizzeria, the Company will:

1. Provide you with your protected Territory. (Franchise Agreement – Section 1B).

2. Review and approve the site you select for you Gelsosomo's Pizzeria. The factors which the Company considers for its approval include rent, competition, traffic patterns, visibility, lease terms, proximity to other Gelsosomo's Pizzerias, and other factors. The Company recommends that the size of a Gelsosomo's Pizzeria be 1,000 to 2,000 square feet for a carryout location and 2,500 to 4,000 feet for a full service location. The Company typically approves or disapproves a location for the pizzeria within thirty (30) days after the Company receives the complete information about the site. Additional sites are considered until approval is reached. Approval of a location by the Company does not guarantee your sales, profits or success at that location because the Company is not able to predict the gross sales volume of the restaurant, the operating skills of yourself, the reaction of competitors and customers in the vicinity of the restaurant, and other factors. (Franchise Agreement – Section A.1.) (See also item 8.)

3. Furnish you with the Gelsosomo standard exterior and interior specifications and layout design for a Gelsosomo's Pizzeria and identify the fixtures, items of equipment, inventory, production, supplies and signs necessary for the pizzeria to begin operations, the minimum standards and specifications that must be satisfied, and the suppliers for whom these items are to be purchased. (Franchise Agreement – Sections 6, 9, 10 and 11).

4. Allow you to use one copy of the Company's Confidential Operations Manual. (Franchise Agreement - Sections 6 and 12).

5. Train you (Franchise Agreement - Sections 6 and 8). This training is described in detail later in this Item.

During the operation of your Gelsosomo's Pizzeria, the Company will:

1. Advise and consult by telephone or at the Company's home office with you in connection with the operation of the Gelsosomo's Pizzeria. (Franchise Agreement - Section 6).

2. Furnish you, at your request, additional assistance beyond our standard support. (Franchise Agreement - Section 6). (See Item 6 above).

3. Allow you to use one copy of the Company's Confidential Operations Manual. The Confidential Operations Manual contains mandatory and suggested standards, procedures and specifications that Company prescribes and updates from time to time. (Franchise Agreement - Sections 6 and 12). The Confidential Operations Manual currently has 107 pages and the table of contents is as follows:

SUBJECT	NUMBER OF PAGES
Management Guidelines	27
Employee Training	45
Employee Guidelines	13
Recipes	9
Forms	13

The length of time between the signing of the Franchise Agreement and the opening of your Gelsosomo's Pizzeria is approximately nine (9) months. Some of the factors affecting this length of time include obtaining a satisfactory site, negotiating a lease, your financing arrangements, completion of leasehold improvements, delivery and installation of equipment and signage, weather conditions, employee hiring and training, and your own timetable. You are required to open your pizzeria restaurant for business within twelve (12) months of the date of the Franchise Agreement; otherwise, the Franchise Agreement shall automatically terminate. (Franchise Agreement - Section 1.A.). The Company shall have no obligation to refund any portion of the initial franchise fee.

During the two (2) months before the opening of your Gelsosomo's Pizzeria, the Company will provide you and your manager twenty (20) days of initial training for a carryout location and forty-five (45) days of initial training for a full service location on the operation of a Gelsosomo's Pizzeria. <u>This training will be conducted by Gelsosomo's Pizzeria employees with more than ten years experience in Gelsosomo's Pizzerias.</u> This initial training will be conducted at our Portage, Indiana training facility. Although there are no additional fees for this training, you are responsible for all travel and living expenses which you and your employees incur in connection with training. You and your manager must successfully complete initial training to the Company's satisfaction. (Franchise Agreement - Section 8). The Company will also provide you five (5) additional days of training in your Territory. The Company plans to be flexible in scheduling training to accommodate our personnel, you and your personnel. There currently are no fixed (e.g. monthly or bi-monthly) training schedules. The subjects covered and the approximate time per subject during the new franchisee initial training program are listed below:

TRAINING PROGRAM

Subject	Time Begun	Instructional Manual	Hours of Classroom Training	Hours on the Job Training	Instructor
Orientation	Day 1	Operations Manual	2	0	Experienced Employees
Rolling, Saucing, Balling Dough	Day 1	Operations Manual	0	6	Experienced Employees
Cooking	Day 3	Operations Manual	0	8	Experienced Employees
Pizza Making	Day 6	Operations Manual	1	8	Experienced Employees
Steam Table	Day 10	Operations Manual	1	8	Experienced Employees
Prep Work	Day 15	Operations Manual	0	6	Experienced Employees
General Operating	Day 30	Operations Manual	2	8	Experienced Employees
Money/Books	Day 40	Operations Manual	2	6	Experienced Employees
Ordering	Day 43-45	Operations Manual	0	6	Experienced Employees

You must spend quarterly, for advertising in your general trade area, three percent (3%) of your gross sales. In the event the Company does require a two percent (2%) advertising fee for use by a regional or national advertising program, then you will be required to only spend two percent (2%) of your gross sales for advertising in your general trade area. The Company may review your books and records from time to time to determine your expenditures for such advertising and promotion. If the Company determines you have not spent the requisite amount, the Company may require you to pay such unexpended amounts for use in a regional, national or local advertising program as the same may be allocated within the sole discretion of the Company (Franchise Agreement- Section 5.B.)

The Company may at a future date commence and administer an advertising and marketing fund (the "advertising fund") for such advertising and marketing programs as the Company may deem necessary or appropriate. You must then contribute to the advertising fund two percent (2%) of the gross sales of your Gelsosomo's Pizzeria payable monthly together with the royalty fee due under the Franchise Agreement. (Franchise Agreement - Section 5.8.) (See item 6 above).

The Company will direct all marketing programs financed by the advertising fund, with sole discretion over the creative concepts, materials and endorsements used therein, and the geographic, market and media placement and allocation thereof. Currently the source of our marketing and advertising programs is the Company's in-house personnel. The advertising fund may be used to pay the costs of preparing advertising materials and administering national, regional and local advertising programs and public relations activities including, without limitation, preparing and producing video, audio and written advertising materials, creating direct mail and media materials, formulating advertising and marketing programs, employing advertising agencies to assist therewith, providing brochures and other advertising and marketing materials for Gelsosomo's Pizzerias, and participating in national or regional trade shows.

The advertising fund will be accounted for separately from the Company's other funds and will not be used to defray any of the Company's general operating expenses, except for such reasonable salaries, administrative costs and overhead as the Company may incur in activities reasonably related to the administration of the advertising fund and its advertising and marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the advertising fund. The Company may spend in any fiscal year an amount greater or less than the aggregate contribution of all Gelsosomo's Pizzerias to the advertising fund in that year and the advertising fund may borrow from the Company or other lenders to cover deficits of the advertising fund or cause the advertising fund to invest any surplus for future use by the advertising fund. An unaudited statement of monies collected and costs incurred by the advertising fund will be prepared annually by the Company and will be furnished to you upon written request.

The Company will have the right to cause the advertising fund to be incorporated or operated through an entity separate from the Company at such time as the Company deems appropriate, and such entity will have the same rights and duties as the Company. Although the Company will endeavor to utilize the advertising fund to develop advertising and marketing materials and programs, and to place advertising that will benefit all Gelsosomo's Pizzerias, the Company undertakes no obligation to ensure that expenditures by the advertising fund in or affecting any geographic area are proportionate or equivalent to the contributions to the advertising fund by Gelsosomo's Pizzerias operating in that geographic area or that any Gelsosomo's Pizzeria will benefit directly or in proportion to its contribution to the advertising fund from the development of advertising and marketing materials or the placement of advertising.

The Company will have the right, in its sole discretion, to suspend contributions to and operation of the advertising fund for one or more periods that the Company determines to be appropriate and the right to terminate the advertising fund upon thirty (30) days written notice to you. All unspent monies on the date of termination will be distributed to the Company and its affiliates and franchisees in proportion to their respective contributions to the advertising fund during the preceding twelve (12) month period. The Company will have the right to reinstate the advertising fund upon the same terms and conditions set forth in the Franchise Agreement upon thirty (30) days prior written notice to you.

The Company does not intend to use any sums contributed to the advertising fund for the solicitation for the sale of franchises. The Company and affiliate owned offices will contribute on the same basis to the advertising fund as franchisees, once the first franchised Gelsosomo's Pizzeria begins paying advertising fund fees.

You must advertise your Gelsosomo's Pizzeria in the yellow pages of each telephone directory in which your Gelsosomo's Pizzeria telephone number is listed using the Company's logo and text approved by the Company.

Before your use of them, samples of all local advertising, promotion and public relations materials not prepared or previously approved by the Company must be submitted to the Company for approval, which will not be unreasonable withheld. If you do not receive written disapproval within thirty (30) days after the date of receipt by us of the materials, the Company shall be deemed to have given approval. You may not use any advertising, promotion or public relations materials that the Company has disapproved.

There are currently no advertising councils or local or regional advertising cooperatives.

Item 12

TERRITORY

The franchise is for a location to be approved by the Company. There is no minimum territory. The Company grants you a territory in which the Company agrees not to operate or enfranchise another to operate a Gelsosomo's pizzeria restaurant, which is designated in Exhibit A to the Franchise Agreement, so long as you are neither in default of your franchise agreement nor has your franchise agreement been terminated or expired. The Company is allowed to operate and enfranchise others to operate Gelsosomo's pizzeria restaurants outside the territory.

Approval for the relocation of your Gelsosomo's Pizzeria within your exclusive territory will not be unreasonably withheld. You are granted no options, rights of first refusal or rights to acquire additional franchises. The Company does grant an exclusive territory. The continuation of your exclusive territory does not depend on achieving a certain sales volume, market presentation or other contingency other than fulfilling your obligations under the Franchise Agreement. Your territory may not be modified without agreement of the parties to the Franchise Agreement.

The Company is allowed to operate and enfranchise in the territory any business under different Marks and is allowed to conduct any business using the Marks in an alternate channel or distribution inside or outside the territory. However, pursuant to Indiana Code Section 23-2-2.7-1(2) and Section 23-2-2.7-2(4) the company is prohibited from operating a substantially identical business to that of yours within the territory of your Gelsosomo's Pizzeria restaurant regardless of the trade name. You are required to perform your obligations under the franchise agreement in order to continue your rights to the protected territory. There is no minimum sales quota.

The franchise agreement grants the franchise license for a specific location or a location to be approved by the Company, all of which are indicted on Exhibit A to your franchise agreement. you are required to not advertise, solicit orders, accept orders for pickup, or deliver orders in the territory of another Gelsosomo's Pizzeria restaurant.

Item 13

TRADEMARKS

The principal trademark presently employed by the Company to identify the goods and services of the restaurant is "Gelsosomo's Pizzeria®." The Company has filed and received approval effective February 26, 1999 for a federal trademark registration with the United States Patent and Trademark Office on the Principal Register under Registration Number: 76685378. The Company has filed all required affidavits and the registration has been renewed.

You cannot use the Gelsosomo's trademark or the word "Gelsosomo" as part of your corporate or other business name. You cannot use a prefix or suffix with the Gelsosomo's trademark.

There are no currently effective material determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court. There is no pending infringement, opposition or cancellation action, nor any pending material litigation involving the principal trademarks. There are no agreements currently in effect which significantly limit the Company's rights to use or license the use of the Gelsosomo's trademark in a manner material to the franchise.

You should immediately notify the Company of any infringement of the Gelsosomo's Marks or challenge to your use of the Gelsosomo's Marks. In its sole discretion, the Company may el-ect to undertake the defense or prosecution of any litigation. You must cooperate with the Company and do such acts as may in the opinion of counsel for the Company be necessary to carry out such defense or prosecution either in your name or in the Company's name as the Company shall elect. In the event any of the Gelsosomo's Marks are challenged by third parties in claiming infringement of alleged prior or superior rights in such marks, the Company shall have the option and right to modify or discontinue use of is service marks or trademarks and adopt substitute service marks or trademarks in your geographical business areas and in such other areas as the Company chooses. You shall modify or otherwise discontinue the use of such service marks or trademarks, or use one or more additional or substitute service marks or trademarks as the Company directs. The Company's liability to you under such circumstances shall be limited to the cost of replacement of your signs and advertising materials in effecting such modifications, discontinuance or adoption of substitute service marks or trademarks. The Franchise Agreement does not require the Company to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark license to you by the Company or if the proceeding is resolved unfavorably to you.

The Company does not actually know of either superior prior rights or infringing uses that could materially affect your use of the Gelsosomo's trademark.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or registered copyrights are material to the franchise. Company claims copyright protection of the Company's Confidential Operations Manual and related materials although these materials have not been registered with the United States Register of Copyrights. The Confidential Operations Manual and related materials are considered proprietary and confidential and are considered property of the Company and may be used by you only as provided in the Franchise Agreement. You may not use the Company's confidential information in any unauthorized manner and must take reasonable steps to prevent is disclosure to others.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Company recommends, but does not require, that you participate personally in the direct operation of your business. Other than the requirement that persons involved in the management and operation of your Gelsosomo's Pizzeria must sign a confidentiality and non-competition agreement in a form approved by the Company, there are no restrictions or requirements as to whom you can hire to conduct the on-premises supervision of the pizzeria restaurant, although any supervisor involved in the start-up of your business must complete the Company's training program.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell only those goods and services the Company has approved. You may not offer for sale any goods or perform any services that the Company has not approved. (See Items 8 and 9). The Company has the right to change the types of authorized products and services and there are no limits upon the Company's right to do so.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Agreement	Summary
a. Terms of the franchise	Section 2	Seven (7) years
b. Renewal or extension of the term	Section 2	Seven (7) years
c. Requirements for you to renew	Section 2	Be in compliance, provide proper advance notice, remodel, be able to renew lease, and attend refresher training, sign renewal Franchise Agreement and release. When renewing, you may be asked to sign a contract with materially different terms and conditions than our original contract.
d. Termination by you	N/A	
e. Termination by Company without cause	N/A	
f. Termination by Company with cause	Section 17	The Company can terminate only if you default
g. "Cause" defined – defaults which can be cured	Section 17	You have ten (10) days to cure for non-payment of any amounts due Company; fifteen (15) days for non-compliance with Gelsosomo's System, sale of non-conforming product, sale of unauthorized product, failure to submit financial information, submission of false information, unauthorized transfers, repeated breaches, losing right to possess restaurant under lease, trademark misuse,

		failure to maintain responsible credit status with suppliers, and all other breaches of the Franchise Agreement
h. “Cause” defined – defaults which cannot be cured	Section 17	Non-curable defaults. Not allowing the Company to inspect your Gelsosomo’s Pizzeria or records, abandonment, bankruptcy, unsatisfied judgments against you, insolvency, breach of in-term non-compete, conviction of indictable offense, and the unauthorized use of confidential information, and the failure to open your Gelsosomo’s Pizzeria within twelve (12) months
i. Your obligations on termination/non-renewal	Section 17	Obligations include complete de-identification, cease to use Gelsosomo’s Marks and System, payment of amounts due, and return Confidential Operations Manual and other items furnished by the Company, and the Company has the option to purchase your paper goods, containers, printed material, equipment, fixtures and sign at fair market value. (Also see r, below)
j. Assignment of contract by Company	Section 19	No restriction on the Company’s right to assign.
k. “Transfer” by you – definition	Section 19	Includes transfer of contract or assets or ownership change.
l. Company’s approval of transfer by franchisee	Section 19	The Company has right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for Company approval of transfer	Section 19	New franchisee qualifies, assignment fee paid, right of first refusal declined by the Company, release signed by you, current Franchise Agreement signed individually by new franchisee, payment of all amounts due, training completed, and remodeling completed. (Also see r, below)
n. Company’s right of first refusal to acquire your business	Section 19	The Company can match any offer for your business.
o. Company’s option to purchase your business	Section 17	Upon termination or expiration, the Company has option to purchase at fair market value the paper goods, printed material, restaurant equipment, fixtures and signs.
p. Your death or disability	Section 19	Franchise must be assigned by estate to approved buyer within six (6) months
q. Non-Competition covenants during the term of the franchise	Section 21	No involvement in any similar business

r. Non-Competition covenants after the franchise is terminated or expires	Section 21	No similar business for three (3) years within the Territory, or within ten (10) miles of any other Gelsosomo's Pizzeria. No organization franchising similar business for three (3) years. Not solicit former customers for three (3) years.
s. Modification of the agreement	Section 25	Modification by written agreement signed by the Company and you. The Operations Manual is subject to change
t. Integration/merger clause	Section 25	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 24	Except for certain claims, all disputes must be arbitrated in Cook County, Illinois
v. Choice of forum	N/A	Litigation must be in any state or federal court of general jurisdiction for the County of Porter, State of Indiana.
w. Choice of law	Section 24	Indiana law applies.

These states have statutes which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. ARKANSAS [Stat Section 70807], CALIFORNIA [Bus. 8; Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, tit.], HAWAII [Rev. Stat. 482E-1], ILLINOIS [815 ILCS 705/19 and 20], INDIANA Stat Section 23-2-2-1 et seq.], IOWA [Code Sections 523H – 1-5231-1_17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-SA-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19-100_ 180], WISCONSIN [Stat. Section 135-03]. These and other states may have court decisions which may superseded the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

Item 18

PUBLIC FIGURES

The Company does not use any public figure to promote its franchise.

Item 19

The Company does not furnish or authorize its salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income, or profits of a Gelsosomo'

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document.

Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Thomas R. Gelsosomo, 317 North Shelby Street, Hobart, IN 46342, telephone number: 219-942-0826, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

SYSTEM WIDE OUTLET SUMMARY
FOR YEARS 2020 TO 2022

Outlet Type	Year	Outlets of the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	9	8	-1
	2021	8	8	-1
	2022	8	10	+2
Company-Owned [1]	2020	1	1	0
	2021	1	1	0
	2022	1	0	-1
Total Outlets	2020	10	10	-1
	2021	9	9	-1
	2022	10	10	+1

Notes: [1] Cerasimo, Inc., whose sole shareholder is Thomas R. Gelsosomo, owned and operated a Gelsosomo's Pizzeria Restaurant until December 2022.

TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2020 TO 2022

State	Year	Number of Transfers
Indiana	2020	0
	2021	0
	2022	0
Illinois	2020	0

	2021	0
	2022	0
Michigan	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

STATUS OF FRANCHISED OUTLETS
FOR YEARS 2020 TO 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations; Other Reasons	Outlets at End of the Year
Indiana	2020	6	0	0	0	0	1	6
	2021	6	0	0	0	0	1	6
	2022	8	0	0	0	0	0	8
Illinois	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Michigan	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Totals	2019	9	0	0	0	0	0	9
	2020	8	0	1	0	0	0	8
	2021	10	0	1	0	0	0	10

STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2020 TO 2022

State	Year	Outlets at Start of the Year	Outlets Opened	Outlet Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at the End of the Year
Indiana [1]	20120	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	0
Illinois	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Michigan	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Totals	2020	1	0	0	0	0	1
	20221	1	0	0	0	0	1
	2022	1	0	0	0	0	1

Notes: [1] Cerasimo, Inc., whose sole shareholder is Thomas R. Gelsosomo, owned and operated a Gelsosomo's Pizzeria Restaurant which, as of December 2022 is operated by Franchisee ____________________________________..

PROJECTED OPENINGS AS OF DECEMBER 31, 2022

State	Franchise Agreements Signed but Outlet not Opened	Projected New Franchised Outlet in Next Fiscal Year	Projected New Company Owned Outlet in the Next Fiscal Year
Indiana	0	0	0
Illinois	0	0	0
Michigan	0	0	0
Total	0	0	0

The following is the list of Gelsosomo's franchised pizzeria restaurants.

R.K.N. Corporation, 580 Indian Boundary Road, Chesterton, Indiana, 46304; (219) 926-6363

R.K.N. Corporation, 3201 East Evans Avenue, Valparaiso, Indiana 46383; (219) 477-4255

B.C.W., Inc., 5184 South Franklin Street, Michigan City, Indiana, 46815; (219) 872-3838

Valpo Pizza Inc., 410 Vine Street, Saint Joseph, Michigan 49085; (269) 983-4743

Spag, LLC, 11321 South Broadway, Crown Point, Indiana 46307; (219) 662-2828

Chicago Restaurant Concepts, Inc., 206 Main Street, Lemont, Illinois 60439; (630) 410-8106

Buwick Corporation, Inc., 221 N. Randolph Street, Macomb, IL 31455; (309) 835-5577

Griffith True BBQ3 LLC, 108 N. Broad Street, Griffith, Indiana 46319 (219) 356-0220

Progressive Dining Munster LLC, 5023 U.S. Highway 6, Portage, Indiana 46368, (219) 763-1545

No Franchisee has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year. None have failed to communicate with the Company within ten (10) weeks of the Franchise Disclosure Document issue date.

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

ITEM 21

FINANCIAL STATEMENTS

Attached as exhibits are the following financial statements for Company: Fiscal Years Ending December 31, 2023, December 31, 2022 and December 31, 2021.

ITEM 22

CONTRACTS

Attached as an exhibit is the Franchise Agreement.

ITEM 23

RECEIPT

The last pages of the franchise disclosure are detachable documents acknowledging receipt of the Franchise Disclosure Document.

Exhibit 1

GELSOSOMO'S FRANCHISE CORPORATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, 2021

GELSOSOMO'S FRANCHISE CORPORATION.

FINANCIAL STATEMENTS

As of December 31, 2023

GERARD C SCHREMENTI, P.C.
CERTIFIED PUBLIC ACCOUNTANT
21504 MAIN STREET
MATTESON, IL 60443
(708)748-2808

April 24, 2024

Gelsosomo's Franchise Corporation
317 N Shelby St
Hobart, IN 46342

Shareholders

I have audited the accompanying balance sheet of Gelsosomo's Franchise Corporation as of December 31, 2023, and the related statements of income, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gelsosomo's Franchise Corporation as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Sincerely yours,

Gerard C. Schrementi
Certified Public Accountant

GELSOSOMO'S FRANCHISE CORPORATION
BALANCE SHEET
AS OF DECEMBER 31, 2023

ASSETS	
Current Assets:	
Cash	$57,110
Prepaid tax	8,350
Total Current Assets	65,460
Fixed Assets	
Vehicles	48,085
Total Fixed Assets	48,085
Less Accumumulated Depreciation	20,200
Net Fixed Assets	27,885
Total Assets	$93,345
LIABILITIES AND STOCKHOLDER'S EQUITY	
Current Liabilities	
Credit Cards Payable	$822
Income tax payable	8,985
Total Current Liabilities	9,807
Stockholder's Equity	
Capital Stock	1,000
Retained Earnings	82,538
Total Stockholder's Equity	83,538
Total Liabilities and Stockholder's Equity	$93,345

GELSOSOMO'S FRANCHISE CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

Income	$398,846
Operating Expenses	
Officer wages	50,604
Depreciation	20,200
Advertising	4,635
Bank charges	284
Legal and accounting	32,403
Vehicle expense	7,101
Office supplies and expense	319
Travel and entertainment	1,340
Telephone	5,525
Payroll tax	11,448
Total Operating Expenses	133,859
Income from Operations	264,987
Net income (loss)	264,987
Retained Earnings - Beginning	162,348
Less - dividends	(344,797)
Retained Earnings - Ending	$82,538

See accountant's report and notes to the financial statements

GELSOSOMO'S FRANCHISE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows From Operating Activities:	
Net Income (loss)	$264,987
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation expense	20,200
(Increase) in Prepaid tax	(8,350)
Increase in Payables	9,807
Net Cash Provided by Operations	286,644
Cash Flows From Investing Activities	
Purchase of Vehicle	(48,085)
Cash Flows From Financing Activities	
Dividends paid	(344,797)
Net Cash used in Financing Activities	(344,797)
Net Increase (Decrease) in Cash	(106,238)
Cash Balance - Beginning of Year	163,348
Cash Balance - End of Year	$57,110

GELSOSOMO'S FRANCHISE CORPORATION
Notes to Financial Statements
December 31, 2023

NOTE 1: NATURE OF OPERATIONS

Gelsosomo's Franchise Corporation is an Indiana corporation engaged in the management of Gelsosomo Pizza franchises. The company services 9 franchises 8 located in Indiana and 1 located in Michigan.

NOTE 2: SUMMARY 0F SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Trade Accounts Receivable
Trade accounts receivable is recorded at the amount the Company expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that have not been collected by the time the financial statements are issued.

Property and Equipment
Property and equipment are carried at cost. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on their estimated useful lives:

S Corporation—Income Tax Status
The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporate income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

GELSOSOMO'S FRANCHISE CORPORATION
Notes to Financial Statements
December 31, 2023

NOTE 3: RELATED PARTY TRANSACTIONS

The majority shareholder of the company has entered into a month to month lease for office space in 2023 the annual rent was $0.

NOTE 4: REVENUE

The company charges franchisees an initial fixed fee for the franchise and monthly percentage fees based on sales. Revenue is recognized from vendor rebates based on franchisee purchases. The company is in compliance with ASC 606 revenue recognition standard.

NOTE 5: ADVERTISING

The Company expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

GELSOSOMO'S FRANCHISE CORPORATION.

FINANCIAL STATEMENTS

As of December 31, 2022

GERARD C SCHREMENTI, P.C.
CERTIFIED PUBLIC ACCOUNTANT
21504 MAIN STREET
MATTESON, IL 60443
(708)748-2808

April 27, 2023

Gelsosomo's Franchise Corporation
317 N Shelby St
Hobart, IN 46342

Shareholders

I have audited the accompanying balance sheet of Gelsosomo's Franchise Corporation as of December 31, 2022, and the related statements of income, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gelsosomo's Franchise Corporation as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Sincerely yours,

Gerard C. Schrementi
Certified Public Accountant

GELSOSOMO'S FRANCHISE CORPORATION
BALANCE SHEET
AS OF DECEMBER 31, 2022

ASSETS	
Current Assets:	
Cash	$163,348
Total Current Assets	163,348
Total Assets	$163,348
LIABILITIES AND STOCKHOLDER'S EQUITY	
Stockholder's Equity	
Capital Stock	1,000
Retained Earnings	162,348
Total Stockholder's Equity	163,348
Total Liabilities and Stockholder's Equity	$163,348

GELSOSOMO'S FRANCHISE CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

Income	$410,652
Operating Expenses	
Officer wages	49,805
Advertising	8,015
Legal and accounting	20,632
Rent	12,000
Office supplies and expense	337
Repairs and maintenance	1,480
Payroll tax	2,461
Total Operating Expenses	94,730
Income from Operations	315,922
Net income (loss)	315,922
Retained Earnings - Beginning	12,218
Less - dividends	(165,792)
Retained Earnings - Ending	$162,348

GELSOSOMO'S FRANCHISE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flows From Operating Activities:	
Net Income (loss)	$315,922
Adjustments to Reconcile Net Income to	
Net Cash Provided by Operating Activities	
Net Cash Provided by Operations	$315,922
Cash Flows From Investing Activities	
Cash Flows From Financing Activities	
Dividends paid	(165,792)
Net Cash used in Financing Activities	(165,792)
Net Increase (Decrease) in Cash	150,130
Cash Balance - Beginning of Year	13,218
Cash Balance - End of Year	$163,348

GELSOSOMO'S FRANCHISE CORPORATION
Notes to Financial Statements
December 31, 2022

NOTE 1: NATURE OF OPERATIONS

Gelsosomo's Franchise Corporation is an Indiana corporation engaged in the management of Gelsosomo Pizza franchises. The company services 9 franchises 8 located in Indiana and 1 located in Michigan.

NOTE 2: SUMMARY 0F SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Trade Accounts Receivable

Trade accounts receivable is recorded at the amount the Company expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that have not been collected by the time the financial statements are issued.

Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on their estimated useful lives:

S Corporation—Income Tax Status

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporate income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

GELSOSOMO'S FRANCHISE CORPORATION
Notes to Financial Statements
December 31, 2022

NOTE 3: RELATED PARTY TRANSACTIONS

The majority shareholder of the company has entered into a month to month lease for office space in 2022 the annual rent was $12,000.

NOTE 4: REVENUE

The company charges franchisees an initial fixed fee for the franchise and monthly percentage fees based on sales. Revenue is recognized from vendor rebates based on franchisee purchases. The company is in compliance with ASC 606 revenue recognition standard.

NOTE 5: ADVERTISING

The Company expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

GELSOSOMO'S FRANCHISE CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2021

GERARD C SCHREMENTI, P.C.
CERTIFIED PUBLIC ACCOUNTANT
21504 MAIN STREET
MATTESON, IL 60443
(708)748-2808

April 26, 2022

Gelsosomo's Franchise Corporation
Route 6 & County Line Road
Portage, IN 46368

Shareholders

I have audited the accompanying balance sheet of Gelsosomo's Franchise Corporation as of December 31, 2021, and the related statements of income, retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gelsosomo's Franchise Corporation as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Sincerely yours,

Gerard C. Schrementi
Certified Public Accountant

GELSOSOMO'S FRANCHISE CORPORATION
BALANCE SHEET
AS OF DECEMBER 31, 2021

ASSETS	
Current Assets:	
Cash	**$13,218**
Total Current Assets	**13,218**
Total Assets	**$13,218**
LIABILITIES AND STOCKHOLDER'S EQUITY	
Stockholder's Equity	
Capital Stock	**1,000**
Retained Earnings	**12,218**
Total Stockholder's Equity	**13,218**
Total Liabilities and Stockholder's Equity	**$13,218**

See accountant's report and notes to the financial statements

GELSOSOMO'S FRANCHISE CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

Income	$155,047
Operating Expenses	
Officer wages	46,441
Advertising	8,415
Legal and accounting	18,808
Rent	12,000
Office supplies and expense	297
Donations	150
Payroll tax	2,461
Total Operating Expenses	88,572
Income from Operations	66,475
Net Income (loss)	66,475
Retained Earnings - Beginning	6,751
Less - dividends	(61,008)
Retained Earnings - Ending	$12,218

GELSOSOMO'S FRANCHISE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows From Operating Activities:	
Net Income (loss)	$66,475
Adjustments to Reconcile Net Income to	
Net Cash Provided by Operating Activities	
Net Cash Provided by Operations	$66,475
Cash Flows From Investing Activities	
Cash Flows From Financing Activities	
Dividends paid	(61,008)
Net Cash used in Financing Activities	(61,008)
Net Increase (Decrease) in Cash	5,467
Cash Balance - Beginning of Year	7,751
Cash Balance - End of Year	$13,218

GELSOSOMO'S FRANCHISE CORPORATION
Notes to Financial Statements
December 31, 2021

NOTE 1: NATURE OF OPERATIONS

Gelsosomo's Franchise Corporation is an Indiana corporation engaged in the management of Gelsosomo Pizza franchises. The company services 9 franchises 8 located in Indiana and 1 located in Michigan.

NOTE 2: SUMMARY 0F SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Trade Accounts Receivable

Trade accounts receivable is recorded at the amount the Company expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that have not been collected by the time the financial statements are issued.

Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on their estimated useful lives:

S Corporation—Income Tax Status

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporate income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

GELSOSOMO'S FRANCHISE CORPORATION
Notes to Financial Statements
December 31, 2021

NOTE 3: RELATED PARTY TRANSACTIONS

The majority shareholder of the company has entered into a month to month lease for office space in 2021 the annual rent was $12,000.

NOTE 4: REVENUE

The company charges franchisees an initial fixed fee for the franchise and monthly percentage fees based on sales. Revenue is recognized from vendor rebates based on franchisee purchases.

NOTE 5: ADVERTISING

The Company expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

Exhibit 2

FRANCHISE NUMBER

GELSOSOMO'S PIZZERIA® RESTAURANT

INDIVIDUAL FRANCHISE AGREEMENT

GELSOSOMO'S FRANCHISE CORPORATION

With

____

Effective Date: December 30, 2024

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FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered into this ______ day of ___________________, 20___, by and between Gelsosomo's Franchise Corporation, an Indiana corporation, whose principal address is 317 North Shelby Street, Hobart, Indiana 46342 (hereinafter referred to as "Franchisor") and __________ ____,whose principal address is __________ ____ (hereinafter referred to as "Franchisee") for a Gelsosomo's Pizzeria® restaurant franchise to be located in the State of Illinois.

WITNESSETH

WHEREAS, Franchisor has developed and is the owner of a restaurant system known and operated as "Gelsosomo's Pizzeria." The Gelsosomo's Pizzeria® restaurant is a distinct format and operating system, including uniform standards, specifications and procedures of operation, quality and uniformity of products, formulas and specifications for certain foods products, methods of inventory and operation control, a manual of business practices and policies, a recognized design, decor, color scheme and operation, which system is being used in the United States of America ("System");

WHEREAS, Franchisor is the owner of certain valuable trade names, servicemarks, and trademarks used in connection with the system, and has obtained or has applied for the registration of such names and marks ("Marks");

WHEREAS, Franchisor is in the business of operating a Gelsosomo's Pizzeria® restaurant and of granting to others franchises for Gelsosomo's Pizzeria® restaurants at various locations; and

WHEREAS, Franchisee seeks to acquire the right to adopt and use the Gelsosomo's Pizzeria® System and the names and Marks associated with the Gelsosomo's Pizzeria® System in a retail restaurant at a location specified in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good ·and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree to the terms of this Agreement.

1. GRANT OF FRANCHISE

A. Franchisor hereby grants to Franchisee, and Franchisee hereby accepts for the period and subject to the terms and conditions of this Agreement, the limited, non-exclusive right, license and privilege to:

1. adopt and use the Gelsosomo's Pizzeria® System and the right to operate one (1) Gelsosomo's Pizzeria® restaurant location, hereinafter referred to as "Franchised Restaurant", to be

located within the territory ("Territory") specified in Exhibit A to this Agreement at a location selected by Franchisee and approved by Franchisor. Said location shall subsequently be filled in on Exhibit A. Franchisor's approval of the location is no guarantee of the location's sales, profitability or success. Franchisee is required to open and continue to operate its Franchised Restaurant within twelve (12) months of the date of this Agreement. Franchisee shall not advertise, solicit orders, accept orders for pickup, or deliver orders in the Territory of another Gelsosomo's Pizzeria® restaurant.

2. adopt and use the Gelsosomo's Marks and such other names as shall from time to time be prescribed by Franchisor, but only in connection with the operation of the sale of the food and beverage products which have been designated by Franchisor, at the specified Franchised Restaurant location, and,

3. indicate and advertise to the public that Franchisee operates the Franchised Restaurant as a franchisee of Franchisor.

B. The Franchisor hereby agrees not to operate or enfranchise another to operate a Gelsosomo's Pizzeria® restaurant in the Territory designated in Exhibit A which is attached hereto, so long as Franchisee is not in default of this Agreement and this Agreement has neither terminated nor expired. The Franchisor shall be allowed to operate or enfranchise others to operate Gelsosomo's Pizzeria® restaurants outside the Territory. The Franchisor shall be allowed operate or enfranchise in the Territory any business under different Marks and shall be allowed to conduct any business using the Marks in an alternate channel of distribution inside or outside the Territory. However, the Franchisor is prohibited from operating a substantially identical business to that of Franchisee within the Territory of Franchisee's Gelsosomo's Pizzeria® restaurant regardless of trade name.

C. The Franchisee shall operate the Franchise Restaurant solely at the location identified in Exhibit A to this Agreement. If the Franchisee wants to relocate the Franchised Restaurant, the Franchisee must notify Franchisor in writing at least sixty (60) days prior to the relocation. Franchisor reserves the right to refuse to approve a proposed relocation if Franchisor believes that the proposed relocation is for any reason not acceptable to Franchisor. Franchisor's judgment may be based on factors such as the proximity existing or proposed locations for Franchised Restaurants owned by other franchisees; or Franchisor, the proposed location being within the franchised Territory, the suitability of the proposed facilities, compliance with Franchisor's then current franchise location requirements, the competitiveness within the marketplace or other factors. Franchisor's approval of the location is no guaranty of the location's sales, profitability or success.

D. If Franchisee is leasing the location for the Franchised Restaurant, the Franchisee agrees that the lease, in a form satisfactory to Franchisor, will (1) provide for notice to Franchisor of, and Franchisor's right to cure, the Franchisee's default under said lease; (2) provide for the Franchisee's right to assign its interest under said lease to Franchiser without the lessors consent; (3) authorize and require the lessor to disclose to Franchisor, upon Franchisor's request, any information pertaining to the Franchised Restaurant or the location furnished to the lessor by the Franchisee; (4) provide that upon termination or expiration of this Agreement, Franchisor will have the right to assume said lease; and (5) provide that the lessor has consented to the Franchisee's use of Franchisor's required signage for the Franchised Restaurant. If the Franchisee leases the location for the Franchised Restaurant, Franchisee agrees to deliver a true and complete copy of the signed lease to Franchisor within five (5) business days after the date of execution of the lease for the Franchised Restaurant. The Franchisee shall not execute or agree to any modification of the lease without the prior approval of the Franchisor. The Franchisee agrees that any new, amended, restated, extended or renewed lease for the location of the Franchised Restaurant will include the above terms and conditions required to be included in a lease for a new Franchised Restaurant, as described in this Section.

2. TERM AND RENEWAL

A. The initial term of this Agreement shall be for a period of seven (7) years commencing on the date of this Agreement and shall remain in force so long as the Franchisee operates in accordance with the provisions and terms of this Agreement, unless sooner terminated in accordance with the terms and provisions of this Agreement.

B. Renewal Term. If the Franchisee shall have complied in all respects with the conditions precedent to renewal set forth herein, then Franchisee shall have the right, but not the obligation, to enter into a renewal Franchise Agreement for one (1) additional consecutive term of seven (7) years. The renewal term shall commence upon the date of the expiration of the initial term hereof.

C. Form and Manner of Renewal. If the Franchisee elects to exercise its right to renew this Agreement, it shall do so by executing Franchisor's then current form of renewal Franchise Agreement which shall be in the same form as Franchisor's then current Franchise Agreement and shall supersede this Agreement. In addition, Franchisee shall execute such ancillary documents Franchisor then customarily uses in the renewal of franchises. The terms of the renewal Franchise Agreement and the ancillary documents may differ from the terms of this Agreement except that the territory granted to the Franchisee under this initial Agreement shall remain the same; and the Franchisee will not be required to pay Franchisor an initial fee or renewal fee, and the royalty fee charged in the renewal Franchise Agreement shall not be greater than the royalty fee provided for herein.

The Franchisee may exercise its renewal right hereunder in the following manner:

1. Not less than one hundred eighty (180) days, but not more than two hundred forty (240) days, prior to the expiration of the initial term of this Agreement, Franchisee shall by written notice, request from Franchisor a copy of its then current Franchise Disclosure Document together with its then current Franchise Agreement as modified.

2. Within thirty (30) days after receipt of Franchisee's said request; Franchisor shall deliver to Franchisee a copy of its then current applicable Franchise Disclosure Document and then current Franchise Agreement.

3. No sooner than fifteen (15) days but no later than thirty (30) days after Franchisee receives Franchisor's then current Franchise Disclosure Document together with the Franchise Agreement, Franchisee shall, by written notice, notify Franchisor as to whether it elects to execute Franchisor's then current form Franchise Agreement.

4. Upon receipt of Franchisee's notice of its election to execute Franchisor's then current Franchise Agreement franchisor will deliver to Franchisee three (3) copies of said Agreement. Promptly upon receipt of said copies of said Agreement, Franchisee shall execute three (3) copies of said Agreement and shall return the same to Franchisor.

5. In the event that Franchisee has exercised its renewal right in strict conformity with the form and manner prescribed, Franchisor will execute the renewal Franchise Agreement executed by Franchisee and will, promptly and by the expiration of the initial term of the initial Franchise Agreement; deliver one (1) fully executed renewal Franchise Agreement to Franchisee.

D. Conditions Precedent to Renewal. The Franchisee's right to enter into a renewal Franchise Agreement is conditioned upon Franchisee's fulfillment of each of the following conditions:

1. At the time of Franchisee's exercise of said right of renewal and at the time of the commencement of the renewal term. Franchisee must have fully performed and be in compliance with all of its obligations under this Agreement, the Confidential Operation Manual and all other agreements which may be then in effect between Franchisor and Franchisee.

2. Before the start of the renewal term, Franchisee must have renovated and/or remodeled its location to conform to Franchisor's then current specifications for a Gelsosomo's Pizzeria

location with regard to design and general appearance and as to quality standards and perception deemed desirable by the Franchisor.

3. The Franchisee must not be in default in any of the provisions of this Agreement with the Franchisor.

4. Franchisee must not have been given four (4) or more notices of default under this Agreement within two (2) years of the expiration date of the initial term of this Agreement.

5. In the event Franchisee leases its location, Franchisee must be able to renew its lease for the franchised location or, in the alternative, Franchisee is able to lease a new location acceptable to the Franchisor within Franchisee's territory within one hundred twenty (120) days following the expiration of Franchisee's then existing lease.

6. Franchisee must comply with the Franchisor's then current qualifications and training requirements as set forth in Franchisor's Confidential Operations Manual or elsewhere. Franchisor reserves the right to require Franchisee and Franchisee's designated manager to attend and successfully complete Franchisor's initial training program or such other training programs reasonably specified by Franchisor as a condition precedent to approving the renewal.

7. Franchisee must execute and deliver to Franchisor a general release, in form satisfactory to Franchisor, which will release Franchisor and its affiliates and their officers, directors, employees, agents, successors, and assigns from any and all suits, claims or causes of action arising from or in any way connected with this Agreement or the Franchised Restaurant during the term hereof.

3. FRANCHISE FEE

Franchisee shall pay to the franchisor an initial fee of Twenty-Five Thousand Dollars ($25,000) concurrent with the execution of this Agreement. The Illinois Attorney General's Office has imposed an initial franchise fee deferral requirement due to Gelsosomo's Franchise Corporation's financial condition. Gelsosomo's Franchise Corporation will defer the initial franchise fee until the opening of the franchise business.

4. ROYALTY FEE

A. Franchisee agrees to pay to Franchisor a monthly royalty fee equal to three percent (3%) of the Franchisee's "gross sales" (as defined in Section 4.B herein) or the flat sum of Five Hundred Dollars ($500.00), whichever amount shall be greater. Such fee shall be payable from the date the Franchised Restaurant is opened for business. Payment of the royalty fee shall be made on or before the 15th day of the next succeeding month; and any delinquent royalty fee, advertising fee, or any other amount due under this Agreement shall bear interest compounded at the rate of two percent (2%) per month until the same is paid. Notwithstanding any designation by Franchisee, Franchisor shall have the sole discretion to apply any payments by Franchisee to any of its past due indebtedness for royalty fees, advertising contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness.

B. For the purposes of this Agreement, the term "gross sales" shall mean all revenues from sales of the Franchisee based upon all business conducted at or away from the Franchised Restaurant, whether such sales be by check, cash, credit, charge account or otherwise, and shall include, but not limited to, the amounts received from the sale of goods, merchandise, including sales of food, beverages, jukebox proceeds, promotional material or otherwise and for services performed from or at the Franchised Restaurant together with the amount of all orders taken or received at the Franchised Restaurant or elsewhere. Gross sales shall not include the amount of any sales tax imposed by federal, state, or municipal or other governmental authority directly related to sales and collected from customers, provided that the amount thereof is added to the selling price or absorbed therein and actually paid by Franchisee to said government authority. There shall be deductible from the term "gross sales" the amount of overrings, refunds, or discounts to customers, provided they have been included in gross sales. Any charges or sale upon credit shall be treated as a sale for the full price in the month during which such charge or sale shall be made, irrespective of the time when Franchisee shall receive payment therefore.

5. ADVERTISING REQUIREMENTS AND CONTRIBUTIONS

A. Franchisee shall advertise and promote the opening of the Franchised Restaurant in accordance with the Franchisor’s suggested pre-opening procedures. Franchisee shall have the right to include all sums expended for pre-opening promotion and advertising as partial satisfaction of the Franchisee’s advertising expenditure requirement for the first full year of operation at the Franchised Restaurant.

B. After the initial opening the Franchised Restaurant, Franchisee agrees:

1. To expend, each quarter, three percent (3%) of "gross sales" (as the term is defined in Section 4.B above) for advertising in the general trade area of the franchise location, payable throughout the term of this Agreement, subject to Franchisee’s right to include pre-opening promotional and advertising expenditures in the first full year’s advertising requirement expenditure.

2. The Franchisee further recognizes that as the Franchisor grows, it may be desirable for the Franchisor to provide regional and/or national advertising in various advertising media

for the Gelsosomo's Pizzeria® System. When Franchisor, in its sole discretion, decides to implement such regional or national advertising program, Franchisee shall pay to Franchisor an additional advertising fee of two percent (2%) of its "gross sales" (as that term is defined in Section 4.B above) for such regional and/or national advertising, and the same is to be paid at the same time as the royalty fee provided herein. In the event that the Franchisor does require a two percent (2%) advertising fee for use and development of a regional and/or national advertising program with other franchisees, the Franchisee shall then be required to only spend two percent (2%) of "gross sales", (as that term is defined in Section 4.B above) for advertising in the general trade area of the franchise location.

C. Franchisor shall direct all marketing programs financed by the advertising fund, with sole discretion over the creative concepts, materials and enforcements used therein, and the geographic, market and media placement and allocation thereof. Franchisee agrees that the advertising fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering multi-regional advertising programs, including without limitation, purchasing direct mail and other media advertising and employing advertising agencies to assist therewith; and supporting public relations, market research and other advertising and marketing activities. Franchisor shall utilize the advertising fund to furnish Franchisee with samples of marketing, advertising and promotional formats and materials at the cost of producing them, plus any related shipping, handling and storage charges.

D. The advertising fund shall be accounted for separately from Franchisor's other funds and shall not be used to defray any of Franchisor's general operating expense, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration of the advertising fund and its marketing programs, including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the advertising fund. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contribution of all Gelsosomo's Pizzeria® restaurants to the advertising fund in that year and the advertising fund may borrow from Franchisor or other lenders to cover deficits of the advertising fund or cause the advertising fund to invest any surplus for future use by the advertising fund. All interest earned on monies contributed to the advertising fund will be used to pay advertising costs incurred by the advertising fund before other assets of the advertising fund are expended. A statement of monies collected and costs incurred by the advertising fund shall be prepared annually by Franchisor and shall be furnished to Franchisee upon written request. Franchisor will have the right to cause the advertising fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity shall have all rights and duties of Franchisor pursuant to this paragraph.

E. Franchisee understands and acknowledges that the advertising fund is intended to maximize recognition of the Marks and patronage of Gelsosomo's Pizzeria® restaurants. Although Franchisor will endeavor to utilize the advertising fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Gelsosomo's Pizzeria® restaurants, Franchisor undertakes no obligation to ensure that expenditures by the advertising fund in or affecting any geographic area are proportionate or equivalent to the contributions to the advertising fund by Gelsosomo's Pizzeria® restaurants operating in that geographic area or that any Gelsosomo's Pizzeria® restaurant will benefit directly or in proportion to its contribution to the advertising fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Section, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the advertising fund.

F. Franchisor reserves the right to suspend contributions to and operations of the advertising fund for one or more periods, and the right to terminate the advertising fund, upon thirty (30) days written notice to Franchisee. All unspent monies on the date of termination shall be distributed to Franchisor's franchisees and Franchisor and its affiliates in proportion to their respective contributions to the advertising fund during the preceding twelve (12) month period. Franchisor shall have the right to reinstate the advertising fund upon the same terms and conditions set forth herein upon thirty (30) days prior written notice to Franchisee.

G. Franchisee acknowledges that it will not undertake to advertise in any form whatsoever whether that form be newspaper layouts, point of restaurant advertising, and other promotional and materials and schemes unless the prior written consent of Franchisor is obtained. Franchisor may from to time provide Franchisee with marketing schemes, plans, and other like materials which have been developed and approved by Franchisor. The cost of such marketing materials, plans, and the like shall be paid for by Franchisee at a price equal to Franchisor's cost of development and implementation of the same. All other advertising, promotion and marketing materials, without the prior approval of Franchisor or a third party designated by Franchisor, shall prior to any use of said advertising or marketing materials be submitted for approval or disapproval by Franchisor. Any materials submitted to Franchisor for approval prior to their use by Franchisee shall be delivered by certified mail, return receipt requested, to insure proof of submission by Franchisee. The Franchisor or a third party designed by Franchisor shall have thirty (30) days from the receipt of said materials and written notice requesting approval of said materials to approve or disapprove of said materials and such thirty (30) day period shall commence from the date of receipt via the appropriate office of Franchisor or a third party designated by Franchisor. In the event Franchisee has conformed to the necessary approval request procedure prior to the use of any materials and more than thirty (30) days have elapsed since receipt by Franchisor without a reply, approval or disapproval notice from Franchisor to Franchisee, Franchisor shall have been deemed to waive the further required right to prior approval and such waiver shall be strictly limited to that specific instance and shall not be deemed to be a continuing waiver of all subsequent, advertising and marketing materials. Franchisor reserves the right to designate the time periods and length of time such submitted materials may be used by Franchisee and furthermore reserves the right to request Franchisee to discontinue a subsequent use of materials previously approved if Franchisor deems the same reasonably necessary due to the outdated nature of the material, a subsequent event or change in attitude affecting the public appeal of the material, or any other like or related reason.

H. Franchisee acknowledges the requirement that all advertising and marketing materials shall contain the trademark or logo and such symbol as may be appropriate and dictated by Franchisor from time to time in order to protect Franchisor's rights therein. Franchisee shall not use its own name, or any other name, other than Franchisor's Marks or any slogan or marks associated with Franchisor in connection with its advertising.

I. Franchisee shall advertise the Franchised Restaurant in the yellow pages of each telephone directory in which the Franchised Restaurant's telephone number is listed using Franchisor's logo and text approved by Franchisor.

J. Franchisee shall keep all advertising and marketing expenditure expense records for a period of forty-eight (48) months. The advertising expenditure records shall include specifically, but not be limited to, all billings or invoices in chronological order and the type and date the materials and promotions were used or advertised. Franchisor or a third party designated by Franchisor shall, at all reasonable times, have the right to inspect said records; which records shall remain on the Franchised Restaurant location for storage and filing purposes. In the event an accounting and audit of Franchisee's advertising expenditures reveal that Franchisee has spent less than the required amount for any prior calendar quarter, Franchisee shall be obligated to transfer the difference, upon written notice to

Franchisee by Franchisor or a third party designated by Franchisor, for use in a regional, national, or local advertising program as the same may be allocated within the sole discretion of Franchisor.

K. Upon written request by Franchisor, Franchisee agrees to cooperate with Franchisor and other franchisees in the development and implementation of regional and national advertising programs and to participate in drives, contests, and other similar advertising and marketing programs established from time to time. Franchisee acknowledges that the attendance at meetings, programs, conferences and/or seminars relative to advertising and marketing issues may be necessary and agrees to participate in the same at a place and time to be determined by Franchisor.

6. SERVICES AVAILABLE TO FRANCHISEE

A. Franchisor shall ~~advertise~~ advise and consult by telephone with Franchisee in connection with the operation of the Franchised Restaurant upon request of Franchisee and at such times as Franchisor deems the same necessary, and shall provide to Franchisee:

1. standard exterior and interior specifications and layout design. It is understood that all such specifications and designs are not for the actual construction and layout and that the Franchisee shall be responsible for required local modifications of said plans, specifications and layouts. Any modifications or renovations, whether required by local zoning or building laws or otherwise, must be approved in writing by Franchisor and are to be paid by Franchisee.

2. a pre-opening training program at a time and location to be designated by Franchisor.

3. pre-opening and opening supervision and assistance by personnel of Franchisor at Franchisee's location.

4. Franchisor's Confidential Operations Manual containing the standards, specifications, procedures and methods for operating the Franchised Restaurant, a copy of which will be loaned to Franchisee for the term of this Agreement and shall be returned upon the expiration of the term of this Agreement or upon the occurrence of any event of default under the terms and conditions of this Agreement.

5. advice and consultation by telephone or at the Franchisor's home office in connection with the operation of the Franchised Restaurant.

6. additional assistance upon written request, at a cost to Franchisee based upon Franchisor's then current daily fee for the personnel performing such assistance, plus other reasonable expenses including all transportation, lodging and other expenses.

7. MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS

A. Franchisee, at its expense, shall keep complete records of its business and furnish Franchisor with a monthly and fiscal year-to-date profit and loss statement in a specialized format as prescribed by Franchisor from time to time. Franchisee acknowledges the necessity to strictly adhere to the prescribed format required by Franchisor in order to allow Franchisor to furnish Franchisee with any reasonably necessary feedback and consultation relating to the Franchised Restaurant, if the same be deemed necessary from time to time within the sole discretion of Franchisor. Franchisee shall mail to Franchisor the above mentioned report and statements, together with the payment of the monthly royalty on or before the 15^{th} day of the next succeeding month for the previous month, or any fraction thereof. Franchisor reserves the right, at its option, to request federal and state income, sales and any other tax returns and such additional financial information regarding the Franchised Restaurant upon written request as the same shall be deemed necessary by Franchisor from time to time. Franchisor shall have the right to disclose data derived from sales reports, financial statements and other information from Franchisee. Additionally, Franchisor reserves the right, at its option, to request Franchisee to furnish more frequent reports of sales and/or costs, and any other relevant financial information by telephone or otherwise on a daily, weekly or any other basis as specified by Franchisor from time to time and within the sole discretion of Franchisor.

B. Franchisee shall submit to Franchisor within sixty (60) days after the end of its first six (6) months of each fiscal year, a balance sheet and a profit and loss statement covering the previous six (6) months of operation, and shall within ninety (90) days after the end of its fiscal year furnish Franchisor with a profit and loss statement and a balance sheet in a manner and form prescribed by Franchisor. The profit and loss statements and balance sheets shall be signed by Franchisee with a statement that they are all accurate and represent the true operating ratios and financial condition of its operation, and the same shall be all at the expense of Franchisee.

C. Franchisee agrees that Franchisor or Franchisor’s duly authorized representatives, shall, at all reasonable times, have the right to examine and/or audit the books or accounts of Franchisee. In the event an audit discloses a discrepancy or understatement; Franchisee shall pay to Franchisor the amount unreported or underestimated together with interest compounded at the rate of two percent (2%) per month from the date such payment is due. Furthermore, in the event an examination and/or audit shall disclose a discrepancy and understatement between reported gross sales and actual gross sales which exceeds two (2%) percent; Franchisee shall reimburse Franchisor for all costs of the examination and/or audit, including, but not limited to, travel, lodging and wage expenditures. Payment of the discrepancy, if there be any discrepancy, together with expenses and interest, shall not act as an accord and satisfaction or waiver of any other remedies Franchisor may have under the terms of this Agreement or otherwise.

D. It is acknowledged by Franchisee that Franchisee shall keep its books, accounts and records in accordance with good, sound accounting principles and practices which accurately represent the gross sales and the financial condition of the Franchisee and shall adhere to any format from time to time prescribed by Franchisor with reference to statements and the keeping of accounts, books, and records so far as the same pertains to the Franchised Restaurant. Franchisee shall be required to retain sales records for a period of at least forty-eight (48) months and, at the discretion of Franchisor, may be required to keep and retain sales records for a longer duration and furnish the same to Franchisor upon request by written notification or onsite inspection and examination by Franchisor or a duly authorized representative of Franchisor.

8. TRAINING AND EDUCATION DEVELOPMENT

A. As a condition precedent to the opening of the Franchised Restaurant, Franchisee and a designated manager of the Franchised Restaurant shall successfully complete the conditions established from time to time by Franchisor for admission and successful completion of Franchisor's training program, which shall be held at a time and location specified by Franchisor. There shall be no additional charge for admission to the initial training program, however, Franchisee shall be responsible for all travel, lodging and other living expenses and for payment or compensation for its manager while enrolled in the initial training program.

B. Franchisee acknowledges that each person admitted to Franchisor's initial training program shall be required to fulfill all conditions of the same to the satisfaction of Franchisor, and in the event for any reason or series of reasons such person or persons shall fail to complete the initial training program to the satisfaction of Franchisor, then in such event, Franchisee shall be required to produce a substitute or replacement trainee, satisfactory to Franchisor who shall be required to attend and successfully complete Franchisor's training program. Notwithstanding the minimum requirement that the Franchisee and a designated manager successfully complete the Franchisor's training program to the Franchisor's satisfaction, the Franchisor, at its option, may require any other person actively involved in the management of the particular Franchised Restaurant or of the overall operation of Franchisee's Restaurant to attend and successfully complete Franchisor's training program.

C. At the option of Franchisor, Franchisee or a designated manager of the Franchised Restaurant location shall undertake and successfully complete any continuing training programs as shall be developed from time to time and as may be directed by Franchisor in order to implement current operational standards as the same may be changed from time to time, whether said continuing training is in the form of seminars, training schools, or otherwise conducted by Franchisor. The people or persons whose attendance is required by Franchisor to attend any continuing or advanced training programs shall be the same as those listed and mentioned above subject to the request of Franchisor to do so. In the event any of the parties mentioned above have been substituted or replaced by another person or party, the same requirements shall apply. Franchisee, as was the case in the initial training program, shall be responsible for all travel, lodging and other living expenses of each person who attends and additionally a fee will be charged for said advanced or continuing training programs, but said fee shall be no more than the cost of Franchisor to develop and implement any such continuing training programs or seminars.

D. Franchisee acknowledges that a training program for the Franchised Restaurant employees shall be implemented, if required by Franchisor within the sole discretion of Franchisor. Franchisee shall secure at its own expense all necessary machinery and equipment necessary to implement and continue any Franchised Restaurant employee training program as may be directed from time to time by Franchisor. Franchisee, at the option of Franchisor and upon written request to do so, shall provide proof of training of each employee of Franchisee's Franchised Restaurant upon a form approved by Franchisor.

9. EQUIPMENT REQUIREMENTS AND SPECIFICATIONS

A. Equipment shall be interpreted to include, but shall not be limited to, all exterior and interior signs, food and beverage preparation equipment, fixtures and furniture, employee uniform standards, interior and exterior design and other items required and used in and about the Franchised Restaurant. To assure Franchisee's compliance with Franchisor's standards and specifications, Franchisee shall install only such equipment that shall have been approved by Franchisor as meeting its standards and specifications existing from time to time for the Franchised Restaurant. Prior to installation of any equipment to be used in the Franchised Restaurant, Franchisor shall have the right to inspect the same, and before installation Franchisee must secure the written approval of Franchisor to install said equipment in and about the Franchised Restaurant.

B. In the event Franchisee shall install any equipment without the prior written consent of Franchisor, Franchisor shall have the unqualified right to inspect the same upon any notification of the existence of said equipment, and if the same is not in conformity with Franchisor's standards and specifications, Franchisor may in addition to any other remedy under the terms of this Agreement, demand that Franchisee take all necessary steps to modify or replace the said equipment to bring the same in conformity with Franchisor's standards and specifications for such equipment.

10. PRODUCT REQUIREMENTS AND SPECIFICATIONS

A. Franchisee acknowledges and agrees that the standardization and uniformity of product is necessary to the achievement of goodwill and expectation of the consumer in relation to the Gelsosomo's Pizzeria® System. No items which are not set forth in the Confidential Operations Manual or otherwise authorized and approved by Franchisor in writing may be served at the Franchised Restaurant. Franchisee will sell from the Franchised Restaurant only products and ingredients specified by Franchisor in a manner which adheres strictly to the methods of preparation and services conforming to the specifications and standards of Franchisor in effect from time to time. Franchisee shall adhere to all specifications contained in the Confidential Operations Manual with regard to weight and dimension of products served notwithstanding adherence to other specifications with regard to the method of preparation, ingredients and standards of Franchisor. There are certain products that contain a special mixture of spices which are used in the pizza sauce of the Franchisor which can be only purchased from Franchisor's designee.

B. All food, drink, and other items will be served and sold in packaging that conforms to Franchisor's written specifications. Franchisee shall discontinue offering for sale or selling any products which the Franchisor may, at its discretion, disapprove of in writing.

11. PURCHASE REQUIREMENTS; APPROVED SOURCES

A. Franchisee shall purchase all equipment, products, fixtures, signs, construction and build-out services, and other items used in the total development and operation of the Franchised Restaurant from a list of suppliers approved by Franchisor as Franchisor may specify and modify from time to time. Franchisee is required to purchase the Gelsosomo's pizza sauce spices, cheese, pizza sauce, flour, oil, recipe mixes and the Gelsosomo's pizza box from Franchisor's designee. Franchisor has chosen certain alternate suppliers for product fixtures, and other items necessary for the total development and operation of the Franchised Restaurant based on their ability to deliver prompt and reliable service and conform to Franchisor's standards and specifications for equipment, product, or other items bought, and possess satisfactory quality control and the ability to fulfill the supply needs of franchisees. In order to assure Franchisor's standards and specifications and maintain an excellent reputation for quality and service, Franchisor and Franchisee hereby agree that it is necessary to limit Franchisee's purchase of items necessary to the construction, build-out and operation of a Franchised Restaurant to the sources of approved providers and suppliers, as deemed by Franchisor at any point in time and may be modified from time to time by Franchisor.

B. In the event Franchisee shall desire to purchase any item from an unapproved supplier or source, Franchisee is required to submit a written request for said approval or in the alternative shall require the supplier or source to petition Franchisor for approval classification. Upon proper written notice to Franchisor by Franchisee or supplier in conjunction with written notice by Franchisee, Franchisor shall as a condition precedent to the rendering of its approval or disapproval, have the right to inspect samples of the supplier which shall be delivered to Franchisor or any other party Franchisor may designate for purposes of testing and analysis. Franchisor shall have the option to inspect the supplier's facility and investigate the ability of the supplier to fulfill the needs of Franchisee as per the standards and specifications of Franchisor on a continuing basis. Any cost of testing, inspection and analysis shall be paid by Franchisee or supplier, which cost shall not exceed the actual cost of the same to Franchisor. If, upon request, a supplier is approved by Franchisor, Franchisor shall reserve the right at its option to reinspect the facilities and retest and investigate the supplier and products of any approved supplier at any time and revoke such prior approval if re-evaluation by Franchisor indicates the supplier does not or cannot continue to meet the standards and specifications of the items used in the operation of the Franchise Restaurant.

12. OPERATIONS MANUAL; POLICIES AND PROCEDURES

A. Franchisee acknowledges and agrees, in order to maintain a uniform standard of operation for food service as prepared and served under the Gelsosomo's Pizzeria® System, strict adherence to Franchisor's Confidential Operations Manual is necessary and essential to the continued operating efficiency of the Gelsosomo's Pizzeria® System. The contents of the Confidential Operations Manual are the official standards, procedures and specifications which are prescribed from time to time for the operation of the Franchised Restaurant. Franchisee acknowledges that Franchisor may revise or add additional contents to the Confidential Operations Manual. Such revisions may include making changes in the standards, procedures and specifications, as the same may become necessary and desirable from time to time. Franchisee agrees to accept and comply with the implementation of such modifications, revisions, and/or additions to the Confidential Operations Manual. Franchisee shall keep the Confidential Operations Manual at the Franchised Restaurant at all times and all changes shall be immediately inserted upon receipt. The Confidential Operations Manual should be kept current and up-to-date; however in the event of any dispute as to the correctness of the contents herein at any particular point in time, the terms of the master copy maintained at Franchisor's headquarters shall control.

B. Franchisee acknowledges that the Confidential Operations Manual contains highly confidential business information of Franchisor, and Franchisee agrees neither to disclose the contents of the Confidential Operations Manual to any persons other than employees of the Franchisee, nor to use, to reprint, or reproduce any part thereof for any purpose whatsoever. Upon receipt of an insert changing or modifying any previous section of the Confidential Operations Manual, that section that relates to any outmoded specification, procedure, policy, or the like shall be immediately destroyed by Franchisee. The non-adherence to the procedures and policies as contained in the Confidential Operations Manual or the revisions made from time to time, or in the event of a transfer of any information to any persons, or the reproduction in any manner whatsoever of the materials contained in the Confidential Operations Manual, shall constitute a material breach or this Agreement.

13. FRANCHISOR'S RIGHT OF ENTRY AND INSPECTION

A. Franchisee acknowledges that to assure compliance with this Agreement, Franchisor shall have the unrestricted right to enter the Franchised Restaurant to examine the operations and facilities including, but not limited to, testing, sampling and inspection of the ingredients used and products sold by Franchisee together with the care and sanitary storage and preparation of the same in order to ascertain compliance or noncompliance with this Agreement. Franchisee shall be under an affirmative duty to cooperate with Franchisor or its duly authorized representatives in any of such inspection by rendering any assistance as may be reasonably requested. Franchisor shall have the right to observe, photograph and videotape the Franchised Restaurant's operations for such consecutive or intermittent periods as Franchisor deems necessary. Franchisor shall have the right to interview personnel and customers of the Franchised Restaurant. Franchisor shall have the right to remove in amounts reasonably necessary for testing any ingredient or product without payment therefor. Franchisor shall have the right to test such samples or transfer the same to an independent certified laboratory to determine whether the samples meet then current standards and specifications of Franchisor. In the event the products or ingredients have not been previously approved by Franchisor or if the sample shall be nonconforming to the standards and specifications of Franchisor’s products, Franchisor may require Franchisee to bear the cost of the inspection and the testing of the ingredients and products.

14. COMPLIANCE WITH LAW; USE OF TRADEMARKS

A. Franchisee shall comply with all federal, state, county and municipal governmental laws, or ordinances and regulations affecting directly or indirectly, the operation of the Franchised Restaurant. Without limiting the importance of the foregoing, Franchisee specifically agrees to comply with applicable health and safety laws, ordinances and regulations in order to achieve the highest possible rating with reference to the health and safety classification standards by the appropriate governmental authorities and shall be required to furnish Franchisor within ten (10) days of Franchisee’s receipt thereof, copies of all inspection reports, warnings, certificates, ratings, etc., issued by any governmental agency which shall reflect Franchisee’s failure to meet and maintain the highest applicable rating or Franchisee’s noncompliance with applicable law, rule, or regulation. Franchisee further acknowledges that it is of material importance for Franchisor to be informed on the classification and condition of the Franchised Restaurant with regards to, but not limited to, health and safety standards and Franchisee hereby agrees to send to Franchisor a copy of any said reports together with other type reports relating to any law, ordinance or regulation within ten (10) days of receipt.

B. Franchisee shall operate and promote the Franchised Restaurant under the Gelsosomo’s Marks without prefix or suffix added to the Marks. The Franchisee shall not use the words "Gelsosomo’s" as part of its corporate or other business name.

C. The Franchisee shall not license or purchase vehicles, fixtures, products, supplies or equipment, or open any bank accounts, or incur any obligations except in its individual, corporate or other business name. The Franchisee shall obtain any fictitious name, assumed name, or "doing business as" registration as may be required by law. All present or future goodwill associated with the Gelsosomo’s Marks shall belong solely to the Franchisor.

D. The Franchisee shall immediately notify the Franchisor of any infringement of the Gelsosomo’s Marks or challenge to the Franchisee’s use of the Gelsosomo’s Marks. In its sole discretion, the Franchisor may elect to undertake the defense or prosecution of any litigation. The Franchisee shall cooperate with the Franchisor and do such acts as may in the opinion of counsel for the Franchisor be necessary to carry out such defense or prosecution either in the name of the Franchisor or the Franchisee as the Franchisor shall elect. In the event any of the Gelsosomo’s Marks are challenged by third parties claiming infringement of alleged prior or superior rights in such marks, the Franchisor shall have the option and right to modify or discontinue use of its service marks or trademarks and adopt substitute service marks or trademarks in the Franchisee's geographical business areas and in such other areas as the Franchisor chooses. The Franchisee shall modify or otherwise discontinue the use of such service marks or trademarks, or use one or more additional or substitute service marks or trademarks as the Franchisor directs. The Franchisor's liability to the Franchisee under such circumstances shall be limited to the cost of replacement of the Franchisee's signs and advertising materials in effecting such modifications, discontinuance or adoption of substitute service marks or trademarks.

E. The Franchisee shall refrain from placing "For Sale'' or similar signs at or in the general vicinity of the Franchised Restaurant or using any words in any advertising denoting that the subject for sale is a Gelsosomo's Pizzeria.

F. All products, services, and any sales, marketing or promotional programs concerning same, which are developed presently or in the future by or on behalf of the Franchisee in conjunction with, for use in, or arising from or related to the Franchised Restaurant, are irrevocably and permanently licensed to the Franchisor for no additional charge to become part of the Gelsosomo's Pizzeria® System and for subsequent use by the Franchisor and its affiliates and, if the Franchisor determines, other Gelsosomo's franchisees.

15. RENOVATION REQUIREMENT

A. During the term of this Agreement, the Franchised Restaurant, its furnishings and equipment shall not be altered or modified without the prior written approval of Franchisor. Additionally, Franchisor reserves the right at any time and from time to time after the expiration of seven (7) years from the opening of the Franchised Restaurant to require Franchisee to replace, remodel, repair and/or redecorate in or about the Franchised Restaurant, including, but not limited to, equipment, furnishings, signs, which conform to the then current standards of the Gelsosomo's Pizzeria® System. The Franchisee agrees, at its own expense, to make, adopt, use and/or display any such changes as if they were a part of the Gelsosomo's Pizzeria® System as of the date hereof. The adherence to this Section is not determined by whether or not the Franchisee owns or leases the restaurant structure.

In the event the Franchisee determines it reasonably necessary or practical to replace any item or remodel any portion of the structure, or in the event Franchisee is requested to perform such act by the Franchisor, all such acts of repair and remodeling shall be done in compliance with the specific guidelines of the plans and specifications of Franchisor in effect at the point in time of such renovation and Franchisee shall be required to obtain the prior written consent of the Franchisor before undertaking such act of renovation.

16. INSURANCE; HOLD HARMLESS

A. A Franchisee shall carry at its own expense during the term of this Agreement public liability insurance for protection against claims for property damage, personal injury or injury resulting in death, occurring in or about the Franchised Restaurant location. Franchisee agrees to carry insurance coverage adequate to protect against all areas of the operation of the Franchised Restaurant where possible liability actions and claims may arise including, but not limited to, coverage for food and products liability, company automobile liability, personal injury liability and the like. Franchisee shall carry a comprehensive general liability insurance coverage in an amount not less than Five Hundred Thousand Dollars ($500,000) per person and per occurrence. Franchisor reserves the right to require Franchisee to increase said public liability insurance when Franchisor in its good faith judgment deems it reasonably necessary due to, but not limited to, a change in circumstances such as an increase of a particular area's awards and judgments given as a result of claims.

B. Franchisee agrees to secure and pay premiums on a Workers' Compensation Policy covering Franchisee and all of Franchisee's employees in an amount adequate to cover Workers' Compensation Claims and required by any applicable federal law or by the law in the state in which the Franchised Restaurant is located and operating. ·

C. Franchisee shall furnish Franchisor with certificates of insurance from time to time as is reasonably necessary to assure Franchisor that comprehensive coverage within the minimum amounts as are deemed necessary are maintained, and furthermore, that a specific showing on said certificates of insurance shall be required indicating that insurer must notify Franchisor of any failure of Franchisee to pay premiums on the same. In the event of a renewal of such policies, a renewal certificate of insurance shall be mailed to Franchisor prior to the expiration date of any such policy. Each policy and certificate of insurance shall state that the policy or policies will not be canceled or altered without at least ten (10) days prior written notice to Franchisor. Such certificates and notices shall be sent to Gelsosomo's Franchise Corporation, at 317 North Shelby Street, Hobart, Indiana 46342. Maintenance of such insurance and the performance by the Franchisee of the obligation under this Section and these paragraphs relative to insurance collectively, shall not relieve Franchisee of liability under the indemnity provisions set forth in this Agreement.

D. Franchisee acknowledges and agrees it is solely responsible for all losses, actual and consequential damages, and contractual liability to any and all third parties arising out of or in connection with the licensed unit, this Agreement, the licensed right for ownership thereto, the operation of the Franchised Restaurant unit by Franchisee, and for all claims, demands, actual and consequential damages to property or injury to persons resulting therefrom in that Franchisor is not an owner nor operator, nor is Franchisor involved in the licensed unit. Franchisee agrees to indemnify, defend, and hold Franchisor and any of its shareholders, officers, directors, employees, attorneys, agents, affiliates and subsidiaries harmless from any and all claims, damages, cost or expense of any type. This includes the payment of accountants, attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses from and with respect to any claims, demands, costs, expenses, and judgments which include, but are not limited to, the operation of the Franchised Restaurant, this Agreement, and the ownership of the licensed right. Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. This indemnity shall exclude liability caused by Franchisee's proper reliance on or use of procedures or materials provided by the Franchisor or caused by the Franchisor's negligence.

17. DEFAULT; TERMINATION

A. Franchisee acknowledges and agrees that in the event a default occurs and Franchisee fails to cure said default or defaults after proper notice has been given by Franchisor to Franchisee within the cure period specified herein, Franchisor, without waiving any other rights or remedies provided for under the terms of the Agreement herein or otherwise provided by law or equity, may terminate this Agreement. In the event the cure period is not specified or designated within a particular provision herein, then it shall be assumed the cure period shall be fifteen (15) days after receipt of said notice to cure such default; otherwise the cure period specifically designated herein shall apply. Any one or more of the following shall constitute a default under the terms of this Agreement:

1. If the Franchisee fails to maintain and operate the Franchised Restaurant in strict accordance with Franchisor's Confidential Operations Manual and other supplemental manuals and in compliance with the standards, specifications, procedures and policies as are established from time to time by Franchisor relating to the Gelsosomo's Pizzeria® System, and in the event, Franchisee sells a product which does not conform to Franchisor's specifications, or sells products not previously approved by Franchisor, or fails in any other way to maintain Franchisor's standards, specifications,

procedures and policies. Franchisee shall have fifteen (15) days from the date of the notification of said default to cure any such default of this type or nature.

2. If Franchisee denies Franchisor or any duly authorized agent or representative of Franchisor the right to inspect the Franchised Restaurant, examine Franchisee's books and records, including, but not limited to, advertising receipts, gross sales reports, or any other items or conditions relative to the operation of the Franchised Restaurant, termination shall be effective immediately and without any notice requirement by the Franchisor. In the event Franchisee denies Franchisor or a duly authorized agent or representative of Franchisor the right to entry and inspection as provided hereunder, termination shall be effective immediately and without any notice requirement by the Franchisor.

3. If Franchisee shall fail to submit to Franchisor any financial information or any other information required to be transferred on a periodic basis or otherwise to Franchisor without the repeated request or notice by Franchisor for the same, Franchisee shall have fifteen (15) days after notice of said default to cure the same.

4. If Franchisee fails to pay when due any royalty payment or advertising contribution or any other amount due as required by the terms of this Agreement, Franchisee shall have ten (10) days after notice of said default by Franchisor to Franchisee to cure the same.

5. If Franchisee submits false written information, or makes, or has made a misrepresentation, or misleading statements, or has omitted any material fact in connection with the franchise application, this Agreement or in the overall conduct of the Franchised Restaurant, the Franchisee shall have fifteen (15) days after notice of said default to cure the same.

6. If Franchisee shall attempt to transfer its interest herein or shall purport to affect any assignment of its interest herein other than in compliance with the terms and conditions herein relating to such transfer or assignment, Franchisee shall have fifteen (15) days after notice of said default to cure the same.

7. If Franchisee causes repeated breaches of the provisions of this Agreement so as to cause an undue burden on Franchisor and cumulatively constitute a breach of this Agreement, Franchisee shall have fifteen (15) days after notice of said default to cure the same.

8. If Franchisee fails to submit or fails to compile according to the standards and procedures contained herein financial information, accounting data, and advertising record keeping data, on forms and in a manner other than those prescribed by Franchisor for such purposes as

contained herein, the Franchisee shall have fifteen (15) days after notice of said default to cure the same.

9. If Franchisee shall be in default under any lease or sublease of the Franchised Restaurant or shall lose the right to possession thereof for any reason whatsoever excepting the exercise of governmental eminent domain, in which case, Franchisee may according to the requirements specified in this Agreement relocate to another location in the same Territory for the balance of the term and subject to the terms of this Agreement, the Franchisee shall have fifteen (15) days after notice of said default to cure the same.

10. If Franchisee shall misuse the Gelsosomo's Pizzeria® System, Marks, names, symbols, or any other of the licensed rights in a manner that deters from or impairs the goodwill and public image of Franchisor, or furthermore, if Franchisee shall use the licensed rights, Marks, symbols, and the like where and when such rights, Marks, and the like have not been authorized for use by the Franchisor, the Franchisee shall have fifteen (15) days after notice of said default to cure the same.

11. If Franchisee fails to maintain a responsible credit status by failure to make appropriate payments of undisputed bills and statements from suppliers of goods and services to the Franchised Restaurant, the Franchisee shall have fifteen (15) days after notice of above said default to cure the same.

12. If Franchisee voluntarily abandons the Franchised Restaurant or ceases operation for three (3) consecutive days without the written consent of Franchisor for any reason except in the case of a fire, condemnation, or other casualty or an Act of God beyond the control of Franchisee (and in the event of such casualty beyond the control of Franchisee, the Franchised Restaurant shall not cease operations for a period of more than one hundred twenty (120) days from the date of said casualty), it shall be considered a voluntary abandonment of the licensed relationship.

13. If Franchisee files a petition or application seeking any type of relief under the Bankruptcy Code or any state insolvency or similar law, or any other party files a petition or application seeking to have Franchisee adjudicated a bankrupt, or seeking other relief against Franchisee under the Bankruptcy Code or any state insolvency or similar law and the petitioner's application is not dismissed within sixty (60) days after the same is filed this Agreement shall terminate upon the occurrence of this act of default as if that date were the expiration date. The Franchisee agrees not to seek an injunctive order or injunctive relief from any court in any jurisdiction relating to insolvency, reorganization or arrangement proceeding which would have the effect of staying or enjoining this provision.

14. If a final judgment against Franchisee remains unsatisfied of record for thirty (30) days, unless an appeal bond has been filed, or if a levy of execution is made upon the license granted by this Agreement or upon any property used in the Franchised Restaurant and the same is not discharged within ten (10) days of said levying, this Agreement shall terminate upon the occurrence of this act of default as if that date were the expiration date and without any prior notice requirement by Franchisor.

15. If Franchisee admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors, or a receiver whether the same be permanent or temporary for any part of its property is appointed by a court of competent jurisdiction and authority, this Agreement shall terminate upon the occurrence of this act of default as if that were the expiration date and without necessity of prior notice by Franchisor.

16. If Franchisee or any persons controlling or controlled by or under the common control with Franchisee, shall have any interest, whether the same be of a direct or indirect nature, in the ownership or operation of a similar type restaurant operation engaged in the sale of any related products within the Territory or in any restaurant which tends to look like, copies, or resembles in any manner the Gelsosomo's Pizzeria® System, then in such event, this Agreement shall terminate upon the occurrence of this act of default as if that date were the expiration date and without the necessity of prior notice by Franchisor.

17. If Franchisee shall fail to obtain prior written approval or consent of Franchisor as required hereunder and pursuant to the terms and conditions herein, the Franchisee shall have fifteen (15) days after notice of said default to cure the same.

18. If Franchisee is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of six (6) months and directly related to the business conducted pursuant to this Agreement, then in such event, this Agreement shall terminate upon the occurrence of this act or default as if that date were the expiration date and without the necessity of prior notice by Franchisor.

19. If Franchisee utilizes, duplicates, or transfers the Confidential Operations Manual in violation of the terms and conditions herein regarding such confidential information, this Agreement shall terminate upon notice from Franchisor to Franchisee with reference to the same.

20. If Franchisee defaults in the performance of any other obligations and fails to comply with any other provisions of this Agreement.

B. The failure of Franchisor to terminate this Agreement upon the occurrence of one or more events of default will not constitute a waiver or otherwise affect the right of Franchisor to terminate this Agreement because of a continuing or subsequent failure to cure one or more of the aforesaid events of default or any of other default. Termination of this Agreement shall not affect any rights of Franchisee to operate other Gelsosomo's Franchised Restaurants pursuant to the terms of other Franchise Agreements unless such other Franchise Agreements relating to a specific Franchised Restaurant are terminated in accordance with the terms and conditions of their own Franchise Agreements.

C. Upon the termination or expiration of this Agreement, Franchisee's right to use the Gelsosomo's Pizzeria® System and Marks and symbols associated thereto shall terminate Franchisee agrees thereafter not to identify itself as a Franchisee of Franchisor or use any of Franchisor's System trade secrets, operating procedures, promotional materials, Marks or any other confusingly similar marks or methods of operation of Franchisor. Upon said termination or expiration, Franchisee shall immediately return all manuals, plans, specifications, designs, samples, Confidential Operations Manual, and any other item of property loaned to Franchisee together with all other material containing any trade secrets, operating instructions or business practices or policies of Franchisor. The parties agree that said restriction on disclosure shall survive the termination or expiration of this Agreement and the breach of the same may be cause for the Franchisor seeking injunctive relief, together with a request for attorneys' fees and costs, to be determined by a court of competent jurisdiction.

D. Upon termination or expiration of this Agreement, Franchisor shall have the option to purchase all usable paper goods, containers and printed material relating to the Gelsosomo's Pizzeria® System at Franchisee's cost, and to purchase the restaurant equipment, fixtures, signs, and other equipment at their then fair market value. Franchisee shall also permit Franchisor or duly authorized representatives and agents of Franchisor to enter the location and remove or permanently cover all signs or advertising identifying in any manner whatsoever Franchiser's name and image. In addition to the above, upon said expiration or termination, Franchisee shall pay immediately to Franchisor the full amount of all sums due under the terms of this Agreement together with any damages and attorneys' fees suffered by Franchisor in the event Franchisor is compelled to terminate this Agreement for any default of Franchisee. Also, Franchisee shall furnish Franchisor, within thirty (30) days after the effective date of· termination or expiration, with evidence satisfactory to Franchisor of Franchisee's compliance with the foregoing obligations.

18. INDEPENDENT CONTRACTOR

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisor and Franchisee are and shall be independent contractors and that nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose. Franchisee shall conspicuously identify himself in all dealings with customers, suppliers, public officials, Franchised Restaurant personnel and others as the owner of the Franchise Restaurant under a franchise granted by Franchisor and shall place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as Franchisor may require from time to time.

B. Franchisee shall not employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in Franchisor's liability for any of the Franchisee's indebtedness or obligations, nor may Franchisee use the Marks in any way not expressly authorized by Franchisor. Except as expressly authorized in writing, neither Franchisor nor Franchisee shall make any express or implied agreements, warranties, guaranties or representations or incur any debt in the name or on behalf of the other, represent that their relationship is other than Franchisor and Franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing.

C. Franchisor shall have no liability for any sales, use, service, occupation, excise, gross receipts, income property or other taxes, whether levied upon Franchisee, the Franchised Restaurant, Franchisee's property or upon Franchisor, in connection with the sales made or business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee with respect to purchases from Franchisor). Payment of all such taxes shall be Franchisee's responsibility.

19. ASSIGNMENT

A. Franchisee acknowledges and agrees that this Agreement and the license granted herein are personal to Franchisee and neither this Agreement, the assets of the Franchised Restaurant, nor Franchisee's ownership interest, in whole or in part, may be voluntarily, involuntarily, directly or indirectly assigned, sold, subdivided, subfranchised, or otherwise transferred by Franchisee without the prior written consent of Franchisor. Furthermore, Franchisee acknowledges and agrees that this Agreement and the licensed rights granted herein may not be pledged, mortgaged or given as security for any obligation whatsoever or in any manner encumbered, and that any effort to effect the same or to otherwise transfer the interest herein without the prior written consent of Franchisor shall constitute a material breach of this Agreement.

B. In the event of the death or incapacity of the last surviving partner or principal of Franchisee, the Franchisee's right shall pass to the Franchisee's estate, heirs, guardians, or representatives as the case may be. Franchisee shall be deemed to have an "incapacity" if the Franchisee's ability to operate or oversee the operation of the Franchised Restaurant on a regular basis is for any reason curtailed for a continuous period of six (6) months. The estate shall be allowed to continue the operation of the business upon the following conditions:

1. The heir agrees, in writing, to assume liability for and to perform all the terms and conditions of this Agreement to the same degree as Franchisee.

2. Within six (6) months after the death or disability, the heir must be approved and complete Franchisor's standard selection process including fulfillment of all the prerequisites of the franchised unit, which requirements shall include, but not be limited to, the financial qualifications of the heir, the character of the heir, the managerial ability of the heir as demonstrated by satisfactorily completing Franchisor's training program as Franchisor shall deem necessary, and such other criteria and conditions as Franchisor shall then be applying when considering applications for prospective franchises.

3. If said heir is not approved by Franchisor, the deceased's estate shall use its best efforts to sell the Franchised Restaurant to a third party acceptable to Franchisor, said sale however, shall be subject to Franchisor's right of first refusal. In the event a conveyance of the Franchised Restaurant to a party acceptable to Franchisor has not taken place within a six (6) month period, after the death or incapacity, Franchisor may terminate this Agreement.

C. Franchisee may, with the prior written consent of Franchisor, assign this Agreement to a corporation in which he shall have complete ownership of all the issued stock in said corporation. Franchisor may impose reasonable conditions on such assignment, including, but not limited to, the following:

1. The corporation shall not engage in any other business activity other than that which is directly related to the operation of Franchised Restaurant units.

2. Any assignment to a corporation shall not act to relieve Franchisee of personal liability for performance of all obligations under this Agreement.

3. Any subsequent transfer or issuance of shares of the corporation shall be subject to Franchisor's consent and agreement.

4. The corporation's Articles of Incorporation and By-Laws shall reflect the limitation that any transfer of shares of stock are restricted and may be transferred only in accordance with the terms and conditions of this Agreement.

5. All stock issued by said corporation will bear the following legend which shall be printed conspicuously on each stock certificate. "The transfer of these securities is subject to the terms and conditions of a certain Gelsosomo's Franchise Agreement, and the transfer and ownership of these securities may be affected by said Franchise Agreement, and the breach of the same may be cause for the Franchisor seeking injunctive relief, together with a request for reasonable attorneys' fees and costs to be determined by a court of competent jurisdiction."

D. If Franchisee shall receive an acceptable bona fide offer from a third party to purchase the Franchised Restaurant and/or the Franchised rights granted herein, Franchisee shall give Franchisor written notice of the same setting forth the name and address of the prospective purchaser, the price and terms of the offer together with a franchise application completed by the prospective purchaser, a copy of the sales contract and such other information as Franchisor may request in order to evaluate the offer. Franchisor shall have the right of first refusal, exercisable within thirty (30) business days after written notice and receipt of a copy of said offer and the other information set forth in this provision, to purchase said Franchised Restaurant and/or the franchised rights including the rights to occupy and use the Franchised Restaurant, on the same terms and conditions as offered by said third party. If the proposed sale shall include assets of Franchisee not related to the operation of the Franchised Restaurant, Franchisor may purchase only the assets related to the operation of the Franchised Restaurant or may also purchase the other assets, which shall be at the sole option of Franchisor, and an equitable purchase price shall be allocated to each asset included in the proposed sale. This right of first refusal shall apply to any transfer, conveyance, assignment, merger or any other transaction in which all or a portion of the legal or beneficial ownership of the license granted by this Agreement is directly or indirectly vested in a party other than Franchisee.

E. Franchisee agrees to furnish Franchisor with any and all information reasonably necessary to aid in its decision making process, including, but not limited to, an accurate financial statement as of the end of Franchisee's most recent fiscal year, any and all documents furnished to the third party proposing to purchase the Franchised Restaurant and such other information as Franchisor shall deem necessary in its decision making process. Franchisor shall have thirty (30) days from receipt of all necessary documents to exercise its right of first refusal for the purchase of the Franchised Restaurant. In the event Franchisor does not choose to exercise its right of first refusal, Franchisee may within forty-five (45) business days from the expiration of the right of first refusal period, sell, assign or transfer its interest, subject to compliance with the terms herein. In the event any material change in the terms of the offer prior to the closing of the sale to any third party shall occur, the same shall constitute and be deemed a new offer, subject to a new right of first refusal by the Franchisor as in the case of a new initial offer.

F. If Franchisor does not exercise its right of first refusal to purchase the Franchised Restaurant, Franchisee may conclude the sale to the purchaser who made the offer provided Franchisor's consent to such assignment shall first be obtained, which consent Franchisor agrees not to unreasonably withhold upon compliance with the conditions imposed by Franchisor on such assignment. Conditions on assignment shall include consent to such assignment; however, assignments may be refused unless:

1. All obligations of Franchisee to Franchisor, whether arising under this Agreement or otherwise, must be satisfied at that time of transfer.

2. Franchisee is not in default under this Agreement or any other Franchise Agreement.

3. The prospective purchaser must complete and be approved through Franchisor's standard franchisee selection process including satisfactorily demonstrating that the prospective purchaser meets the financial, character, managerial, and such other criteria and conditions as Franchisor shall then be apply in consideration of applications for new franchises.

4. The prospective purchaser shall satisfactorily complete the training required of new Franchisees subject to Franchisor's then existing requirements and prior to the date of such transfer.

5. All debts of Franchisee to Franchisor are paid in full.

6. The prospective purchaser executes individually the then standard Franchise Agreement for the restaurant location and such other agreements as then being used by Franchisor on the date of such transfer.

7. Franchisee shall agree to remain personally liable to Franchisor for all royalty, advertising and all other amounts incurred up to the date of transfer.

8. At or prior to the transfer, Franchisee's Franchised Restaurant must be upgraded and remodeled, if necessary, to Franchisor's then-current standards and specifications.

9. Franchisee and its owners shall enter into a general release, in form satisfactory to Franchisor, which will release Franchisor and its affiliates and their officers, directors, employees and agents, from any and all suits, claims or causes of action arising, from or in any way connected with the sale or operation of Franchisee's Franchised Restaurant during Franchisee's ownership.

10. Franchisee shall agree to pay to Franchisor an assignment fee of $7,000.00 for the cost and expenses incurred by Franchisor in connection with the transfer and Franchisor's training and other initial technical assistance to transferee, including but not limited to, legal expenses.

G. Franchisee acknowledges and agrees that the restraints and restrictions on assignment, or any other transfers, are necessary to maintain and protect the reputation and overall goodwill associated with the licensed rights herein.

H. The Franchisor shall have the right to sell, assign, transfer, or otherwise dispose of or deal with any or all of its rights and obligation under this Agreement, and such rights and obligations shall inure to the benefit of any assignee or other legal successor.

20. REQUESTS; CONSENTS

A. Franchisee acknowledges that whenever a consent is required for the undertaking of a certain act or a waiver of any requirement is required under the terms of this Agreement, Franchisee shall make a timely written request regarding the same and any such approval by Franchisor shall not be effective until obtained by Franchisee in writing. In the event any consent requirement under the terms of this Agreement does not include a time period within which Franchisor must approve or disapprove of said request, the time period shall be deemed to be thirty (30) days from the date of receipt by

Franchisor of such request. In said request, Franchisee shall include all relevant information and data reasonably necessary to aid Franchisor in rendering the appropriate approval or disapproval. Upon the occurrence that Franchisee does not furnish Franchisor with all required and other reasonably necessary data enabling Franchisor to make an effective decision, Franchisor shall have the right to request said data and shall not be obligated to render a decision until fifteen (15) days after said required and requested data is received by Franchisor or within the initial thirty (30) day period, whichever shall be the greater.

B. In the event of a waiver by Franchisor of any of the terms and conditions of this Agreement, or in the event any modification of said terms and conditions is granted by Franchisor, or an act or condition outside the scope of this Agreement is granted by Franchisor, the same shall be subject to Franchisor's continuing review and shall not act to cause the term or terms replaced, modified or otherwise changed in the Agreement herein to expire permanently. Franchisor reserves the right to reinstate the original term and condition of any previous waiver, modification or otherwise, for any reason, and in its sole discretion. In such event, said prior approval and modification shall be deemed revoked and any relevant Section of this Agreement shall replace such modified or changed Section, upon Franchisee's receipt of fifteen (15) days prior written notice of Franchisor indicating revocation of such modification and/or waiver and such acts shall be without prejudice or affect to any other right Franchisor may have or any other terms and conditions of the Agreement herein.

21. NON-COMPETITION

A. Franchisee acknowledges and agrees that during the term of this Agreement Franchisee shall not directly or indirectly in any manner whatsoever (i) engage in or acquire any financial interest in any business which dispenses food and beverages by any similar method and with a menu similar to the Gelsosomo's Pizzeria® System or (ii) perform services as a director, officer, manager, employee consultant, representative, agent or otherwise for any business which dispenses food and beverages by any similar method and with a menu similar to the Gelsosomo's Pizzeria® System.

B. In the event of termination or expiration of this Agreement, Franchisee shall not, for a period of three (3) years after the later of (i) the date of the termination or expiration or (ii) the date on which Franchisee ceases to conduct the business conducted pursuant to this Agreement, be directly or indirectly associated as an employee, proprietor, stockholder, partner, agent, officer, director, consultant, representative, manager, or in any other capacity with, or operate, engage, own, invest in, or participate in (1) any business identical with or similar to the business reasonably contemplated by this Agreement within the Territory or within ten (10) miles of any other Gelsosomo's Pizzeria or (2) any entity which franchises or otherwise grants to others the right to sell products or services identical with or similar to the products and services reasonably contemplated by this Agreement. In addition, in the event of the termination or expiration of the Agreement, Franchisee shall not for the three (3) year period as defined above solicit or accept business from the former customers of the Franchised Restaurant. In the event the duration, scope and/or geographic area set forth in the foregoing paragraph and agreements are held to be unreasonable and therefore unenforceable by any court of competent jurisdiction, then the duration, scope and/or geographic area of the foregoing restrictions and agreements shall remain in full force and effect as to such maximum duration, scope and/or geographic area as the court shall allow.

C. Franchisee agrees that Franchisor or a duly authorized representative of Franchisor shall have the right to inspect any restaurant in which Franchisee has an interest at any reasonable times and to the extent necessary to determine whether the conditions of the Sections of this Agreement are being satisfied. In the event Franchisor is of the belief that full compliance with the terms of this Section has not been adhered to by Franchisee, Franchisor shall notify Franchisee of the same by written notice. Upon receipt by Franchisee of written notice from Franchisor specifying the nature of noncompliance, Franchisee shall immediately take all steps necessary to correct such noncompliance to Franchisor's satisfaction. In the event Franchisee does not comply with the terms of this Section and does not take immediate steps to rectify the same upon notice, Franchisor reserves the right to terminate this Agreement if, in the sole opinion and discretion of Franchisor, Franchisor deems the action taken by Franchisee upon receipt of notice to be unsatisfactory.

22. INTERFERENCE WITH EMPLOYMENT RELATIONS OF OTHERS; CONFIDENTIALITY

A. Franchisee shall not attempt, directly or indirectly, to entice or induce any employee of Franchisor or any employee of another Gelsosomo's Pizzeria® restaurant, to leave such employment nor employ such employee within a six (6) month period after said employee's termination of employment with such employer, except with the prior written consent of such employer.

B. Franchisee acknowledges that any unauthorized use, or disclosure of, any confidential information (trade secrets, marketing and operational techniques and programs for the development and operation of Gelsosomo's Pizzeria® restaurants, recipes, and other like considerations associated with the Gelsosomo's Pizzeria® System) will cause irreparable injuries to the Franchisor. Such information is proprietary and owned solely by Franchisor.

C. Franchisee covenants to not at any time, without the prior written consent of Franchisor, disclose to any party or person any of such information relating to the knowledge and know-how of the Gelsosomo's Pizzeria® System, including, but not limited to, its products, recipes, services, standards, specifications, systems, procedures and techniques. Franchisee further agrees and acknowledges that Franchisee shall acquire no right, title or interest to such systems and information other than by virtue of the authorizations to use the same in the license granted herein and at the specified location herein. This covenant shall survive the termination or expiration of this Agreement.

D. Franchisor acknowledges that the Franchisee, in order to operate the Franchised Restaurant in compliance with the Gelsosomo's Pizzeria® System, must disclose pertinent information in order to facilitate the effective management, operation and implementation of the Gelsosomo's Pizzeria® System. Franchisee agrees to cause any person who is involved in the management and operation of the Franchised Restaurant to enter into a confidentiality and non-competition agreement in a form as prescribed by Franchisor from time to time. Franchisee agrees to use its best effort to prevent any such person from using the confidential information other than in compliance with the terms herein. In the event Franchisee has knowledge or a reason to believe that any employee has violated the provisions of any agreements entered into between Franchisee and the employee with reference to the confidentiality and non-competition of the Gelsosomo's Pizzeria® System, Franchisee shall be under an affirmative obligation to notify Franchisor of the same immediately and agrees to cooperate with Franchisor to protect Franchisor and Franchisee against infringement and other use of the confidential information by said employee, which cooperation shall include, but not be limited to, the prosecution of and cooperation with any lawsuits, if any, which in the judgment for Franchisor are deemed necessary.

23. NOTICES

A. All notices to Franchisee hereunder shall be in writing and shall be deemed given, if hand delivered or sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to Franchisee at the Franchised Restaurant or a mailing address Franchisee has designated by prior written notice to Franchisor.

B. All notices to Franchisor shall be in writing and shall be deemed given if hand delivered or sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to Gelsosomo's Franchise Corporation*,* 317 North Shelby Street, Hobart, Indiana 46342, or at such other address as Franchisor shall designate from time to time by prior written notice to Franchisee.

24. ENFORCEMENT

A. **INJUNCTIONS**. THE FRANCHISOR SHALL HAVE THE RIGHT TO ENFORCE BY JUDICIAL PROCESS ANY RIGHTS IT MAY HAVE AND PURSUANT TO THE COVENANT NOT TO COMPETE PROVISIONS OF SECTION 21. FURTHER, THE FRANCHISOR MAY SEEK WITHOUT BOND THE ENTRY OF TEMPORARY, PRELIMINARY, AND PERMANENT INJUNCTIONS AND ORDERS OF SPECIFIC PERFORMANCE ENFORCING THE PROVISIONS OF THIS AGREEMENT OR ANY OTHER RELATED AGREEMENT RELATING TO FRANCHISEE'S USE OF THE GELSOSOMO'S MARKS, FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT AND ASSIGNMENTS OR ATTEMPTED ASSIGNMENTS OF THE FRANCHISE AND FRANCHISEE'S OWNERSHIP. IF THE FRANCHISOR SECURES ANY SUCH INJUNCTION OR ORDER OF SPECIFIC PERFORMANCE, FRANCHISEE AGREES TO PAY TO THE FRANCHISOR AN AMOUNT EQUAL TO THE AGGREGATE OF ITS COSTS OF OBTAINING SUCH RELIEF, INCLUDING WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, COSTS, AND EXPENSES AS PROVIDED IN THIS SECTION, AND ANY DAMAGES INCURRED BY THE FRANCHISOR AS A RESULT OF THE BREACH OF ANY SUCH PROVISION.

B. **ARBITRATION**. EXCEPT INSOFAR AS THE FRANCHISOR AS PROVIDED IN THE PARAGRAPH ABOVE OF THIS SECTION ELECTS TO ENFORCE THIS AGREEMENT OR ANY OTHER RELATED AGREEMENT, ALL CONTROVERSIES, DISPUTES, OR CLAIMS ARISING BETWEEN THE FRANCHISOR, ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, SHAREHOLDERS, EMPLOYEES AND ATTORNEYS (IN THEIR REPRESENTATIVE CAPACITY) AND FRANCHISEE (FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES AND EMPLOYEES, IF APPLICABLE) ARISING OUT OF OR RELATED TO: (1) THIS AGREEMENT OR ANY PROVISION THEREOF OR ANY RELATED AGREEMENT; (2) THE RELATIONSHIP OF THE PARTIES HERETO; (3) THE VALIDITY OF THIS AGREEMENT OR ANY RELATED AGREEMENT, OR ANY PROVISION THEREOF; OR (4) ANY SPECIFICATION, STANDARD, OR OPERATING PROCEDURE RELATING TO THE ESTABLISHMENT OR OPERATION OF THE FRANCHISE SHALL BE SUBMITTED FOR ARBITRATION TO BE ADMINISTERED BY THE CHICAGO, ILLINOIS OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION ON DEMAND OF EITHER PARTY. SUCH ARBITRATION PROCEEDINGS SHALL BE CONDUCTED IN COOK COUNTY, ILLINOIS AND; EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, WILL BE HEARD BY THREE (3) ARBITRATORS IN ACCORDANCE WITH THE THEN CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. EACH PARTY SHALL SELECT ONE (1) ARBITRATOR, AND THE TWO (2) SO DESIGNATED SHALL SELECT A THIRD ARBITRATOR. IF EITHER PARTY SHALL FAIL TO DESIGNATE AN ARBITRATOR WITHIN SEVEN (7) DAYS AFTER ARBITRATION IS REQUESTED, OR IF THE

TWO (2) ARBITRATORS SHALL FAIL TO SELECT A THIRD ARBITRATOR WITHIN FOURTEEN (14) DAYS AFTER ARBITRATION IS REQUESTED, THEN AN ARBITRATOR SHALL BE SELECTED BY THE AMERICAN ARBITRATION ASSOCIATION UPON APPLICATION OF EITHER PARTY.

EXCEPT AS LIMITED BY THIS AGREEMENT, THE ARBITRATORS SHALL HAVE THE RIGHT TO AWARD OR INCLUDE IN THE AWARD ANY RELIEF WHICH THEY DEEM PROPER IN THE CIRCUMSTANCES, INCLUDING WITHOUT LIMITATION, MONEY DAMAGES (WITH INTEREST ON UNPAID AMOUNTS FROM DATE DUE), SPECIFIC PERFORMANCE, INJUNCTIVE RELIEF, ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, PROVIDED THAT THE ARBITRATORS WILL NOT HAVE THE RIGHT TO DECLARE ANY MARK GENERIC OR OTHERWISE INVALID OR TO AWARD EXEMPLARY OR PUNITIVE DAMAGES. THE AWARD AND DECISION OF THE MAJORITY OF THE ARBITRATORS SHALL BE CONCLUSIVE AND BINDING UPON ALL PARTIES HERETO AND JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION, AND EACH WAIVES ANY RIGHT TO CONTEST THE VALIDITY OR ENFORCEABILITY OF SUCH AWARD.

THE PARTIES FURTHER AGREE TO BE BOUND BY THE PROVISIONS OF ANY APPLICABLE LIMITATION ON THE PERIOD OF TIME IN WHICH CLAIMS MUST BE BROUGHT UNDER APPLICABLE LAW OR THIS AGREEMENT, WHICHEVER EXPIRES EARLIER. THE PARTIES FURTHER AGREE THAT IN CONNECTION WITH ANY SUCH ARBITRATION PROCEEDING EACH SHALL FILE ANY COMPULSORY COUNTERCLAIM (AS DEFINED BY RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES WITHIN THIRTY (30) DAYS OF THE DATE OF THE FILING OF THE CLAIM TO WHICH IT RELATES. ANY SUCH CLAIM WHICH IS NOT SUBMITTED OR FILED AS DESCRIBED ABOVE WILL BE FOREVER BARRED. THIS PROVISION SHALL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO AND NOTWITHSTANDING EXPIRATION OR TERMINATION OF THIS AGREEMENT.

FRANCHISOR AND FRANCHISEE AGREE THAT ARBITRATION SHALL BE CONDUCTED ON AN INDIVIDUAL, NOT CLASS-WIDE BASIS, AND THAT AN ARBITRATION PROCEEDING BETWEEN THE FRANCHISOR AND ITS AFFILIATES AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES AND FRANCHISEE (AND/OR FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES AND EMPLOYEES, IF APPLICABLE) MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN THE FRANCHISOR AND ITS AFFILIATES AND ANY OTHER PERSON, NOR SHALL THE ARBITRATOR OR COURT BE EMPOWERED TO ORDER SUCH CONSOLIDATION.

C. **COSTS AND ATTORNEYS FEES**. IF A CLAIM FOR AMOUNTS OWED BY FRANCHISEE TO THE FRANCHISOR OR ITS AFFILIATES IS ASSERTED IN ANY LEGAL PROCEEDING BEFORE A COURT OF COMPETENT JURISDICTION OR AN ARBITRATOR, OR IF THE FRANCHISOR OR FRANCHISEE ARE REQUIRED TO ENFORCE THIS AGREEMENT IN A JUDICIAL OR ARBITRATION PROCEEDING, THE PARTY PREVAILING IN SUCH PROCEEDING SHALL BE ENTITLED TO RECOVER FROM THE OTHER ITS COSTS AND EXPENSES, INCLUDING WITHOUT LIMITATION, ARBITRATION FEES, COURT COSTS, FEES FOR IN-HOUSE OR OUTSIDE ATTORNEYS AND PARALEGALS, MANAGEMENT PREPARATION TIME, EXPERT WITNESS FEES, COLLECTION AGENCY FEES, ACCOUNTING FEES AND ARBITRATOR FEES, WHETHER INCURRED PRIOR TO, IN PREPARATION FOR OR IN CONTEMPLATION OF THE FILING OF SUCH PROCEEDING. IF THE FRANCHISOR IS REQUIRED TO ENGAGE A COLLECTION AGENCY OR LEGAL COUNSEL IN CONNECTION WITH ANY FAILURE BY FRANCHISEE TO PAY WHEN DUE AMOUNTS DUE THE FRANCHISOR OR TO SUBMIT WHEN DUE ANY REPORTS, INFORMATION, OR SUPPORTING RECORDS, OR IN CONNECTION WITH ANY FAILURE TO OTHERWISE COMPLY WITH THIS AGREEMENT, FRANCHISEE SHALL REIMBURSE THE FRANCHISOR FOR ANY OF THE ABOVE LISTED COSTS AND EXPENSES INCURRED BY IT.

D. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY (I) ACTUAL DAMAGES SUSTAINED BY IT AND (II) TRADEMARK LAW TREBLE DAMAGES. THE FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

E. **LIMITATION OF CLAIMS**. EXCEPT FOR CLAIMS ARISING FROM UNDERREPORTING OF GROSS REVENUES BY FRANCHISEE OR NONPAYMENT AMOUNTS OWED BY FRANCHISEE TO THE FRANCHISOR OR ITS AFFILIATES PURSUANT TO THIS AGREEMENT, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR RELATIONSHIP OF THE FRANCHISOR OR FRANCHISEE IN CONNECTION WITH FRANCHISEE'S OPERATION OF THE FRANCHISED RESTAURANT SHALL BE BARRED UNLESS AN ACTION OR PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE OF THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIMS.

F. **GOVERNING LAW/CONSENT TO JURISDICTION**. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATE TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTION 1051 ET SEQ.) AND EXCEPT THAT ALL ISSUES RELATING TO ARBITRABILITY OR THE ENFORCEMENT OR INTERPRETATION OF

THE AGREEMENT TO ARBITRATE SET FORTH IN THIS SECTION SHALL BE GOVERNED BY THE UNITED STATES ARBITRATION ACT (9 U.S.C. SECTION 1 ET SEQ.) AND THE FEDERAL COMMON LAW RELATING TO ARBITRATION, THIS AGREEMENT AND THE FRANCHISE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS (WITHOUT REFERENCE TO ITS CHOICE OF LAW AND CONFLICT OF LAW RULES).

25. GENERAL CONDITIONS

A. This Agreement shall be binding upon the parties and their respective executors, administrators, heirs, assigns and successors in interest. Time is of the essence of this Agreement and all provisions shall be so interpreted. If any applicable law or rule requires a greater prior notice of the termination of or election not to renew this Agreement, or the taking of some other action than is required under this Agreement, the prior notice or other requirements required by this law or rule shall be substituted for the requirements of this Agreement. The obligations and authorizations hereunder shall be joint and several. The invalidity of any provision of this Agreement shall not impair the validity of any other provision. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, that provision will be deemed severable and this Agreement may be enforced with that provision severed or as modified by the court. In the case of any questions of ambiguity relating to any provisions contained herein, there shall not be any construction against the drafter of the document. The preamble and recitals set forth above are hereby incorporated into and made a contractual part of the covenants of this Agreement. The exhibits referred to in this Agreement are attached hereto, made a part hereof, and are incorporated herein by reference.

B. The headings and captions in this Agreement are inserted for convenience only and shall not constitute a part hereof or affect the construction or interpretation of any provision of this Agreement. Whenever required by context, the masculine pronouns shall include the feminine and neuter genders and the singular shall include the plural and vice versa. No waiver of or failure to enforce any of the provisions, terms, conditions, or obligations herein by any party shall be construed as a waiver of any subsequent breach of such provision, term, condition, or obligation of this Agreement or of any other provision, term, condition, or obligation hereunder, whether the same or different nature. Subsequent acceptance by the Franchisor of the payments due it hereunder shall not be deemed to be a waiver by the Franchisor of a preceding breach by Franchisee. If there develops a custom or practice which is at variance with the terms of this Agreement, the Franchisor will not be deemed to have waived its right to demand exact compliance with any of the terms of this Agreement at a later time. Franchisee acknowledges that the Franchisor has, and will in the future enter into license or Franchise

Agreements with third parties pursuant to which such third parties are licensed to use the Marks and otherwise receive the benefits of the Gelsosomo's Pizzeria® System (the "Other Agreements"). Franchisee acknowledges that the provisions of the Other Agreements have or may vary substantially from those contained in this Agreement. No action taken by Franchisor with respect to any one or more of the Other Agreements or any party thereto shall create a course of conduct which may be relied upon or asserted by Franchisee under this Agreement as a modification to this Agreement or otherwise. Franchisor shall not bear any liability whatsoever to Franchisee under this Agreement by reason of Franchisor's failure to waive any of the provisions of this Agreement, or to give a consent or approval hereunder even though Franchisor may have waived such provisions or similar provisions or given similar consents or approvals under any one or more of the Other Agreements. The rights of the Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by the Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Franchisor or Franchisee of any other right or remedy hereunder or which the Franchisor or Franchisee are entitled by law to enforce. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement. The parties agree to do or cause to be done all acts or things necessary to implement and carry into effect this Agreement to its full extent.

C. If by virtue of the community property laws of any state, Franchisee's spouse is deemed to have any property interest in this Agreement, Franchisee's ownership interest, or the Franchised Restaurant, the Franchisor will have the right to require Franchisee's spouse to consent and join in all of the terms and conditions of this Agreement, any related agreements and any amendments thereto.

D. This Agreement contains the sole and only agreement between the parties as to the matters, privileges, rights, titles, interests, duties, obligations, and performances herein set forth, all prior negotiations, verbal or written, being integrated herein and hereby, and same shall only be changed, altered, modified, amended, supplemented or notated by a writing signed by all the parties hereto. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Nothing in this or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

26. ACKNOWLEDGMENTS

Franchisee hereby acknowledges that Franchisee received the Franchisor's Franchise Disclosure Document at or prior to Franchisee's first personal meeting with Franchisor and at least fourteen (14) business days prior to the signing of this Agreement. Franchisee further acknowledges that Franchisee received a copy of this Agreement and any related agreements at least five (5) business days prior to signing them. Franchisee acknowledges that Franchisee has read and understood the Franchise Disclosure Document and this Agreement. Franchisee acknowledges that Franchisee has had the time and opportunity to obtain the advice and assistance of independent attorneys, accountants and other professional advisors and that all of Franchisee's questions regarding the Franchised Restaurant have been answered to Franchisee's satisfaction prior to Franchisee's signing of this Agreement. Franchisee acknowledges that Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at all Gelsosomo's Franchised Restaurants in order to protect and preserve the goodwill of the Marks. Franchisee acknowledges that Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognized that, like any other business, the nature of the business conducted by Gelsosomo's Pizzeria may evolve and change over time, that an investment in a Gelsosomo's Pizzeria involves business risks and that the success of the venture is largely dependent upon Franchisee's business abilities and efforts. Franchisee acknowledges that neither Franchisor nor any of its agents has made any oral, written or visual representations or projections of actual or potential sales, costs, earnings, income, gross or net profits or success of the business venture contemplated by this Agreement, other than as provided in the Franchisor's Franchised Disclosure Document. Franchisee acknowledges that Franchisee has not received or relied on any representations about the franchise by Franchisor, or its officers, directors, employees or agents, that are contrary to the statements made in Franchisor's Franchise Disclosure Document to the terms herein. Franchisee acknowledges that in all of Franchisee's dealings with Franchisor, the officers, directors, employees and agents of Franchisor act only in a representative capacity, not in an individual capacity. Franchisee further acknowledges that this Agreement and all business dealings between Franchisee and such persons as a result of this Agreement are solely between Franchisee and Franchisor. Franchisee acknowledges that Franchisor reserves the right, without accountability to Franchisee, to receive and retain commissions, rebates, allowances and other similar amounts received by Franchisor from any supplier who has been approved by Franchisor from time to time in connection with the supply of goods, fixtures, furnishings, equipment, signs and other products of service for the Franchised Restaurant. Franchisee acknowledges that the covenants not to compete set forth in this Agreement are fair, reasonable and will not impose any undue hardship on

Franchisee, since Franchisee has other considerable skills, experience and education which afford Franchisee the opportunity to derive income from other endeavors. Franchisee affirms that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, with Franchisee expressly acknowledging that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first above written.

GELSOSOMO'S FRANCHISE CORPORATION	**FRANCHISEE**
By:______________________________________	**By:_____________________________________**
Title:_____________________________________ **Authorized Signature**	**Print Name:_____________________________**

TO THE GELSOSOMO'S FRANCHISE AGREEMENT
DATED:_______________________________________
BETWEEN THE UNDERSIGNED PARTIES

As provided in the above Franchise Agreement, the following information is now available and is hereby specified for inclusion in Section 1 of the Franchise Agreement.

1. **Franchise Location:** The franchise location of the Gelsosomo's Pizzeria is:

2. **Territory**: The Territory is the geographical area described as follows:

Political boundaries described above shall be considered fixed as of the date of this Agreement and shall not change for the purpose hereof notwithstanding a political reorganization or change to such boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

GELSOSOMO'S FRANCHISE CORPORATION	**FRANCHISEE**
By:_______________________________________	**By:_______________________________________**
Title:_____________________________________ **Authorized Signature**	**Print Name:_____________________________**

Illinois Addendum to the Franchise Agreement

Illinois law governs the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchise, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

FRANCHISEE

By: ___________________________________

Printed Name: _____________________________

<u>Illinois Addendum to the Franchise Disclosure Document</u>

Illinois law governs the Franchise Agreement(s).

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State Effective Dates

The following states have franchise laws. . . . .

State	Effective Date
Illinois	April 28, 2022
Indiana	December 3, 2020

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit 3

RECEIPT

This disclosure document summaries certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Gelsosomo's Franchise Corporation offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with proposed franchise sale.

If Gelsosomo's Franchise Corporation does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the Office of the Attorney General of Illinois, 500 South Second Street, Springfield, Illinois 62706.

The person authorized to offer this financial opportunity is Thomas R. Gelsosomo, 317 North Shelby Street, Hobart, IN 46342; (219) 942-0826.

This disclosure document was issued April 28, 2023.

I received a disclosure document dated April 28, 2023 which included the following exhibits:

- Audited financial statements for fiscal years ending December 31, 2022, December 31, 2021, December 31, 2020; and the Individual Franchise Agreement (License Agreement).

Date: ____________________________ ____
Signature

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Signature

How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information on Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business/	Item 21 or Exhibit 1 includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company7-owned and franchised outlets
Will my business be the only Gelsosomo's Pizzeria business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Gelsosomo's Pizzeria franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

<u>Special Risks to Consider About *This* Franchise</u>

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

<u>Mandatory Minimum Payments.</u> You must make mandatory minimum royalty payments regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

<u>Supplier Control</u>. You must purchase all or nearly all of the inventory & supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.