FRANCHISE DISCLOSURE DOCUMENT

Giovanni's Franchise Services Inc.
A Kentucky corporation
715 Greenup Avenue
Ashland, Kentucky 41101
(800) 955-9055
www.giovannispizza.com
tom@giovannispizza.com

Giovanni's Franchise Services Inc. offers franchises to operate a Giovanni's® Pizza Restaurant, which serves pizza, salads, sandwiches, and other items in a casual dining setting, some using proprietary sauces, ingredients, and recipes. The total investment necessary to begin operation of a Giovanni's Pizza Restaurant franchise ranges from $112,500 to $224,000, excluding the cost of real estate and improvements. This includes an initial fee of $15,000 plus an opening assistance fee of $5,000 that must be paid to the franchisor or its affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Tom Lemaster at 715 Greenup Avenue, Ashland, Kentucky 41101, via e-mail at tom@giovannispizza.com or by phone at (800) 955-9055

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

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

There may also be laws on franchising in your state. Ask your state agencies about them.

The Issuance Date of this Disclosure Document is April 29, 2023.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
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 C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Giovanni's 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 Giovanni's franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	Those questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” to see whether your state requires other risks to be highlighted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

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Exhibits

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, we will use the words, "Giovanni's", "GFS", "we," "us" and "our" when referring to Giovanni's Franchising Services, Inc. We will use the words "you" and "your" when referring to the individual or business entity that buys a Giovanni's Pizza Restaurant franchise. The words "you" and "your" do not include any individual or business entity which owns an interest in you. We will require all individuals and business entities that own an interest in you to guarantee your obligations to us.

Franchisor, and any Parents, Predecessors, and Affiliates

We are a Kentucky corporation formed on January 5, 2023. We have our principal business office at 715 Greenup Avenue, Ashland, Kentucky 41101. We presently do business under the name Giovanni's Franchise Services Inc. ("GFS"). We previously operated as Giovanni's Franchise Systems, Inc. ("GFSI"), a Kentucky corporation formed on January 1, 1985, with which we are affiliated by common ownership. We acquired certain assets of GFSI including the right to franchise and operate the Giovanni's Pizza Restaurant franchise system in February 2023, after the date of our initial balance sheet presented in Item 21.

Giovanni's Franchise Systems, Inc. acquired the right to use the Giovanni's name and trademarks in 1985 from Giovanni's Pizza, Inc. ("GPI"), a Kentucky corporation formed in 1969, whose principal business office is located at 715 Greenup Avenue, Ashland, Kentucky 41101. We license the Giovanni's name and trademarks from GPI. See Item 13. We are affiliated with GPI by common ownership.

GPI serves as an approved supplier of products for Giovanni's Pizza Restaurants and as the sole supplier of certain specified products. See Item 8. The name and address of our agents for service of process in Kentucky and certain other states appear at Exhibit D to this Disclosure Document.

We do not own or operate any Giovanni's Pizza Restaurant. We conduct no business activities other than franchising of the Giovanni's Pizza Restaurant brand.

The Business and Franchises Offered

We offer you the opportunity to operate a franchised restaurant (a "Giovanni's Pizza Restaurant" or a "Franchised Restaurant") at a single, defined location (the "Franchised Location") identified with our proprietary marks, including the name and mark "Giovanni's" (the "Marks") and using trade dress, products, presentation styles and services, and unique methods of operation, identification, décor, furnishing, equipment, training, service, production, technology, marketing, advertising, promotion and development (collectively, the "System") under a Franchise Agreement you sign with us.

A Giovanni's Pizza Restaurant is a full-service, family-style, pizza restaurant, serving lunch and dinner. The menu includes pizza, pasta, submarine sandwiches, appetizers, salads, and desserts. A typical Giovanni's Pizza Restaurant has approximately 1,200 to 4,000 square feet with seating for up to 100 customers and employs approximately 10 to 40 individuals. Delivery service is optional on the part of the franchisee but encouraged within a reasonable distance from the Franchised Restaurant. Catering service is also optional. Giovanni's Pizza Restaurants generally do not serve alcoholic beverages, but may do so after first obtaining our consent, which we may grant or withhold in our sole discretion or may condition on certain modifications to the Franchised Restaurant. We generally do not permit any Franchised Restaurant to have a bar or lounge area, although some locations have a bar area.

We may also franchise operators of retail and institutional food service venues to operate a "Nontraditional Concept Restaurant" in an access-controlled host facility location such as airports and transportation centers, sports and entertainment venues, college dining halls, hospital cafeterias, mall food courts, and in-plant cafeterias ("Host Facilities"). A Nontraditional Concept Restaurant may be designated as a "Giovanni's on The Fly" location for branding and signage purposes if it offers a limited menu, and will be authorized to offer a menu that varies from our standard Restaurant menu with our prior approval, share seating and beverage dispensing with other restaurant counters, offer service hours to match the traffic and access in the host facility, have server uniforms that match uniforms worn by other food servers at the Host Facility, and have limited use of Mark-bearing signage and other System elements. Nontraditional Concept Restaurants are offered primarily to operators ("Qualified Operators") of food service facilities in Host Facilities that will supply their own training, inspection, supervision, and quality control functions. If a Qualified Operator does not have an exclusive arrangement within a Host Facility located within your Protected Area, all of your Franchise Agreements with us are in good standing and all of your Franchised Restaurants have achieved an average score of at least 95% over the last 3 quality assurance inspections, then you will have a right of first offer to submit a franchise application to operate a Nontraditional Concept Restaurant in the Host Facility before we accept a franchise application from a third party.

Market and Competition

The consumer market for a Giovanni's Pizza Restaurant consists primarily of customers who patronize casual and family-style restaurants—a highly developed and very competitive market. As a Giovanni's franchisee, you will have to compete with numerous other businesses offering similar food items, including an unknown number of individually owned restaurants.

Regulations

You will have to comply with all federal, state, and local laws and regulations which apply generally to all businesses, and health and sanitation codes that apply to restaurants generally. These may include laws governing display of nutritional information and limiting the use of trans-fats in preparation of food prepared or served on-premises. If you serve alcoholic beverages, you must comply with licensing and service requirements. Under the Food, Drug & Cosmetic Act and related regulations of the Federal Food & Drug Administration, restaurant chains with 20 or more locations are required to list calorie content information for standard menu items on restaurant menus and menu boards. Other nutrition information – total calories, fat, saturated fat, cholesterol, sodium, total carbohydrates, sugars, fiber, and total protein – must be made available in writing upon request. These menu labeling requirements went into effect on May 7, 2018. Our web site provides nutrition information on our standard menu items. We encourage you to make additional inquiries into those laws and regulations and obtain the assistance of legal counsel to understand your obligations to provide nutritional information.

Regulations that apply generally to business include, without limitation, the Americans with Disabilities Act (ADA), the Fair Labor Standards Act (FLSA), rules and regulations of the Equal Employment Opportunity Commission (EEOC) and the Occupational Safety and Health Administration (OSHA), the Digital Millennium Copyright Act, regulations governing multi-media messaging service (MMS), short message service (SMS), emails and telemarketing, the payment of license fees, general business rules and regulations, and any advertising or content related rules and regulations.

Your Giovanni's Pizza Restaurant must accept credit cards and will be obligated to comply with the Payment Card Industry Data Security Standard. The Standard includes 12 requirements for any business that stores, processes, or transmits payment cardholder data. For more information see https://www.pcicomplianceguide.org/.

If we authorize your Franchised Restaurant to serve alcoholic beverages, you must qualify for and obtain licenses to sell these alcoholic beverages at your Franchised Restaurant, then operate in compliance with beverage laws and regulations. Your manager and servers may need to be licensed to serve alcoholic beverages. You should consult with your legal counsel regarding these laws and regulations.

It is your sole responsibility to determine if there are any legal requirements with which you must comply and business issues that might impact the operation and financial performance of your Giovanni's Pizza Restaurant. Neither we, nor our affiliates, will be responsible for ascertaining your initial and continuing legal responsibilities. It is your responsibility, on an on-going basis, to investigate and satisfy all local, state, and federal laws and regulations since these can vary from place to place and can change over time.

Prior Business Experience

None of GFSI, GPI, GFS or we have ever operated a pizza restaurant. GFSI offered Giovanni's Pizza Restaurant franchises from January 1985 until January 2023. GPI offered Giovanni's Pizza Restaurant franchises from 1969 to January 1985 and assigned those franchise agreements (28 in total) to GFSI in June 2004. GFSI assigned and we assumed all Giovanni's Pizza Restaurant franchise agreements in February 2023. As of the date of this Disclosure Document, we serve as the franchisor for 98 Giovanni's Pizza Restaurants. Neither we, GFSI, nor GPI has ever offered franchises in any other line of business.

ITEM 2

BUSINESS EXPERIENCE

President and Chief Executive Officer, Director: Tom Lemaster

Tom Lemaster has served as our Chief Executive Officer of us since January 2023, and of GPI since January 1997 and of GFSI from January 1997 until February 2023. He has also served as Treasurer and one of the directors of GFSI from January 1985 until February 2023. Mr. Lemaster previously served as the Director of Operations of GPI from March 1990 until March 2018. He has also served as the

President of Vicki's Leasing, Inc., Ashland KY, an equipment rental and leasing business that operates GPI's distribution truck fleet, since January 1997.

Vice President and Director: Nancy Lemaster

Nancy Lemaster has served as our Vice President and one of our directors since our formation in January 2023. She served in the same offices for GFSI from January 1985 until February 2023. She also has served as a Vice President and a director of GPI since January 1970. She has served as the Treasurer of Vicki's Leasing, Inc. since January 1980.

Secretary and Director: Vicki Lemaster Bruce

Vicki Lemaster Bruce has served as our Secretary and one of our directors since our formation in January 2023. She served in similar offices for GFSI from January 1985 until February 2023. She has been employed at GPI as an accounting and customer service manager since January 1985. She has been the Secretary of Vicki's Leasing, Inc. since January 1997.

Franchise Director: Dave Grant

Dave Grant has served as our Franchise Director and Training Supervisor since January 2023 and served in a similar office for GFSI from January 1994 until February 2023. Mr. Grant consults with franchisees, manages the franchise selection and development process and oversees quality control for all Giovanni's branded food products.

Vice President of Operations: Brent Cordial

Brent Cordial has been our Vice President of Operations since January 2023. He served as Vice President of Operations for GPI since March 2003, and for GFSI from March 2003 until February 2023. Mr. Cordial consults with franchisees and supervises operations of GPI and us.

Director of Operations: Stephen Thacker

Stephen Thacker has served as our Director of Operations since January 2023. He served in the same office for GFSI from July 2010 until February 2023. Mr. Thacker manages the daily operations of GPI and the FDA compliance, food safety hazard control and product quality control inspections for us and for GPI.

Director of Franchise Development: David Perry

David Perry has been our Director of Franchise Development since January 2023. He served as Director of Franchise Development for GFSI from October 2015 until February 2023. Mr. Perry supervises technology development and deployment and consults with franchisees for us.

Operations Manager: Ken Kosobud

Ken Kosobud has served as our Operations Manager since January 2023, after serving in the capacity for GFSI from August 2021 until February 2023. He has been a purchasing manager for GPI since 2022. Prior to joining GFSI, he was a reactor operator for Franklin International, Inc., a chemical manufacturer in Columbus, OH, from August 2018 until June 2021, and a Site Lead for Pick N Pull, an auto parts store in Columbus, OH from August 2017 until July 2018. Mr. Kosobud provides training, monitors compliance with standards by franchisees and manages menu development and purchasing.

Franchise Support and Training Manager: Kevin Tredway

Kevin Tredway has served in his role as Franchise Support and Training Manager for us since January 2023. He served in the same role at GFSI from May 2022 until February 2023. Before joining GFSI, he was the general manager of several Bob Evans restaurants in Ohio, Kentucky, and West Virginia from December 2019 until January 2022, the Assistant Manager of Speedway convenience stores in Ohio and West Virginia from March 2019 until November 2019, and the general manager of Cinemark movie theatres in Kentucky, Indiana, Tennessee, North Carolina, and West Virginia from March 1993 until February 2019. Mr. Tredway manages training and support and franchisee compliance with standards and consults with franchisees.

All of these positions are located at our offices in Ashland, Kentucky.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

When you sign a Franchise Agreement for a Giovanni's franchise, you must pay a non-refundable initial franchise fee of $15,000. Under most circumstances the amount of the initial franchise fee will not vary. We may negotiate the amount of the initial franchise fee when business circumstances warrant, particularly for franchisees opening additional locations after the first location they own is open and operating. In 2022, we collected initial franchise fees of $15,000 in one transaction, and $1,000 in another transaction from a franchisee purchasing his second franchise, discounted to incentivize the location as a trial of a new concept.

Before opening your franchised Giovanni's Pizza Restaurant, you must pay us a non-refundable opening assistance fee of $5,000 due at the end of the first week of operations for the on-site opening assistance that we provide. You must also reimburse us for our expenses, including our travel, accommodations, meals, applicable portions of salaries of individuals, and other incidental expenses, to provide this opening assistance. Under most circumstances the amount of the opening assistance fee will not vary. We may negotiate the amount of the opening assistance fee when business circumstances warrant, particularly for franchisees opening additional locations after the first location they own is open and operating. In 2022, we charged one opening assistance fee of $4,000, the full amount of the fee at that time prior to the fee increasing to $5,000 effective Jan 1, 2023.

A non-refundable transfer fee equal to half of the then-current standard initial franchise fee is payable to us if you transfer a controlling equity interest in the franchisee or transfer the franchise to an unrelated third party who will operate the Giovanni's Pizza Restaurant. See Items 6 and 17. The amount of the transfer fees we receive may vary based on prior versions of the franchise agreement where transfer fees differed from the current form. In 2022, we received two transfer fees of $5,000 each, and one transfer fee of $2,500.

ITEM 6

OTHER FEES

Type of Fee	**Amount**	**Due Date**	**Remarks**
Royalty Fee (Note 1)	1% of Gross Sales; up to five percent (5%) of Gross Sales if you default and fail to cure	10th Day of Each Month	Paid monthly based on Gross Sales during the previous month. If you default under the Franchise Agreement and fail to cure when required, we reserve the right to reset your Royalty rate to up to 5% of Gross Revenues on written notice to you for a period of up to one year after you cure the default. If you default again and fail to cure when required, we may extend the rate increase for an additional one year period
Additional Training Fee (Note 2)	$70 Per Hour Per Trainer	When Invoiced	Payable for initial training for up to three additional people or for additional training after initial training, as requested by franchisee

Marketing Fund Contribution	None	10th Day of each Month	We may institute and administer a Marketing Fund in the Future to which each Giovanni's Pizza Restaurant must contribute an amount we set up to 2% of Gross Sales. We will notify franchisees when we activate the Fund and then may change the Contribution rate once annually
Audit Fee (Note 3)	Cost of Audit	When Invoiced	Payable if you understate Gross Sales by 3% or more
Transfer Fee (Note 4)	50% of Initial Franchise Fee we charge at the time of Transfer, currently $7,500	Upon Transfer	Payable if you transfer a controlling equity interest in the franchisee or transfer ownership or operation of the Franchised Restaurant
Late Charge (Note 5)	Maximum Legal Rate	When Invoiced	Accrues from due date until payment
Indemnification (Note 6)	Variable	When Invoiced	Paid to cover costs of third-party claims against us arising from operation of your Giovanni's Pizza Restaurant
Repeated Training Fee	Cost of re-training ($70 Per Hour Per Person), plus travel, lodging, meals	As incurred	Payable if we must retrain employees after a standards failure

All fees are imposed by and are paid to us. All fees are non-refundable. Except as noted below in Notes 1 and 2 below, all fees are uniformly imposed and collected.

Note 1. Royalty Fee. Your royalty fee will equal 1% of your Gross Sales. The phrase "Gross Sales" means all amounts accrued as revenue for goods, merchandise or services sold at, through, or from your Franchised Restaurant, including revenues from on-premises food and beverage sales, take-out, catering, and other on-site and off-site sales, and revenue from amusement devices on-premises, unless exempted by us, excluding any sales tax or other similar taxes collected by you from customers based upon sales, and excluding any cash collected as payment in credit transactions where the extension of credit itself has previously been included in a Gross Sales total. Your royalty fee is due by the 10th day of each month based on your gross revenues for the preceding month. We reserve the right to waive the royalty fee for any month, in our sole discretion, to require you to use those funds for capital expansion, advertising campaigns, promotion programs, and other uses that will strengthen the Giovanni's brand name. Our waiver of any portion of your royalty fee for any period of time will not limit our right to reinstate or require the payment of the royalty fee accruing in future time periods at a later time. If you fail to comply with our requirement under the Franchise Agreement that you purchase all food, paper, and packaging products necessary to operate the Franchised Restaurant, other than produce, soda, chips, and approved alcoholic beverages from an exclusive designated supplier, or if you otherwise fail to offer any required items or services or to comply with any Giovanni's standard, and you fail to cure such default when required, then as an alternative to our termination right, we reserve the right to reset your Royalty rate up to five percent (5%) of Gross Sales of the Franchised Restaurant on written notice to you for a period of 1 year after you cure the default. If you default again for any reason and fail to cure when required, we may extend the rate increase for an additional 1-year period. The increased Royalty Fee would apply to all Gross Sales accruing during the month in which the expiration of the cure period occurs. If the Franchisee cures the breach and passes the next follow-up evaluation, the Royalty Fee will reset to the original rate and apply to Gross Sales accruing on and after the day after the cure date.

Note 2. Additional Training Fee. We will provide you or your equity interest owners (the "Managing Owner") and, if we so request, a designated restaurant manager (the "Manager"), with up to seven days of training in the methods, procedures, and techniques of operating your Giovanni's Pizza Restaurant at no charge. We will provide initial training to up to three (3) additional persons for a cost of $70 per hour per trainer if you so request. You must pay all of the compensation costs, travel and living expenses of your attending trainees incurred for initial training. After you and any designated manager we require have completed initial training, if you so request, we may provide you with additional training to you at a location we designate. Any such additional training would be separate from pre-opening and opening assistance and not included in that fee. We currently charge $70 per hour for any additional training requested by you after the initial training, based on our trainer's actual hours on-site at your location. We may update this training fee hourly rate once annually in the Operations Manual.

Note 3. Audit Fee. We have the right to audit your books at all reasonable times. If we find your actual Gross Sales exceeded your reported Gross Sales by 3% or more, you must reimburse us for all of our costs of the audit, including travel, lodging and compensation.

Note 4. Transfer Fee. You or the transferee must pay us a transfer fee equal to 50% of the then current initial franchise fee for any approved transfer of your Giovanni's Pizza Restaurant franchise to an unrelated third party.

Note 5. Late Charges. If you fail to make any payment when due, you must pay us interest at the maximum amount allowed by law.

Note 6. Indemnification. You must defend, indemnify, and hold us harmless from and against any claims asserted against us resulting from the operation of your Giovanni's Pizza Restaurant, including costs of investigation, defense, and resolution.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT					
TYPE OF EXPENDITURE	**LOW AMOUNT**	**HIGH AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Initial Franchise Fee	$15,000	$15,000	Lump Sum	Upon Signing	Us
Training Expenses (Note 1)	0	$5,000	As Incurred	During Training	Us
Opening Assistance Fee	$5,000	$5,000	Lump Sum	As Invoiced	Us
Real Estate	Note 2	Note 2	Lump Sum	As Arranged	Landowner or Lessor
Real Estate Improvements	Note 3	Note 3	Lump Sum	As Arranged	Contractor(s)
Equipment and Signage (Note 4)	$70,000	$150,000	Lump Sum	As Arranged	Suppliers
Miscellaneous Opening Costs (Note 5)	$7,500	$12,500	As Incurred	As Incurred	Suppliers
Opening Inventory (Note 6)	$6,000	$14,000	Lump Sum	As Arranged	Distributor(s)/Us
Additional Funds - 3 Months (Note 7)	$10,000	$25,000	As Incurred	As Incurred	Suppliers
Point-of-Sale, and Managed Phone and Camera Systems (Note 8)	$1,800	$3,500	Lump Sum	As Agreed	Suppliers
Point-of-Sale, and Managed Phone and Camera Systems (Note 8)	$850	$1,250	ACH As Incurred	Monthly	Designated Vendors
TOTAL	**$121,150**	**$256,250**			

We have relied on the experience of our franchisees in opening their franchised Giovanni's restaurants and our own investigations into costs in order to compile the foregoing estimates. All payments to us are non-refundable. Any payments to third parties are subject to the refund policies of those third parties. We do not offer financing directly or indirectly for any part of the initial investment. We do not estimate the cost of a Nontraditional Concept location because its cost will be affected by too many variables and local conditions.

Notes

Note 1. Training Expenses. You must pay all of the travel and living expenses you or your designee may incur to attend the initial training we require.

Note 2. Real Estate. The estimated initial investment set forth above does not include the costs of site selection, land acquisition (by purchase or lease), land preparation and other land improvements, or any associated financing costs. You will have responsibility for buying or leasing the real estate on which you intend to locate your Giovanni's Pizza Restaurant. The cost of the real estate will vary greatly from location to location, and we cannot estimate the acquisition cost or lease rent because of the wide variance involved. The typical size lot for a Giovanni's Pizza Restaurant generally contains between 4,000 and 20,000 square feet and is located in an urban area on a major thoroughfare or in a suburban area close to a shopping mall or arterial highway.

Note 3. Real Estate Improvements. The estimated initial investment set forth above does not include the cost of any real estate improvements. Those costs will vary depending on a variety of factors, including geographic location, size of restaurant, and whether the improvements constitute new construction or the conversion of an existing structure. The typical Giovanni's Pizza Restaurant building contains between 1,200 and 4,000 square feet. The table assumes the development of a prototypical restaurant featuring a seating area for 50 customers of approximately 1,000 square feet, a service counter and food-preparation area of approximately 700 square feet, and a back office and storage space area of approximately 300 square feet.

Note 4. Equipment and Signage. Your equipment will include pizza ovens and ventilation units, refrigeration units, general food preparation equipment, dishwashing equipment, cleaning and sanitation equipment, storage units, customer serving booths or stations, point of sale stations and other equipment. A list of equipment required by us as of the Effective Date of your Franchise Agreement is attached as Appendix A.

Note 5. Miscellaneous Opening Costs. Your opening costs will include the costs of your initial insurance premiums, security and utility deposits, local licenses, pre-opening advertising and promotional activities, payroll for employee training, uniform purchases, and initial change fund.

Note 6. Opening Inventory. Your opening inventory will include pizza and other food products, soft drinks and other beverages, paper goods, small wares, and other miscellaneous items. If your Giovanni's Pizza Restaurant falls within one of our general service areas, as designated by us from time to time, you will be required to purchase certain items of inventory from our affiliate, GPI. Otherwise, you will be required to purchase certain items of inventory from one or more designated suppliers (see Item 8).

Note 7. Additional Funds. The amount set forth above represents an estimate of the amount of capital you will need to support the first three months of operations of your Giovanni's Pizza Restaurant. We have estimated these amounts and cannot guarantee that you will not have additional expenses starting your business. Your costs will depend on various factors, including how closely you adhere to our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your restaurant; the prevailing wage rate; competition; and your sales during the initial period. We have not estimated the impact of mandated increases in the Federal minimum wage on your payroll costs.

Note 8. Point-of-Sale System. The amounts for the point-of-sale system include the estimated costs of leasing an approved point of sale system, including back office equipment, touch-screen and tablet displays, remote and receipt printers, kitchen video displays, software licenses, and all other related components and peripherals. We currently contemplate that enhancements or upgrades will be made on an annual basis. The approved vendor of the hardware or software systems may charge you a fee for the enhancements and upgrades, or an annual maintenance contract fee that includes some or all of the enhancements and upgrades. The amount of such fee will depend upon your agreement with the vendor.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Approved and Designated Suppliers

You must follow the standards and specifications we establish from time to time with regard to the food products, packaging, advertising materials, systems, supplies, equipment, trade fixtures, and other items we require you to use for the installation and operation of your Giovanni's Pizza Restaurant. Other than those items that you must purchase from a designated supplier or us, as described below, you may purchase products from any approved supplier as long as we approve the products.

Under the Franchise Agreement, we have the right to require you to purchase certain proprietary products, which we term "Special Items." You must purchase these items only from us, GPI or another affiliate or supplier designated by us. We have adopted this requirement to protect the confidential recipe for the ingredients and methods of preparation for those products, as well as to promote uniformity and to control quality throughout the Giovanni's system. Our Special Items currently consist of the following products:

- Giovanni's Sauces (Pizza, Pasta, Wing Sauces and Garlic Sauce and Pizza Sauce Dipping Cups)
- Giovanni's Pizza Toppings (Meat, Vegetable, and Fruit)
- Giovanni's Pizza Dough (Bag and Frozen)
- Giovanni's Salad Dressings and Oils
- Giovanni's Spices (for use in menu items such as Cheese Breadsticks, Cinnamon Sticks, Cinnamon Snazzy, Garlic Bread, Pizzas, and Dressings)
- Giovanni's Cheeses (Block, Roll, Grated and Sliced)

- Giovanni's Paper and Packaging Goods (Boxes, Bags, Wax Paper, Napkins, Cups, Plastic Salad Containers, Wing Containers, and Sandwich Wraps, Aluminum Foil Products and Portion Cups)
- Giovanni's Water, Tea, and Coffee
- Giovanni's Canned Goods (Tomato, Mushroom, Olives, and Banana Peppers)

A more detailed list of each type of the products listed above is attached to the Franchise Agreement. We reserve the right to change the list of Special Items during the term of your franchise, including the requirement for franchisees to exclusively purchase and sell a certain soda product line and to use a certain soda vendor. As of the Issuance Date of this Disclosure Document, we have approved GPI as the only supplier for all of the food, packaging, and paper products necessary to operate your Giovanni's Pizza Restaurant, with the exception of produce, soda, chips, and approved alcoholic beverages. Produce, soda, chips, and approved alcoholic beverages may be purchased from any supplier approved by us. We reserve the right to designate a supplier or product brand family for non-alcoholic beverages.

Insurance

Before you open your Giovanni's Pizza Restaurant, as a Giovanni's franchisee, you must obtain and maintain the type and amount of insurance coverage for your Franchised Restaurant as we specify in the Franchise Agreement, in the *Operations Manual* or otherwise in writing. You must obtain and maintain the specified insurance coverage during the term of the Franchise Agreement from a responsible carrier or carriers authorized to write coverage in your state having an A.M. Best rating of at least A-VI that we find acceptable. The type of coverage includes:

(1) Commercial General Liability coverage ($1 million single limit per occurrence; $2 million general aggregate limit, for both general liability and products /completed operations liability) for personal injury and property damage, including premises, independent contractors, products and completed operations, contractual, personal, and advertising liability, on an occurrence basis, with coverage on a 1986 or later ISO commercial general liability form policy;

(2) Workers' compensation insurance or legally appropriate alternative covering all employees and contractors working at the Franchised Restaurant for the statutory limits;

(3) If you choose to offer delivery services, Business Automobile Liability coverage (owned or non-owned, as applicable), minimum limit $1,000,000 per occurrence;

(4) Liquor Liability insurance (if applicable) (Minimum Limit $1 million); and

(5) Other insurance required by the state or locality of the Franchised Restaurant.

All of the liability insurance policies, other than Workers' Compensation, must name us and our officers, directors, members, shareholders, partners, and employees as additional insured and shall provide that the policy cannot be cancelled without thirty (30) days' prior written notice to us.

Except as we may specify in the *Operations Manual*, you may not purchase or lease from any source any other goods, services, supplies, fixtures, equipment, signs, inventory, or real estate relating to the establishment or operation of your Giovanni's Pizza Restaurant unless permission to do so has been granted in a submitted deviation request form that has been approved by us.

Required and Approved Suppliers

We will furnish you with a list of required equipment, supplies and other items, which you must use in the operation of your Giovanni's Pizza Restaurant. We also will provide you with a list of all approved suppliers and their respective approved products in the *Operations Manual* and/or in written or electronic communications to you. As we approve new or different suppliers and products, we will amend the list. Other than the goods and services which you must obtain from a designated supplier, as described above and/or in the *Operations Manual* or in other written or electronic communications to you, you may obtain the products and services necessary to operate your Giovanni's Pizza Restaurant from any approved supplier as long as the goods and services otherwise meet our standards and specifications.

Nancy Lemaster is the owner of GPI. Other than this ownership of GPI, no person in a position with management or decision-making authority with us directly owns an interest in an approved supplier from which such person derives income or financial benefit. This does not include ownership of any equity interest in a publicly traded supplier.

Approval of Alternative Suppliers

At your request, we may approve other qualified suppliers for the equipment and products described above. We currently have no formal procedure, time period, or written criteria for the approval of new suppliers, and we currently do not charge any fees to secure any approval. We have no obligation to consider or approve a request to allow another supplier to sell Special Items to any franchisee. If we establish written approved supplier criteria, we will make them available to you upon written request. We may condition our approval of a supplier on the supplier's agreement to comply with product quality standards, frequency of delivery, standards of service, and concentration of purchase requirements. We also may impose limits on the number of approved items and suppliers. We reserve the right to test supplies and inspect the premises of suppliers before granting our approval. We will not charge you any approval fees but you will have to reimburse us for our out-of-pocket costs and expenses of any inspection or testing. We may terminate our approval immediately if a supplier fails to satisfy its obligations under a supplier agreement.

We will formulate and modify our technology, product, and ingredient specifications and standards by reviewing each product on an individual basis, taking into consideration the manufacturer's ability to provide, on a consistent basis, quality products to you or your approved supplier in a timely manner. We generally will formulate specifications and standards based on quality, cooking times, yields, ease of preparation, and similar factors. We periodically may review each product and respective supplier to make sure that the supplier is following the specifications and standards we may adopt from time to time.

We may issue some of our product and ingredient specifications and standards to our approved suppliers under appropriate confidentiality restrictions, but not to our franchisees. We may undertake other steps to maintain trade secrets and confidentiality of proprietary recipes and formulations and other items.

Revenue from Franchisee Purchases

As of the Issuance Date, we derive no revenue or other material consideration from franchisee purchases. We may derive revenue from suppliers from franchisee purchases in the future in our sole discretion. During its last fiscal year ended December 31, 2022, our affiliate, GPI, received a total of approximately 99% in revenues from its sale of Special Item purchases by franchisees. GPI's total revenue for its fiscal year ended December 31, 2022 was $27.9 million. GPI's percentage of total revenues that came from required purchases by franchisees for the fiscal year ended December 31, 2022 was approximately $27.7 million.

Except as disclosed above, neither we nor any person affiliated with us derives any revenue from the required purchases set forth above or as a result of purchases or leases in accordance with our specifications or standards.

As of the Issuance Date, we do not receive payments from designated suppliers based on franchisee purchases, but we reserve the right to negotiate such arrangements in the future and will disclose such arrangements at that time.

Percentage of Total Purchases Represented by Required Purchases

All of your required purchases (which consist of items you must purchase from approved suppliers or in accordance with established specifications) will represent approximately 9% of your total opening expenses and approximately 38% - 41% of your total annual operating expenses.

Cooperatives

We currently do not have any required purchasing or distribution cooperatives in place as of the Effective Date but reserve the right to require you to participate in a national or regional approved purchasing cooperative for the area in which your Giovanni's Pizza Restaurant operates.

Negotiated Prices

We may, in our discretion, negotiate purchase arrangements or discounts for franchisees. We do not currently negotiate purchase arrangements or discounts on behalf of our franchisees and do not guarantee pricing, credit, or other terms of suppliers. We do not represent and cannot guarantee that any particular supplier arrangement negotiated by us will be available to you as the availability of these arrangements may vary depending on whether the supplier services the area in which your Giovanni's Pizza Restaurant will be located.

Material Benefits

We do not provide any material benefits to you if you obtain goods or services from approved suppliers. We reserve the right not to grant franchises or confer any other benefits to any franchisee, for any reason or no reason, which may include the failure of a Giovanni's franchisee to follow and support the System, including recommended approved supplier programs.

ITEM 9

FRANCHISEE'S OBLIGATIONS

Franchise Agreement

This table lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in that agreement and in other items of this Disclosure Document.

Obligation		Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	4.1 and 6.1	7 and 11
b.	Pre-opening purchases/leases	4	7 and 8
c.	Site development and other pre-opening requirements	4	7 and 11
d.	Initial and ongoing training	5, 6.1 and 7.4	6 and 11
e.	Opening	3.2 and 6.1	7 and 11
f.	Fees	2.2, 3 and 13.2	5 and 6
g.	Compliance with standards and policies/Operations Manual	4, 6, 7 and 9	8,11,14 and 16
h.	Trademarks and proprietary information	8	13 and 14
i.	Restrictions on products/services offered	6.2, 7.5 and 7.6	8 and 16
j.	Warranty and customer service requirements	None	11
k.	Territorial development and sales quotas	None	12
l.	Ongoing product/service purchases	7.5	8

Obligation		Section in Agreement	Disclosure Document Item
m.	Maintenance, appearance, and remodeling requirements	7	11 and 17
n.	Insurance	12.1 and 12.2	8
o.	Advertising	6.2 and 11	6, 11 and 17
p.	Indemnification	12.3	6 and 14
q.	Owner's participation/management/staffing	7.4 and 17.1	11 and 15
r.	Records and reports	3.4, 7.3, and 10	6 and 11
s.	Inspections and audits	3.4, 6.2, 7.3 and 10	6, 8 and 11
t.	Transfers	13	6 and 17
u.	Renewal	2	17
v.	Post-termination obligations	16	17
w.	Non-competition covenants	17.2 and 17.3	17
x.	Dispute resolution	18	17
y.	Other	N/A	N/A

ITEM 10

FINANCING

We do not offer, directly or indirectly, any financing arrangements to our franchisees. We do not have any past or present practice or intent to sell, assign or discount any note, contract or other instrument executed by our franchisees. We do not receive any direct or indirect payments for placing or arranging any financing for our franchisees. We do not guarantee your obligations to third parties.

ITEM 11

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

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

Pre-Opening Assistance

Before you open your Giovanni's Pizza Restaurant, we will:

(1) provide you with the standard plans, specifications and layouts for the equipment, decor, and signs for a Giovanni's Pizza Restaurant, which we make available to new franchisees. We may modify these materials in our sole discretion. Section 6.1(a) of the Franchise Agreement.

(2) loan you one copy of the *Operations Manual* containing the standards, specifications, procedures, and methods for operating a Giovanni's Pizza Restaurant. We may, at our option, provide you with access to the *Operations Manual* online instead of loaning a copy to you, provided that you must comply with any security and access restriction policies we attach as a condition to online access. Section 6.1(c) of the Franchise Agreement.

(3) provide up to three individuals with up to seven days of training in the standards, methods, procedures, and techniques of operating a Giovanni's Pizza Restaurant. We will provide that training to you (if you are an individual) or to one or more of your designated principals (if you are a corporation, partnership, limited liability company, other entity, or group of individuals) and to any designated restaurant manager you have hired. We will provide that training at our facilities in Ashland, Kentucky, or at a Giovanni's Pizza Restaurant designated by us. Sections 5.1 and 6.1(b) of the Franchise Agreement.

(4) provide you with the pre-opening and opening services of at least two individuals for up to seven days prior to the opening of your Giovanni's Pizza Restaurant. Section 6.1(d) of the Franchise Agreement.

Except as set forth above, we are not obligated to provide any assistance to you with (i) locating a site and negotiating its purchase or lease, (ii) conforming the premises to local ordinances and building codes, and obtaining any required permits, (iii) constructing, remodeling, or decorating the premises, (iv) hiring and training employees, (v) providing for necessary equipment, signs, fixtures, opening inventory and supplies. GPI supplies your opening inventory of Special Items.

Site Selection

We will not select the site for your Giovanni's Pizza Restaurant. You will have responsibility for selecting the site for your location. However, we have the right to accept or reject the site you select. When deciding whether to accept or reject a site, we will consider demographic evaluations, traffic patterns, physical site profiles, viable competition in the market area, and other factors. We do not provide any assistance in locating a site, negotiating the purchase or lease, conforming the premises to local codes and ordinances, obtaining permits, constructing, remodeling, or decorating, hiring, and training employees (except for the training we provide described in Training below), or providing for necessary equipment, signs, fixtures, opening inventory and supplies. We will not enter into a Franchise Agreement with you until an approved site has been selected and will not do so if we and you fail to agree on a site.

Typical Length of Time to Open

Based on the experience of our franchisees, we estimate that it will take approximately 90 to 180 days after the signing of the Franchise Agreement to renovate existing space and open a Giovanni's Pizza Restaurant. Construction of a free-standing restaurant will take considerably longer. Factors that may affect that time period include the time it takes to make any necessary financial arrangements, obtain required permits, design the space, order, and receive the equipment and inventory, obtain necessary labor and materials, and receive the necessary training.

Post-Opening Assistance

During the operation of your Giovanni's Pizza Restaurant, we will:

(1) provide you with the marketing materials and merchandising, marketing, and advertising research data and advice, which we may develop from time to time and deem helpful in the operation of your Giovanni's Pizza Restaurant. Section 6.2(a) of the Franchise Agreement.

(2) assist you in implementing promotions conducted before and after your Giovanni's Pizza Restaurant opens, in accordance with our policy at the time. Section 6.2(b) of the Franchise Agreement.

(3) establish standards and specifications for services and products offered at or through your Giovanni's Pizza Restaurant and for the uniforms, equipment, supplies, menus, recipes, ingredients, methods of preparation and service, services offered, weight and dimensions of products served, cleanliness, temperature, presentation, plating, aroma, attractiveness, health, and sanitation. We will also conduct inspections of your Giovanni's Pizza Restaurant or reviews of your point-of-sale or financial data as we may deem necessary. We may conduct these inspections and reviews without prior notice to you and shall perform them in a way that minimizes interference with the operation of your Giovanni's Pizza Restaurant. Section 6.2(c) of the Franchise Agreement.

(4) provide you with access to new developments, techniques and improvements in food preparation, services, equipment, food products, packaging, and restaurant management that we may develop and deem helpful to the operation of your Giovanni's Pizza Restaurant, through the *Operations Manual* or otherwise. Section 6.2(d) of the Franchise Agreement.

Except as specifically set forth above, we do not have any obligation to provide you with assistance regarding (1) developing services or products your Giovanni's Pizza Restaurant will offer to your customers; (2) hiring or training your employees; (3) improving or developing your business; (4) establishing prices; (5) establishing and using administrative, bookkeeping, accounting, or inventory control procedures; or (6) resolving operating problems you may encounter.

Advertising

Under the Franchise Agreement we are not obligated to conduct any local, regional, or national advertising or spend any amount on advertising in your area. We may supply you with advertising and promotional materials that you may utilize for local advertisement, using any source as and when we deem appropriate. We may, at our discretion, engage in national, regional, or local advertising campaigns in any location or area and using any media we deem desirable. Section 11.2 of the Franchise Agreement.

You may use your own advertising and promotional materials, subject to our approval of the materials. You must submit to us for review prior to use samples of all advertising and promotional materials that have not been previously approved by us, or do not conform to specifications in the *Operations Manual*. If we fail to notify you of our disapproval of the materials within seven (7) days from the date of our receipt of such materials, you may use the item until such time as we notify you otherwise. Section 11.1 of the Franchise Agreement.

Advertising Council

We currently have no advertising council composed of franchisees. We have no obligation to create an advertising council.

Local or Regional Advertising Cooperatives

The Franchise Agreement does not require that you contribute to any local, regional, or national advertising cooperative, but we reserve the right to require contribution to an advertising cooperative in the future. We may establish one or more advertising cooperatives from time to time and, further, may change, dissolve, or merge any existing advertising cooperative at any time in our sole discretion. A cooperative will be formed for 1 designated market area ("DMA") or multiple DMA's. All participants will contribute at the same rate or under the same formula. If the Franchised Restaurant operates within a DMA for which an approved advertising cooperative exists, you are obligated to contribute to the advertising cooperative the amounts required by the cooperative up to two percent (2.00%) of the Gross Sales of the Franchised Restaurant during each month. All Franchised Restaurant that we or our Affiliates operate will participate in any advertising cooperative that we establish for the DMA in which they are located on the same basis as the Franchised Restaurant in the DMA. We will administer the cooperative unless we designate another party to perform the administrative functions. The cooperative may have written governing documents that we must provide or approve, which will be available for all participants in the cooperative to review. Each cooperative will maintain accounting records and compile financial statements that will be available for review by all participants. We retain the power to require any cooperative to be formed, changed, dissolved, or merged with another cooperative. Matters before the cooperative members must be approved by concurrent majority vote of the franchisee members and the Affiliate-owned Unit members. (Franchise Agreement Section 11).

Marketing Fund

The Franchise Agreement does not require you to contribute to any system-wide advertising or marketing fund as of the Issuance Date, but we reserve the right to activate and implement a Marketing Fund in the future to which you may be obligated to make a monthly contribution of up to 2% of Gross Sales. We will notify all franchisees about activating the Marketing Fund, and then may modify the contribution percentage once annually. We will administer the Marketing Fund to support our digital marketing and ordering platforms, any national and regional advertising, marketing materials development and distribution, content development, market research, media planning and similar functions to promote Giovanni's Pizza Restaurants in existing and new markets. We will administer the Marketing Fund and will disburse the Marketing Fund to pay for marketing, advertising, promotional, public relations, and other similar activities intended to benefit the System and all franchised and Affiliate-owned locations. Those activities may include (without limitation) (a) market research, (b) technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, (g) product research and development, (h) developing and implement marketing strategies, annual Unit marketing plan templates and supporting the evolution of the Grand Opening Plan, and (i) developing and protecting our intellectual property. We also may use the Marketing Fund to pay or reimburse us for our administrative overhead incurred for activities supported by the Marketing Fund. Any money in the Marketing Fund not spent at the end of each fiscal year will remain in the Marketing Fund, provided amounts contributed to the Marketing Fund may be used to pay taxes associated with unspent amounts on deposit in the Marketing Fund. We will have the sole and exclusive discretion to direct all activities and programs funded by the Marketing Fund. The Marketing Fund will not be separately audited, and we have no obligation to make its financial statements available to franchisees. We have no obligation to expend Marketing Fund amounts for your benefit equivalent or proportionate to your Marketing Fund Contributions, and we do not warrant or guarantee that you will receive or derive any benefit from Marketing Fund activities. We will make all studies and reports produced by the Marketing Fund available to you at no cost as Confidential Information. We will make copies of all materials produced by the Marketing Fund for franchisee use available to you at your expense. We may suspend, terminate, and reinstate the Marketing Fund at any time. The Marketing Fund will not terminate, however, until we have spent all money in the Marketing Fund for the purposes set forth above. (Franchise Agreement Section 11.5). Upon your written request, we will provide you a copy of our annual report of expenditures of the Marketing Fund during the most recently ended fiscal year on a confidential basis.

Computer Requirements

You must lease and install before opening at your Giovanni's Pizza Restaurant the hardware and software to run a computer-based point-of-sale ("POS") system in the operation of your Giovanni's Pizza Restaurant. The *Operations Manual* specifies what system you are required to use, and we must approve any changes to the specified system before you implement them. We will advise and work with you to select the POS system. We estimate the cost to purchase the required POS system from an approved vendor is $1,000 to $2,500 initial cost with a typical subscription cost varying from $400 to $600 per month. You may add additional features to your POS system that may increase its price to you.

All features of the POS system should be used in accordance with Giovanni's current system practices, which include customer communication, customer loyalty recognition, Giovanni's Pizza Restaurants branded gift cards, time clock, inventory, online ordering, costing, and all financial reporting. We reserve the right to change the required system at any time and will notify you if we choose to change our currently approved system and we will then give you up to 180 days to transition to the new approved system.

You will maintain your POS system on-line so that we may independently access them remotely at our discretion, copy your POS data, update software, and view all records, files, and reports available on or from those systems. We reserve the right to edit and access any and all data provided by any system for any use we deem necessary including but not limited to providing feedback, communication, training, marketing, or for use assisting with compliance to the Giovanni's System, audits, analytics, and in conjunction with other franchise development. You will not be permitted to make any edits or modifications to this system or to purge data unless so permitted under the *Operations Manual*. There are no contractual limitations on our right to access this information. See Section 7.14 of the Franchise Agreement. We may require you to use additional computer systems for point of sale, management information, inventory, gift cards, loyalty, customer feedback, production, or communication at some point in the future, on 180 days' notice. (Section 7.13 of the Franchise Agreement). Any system we specify will be consistent with systems used in other Italian-themed casual restaurants.

Operations Manual

The Table of Contents for the *Operations Manual*, showing the topics and number of pages dedicated to those topics, appears as Exhibit E to this Disclosure Document. The *Operations Manual* has a total of approximately 190 pages.

Training

<u>TRAINING PROGRAM</u>

Subject	**Hours Of Classroom Training**	**Hours Of On-the-Job Training**	**Location**
Equipment Operation & Maintenance	0	5-30	Ashland, Kentucky or other designated Giovanni's Pizza Restaurant
Food-Handling Procedures	0	5-30	Ashland, Kentucky or other designated Giovanni's Pizza Restaurant
Safety Regulations	0	5-30	Ashland, Kentucky or other designated Giovanni's Pizza Restaurant
General Procedures for Operation	0	5-30	Ashland, Kentucky or other designated Giovanni's Pizza Restaurant
Total	0	20-120	

We will schedule and conduct training on an as-needed basis at our facilities in Ashland, Kentucky or at an existing Giovanni's Pizza Restaurant designated by us. Our training materials consist of the *Operations Manual.* Dave Grant, Brent Cordial, David Perry, Ken Kosobud and/or Kevin Tredway may conduct your training. Mr. Grant has served as our Training Director since April 1993 and has worked for GPI since 1982. He has worked in the restaurant industry for over 40 years. Mr. Cordial has worked for us, GFSI and GPI since 2003 and has worked in the restaurant industry for over 20 years. Mr. Perry has worked for us, GFSI and GPI since 2015 and has worked in the restaurant industry for over 12 years. Mr. Kosobud has worked for us, GFSI and GPI since 2021 and has worked in the restaurant industry for over 8 years. Mr. Tredway has worked for us, GFSI and GPI since 2022 and has worked in the restaurant industry for over 32 years.

We will provide up to three individuals with the initial training at no charge. However, to the extent you or your employees have to travel in order to attend the required training, you will have the pay any employee salaries, as well as your travel and living expenses, incurred during and as part of that training. You (if you are an individual) or at least one of your designated principals (if you are a corporation, partnership, limited liability company, other entity, or group of individuals) and any designated restaurant manager you have hired must complete the initial training to our satisfaction. The training must be completed before opening your restaurant, but there is no required time before opening by which training must be completed.

We recognize that training and certification is a critical element to maintaining brand standards. We strive to equip you with the ability to conduct training and certification of your own staff in order to avoid joint-employment, vicarious liability and other concerns including System standards, control, and cost. We do not currently require additional training but reserve the right to do so in the future. If you request, we may conduct additional initial training for additional people or ongoing training from time to time at a location determined by us at a cost to you determined as set forth in the *Operations Manual*. Noncompliance with our brand standards is a material default under our Franchise Agreement that may result in termination of the franchise. We reserve the right to require, as a condition of curing the default and avoiding termination of the Franchise Agreement, retraining of employees and management periodically at any Franchised Restaurant found to be in repeated violation of brand standards for services and products offered at or through your Giovanni's Pizza Restaurant (including, but not limited to equipment, supplies, menus, recipes, ingredients, methods of preparation and service, services offered, weight and dimensions of products served, cleanliness, temperature, presentation, plating, aroma, attractiveness, health, and sanitation) all at the cost of the Franchisee, which is currently $70 per hour per trainer, plus reimbursement for our trainers' travel, lodging and meals. The content and duration of the required retraining is at the sole discretion of the Franchisor, depending on the severity and frequency of the violations we observe.

ITEM 12

TERRITORY

In the Franchise Agreement, we grant you the right to operate a single Giovanni's Pizza Restaurant at a single location that you select and that we approve (the "Location"). We grant you no rights to an exclusive or protected territory beyond the Location. You must operate the Franchised Restaurant only at the approved Location, and you may not relocate the Franchised Restaurant without first obtaining our written consent. You may not establish or operate another Giovanni's Pizza Restaurant unless you enter into a separate Franchise Agreement for that restaurant. Under the Franchise Agreement, you do not acquire any options, rights of first refusal, or similar rights to acquire additional Giovanni's Pizza Restaurant franchises at any other location.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlet that we own, or from other channels of distribution or competitive brands that we control. A Nontraditional Concept Restaurant will have a "Protected Area" limited to the boundaries of the Host Facility, in which we will not own or operate another Nontraditional Concept Restaurant. We may define the Host Facility to be a discrete building or area of the entire facility, such as a single airport terminal or service area of a venue. If a Qualified Operator does not have an exclusive arrangement within a Host Facility located within your Protected Area, all of your Franchise Agreements with us are in good standing and all of your Franchised Restaurants have achieved an average score of at least 95% over the last three quality assurance inspections, then you will have a right of first offer to submit a franchise application to operate a Nontraditional Concept Restaurant in the Host Facility before we accept a franchise application from a third party. If a third party submits an application for the Host Facility before we receive your franchise application, then your right will be suspended for that Host Facility unless the third-party applicant fails to sign a franchise agreement for a Nontraditional Concept Restaurant within a reasonable time after submitting the application. Your right of first offer will terminate if you fail to sign a franchise agreement for a Nontraditional Concept Restaurant in the Host Facility within a reasonable time after submitting your franchise application. We determine the parameters of a reasonable time in each circumstance and may involve deadlines we set for signing an agreement with the Host Facility and delivering proof of financing to us.

We retain the right to operate and license other persons to operate Giovanni's Pizza Restaurants at any other location, including locations near your Giovanni's Pizza Restaurant. We retain the right to market and sell anywhere, without compensation to you, the same services, and products as those offered as part of the System under the Giovanni's marks through other channels of distribution, including (without limitation) the Internet, supermarkets, convenience stores, and retail outlets other than Giovanni's Pizza Restaurants. We retain the right to market and sell anywhere, without compensation to you, under trademarks, service marks, and commercial symbols different than those we designate for the System through other channels of distribution, including (without limitation) the Internet, supermarkets, convenience stores, and retail outlets other than Giovanni's Pizza Restaurants.

The continuation of your Franchise Agreement will not depend on the achievement of any specific sales volume or market penetration. We retain no rights to change the Location. We generally will consider the relocation of a Giovanni's Pizza Restaurant under the same criteria as we would consider for an application to approve any new location, such as demographics, traffic patterns, physical site profiles, access, parking, competition in the market area, and other factors.

As of the Issuance Date, there are no restrictions on your soliciting or accepting orders from any address or party. You may use any channels of distribution to make sales outside your Location, provided that all such activity is conducted from your Location. We may establish standards for delivery and catering services that will prescribe quality, preparation and transportation limits and methods of off-Location delivered food, customer service, and other components of the guest experience. We may also establish, by written notice to you, limitations on your solicitation, acceptance and fulfillment or orders for off-Location delivery and catering services. You may not use any off-site commissary or service kitchen without first obtaining our written consent.

We and our affiliates have no present intention but may in the future operate, franchise, plan to operate or franchise, or become affiliated with an organization that operates or franchises a business under a different trademark that sells or will sell goods or services similar to those offered by a Giovanni's Pizza Restaurant will offer. This could include any restaurant or business selling foods that are ready to eat or for off-premises preparation or consumption. We will determine at that time the appropriate means to resolve conflicts.

ITEM 13

TRADEMARKS

The Franchise Agreement grants you the right to operate a Giovanni's Pizza Restaurant under the service marks listed below. You also will have the right to use any future service marks or trademarks we may develop for use with Giovanni's Pizza Restaurants. The following table lists our current service marks. As of February 2023, we obtained the exclusive right to use (and license the use of) those marks for the franchising of Giovanni's Pizza Restaurants from GPI. GPI has registered all of the following service marks on the Principal Register of the United States Patent and Trademark Office and has filed all required affidavits for them as of the date of this Disclosure Document.

Mark	Registration Date	Registration Number
Giovanni's (word mark) (renewed)	August 11, 1987	1,452,339
Pizza Power (word mark) (renewed)	November 27, 1984	1,307,518
The Italian Place To Be (word mark) (renewed)	March 19, 1985	1,326,389
Caricature of Waiter Carrying a Pizza (design only) (renewed)	August 30, 2005	2,989,429
Pizza Power (design only) (renewed)	September 20, 2005	2,997,652
Caricature of Waiter Carrying a Pizza (No. 2) (design only) (renewed)	August 16, 2005	2,985,538
Giovanni's Pizza Power (words and design) (renewed)	June 2, 2009	3,631,396
Giovanni's Pizza Power (words only) (renewed)	December 1, 2009	3,718,637
Giovanni's (words and design) (renewed)	December 1, 2009	3,718,636

Mark	Registration Date	Registration Number
Man Holding Pizza in G (design)	January 15, 2019	5,658,020
Man Holding Pizza in G (design)	April 21, 2021	6,322,514
Think Inside the Box	August 11, 2020	6,124,981
Quality Without Compromise.	Pending; application filed April 10, 2023	Serial Number 97880946
Giovanni's on the Fly	Pending; application filed April 10, 2023	Serial Number 97880914
Red Dressing	Common law	
No matter where you roam, have a slice of home!	Common law	

GPI has granted a license to use the service mark "Pizza Power" to Pueringer Distributing, Inc. of Minneapolis, Minnesota, for its wholesale distribution of pizza products. To resolve a trademark opposition proceeding before the Trademark Trial and Appeal Board against Northland Frozen Pizza, Inc. ("Northland") of Brainerd, Minnesota, we have also entered into a Settlement and Consent to Use Agreement, in which Northland agreed to limit its use of the GIOVANNI mark to "frozen pizza sold through grocery stores, through convenience stores or via shipment to customers" except in the states of Kentucky, North Carolina, Ohio, Tennessee, Virginia and West Virginia, along with a natural expansion zone to include the states of Maryland, South Carolina, Georgia, Alabama, Mississippi, Florida, that portion of Illinois south of Springfield, Illinois, that portion of Indiana south of metropolitan Indianapolis, Indiana, and the District of Columbia. In that protected territory, we have granted Northland the right to use only a mark containing the term GIOVANNI, with a composite mark containing another non-descriptive word mark having at least twice the point or font size as the term GIOVANNI in connection with "frozen pizza sold through grocery stores, through convenience stores or via shipment to customers." To resolve a trademark opposition filed against Rich Products Corporation ("Rich Products") relating to the mark MAMA GIOVANNI, GPI entered into a Settlement Agreement in which Rich Products agreed to abandon its applications for Class 30 goods and restrict its applications in Class 29 to "frozen Italian specialties, namely, meatballs sold to institutions such as hospitals, hotels and food chain services providers, and not sold in retail grocery settings." As a result of another opposition, we filed against JKLM Enterprises, LLC ("JKLM Enterprises"), JKLM Enterprises abandoned their application for PAPA GIAVANNI'S (and Design). GPI also entered into a Settlement Agreement with Corim Industries Corporation ("Corim") to resolve a trademark opposition relating to the mark GIOVANNI FINE ITALIAN (and Design). Corim later abandoned its pending applications in Class 30.

The Franchise Agreement will grant you the right to use the foregoing service marks and trademarks only for the operation of your Giovanni's Pizza Restaurant. You may not use any of the service marks or trademarks for any additional goods and services. You must use the licensed service marks and trademarks in full compliance with the rules issued by us from time to time. You may not use any of the licensed service marks or trademarks as a part of any corporate name or the name of any other entity; with any prefix, suffix or other modifying words, terms, designs, or symbols other than logotypes licensed by us to you; or in any other manner not explicitly authorized by us.

If you want to use any of the Giovanni's service marks or trademarks, either in print for signage, apparel, marketing, decor, or for any other use in your Giovanni's Pizza Restaurant, you must submit your proposed use to us for approval prior to making any financial commitment for such use to ensure that your use of the service marks or trademarks aligns with our quality standards and to maintain the consistency of the brand. Approval requests may be submitted via email. Notwithstanding the foregoing, your use of the service marks or trademarks in social media posts do not need prior approval from us so long as their use in such social media posts is not modified from the standard format that we provide to you in our social media policy. If we grant you permission to use our marks on social media in exchange for your unconditional, irrevocable permission and consent to allow us to use any content, photos, or advertising that features our marks in any way, media, or publication that we deem appropriate. We reserve the right to change the social media policy in the future to limit such use, mandate or prohibit certain content or require prior approval of social media posts.

We do not know of any currently effective material determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court or any pending material administrative proceeding or litigation involving any of the foregoing trademarks and service marks relevant to their use in any state. Other than the license agreement and the settlement agreement described above, there are no currently effective agreements that limit our rights to use or license the marks.

We have no affirmative duty to protect your right to use the foregoing trademarks and service marks or to protect you against claims of infringement or unfair competition arising out of your use of the trademarks and service marks, but we intend to take appropriate actions if the need arises. If anyone institutes or threatens litigation involving our service marks or trademarks against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation. We will have control over the defense and settlement of any administrative proceeding or litigation regarding our service marks or trademarks.

You also should notify us immediately when you learn about any infringing use of our service marks or trademarks, any challenge to your use of our service marks or trademarks, and any use or claim of the right to use any service mark or trademark confusingly similar to our service marks or trademarks.

Except as stated above, we do not have any obligation to take any affirmative action, participate in your defense, or indemnify you for expenses or damages if you become a party to an administrative or judicial proceeding involving a service mark or trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

If we must discontinue the use of any of our service marks or trademarks, we reserve the right to substitute different proprietary marks for use in your franchised business but have no obligation to compensate you for the discontinuance or modification of any mark.

We know of no superior rights or infringing uses that could materially affect your use of the foregoing service marks, trademarks, trade names, logotypes, or other commercial symbols.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Other than our copyrights in the *Operations Manual*, our menus, and our various logotypes and other promotional materials, we do not own any patents or copyrights material to the Giovanni's franchise. We own certain proprietary information that constitutes trade secrets for the operation of a Giovanni's Pizza Restaurant. You will have the right to use the proprietary information contained in the *Operations Manual*. Although we have not filed for a copyright registration for the *Operations Manual*, we do claim a copyright in it and the information contained in it does constitute proprietary information. You must tell us promptly when you learn about any unauthorized use of the *Operations Manual* or the information contained in it, or our other copyrights or proprietary information. We have no obligation to take any action in that event; however, we will respond, as we deem appropriate.

We do not know of any determination of the United States Patent and Trademark Office, the United States Copyright Office, or a court regarding our copyrights or proprietary information. We have no agreements that would limit our right to license the use of any existing or future patents, copyrights, or proprietary information. Although not obligated under any express provision of the Franchise Agreement, we intend to protect our rights in our existing and future patents, copyrights, and proprietary information.

If anyone institutes or threatens litigation involving any of our patents, copyrights, or proprietary information against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation.

We will have control over the defense and settlement of any administrative proceeding or litigation regarding our patents, copyrights or proprietary information relating to the System. You also should notify us immediately when you learn about any infringing use of our patents, copyrights or proprietary information or any challenge to your use of our patents, copyrights, or proprietary information.

Except as stated above, we do not have any obligation to take any affirmative action, participate in your defense, or indemnify you for expenses or damages if you become a party to an administrative or judicial proceeding involving any patents, copyrighted material, or proprietary information licensed by us to you or if the proceeding is resolved unfavorably to you.

If we must discontinue the use of any of our patents, copyrighted materials, or proprietary information relating to the System, we reserve the right to substitute different materials and/or information for use in your franchised business, but we have no obligation to compensate you for the discontinuance or modification of any patents, copyrighted material, or proprietary information. We know of no infringing rights that could materially affect you.

We intend to renew all future copyrights registered when the registration expires.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

A franchisee has responsibility for the operation of its Giovanni's Pizza Restaurant. However, we do not require that you personally supervise the operation of your Giovanni's Pizza Restaurant. You or at least one of your designated principals must have completed our required training program. In addition, any on-premises manager you may hire or contract with must complete our required training program. We also require that during the opening week of your business, while our trainers are on site, that you or one of your principals be present at all times during this week, learning how to operate all segments of your business. Your on-premises manager must sign a written agreement at the time of employment to maintain the confidentiality of the trade secrets and other proprietary information contained in Item 14 and to conform with the covenants not to compete described in Item 17. The form is included in the Franchise Agreement as Exhibit A and a copy of the fully executed agreement must be sent to us promptly after signing, and before we begin training for the manager.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate your Giovanni's Pizza Restaurant under the System as described in the Franchise Agreement, the *Operations Manual*, and in our standards and policies. You may not engage in any business or offer any other services or products at your Giovanni's Pizza Restaurant that is or are not a part of the System or without our express authorization in advance. You must offer our entire menu except those items we designate as optional. You must obtain prior written consent from us by submitting a deviation form to us for approval in order to either (i) offer additional menu items or (ii) change the menu, standard recipes, hours of operation, operations, or services offered at your Giovanni's Pizza Restaurant. We retain the right to modify the *Operations Manual* to modify, discontinue or add to the goods and services that you must sell in your Giovanni's Pizza Restaurant, which may include new menu items, methods of preparation or serving, and the installation and use of new food preparation and serving equipment. There are no limits on our right to make these changes.

You may, at your option, serve beer (including high gravity craft beer) and wine at your Giovanni's Pizza Restaurant so long as you comply with all state and local laws and obtain all required permits and liquor liability insurance for on-premises consumption. We do not permit the sale of beer, wine or liquor for carryout or delivery. Any beer, wine, or liquor can only be offered under the restrictions specified in the Operations Manual. We reserve the right to revoke your permission to sell these items for any violation of Giovanni's brand standards and procedures for selling alcoholic beverages. We also reserve the right to change our alcoholic beverage policy at any time. Any signage, advertising, or décor promoting these products must also be approved prior to use and must be changed or removed when we so direct.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Franchised Restaurant) and other items we designate must bear the Marks in the form, color, location, and manner we prescribe. Menus must be ordered and approved by us prior to their use. In addition, all advertising and promotion in any medium, (including websites, Internet postings or markings) must be conducted in a dignified manner and must conform to the standards and requirements in the *Operations Manual*, the Franchise Agreement or otherwise. You must obtain our approval before you use any advertising and promotional materials and plans. Approvals may be submitted via email to approvals@giovannispizza.com. Notwithstanding the foregoing, your use of the service marks or trademarks in social media posts do not need prior approval from us so long as their use in such social media posts is not modified from the standard format that we provide to you; *provided however* that we reserve the right to change in the social media post approval policy in the future to limit such use or require prior approval of social media posts. In all respects, the content and design of your website or Internet posting or marketing must comply with our policies including the use and presentation of the Marks.

We do not restrict the customers to whom you may sell the approved menu items and goods. We reserve the right to manage delivery areas and off-premises catering areas to avoid customer confusion and assure optimum food temperature at delivery. You may sell goods identified by our Marks only from your licensed location.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in that agreement attached as Exhibit A to this Disclosure Document.

	Provision	**Section in Franchise Agreement**	**Summary**
a.	Length of the franchise term	2.1	The Franchise Agreement runs for an initial term of 10 years from its Effective Date, when both parties sign the Franchise Agreement and the initial franchise fee is paid.

	Provision	Section in Franchise Agreement	Summary
b.	Renewal or extension of the term	2.2	At the expiration of the initial term or any renewal term, we have the option to offer you renewal of the franchise for a renewal term of from 1 to 5 years, which we determine in our sole and absolute discretion.
c.	Requirements for franchisee to renew or extend	2.2	(a) You have complied with all provisions of the Franchise Agreement during the initial term, including the payment on a timely basis of all Royalties; (b) you are not in default or under notification of breach of the Franchise Agreement at the time you give notice of renewal; (c) not more than one year nor less than six months prior to the end of the initial or renewal term, you give us notice of your election to renew; (d) you execute our then current form of franchise agreement; (e) you comply with our then current qualifications and training requirements for franchisees; (f) you update and renovate the Franchised Restaurant as we deem necessary to meet our then-current System standards, which will be consistent with our standards for new restaurant and which may include, in our discretion, update or renovation of the exterior façade, signs, interior furnishings, fixtures, equipment and décor, to reflect the then-current standards and image of the System, as well as upgrades to bring the technology and services offered at the Franchised Restaurant into conformity with standards at our new restaurants; and (g) you execute a general release of any and all claims you may have against us and our affiliates arising out of or relating to the Franchise Agreement or the parties' relationship before and during the initial term. You may be asked to sign a Franchise Agreement with materially different terms and conditions than your original Franchise Agreement, including different fees and charges.
d.	Termination by franchisee	15.1	You have the right to terminate the Franchise Agreement if we materially fail to comply with the Franchise Agreement and fail to cure its default within 30 days after delivery of written notice of the default from you. If the breach is curable but of a nature that cannot be cured within 30 days and we have begun and continue to make good faith efforts to cure the breach, we shall have an additional reasonable period of time to cure the breach.

	Provision	**Section in Franchise Agreement**	**Summary**
e.	Termination by franchisor without cause	None	We may not terminate your Franchise Agreement without cause.
f.	Termination by franchisor with cause	15.2 and 15.3	We may terminate your Franchise Agreement upon 30 days' written notice for a curable default (except for any shorter period that may be specified in Section 15.3 of the Franchise Agreement or below) or immediately upon written notice for an incurable default.

	Provision	Section in Franchise Agreement	Summary
g.	"Cause" defined - curable defaults	15.3	A curable default consists of the breach of your obligations under your Franchise Agreement, other than an incurable default listed below. You will have 30 days (or less as specified below) in which to cure defaults based on (1) your failure to submit when due the financial information or reports we require under the Franchise Agreement; (2) your failure to pay amounts due to us and our affiliates if that failure continues 10 days after receipt of written default notice from us; (3) your failure to meet or comply with any standards, specifications, required systems or procedures prescribed by us in the Franchise Agreement, the *Operations Manual* or otherwise specified in writing from time to time by us; (4) your failure to obtain and procure Special Items and other goods and services from Approved Suppliers as we require under Section 7.5 of the Franchise Agreement, (5) your misuse or unauthorized use of the Marks or your impairing the goodwill associated the Marks or our rights in the Marks; (6) your failure to operate your Giovanni's Pizza Restaurant on a continuous basis without our consent in writing to a period of business suspension; (7) your failure to submit advertising or promotional materials to us for approval. If you fail to comply with our requirement that you purchase all food, packaging, and printed products necessary to operate the Franchised Restaurant, other than produce, soda, chips, and approved alcoholic beverages, from an exclusive designated supplier, and you fail to cure such default, then as an alternative to our termination right, we may increase the Royalty to five percent (5%) of the total amount of Gross Sales generated from or through the Franchised Restaurant. The increased Royalty would become effective immediately upon the expiration of the cure period and would be due the following month based on your Gross Sales accruing for the entire preceding month. If Franchisee cures the breach, the increased Royalty will continue for a period we determine after which the Royalty rate will return to the original Royalty rate. We may condition the reduction to the original Royalty rate on compliance with your Franchise Agreement for a specific time period.

	Provision	**Section in Franchise Agreement**	**Summary**
h.	"Cause" defined - non-curable defaults	15.2	An incurable default occurs if (1) you or your Manager fail to complete the required training program(s) to our satisfaction; (2) you become insolvent or make a general assignment for the benefit of creditors; or a case is commenced by you under the Federal Bankruptcy Code or such a case is commenced against and consented to by you; or you are adjudicated as bankrupt; or you being unable to pay commercial debts as they become due; (3) you are convicted of or plead *nolo contendere* to a felony or other crime which is likely, in our opinion, to adversely affect goodwill or reputation of us or the Marks; (4) you or any of your equity owners transfers any rights or obligations under the Franchise Agreement or any interest in you or in your Giovanni's Pizza Restaurant to any third party without our prior written consent, except as permitted under Section 13 of the Franchise Agreement; (5) you intentionally disclose to any unauthorized person the contents of the Operations Manual or other trade secrets or Confidential Information provided to you by us or you fail to exercise reasonable care to prevent disclosure; (6) you maintain false books or records of your Giovanni's Pizza Restaurant, attempt to deny us access to any of your business information or knowingly make any material false statements or omissions to us in connection with your application for the Franchise or in any reports submitted to us; (7) you receive, within any 12 month period, three or more notices of default of the Franchise Agreement from us; (8) you receive, within any 5 year renewal agreement, three or more notices of default of the Franchise Agreement from us.

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/non-renewal	16	Upon termination or expiration, the Franchise Agreement and all rights granted to you by us shall immediately terminate, and (1) you shall immediately cease to operate your Giovanni's Pizza Restaurant and shall not, directly or indirectly, represent to the public or hold yourself out as a present franchisee of us, and follow any procedures for termination specified in the Operations Manual; (2) you shall immediately and permanently cease to use, by advertising or in any other manner whatsoever, the Marks, the System, and all methods of operation associated with your Giovanni's Pizza Restaurant; (3) you shall take all actions necessary to cancel or transfer to us all identifiers, including any assumed business name or equivalent registrations or listings in telephone or other directories which contain the names or the Marks, including transferring all telephone listings, domain names, social media sites, and web pages or listings, if any, for the Giovanni's Pizza Restaurant or which contain, use or display any of the Marks or intellectual property to us, and you shall provide us with evidence satisfactory to us that you have complied with this obligation within 30 days after termination or expiration of the Franchise Agreement; (4) you shall promptly pay all sums owing to us and our subsidiaries and affiliates, including all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of the default; (5) you shall pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us after the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of the Franchise Agreement; (6) you shall immediately turn over to us the Operations Manual (except for any list of post-termination procedures), records, files, instructions, software, correspondence, and all other materials provided by us relating to the operation of your Giovanni's Pizza Restaurant, and all copies of those documents, and shall retain no copy or record of any of the documents, except your copy of the Franchise Agreement and any correspondence between the parties, and any other documents which you need for compliance with any applicable provision of law; and (7) at our request, you shall assign the telephone numbers, universal resource locator, domain name, and other links of your Giovanni's Pizza Restaurant to us or our designee.

	Provision	Section in Franchise Agreement	Summary
j.	Assignment of contract by franchisor	13.1	We have the right to assign your Franchise Agreement to any party.
k.	“Transfer” by franchisee- defined	13.2	Any transfer of any interest in your Franchise Agreement or in you, either directly or indirectly, will constitute a "transfer" of your Franchise Agreement or you.
l.	Franchisor approval of transfer by franchisee	13.2	You generally may not transfer any interest in your Franchise Agreement or in you without our consent.
m.	Conditions for franchisor approval of transfer	13.2	We will not unreasonably withhold consent to a transfer of any interest in you, substantially all of your assets or the Franchise Agreement if the following conditions have been met: (1) all of your accrued financial obligations to us shall have been satisfied; (2) you are not in default under any provisions of the Franchise Agreement or any other agreement between you and us or our affiliates or suppliers to your Giovanni’s Pizza Restaurant; (3) you have executed a general release of any and all claims against us and our officers, directors, members, agents and employees to the extent permitted by applicable law; (4) the transferee has entered into a written assignment and assumption agreement, in a form satisfactory to us, assuming and agreeing to pay, perform, and discharge all of your obligations under the Franchise Agreement or otherwise; (5) the transferee demonstrates to our satisfaction that it meets our then-existing requirements and qualifications for a new franchisee; and (6) you or the transferee pay us a transfer fee equal to fifty percent (50%) of the then-current initial franchise fee.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	13.3	We have the right, exercisable within 30 days after receipt of written notice from you, to match any bona fide offer from a third party to purchase your Giovanni’s Pizza Restaurant.
o.	Franchisor’s option to purchase franchisee’s business	None	The Franchise Agreement does not provide us an option to purchase your business other than the right of first refusal.

	Provision	Section in Franchise Agreement	Summary
p.	Death or disability of franchisee	13.4	If you die, we will have the right to approve your heir as a transferee of your Franchise Agreement. We will not charge a transfer fee in that event. If we do not approve the transferee, your executor, administrator, or personal representative must transfer your interest to a third party we approve within six (6) months after your death or the determination of incapacity. If your Giovanni's Pizza Restaurant is not so transferred within six (6) months after your death or incapacity, we may terminate the Franchise Agreement.
q.	Non-competition covenants during the term of the franchise	17.2	You may not divert or attempt to divert any business or customer of your Giovanni's Pizza Restaurant to any Competitor, or Competing Business, directly or indirectly. You may not perform, directly or indirectly, any other act injurious or prejudicial to us or the goodwill associated with the Marks and our other franchises. You may not employ or seek to employ any person who is at that time employed by us or any affiliate, or induce that person to leave his/her employment with us. "Competing Business" means any restaurant or kitchen preparing meals for takeout or delivery that serves any of the following menu items: (i) pizza; (ii) Italian cuisine; (iii) sandwiches on Pepperidge Farm breads or baked goods; or (iv) "sub" sandwiches on buns longer than two inches before or after slicing for serving. "Competitor" means the direct or indirect owner, operator, manager, franchisor, licensor, franchisee or licensee of a Competing Business.
r.	Non-competition covenants after the franchise is terminated or expires	17.3	For a period of 1 year after termination or expiration of the Franchise Agreement, you may not directly or indirectly own, maintain, engage in, be employed by, manage, advise, consult, assist, invest in or have any interest whatsoever in any Competitor or Competing Business within a radius of twenty (20) miles of your Franchised Location or any Giovanni's Pizza Restaurant.
s.	Modification of agreement	19.5	Your Franchise Agreement may only be modified in writing.

	Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	19.5	The Franchise Agreement and the documents it refers to constitute the entire agreement between us and you concerning the franchise, and supersede all prior offers, understandings, promises, undertakings, and agreements, either oral or written.
u.	Dispute resolution by arbitration or mediation	18	We will resolve any dispute (including disputes involving any of our affiliates) and relating to the Franchise Agreement or to the parties' business activities conducted as a result of the Franchise Agreement (but not including any dispute relating to the use or protection of the Marks, any trade name, trade dress, or trade secret) by final and binding arbitration in accordance with the Federal Arbitration Act and the Rules for Commercial Arbitration of the American Arbitration Association in effect at the time of the execution of the Franchise Agreement. The arbitration will take place in Ashland, Kentucky. Your local law may supersede this provision.
v.	Choice of forum	19.8	Any legal action not resolved by arbitration, which is brought by either party against the other, shall be brought in the state or federal courts in Boyd County, Kentucky, and the parties submit to the personal jurisdiction and venue of such courts. Your local law may supersede this provision.
w.	Choice of law	19.7	Kentucky law will apply to your Franchise Agreement. Your local law may supersede this provision. See Exhibit A to this Disclosure Document.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting, Tom Lemaster, 715 Greenup Avenue, Ashland, Kentucky 41101, via e-mail at tom@giovannispizza.com, or by phone at (800) 955.9055, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary for Years 2020-2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchisee	2020	102	103	+1
	2021	103	105	+2
	2022	105	100	-5
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total	**2020**	**102**	**103**	**+1**
	2021	**103**	**105**	**+2**
	2022	**105**	**100**	**-5**

Table No. 2

Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2020-2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Kentucky	2020	2
	2021	1
	2022	6
North Carolina	2020	0
	2021	0
	2022	0
Ohio	2020	0
	2021	2
	2022	1
Tennessee	2020	0
	2021	0
	2022	0
Virginia	2020	0
	2021	0
	2022	2
West Virginia	2020	1
	2021	1
	2022	0
TOTAL	**2020**	**3**
	2021	**4**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2022	**9**

Table No. 3
Status of Franchise Outlets for Years 2020-2022

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
Kentucky	2020	38	0	0	0	0	0	38
	2021	38	2	0	0	0	0	40
	2022	40	0	0	0	0	1	39
North Carolina	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ohio	2020	36	1	0	0	0	0	37
	2021	37	0	0	0	0	0	37
	2022	37	1	0	3	0	0	34
Tennessee	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Virginia	2020	2	0	0	0	0	0	2

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
West Virginia	2020	24	0	0	0	0	0	24
	2021	24	1	1	0	0	0	24
	2022	24	1	0	1	0	1	23
TOTAL	2020	**102**	**1**	**0**	**0**	**0**	**0**	**103**
	2021	**103**	**3**	**1**	**0**	**0**	**0**	**105**
	2022	**105**	**2**	**0**	**4**	**0**	**2**	**100**

Table No. 4
Status of Company-Owned Outlets for years 2020-2022

None.

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Kentucky	0	4	0
Ohio	1	2	0
West Virginia	2	3	0
TOTAL	**3**	**9**	**0**

We acquired the assets of GFSI in February 2023, including all of the existing franchise agreements. The outlet information presented above includes the prior three years when GFSI was the franchisor of the outlets.

Exhibit F is a list of the names, addresses and telephone numbers of all current and franchisees as of the date of this Disclosure Document. Exhibit F also lists the name, city, state, and last known business telephone number of every franchisee who had a Franchise Agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under its license agreement during the 12-month period ended December 31, 2022, or who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.

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

Confidentiality Clauses

We did not enter into any confidentiality clauses in the last three fiscal years.

Franchisee Organizations

We have not created, sponsored, or endorsed any trademark-specific franchisee organization, and no independent franchisee organization is incorporated or otherwise organized under state law and asked us to be included in our Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

We have included our audited opening balance sheet as Exhibit C to this Disclosure Document. Our fiscal year end is December 31. We have not been in business for three years or more and cannot include all required financial statements.

ITEM 22

CONTRACTS

We have included a copy of the Giovanni's Franchise Agreement as Exhibit A-1 to this Disclosure Document. Our forms of Franchise Closing Acknowledgement and General Release are included as Exhibits A-2 and A-3. The Franchise Closing Acknowledgement is used for all new franchisees. The General Release is used for all transfers and renewals.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ITEM 23

RECEIPTS

Duplicate copies of the receipt appear after the exhibits as the last two pages of this Disclosure Document.

Exhibit A-1

Franchise Agreement

GIOVANNI'S PIZZA RESTAURANT

FRANCHISE AGREEMENT

Between

Giovanni's Franchise Services Inc.

And

Restaurant Location:

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FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered into as of __________, 20___ (the "Effective Date"), by and between GIOVANNI'S FRANCHISE SERVICES INC., a Kentucky corporation located at 715 Greenup Avenue, Ashland, Kentucky 41101 ("Franchisor"), and ____________________, a ____________________ located at ______________________________ ("Franchisee").

RECITALS

A. Franchisor is the owner of certain registered and unregistered trademarks and service marks including GIOVANNI'S ®, PIZZA POWER ®, THE ITALIAN PLACE TO BE ®, THINK INSIDE THE BOX that have become known by consumers as associated with the Giovanni's restaurant concept (the "Concept Restaurant") and carry goodwill developed over years of operation and advertising.

B. Franchisor has expended considerable time, effort, skill and money to develop and implement a uniform system for the establishment, development, and operation of restaurants serving pizza, other Italian-themed food, and other menu items, including a recognized design, decor, color scheme and style of building, standards, specifications, and procedures for assuring consistency and uniformity of the customer experience, operation, quality of products, technology and services offered, and procedures for ordering, inventory and management control (collectively, the "System").

C. Franchisor is engaged in the business of granting franchises to operate the Concept Restaurants using the Giovanni's System and the marks described above and such other marks as may be authorized from time to time for use in connection with the Concept Restaurants (collectively, the "Marks").

D. Franchisor has established a strong reputation and a positive image with the public as to the quality of products and services available at Concept Restaurants, which reputation and image have and continue to benefit Franchisor and its franchisees. Franchisee recognizes the benefits to be derived from being identified with and licensed by Franchisor and from being able to utilize the System and the Marks that Franchisor makes available to its franchisees.

E. Franchisee desires to establish, and Franchisor desires to grant Franchisee, the opportunity to establish and operate, a Concept Restaurant at a location specified under the terms and conditions of this Agreement.

In consideration of the mutual covenants contained in the Agreement, the parties agree as follows:

1. GRANT OF FRANCHISE

1.1 Grant of Franchise. Franchisor grants to Franchisee, and Franchisee accepts, the right and license to use the System and the Marks (the "Franchise") in connection with establishing and operating a Concept Restaurant operating exclusively under the System and the Marks (the "Franchised Restaurant") only at the location described in the attached Exhibit A (the "Franchised Location"). Franchisee agrees to use only the System and the Marks to identify and operate the Franchised Restaurant and only in accordance with the terms and conditions of this Agreement.

1.2 Scope of Franchise Operations. Franchisee shall at all times perform its obligations under this Agreement faithfully, honestly, and diligently, to use best efforts to promote its Franchised Restaurant and the goodwill of the System and the Marks. Franchisee agrees to utilize the System and the Marks to operate all aspects of the Franchised Restaurant in accordance with the methods and systems developed and prescribed from time to time by Franchisor as a part of the System. The Franchised Restaurant shall offer all products and services designated by Franchisor as a part of the System.

1.3 Franchised Location. The System and the Marks are licensed only for use at the Franchised Location. Franchisee cannot transfer its license to use the System and the Marks to any other location, except with Franchisor's prior written approval. This license to use the System and the Marks does not in any way grant or imply any area, market, or territorial protection to Franchisee, or restrict Franchisor from operation, ownership, franchising, leasing, financing, or managing any Franchised Restaurant at any other location.

1.4 Franchisor's Reservation of Rights. Franchisee acknowledges that the Franchise is nonexclusive, that Franchisee has no territorial protection, and that Franchisor and its affiliates retain the right: (1) to use, and to license others to use, the System and the Marks for the operation of the Concept Restaurants at any location other than the Franchised Restaurant; (2) to use the System and the Marks in connection with services and products, in connection with promotional and marketing efforts or related items, or in alternative channels of distribution, without regard to location; (3) to use and license the use of alternative proprietary marks or methods in connection with the operation of restaurants or other businesses under names which are not the same as or confusingly similar to the Marks, which businesses may be the same as, or similar to, or different from the Franchised Restaurant; and (4) to engage in any other activities not expressly prohibited in this Agreement.

1.5 Nontraditional Concept Restaurant. We grant to you a right of first offer to submit a franchise application to develop and operate a Nontraditional Concept Restaurant (as defined below) to be located at a venue if the primary operator of food service at the venue does not have exclusive rights to the venue. To exercise this right, you must be in good standing under this Agreement and all other Franchise Agreements with us, have an average standards assessment score of at least 95% for the last three (3) assessments of all of your Franchised Restaurants, and either initiate the inquiry or respond with an application within 30 days after we contact you about the prospect of a Nontraditional Concept facility in the venue. If you do not or you cannot exercise the right of first offer, then we may proceed with another party, or our affiliates may proceed, to develop a Nontraditional Concept Restaurant at the venue. If a third party submits an application for the host facility before we receive your franchise application, then your right will be suspended for that host facility unless the third-party applicant fails to sign a franchise agreement for a Nontraditional Concept Restaurant within a reasonable time after submitting the application. Your right of first offer terminates if you fail to sign a franchise agreement for a Nontraditional Concept Restaurant in the host facility within a reasonable time after submitting your franchise application. We determine the parameters of a reasonable time in each circumstance and may involve deadlines we set for signing an agreement with the host facility and delivering proof of financing to us.

1.6 Nontraditional Concept Restaurant means a Concept Restaurant that uses all or some portion of the System and is located in a limited access host facility venue such as an airport, transportation center, sports and entertainment venue, educational institution dining hall, hospital cafeteria, mall food court, and in-plant cafeteria. A Nontraditional Concept Restaurant may offer a different menu from a standard Concept Restaurant that we approve, share seating and beverage dispensing with other restaurant counters, offer service hours to match the traffic in the host facility, have server uniforms that match uniforms worn by other food servers at the host facility, and have limited use of Mark-bearing signage and other System elements.

2. TERM AND RENEWAL

2.1 Initial Term. This Agreement will expire ten (10) years after the Effective Date, unless terminated earlier in accordance with the terms of this Agreement.

2.2 Renewal. At the expiration of the initial or any renewal term, Franchisor shall have the option to renew this Agreement for a renewal term of one (1) to five (5) years. The option for renewal and the length of the renewal term is at Franchisor's sole discretion and dependent upon Franchisee having fulfilled the following terms and conditions of prior Agreement:

A. Franchisee shall have complied with all provisions of this Agreement during the initial term, including the payment on a timely basis of all Royalties (as defined below) and other fees payable. "Compliance" shall mean, at a minimum, that Franchisee has not received written notification from Franchisor of a breach or default more than three (3) times during the initial term or renewal term then ending.

B. Franchisee shall not be in default or under notification of breach of this Agreement at the time it gives notice of renewal under this Section 2.2.

C. Franchisee shall give Franchisor notice in writing of its election to renew this Agreement not more than one (1) year nor less than six (6) months prior to the expiration of the initial term or renewal term then ending.

D. If Franchisor so requests, Franchisee shall execute Franchisor's then-current form of Franchise Agreement for renewing franchises and shall comply fully with all terms and conditions thereof.

E. Franchisee understands that Franchisor may revise its Franchise Agreement for any renewal term, at Franchisor's sole discretion, including without limitation changing the fees payable by Franchisee.

F. Franchisee shall comply with Franchisor's then-current requirements for renewal franchisees before the expiration of the initial term or renewal term then ending.

G. Franchisee shall execute (together with its owners and guarantors) a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and their respective officers, directors, employees, and agents arising out of or relating to this Agreement or the parties' relationship before and during the initial term or renewal term then ending.

2.3 Failure to Comply with Renewal Conditions. If Franchisee gives Franchisor timely notice of renewal but fails to comply with any of the conditions listed in Section 2.2, (other than execution of the new Franchise Agreement), Franchisor shall give notice to that effect to Franchisee no later than thirty (30) days after receipt of the renewal notice, or occurrence of the disqualifying event.

3. FEES

3.1 Initial Franchise Fee. Upon execution of this Agreement, Franchisee shall pay to Franchisor an initial franchise fee in the amount of FIFTEEN THOUSAND DOLLARS ($15,000) (the "Initial Franchise Fee"). Franchisee acknowledges and agrees that the Initial Franchise Fee represents payment for the initial grant of the right to use the System and the Marks, that Franchisor has earned the Initial Franchise Fee upon receipt, and that the Initial Franchise Fee is not refundable to Franchisee after it is paid.

3.2 Opening Assistance Fee. Franchisee shall pay to Franchisor the sum of FIVE THOUSAND DOLLARS ($5,000.00) for Franchisor's assistance in opening the Franchised Restaurant as more fully described in Section 6.1, as and when invoiced. Franchisee will also reimburse Franchisor for its expenses, including Franchisor's travel, accommodations, meals, applicable portions of compensation of Franchisor's training personnel, and other incidental out of pocket expenses, as and when invoiced.

3.3 Monthly Royalty Fee. Franchisee shall pay to Franchisor a monthly royalty (the "Royalty") equal to one percent (1%) of the total amount of its Gross Sales, as defined in Section 3.4, generated from or through its Franchised Restaurant. The Royalty is due by the tenth (10th) day of each month based on Franchisee's Gross Sales accruing for the preceding month. Franchisor reserves the right to direct that Franchisee expend all or a portion of the Royalty for any month, in its sole discretion, for capital improvements, advertising campaigns, promotional programs, and other uses for the benefit of the System or Franchisee. Franchisor's direction as to retaining any portion of Franchisee's Royalty for any period of time will not limit Franchisor's right to reinstate or require the payment of the Royalty at the standard rate at any subsequent time. Any Royalty not paid when due shall bear interest at the maximum rate allowed by law. Franchisor reserves the right to impose, by written notice to Franchisee (a "Default Rate Notice"), a Royalty rate increase to a rate of up to five percent (5%) of the total amount of Franchisee's Gross Sales in the event of a default under Section 15.3 of this Agreement. Franchisor may, in its sole discretion, include in the Default Rate Notice conditions for Franchisee to satisfy to reduce or eliminate the Royalty rate increase and the time period for satisfying such conditions.

3.4 Gross Sales. "Gross Sales" is defined as all amounts accrued as revenue for goods, merchandise or services sold at, through, or from your Franchised Restaurant, including revenues from on-premises food and beverage sales, take-out, catering, and other on-site and off-site sales, unless exempted by Franchisor, excluding any sales tax or other similar taxes collected by Franchisee from customers based upon sales, and excluding any cash collected as payment in credit transactions where the extension of credit itself has previously been included in a Gross Sales total. The sale of Giovanni's products away from the Franchised Restaurant is not authorized; however, should any such sales be approved in the future, they will be included with this definition. On the tenth (10^{th}) day of each month, Franchisee shall report by electronic means or in written form, as Franchisor directs, Franchisee's Gross Sales and such additional information requested by Franchisor. Franchisor shall have the right to verify such Gross Sales reports from time to time as it deems necessary in any reasonable manner, including on-site or off-site inspection, accessing point of sale system information and audit of the books of original entry of Franchisee.

3.5 Application of Payments. Notwithstanding any designation Franchisee might make, Franchisor may apply any payment made by Franchisee to any of the Franchisee's past due indebtedness to Franchisor or its affiliates. Franchisee acknowledges that Franchisor has the right to set-off any amounts Franchisee owes Franchisor or its affiliates against any amounts Franchisor or its affiliates might owe Franchisee.

4. DEVELOPMENT OF FRANCHISED LOCATION

4.1 Lease Approval. If Franchisee leases the Franchised Location from a third party, Franchisee shall make a good faith effort to include in the lease:

A. An agreement to allow Franchisor to require the lessor to recognize and attorn to an assignment of the lease and conveyance of all tenant improvements by Franchisee to Franchisor upon termination or expiration of Franchisee's Franchise Agreement; and

B. An agreement that lessor will notify Franchisor of any default under the lease and provide Franchisor the opportunity and to cure such default.

4.2 Conversion and Design. Franchisee acknowledges that the layout, design, decoration, and color scheme of Concept Restaurants are an integral part of the System, and accordingly, the building in which the Franchised Restaurant operates shall be constructed, converted, or renovated, and the premises improved in a manner authorized and approved in writing by Franchisor, and the appearance of the building and the premises will not be altered except as may be approved in writing by Franchisor in advance. Further, Franchisee shall, at Franchisee's expense, make all improvements and alterations as determined by Franchisor to be reasonably necessary to reflect an acceptable image of Concept Restaurants.

4.3 Signs. Franchisee shall purchase or otherwise obtain for use at the Franchised Location and in connection with the Franchised Restaurant the maximum number and size of signs allowed by applicable building codes, which signs shall comply with Franchisor's standards and specifications. Franchisee shall not place additional signs or posters on the premises at the Franchised Location without the prior written consent of Franchisor. Franchisor may require that some or all identification signs be leased from Franchisor to assure consistency among Concept Restaurants and to protect the Marks.

4.4 Equipment. Only equipment that has been approved in writing by Franchisor as meeting the System standards and specifications shall be used in the Franchised Restaurant. The equipment shall be maintained in a condition that meets operational standards specified in the Operations Manual (as defined herein), and as equipment becomes obsolete or inoperable, Franchisee shall replace such items with the types and kinds of equipment that are being installed in new Concept Restaurants at the time of replacement. If Franchisor determines that additional or substitute equipment is needed because of a change in menu items or methods of preparation and service or for any other reason, Franchisee shall install at Franchisee's expense the new equipment within a reasonable time specified by Franchisor.

4.5 Permits and Licenses. Franchisee agrees to obtain, at the time necessary to comply with applicable law, all permits and licenses required for the lawful construction, renovation, and operation of its Franchised Restaurant and all certifications from governmental authorities having jurisdiction over the Franchised Location. Franchisor may have Franchisee certify that all requirements for construction and operation have been met.

5. TRAINING

5.1 Initial Training. As a condition precedent to the opening of the Franchised Restaurant, Franchisee (or if Franchisee is an entity, its equity interest owners (the "Managing Owner")) and, if Franchisor requests it, a designated restaurant manager (the "Manager"), must have successfully completed Franchisor's initial training program at a location specified by Franchisor, which may include the Franchised Location (the "Initial Training Program"). There shall be no charge for participation in the Initial Training Program; however, Franchisee shall be responsible for all travel and living expenses, employee compensation and benefits, taxes, and insurance for Franchisee (or Managing Owner) and the designated manager while enrolled in the training program.

Up to three (3) additional persons whom Franchisee expects to play a significant role in the Franchised Restaurant may attend the Initial Training Program upon payment of an additional fee of Seventy Dollars ($70) per hour per person, provided that the consent of Franchisor is obtained in advance.

5.2 Additional Training. If Franchisee so requests, Franchisor may at any time after Franchisee completes initial training, offer additional training to Franchisee at a location specified by Franchisor. Franchisee shall pay to Franchisor an additional training fee of Seventy Dollars ($70) per hour of additional training provided at the location specified. Franchisor may update this training fee hourly rate once annually in the Operations Manual. Franchisee shall be responsible for all actual travel and living expenses of Franchisor's representative performing such additional training. Any such additional training requested by Franchisee shall not be included as part of the pre-opening or opening assistance described in Section 6.1.D and shall not be included with the fee paid in connection therewith.

5.3 Employee Training. Franchisee shall implement a training program for Franchised Restaurant employees in accordance with training standards and procedures prescribed by Franchisor and shall staff the Franchised Restaurant at all times during the term of this

Agreement with a sufficient number of trained employees including at least one (1) manager who has completed Franchisor's initial training program. Requests for exemption from the manager training program will be considered by Franchisor on an individual basis and will be granted only in those situations where the employee has prior operational experience in a Concept Restaurant and demonstrates to Franchisor a thorough knowledge and understanding of the System.

6. DUTIES OF FRANCHISOR

6.1 Before Opening. Prior to the opening of the Franchised Restaurant, Franchisor shall:

A. Site Plan. Provide standard plans, specifications, and layouts for the Franchised Location, including trade dress, furnishings, décor, layout, and signs, and provide advice and consultation for Franchisee with respect thereto. Any modifications for non-standard buildings, unless required by local zoning or building laws, must be approved in writing by Franchisor and are to be paid for by Franchisee.

B. Initial Training. Provide the Initial Training Program, as described in Section 5.1.

C. Confidential Operations Manual. Loan Franchisee one (1) copy of the confidential *Giovanni's Operations Manual* (the "Operations Manual") containing the standards, specifications, procedures, know-how, and methods for operating a Concept Restaurant.

D. Supervision and Assistance. Provide Franchisee with pre-opening and opening supervision and assistance by personnel of Franchisor at the Franchised Restaurant, as Franchisor deems necessary. Franchisor may offer or require Franchisee to give access to the Operations Manual and the materials described in paragraph A via electronic media or Internet website.

6.2 After Opening. Following the opening of the Franchised Restaurant, Franchisor shall:

A. Marketing and Advertising. Provide Franchisee with marketing materials and merchandising, marketing, and advertising research data and advice, which Franchisor may develop from time to time and deem helpful in the operation of the Franchised Restaurant.

B. Promotional Assistance. Provide assistance to Franchisee in implementing promotions conducted before and after the Franchised Restaurant opens, in accordance with Franchisor's policy at the time. Any costs incurred to implement the promotional programs shall be the Franchisee's responsibility.

C. Quality Standards.

(i) Establish standards and specifications for services and products offered at or through the Franchised Restaurant and for the uniforms, décor, equipment, supplies, menus, recipes, ingredients, methods of preparation and service, services offered, weight and dimensions of products served, cleanliness, temperature, presentation, plating, aroma, attractiveness, health, and sanitation.

(ii) Conduct inspections of the Franchised Restaurant as Franchisor may deem necessary or desirable, including without limitation examinations of the Franchised Restaurant's inventory, products, equipment, or materials or accessing and reviewing all recorded video or data and reports provided by the point-of-sale system and other systems or applications. Such inspections and reviews may be conducted without prior notice to Franchisee and shall be performed in a manner that minimizes interference with the operation of the Franchised Restaurant.

D. Updates to Operations Manual. Provide Franchisee with updates, revisions, and amendments to the Operations Manual in order to implement changes to the System and the Marks, including without limitation new developments, systems, techniques, and improvements in food preparation, services, equipment, food products and ingredients, packaging and technologies and services for restaurant management, that Franchisor may develop from time to time and deem helpful to the operation of the Franchised Restaurant.

7. DUTIES OF FRANCHISEE

7.1 Use of Franchised Location. During the term of this Agreement, Franchisee shall use the Franchised Location exclusively for the purpose of operating the Franchised Restaurant and for no other business or purpose.

7.2 Quality Standards. Franchisee shall operate and maintain a clean, safe, and high-quality Franchised Restaurant operation and promote and operate the business in strict accordance with the Operations Manual and System standards, policies, and otherwise conduct itself so as not to detract from or adversely reflect upon the name and reputation of Concept Restaurants and the goodwill associated with the System and the Marks.

7.3 Compliance with Applicable Laws. Franchisee will conduct itself and operate its Franchised Restaurant in compliance with all applicable laws, regulations, and ordinances and in such a manner as to promote a good public image in the business community and to enhance the goodwill of the Concept Restaurants, the System, and the Marks. Franchisee shall keep copies of all health department, fire department, building department, and other reports and inspections on file and available for inspection by Franchisor for a period of three (3) years. Franchisee shall immediately forward to Franchisor any reports or inspections in which Franchisee, the Franchised Location, or the Franchised Restaurant has been found not to be in compliance with the applicable regulations.

7.4 Management. Franchisee acknowledges that the proper management of the Franchised Restaurant is important and shall ensure that Franchisee (or its Managing Owner) or a Manager who has completed the Initial Training Program will be responsible for managing the Franchised Restaurant. Franchisee (or its Managing Owner) or a Manager must work full-time at the Franchised Restaurant.

7.5 Required Products and Services.

A. Authorized Products and Services. Franchisee shall offer only the authorized products and services described in the Operations Manual, as it may be revised or amended from time to time, or otherwise authorized and approved by Franchisor in writing. If Franchisee proposes to offer, conduct, or utilize any services, products, equipment, supplies, or recipes in connection with or for sale through the Franchised Restaurant that are not approved by Franchisor, Franchisee shall first notify Franchisor in writing requesting approval. Franchisee shall adhere to all specifications contained in the Operations Manual, training materials or otherwise prescribed by Franchisor as to uniforms, systems, equipment, décor, supplies, menus, recipes, ingredients, methods of preparation and service, weight and dimensions of products served, and standards of cleanliness, temperature, presentation, plating, aroma, attractiveness, health, and sanitation. All food, drink, and other items will be served and sold in packaging that meets Franchisor's specifications.

B. Unauthorized Products or Services. Franchisee may offer beer, wine, or liquor at their Franchised Location, but only to customers dining in. Franchisee shall not be permitted to sell beer, wine, liquor, or any other type of alcoholic beverage for either carryout or delivery.

C. Special Items. Franchisee also recognizes that Franchisor has expended a great deal of time and money to develop unique selections of ingredients and methods of preparation for certain products (the "Special Items"). Franchisee agrees to purchase from Franchisor (or companies designated by Franchisor that are affiliates of Franchisor) those items designated from time to time in the Operations Manual as Special Items and to utilize Special Items in the preparation of food products to be served in the Franchised Restaurant according to the methods of preparation in the Operations Manual.

D. Approved Suppliers. Franchisee shall purchase all equipment, products, services, supplies, and materials required for the operation of the Franchised Restaurant from manufacturers, suppliers, or distributors designated by Franchisor and its affiliates or, if there is no designated supplier for a particular product, equipment, service, supply, or material, from such other suppliers who meet all of Franchisor's and its affiliates' specifications and standards as to quality, composition, finish, appearance, and service ("Approved Suppliers"). Franchisor and its affiliates may designate, from time to time, a single Approved Supplier for any services, products, goods, equipment, supplies or materials, including without limitation Special Items, and may require Franchisee to use such a designated supplier exclusively. Such exclusive designated Approved Supplier may be Franchisor or any of its affiliates. Franchisor and its affiliates may receive payments from suppliers on account of such suppliers' dealings with Franchisee and other franchisees and may use all amounts so received without restriction and for any purpose Franchisor and its affiliates deem appropriate.

7.6 No Installation of Certain Items. Franchisee shall not install telephone booths, newspaper racks, juke boxes, cigarette, gum and candy machines, games, rides or any other vending machines on the premises without prior written approval of Franchisor.

7.7 Taxes and Other Obligations. Franchisee shall promptly pay when due all taxes and other obligations owed to third parties, including without limitation all federal, state, and local taxes and any and all accounts payable or other indebtedness incurred by Franchisee in operating the Franchised Restaurant.

7.8 Agreements with Third Parties. Franchisee shall comply with all agreements with third parties related to the Franchised Restaurant, including without limitation all provisions of any lease or sublease.

7.9 Ownership and Control. Franchisee shall at all times during the term of this Agreement own and control the Franchised Restaurant. Franchisee shall maintain and provide to Franchisor within ninety (90) days after the close of each fiscal year a current list of all owners of record and all beneficial owners of any class of voting securities of Franchisee. Franchisee shall promptly notify Franchisor of any changes to the list.

7.10 Business Hours. Franchisee shall at all times during the term of the Agreement keep the Franchised Restaurant open during the business hours designated by Franchisor from time to time in the Operations Manual. Any deviations from the required hours first must be approved in writing by Franchisor.

7.11 Cure of Defaults. Franchisee shall diligently and immediately take such steps as are deemed reasonably necessary by Franchisor in a written notice to Franchisee to correct any deficiencies in Franchisee's adherence to the System or to cure any defaults under this Agreement. Franchisee acknowledges that Franchisor reserves the right to impose a Royalty rate increase of up to five percent (5%) of the total amount of Franchisee's Gross Sales in the event of a curable default, as provided in Section 15.3.

7.12 Reconstruction after Fire or Casualty. In the event that the Franchised Restaurant is damaged or destroyed by fire or other casualty or is required to be repaired or reconstructed by any governmental authority, Franchisee shall repair or reconstruct the Franchised Restaurant within a reasonable time. Franchisee must restore the Franchised Restaurant to meet the System standards then in effect, which may require restoration that reflects the then-current image, design, and specifications of a Concept Restaurant. If a fire or other casualty substantially destroys the Franchised Restaurant, or the Franchised Restaurant is condemned by a governmental authority under the power of eminent domain, Franchisee may, with Franchisor's consent, elect to terminate this Agreement in lieu of restoring the Franchised Restaurant.

7.13 Management Information and Point of Sale Systems. Franchisor may, but is under no obligation to, specify management information, point of sale, production, labor, inventory control, communications and other technology, hardware, software and services, including broadband commercial internet service, phone and video surveillance systems, to be used at the Franchised Restaurant. Any such specifications will be published in the Operations Manual or separately. Franchisee will comply with the implementation of such specifications on not less than 180 days prior written notice from Franchisor and maintain such systems in working order. Franchisee will conduct all required training and data entry necessary to utilize the specified technology. Franchisor may designate itself as the sole supplier of proprietary technology developed for use at Concept Restaurants and reserves the right to have full administrative access to these systems and the information they provide for use at Franchisor's discretion. Franchisee shall be obligated to pay reasonable acquisition and maintenance fees consistent with prices paid by other Italian-themed restaurants for similar technology, if comparable technology is available.

7.14 Data. Franchisor may specify in the Operations Manual or otherwise in writing the information that the Franchisee shall collect and maintain on the point of sale systems. Franchisee shall maintain its point of sale systems on-line so that Franchisor may access such systems remotely in Franchisor's discretion. Franchisee acknowledges that Franchisor may copy stored data, update software, and view all records, files and reports available on or from those systems and that Franchisor has the right to use such data in any manner that Franchisor deems appropriate without compensation to the Franchisee. Franchisee shall not purge data unless permitted to do so under the Operations Manual. The Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained.

8. PROPRIETARY MARKS

8.1 Marks. Franchisee acknowledges that Franchisor and its affiliates have the sole right to license and control Franchisee's use of the Marks and that such Marks shall remain under the sole and exclusive ownership and control of Franchisor and its affiliates. Franchisee acknowledges that it does not acquire any right, title, or interest in the Marks except for the right to use the Marks in operating its Franchised Restaurant under this Agreement. Franchisee shall display the Marks prominently at the Franchised Restaurant, on packaging and serving materials, and in connection with forms, advertising, and marketing, all in the manner Franchisor prescribes. Franchisee may not, either during or after this Agreement's term, use any of the Marks or any similar word, phrase, or symbol, except as allowed by Franchisor in writing, as part of any domain name or electronic address it maintains on the Internet.

8.2 System. Franchisee hereby acknowledges that Franchisor owns and controls the distinctive plan for establishing, operating, and promoting the Concept Restaurants and all related licensed methods of doing business, previously defined as the System, which include without limitation recipes, menu items, and cooking methods; restaurant equipment standards; customer relations; marketing techniques; written promotional materials and Operations Manual contents; advertising; and accounting systems; all of which constitute trade secrets of the Franchisor, and Franchisee acknowledges that Franchisor has a valuable right in and to such trade secrets and any controls or data provided. Franchisee further acknowledges that it has not acquired any right, title, or interest in the System, except for the right to use the System in operating the Franchised Restaurant, and that any and all innovations, additions, or improvements made to the System, even if by Franchisee, shall belong to Franchisor.

8.3 Trademark Infringement. Franchisee agrees to immediately notify Franchisor in writing of any possible infringement of a Mark or use by others of a trademark confusingly similar to the Marks coming to its attention. Franchisee acknowledges that Franchisor and its affiliates shall have the sole right to determine whether any action will be taken in response to any possible infringement or illegal use and to control any action taken. Franchisee agrees to fully cooperate with Franchisor and its affiliates in any litigation or other action.

8.4 Franchisee's Business Name. Franchisee acknowledges that Franchisor and its affiliates have prior and superior claims to the GIOVANNI'S trade name. Franchisee shall not use the word "GIOVANNI'S" in its legal name or in the legal name of any business entity owned or controlled by Franchisee. Franchisee also agrees not to register or attempt to register a trade name using the word "GIOVANNI'S" or any portion thereof in Franchisee's name or in the name of any business entity owned or controlled by Franchisee.

8.5 Change of Marks. In the event Franchisor decides to modify or discontinue use of any proprietary Marks, or to develop additional or substitute marks, Franchisee shall, within a reasonable time after receipt of written notice, take such action, at Franchisee's sole expense, necessary to comply with such modification, discontinuation, addition, or substitution. Franchisor and its affiliates need not reimburse Franchisee for its direct expenses of changing the Franchised Restaurant's signs, for any loss of revenue due to any modified or discontinued Mark, or for its expenses of promoting a modified or substitute trademark or service mark.

9. OPERATIONS MANUAL

9.1 Compliance. Franchisee agrees to comply fully with the Operations Manual provided to Franchisee as set forth in 6.1 as an essential aspect of its obligations under this Agreement.

9.2 Protection of Manual. Franchisee shall at all times treat the Operations Manual, training materials, portion boards, and all supplements and revisions thereto, and any other manual, brochure, or memorandum created for or approved for use in the operation of the Franchised Restaurant and the information contained therein (the "Confidential Information") as the confidential and proprietary information of Franchisor and shall use all reasonable efforts to protect and maintain the confidentiality of such information, as provided in Section 14 below.

9.3 Revisions. Franchisor may from time to time revise the contents of the Operations Manual, and Franchisee expressly agrees to comply with each new or changed System standard, specification or procedure set forth therein. Franchisee shall at all times ensure that Franchisee's copy of the Operations Manual is kept current and up to date, incorporating any and all revisions that Franchisor provides to Franchisee in either paper or electronic format. In the event of any dispute as to the contents of the Operations Manual, the master copy of the Operations Manual maintained by Franchisor shall control.

10. ACCOUNTING AND RECORDS

10.1 Accounting. Franchisee agrees to keep complete financial records for the Franchised Restaurant and furnish Franchisor with a monthly year-to-date profit and loss statement in the format prescribed by Franchisor. Franchisee shall, upon request by Franchisor, also submit quarterly balance sheets, the first of which shall be for the period ending three (3) months after the Franchised Restaurant opens. All profit and loss statements and balance sheets should be prepared in accordance with generally accepted accounting principles and shall be submitted to Franchisor within fifteen (15) days after the end of the period covered by the report. In addition, Franchisee shall submit to Franchisor copies of all state sales tax returns relating to sales at the Franchised Restaurant at the same time the returns are filed and all such other records as Franchisor may reasonably request from time to time. Franchisee acknowledges that Franchisor has the right to access remotely any of the reports or information captured, collected, stored or provided by systems used at or for the benefit of the Franchised Location.

10.2 Annual Statements. Franchisee shall, at Franchisee's expense, submit to Franchisor an annual financial statement for the Franchised Restaurant in the form prescribed by Franchisor, which shall include a balance sheet and an income statement, within ninety (90) days after the end of each fiscal year during the term hereof. Franchisee shall, upon request by Franchisor, have such annual financial statements certified by a Certified Public Accountant at Franchisee's expense.

10.3 Audits. Franchisor or its representative shall have the right at all reasonable times, at Franchisor's expense, to access, audit, examine and copy all books, records (including files and documents stored in any medium), reports, data, receipts, and tax returns of Franchisee related to the Franchised Restaurant. In the event a discrepancy exceeding three percent (3%) is found between reported gross sales and actual gross sales, Franchisee shall reimburse Franchisor for all costs of the audit including travel, lodging, and wages reasonably incurred.

10.4 Preservation. During the term of this Agreement, Franchisee shall maintain and preserve, for at least three (3) years from the date of their preparation, full, complete, and accurate, books, records, and accounts in the form and manner prescribed by Franchisor.

10.5 Release of Financial Information. Franchisee gives permission to Franchisor to release to Franchisee's landlord, lenders, or prospective landlord or lenders, financial and operational information relating to Franchisee and/or the Franchised Restaurant.

11. MARKETING AND ADVERTISING

11.1 Prior Review. Franchisee shall submit to Franchisor for review prior to use samples of all advertising and promotional materials that have not been previously approved by Franchisor, or do not conform to specifications in the Operations Manual. If Franchisor fails to notify Franchisee of its disapproval within seven (7) days from the date of receipt by Franchisor of such materials, Franchisee may use the item until such time as Franchisor notifies Franchisee otherwise.

11.2 Advertising by Franchisor. Although not obligated to do so, Franchisor may from time to time supply Franchisee with advertising and promotional materials that Franchisee may utilize for local advertisement. Franchisor may, at its discretion, engage in national, regional, or local advertising campaigns in any location or area it deems desirable. Franchisee agrees that Franchisor is under no obligation to advertise the Concept Restaurants in the market area of the Franchised Restaurant.

11.3 Advertising Cooperative. We may establish one or more advertising cooperatives from time to time and, further, may modify, terminate and reform any existing advertising cooperative at any time in our sole discretion. If the Franchised Restaurant operates within a DMA for which an approved advertising cooperative exists, you will contribute to the advertising cooperative the amounts required by the cooperative up to two percent (2%) of the Gross Sales of the Franchised Restaurant during each month. All Franchised Restaurants that we or our affiliates operate will participate in any advertising cooperative that we establish for the DMA in which they are located on the same basis as the Franchised Restaurants in the DMA. We will administer the cooperative unless we designate another party to perform the administrative functions. The cooperative may have written governing documents that we must provide or approve, which will be available for all participants in the cooperative to review. Each cooperative will maintain accounting records and compile financial statements that will be available for review by all participants. We retain the power to require any cooperative to be formed, changed, dissolved or merged with another cooperative.

11.4 DMA. "DMA" means a Designated Market Area, as defined by Nielsen Media Research or its successors in interest from time to time. We may designate a substitute independent source for providing the boundaries of a single television advertising market in the Operations Manual.

11.5 Marketing Fund. We reserve the right to establish a marketing fund (the "Marketing Fund"). You will pay a monthly marketing fee (the "Marketing Fee") to us in an amount equal to up to two percent (2%) (as we designate in the Operations Manual) of the total amount of the Gross Sales of the Franchised Restaurant. Exhibit A lists the Marketing Fee in effect on the Effective Date. We will account for all Marketing Fees we collect in a separate account. We also may deposit the marketing, promotional and other payments we receive from suppliers into the Marketing Fund. We will disburse the Marketing Fund to pay for marketing, advertising, promotional, public relations, and other similar activities intended to benefit all Concept Restaurants, and their administration. Those activities may include (without limitation) (a) market research, (b) marketing technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, and (g) product research and development. We also may use the Marketing Fund to pay or reimburse us for our administrative overhead incurred for activities supported by the Marketing Fund. Any moneys in the Marketing Fund not spent at the end of each fiscal year will remain in the Marketing Fund, provided that amounts contributed to the Marketing Fund may be used to pay taxes associated with unspent amounts on deposit in the Marketing Fund. We will have the sole and exclusive discretion to direct all activities and programs funded by the Marketing Fund. We generally will administer the Marketing Fund for the benefit of all Concept Restaurants.

You acknowledge that we have no obligation to expend Marketing Fund amounts for your benefit equivalent or proportionate to your Marketing Fees, and we do not warrant or guarantee that you will receive or derive any benefit from Marketing Fund activities. We will make all studies and reports produced by the Marketing Fund available to you at no cost as Confidential Information. We will make copies of all materials produced by the Marketing Fund for franchisee use available to you at your expense. We may suspend, terminate, and reinstate the Marketing Fund at any time. The Marketing Fund will not terminate, however, until we have spent all moneys in the Marketing Fund for the purposes set forth above.

12. INSURANCE AND INDEMNIFICATION

12.1 Coverage. Franchisee shall obtain and maintain Comprehensive General Liability Insurance, including Products Liability and Broad Form Contractual Liability, covering the Franchised Restaurant in an amount not less than $1,000,000 single limit per occurrence, $2,000,000 general aggregate limit for personal injury and property damage, including premises, independent contractors, products and completed operations, contractual, personal and advertising liability, on an occurrence basis, with coverage on a 1986 or later ISO commercial general liability form policy, or such other policies and amounts as Franchisor may reasonably request. If Franchisee chooses to offer delivery services, Franchisee shall obtain and maintain Business Automobile Liability coverage (non-owned) with a minimum limit of $1,000,000 per occurrence. If Franchisee chooses to obtain any type of liquor license, Franchisee shall obtain and maintain Liquor Liability insurance with a minimum limit of $1,000,000. Each policy shall name Franchisor as an additional insured and shall provide that the policy cannot be cancelled without thirty (30) days' prior written notice to Franchisor. Franchisee shall also obtain and maintain workers' compensation insurance as required by law and any other insurance required by the state or locality of the Franchised Restaurant. If Franchisee fails to obtain and maintain the insurance required under this Agreement, Franchisor may, but is under no obligation to, procure such insurance at Franchisee's expense and will invoice Franchisee for the premium.

12.2 Proof. Franchisee shall provide a certificate of insurance to Franchisor demonstrating that Franchisee has complied with the requirements of this Agreement and the Operations Manual before commencing operation of the Franchised Restaurant and annually thereafter, at least sixty (60) days before the expiration of the previously submitted certificate. Each certificate of insurance shall provide at least sixty (60) days' prior written notice of cancellation, termination, or non-renewal to Franchisor.

12.3 Indemnification. Franchisee shall indemnify and defend Franchisor, its officers, directors, members, employees and agents, and their respective successors, assigns and personal representatives (the "Indemnified Parties"), and must hold each of them harmless from and against any and all costs, expenses, losses, liabilities, claims and demands, including costs of defense, investigation, resolution, judgment, settlements, attorneys' fees and court costs, arising from or in connection with the franchised business, the operation of the Franchised Restaurant, and any actual or alleged loss, injury, or damage to any person, entity or property, or any contract or relationship connected with the Franchised Restaurant. This obligation extends to and includes any claim or cause of action alleging negligence of the Indemnified Parties, but not to any claim alleging the Indemnified Parties' gross negligence or willful misconduct.

13. TRANSFER OF INTEREST

13.1 Transfer by Franchisor.

A. Franchisor shall have the right to transfer, delegate or assign this Agreement or all or any part of its rights or obligations under this Agreement to any party. Franchisor may sell or assign any or all of its assets, including without limitation the System and the Marks, to any party without further liability or obligation to Franchisee.

B. Nothing in this Agreement or otherwise shall obligate Franchisor to remain in the restaurant business or franchising business in the event Franchisor should assign this Agreement or its assets to a third party. Upon notice to Franchisee that Franchisor has assigned this Agreement, Franchisor shall cease to have further performance and payment obligations to Franchisee arising after the effective date of such assignment.

13.2 Transfer by Franchisee.

A. Franchisee acknowledges that its duties and obligations set forth in this Agreement are personal to Franchisee, and that Franchisor has entered into this Agreement and granted the Franchise the rights and license hereunder in reliance on the business skill, financial capacity, and character of Franchisee or its principal owners listed on Exhibit B, if an entity. Accordingly, Franchisee shall not sell, assign, transfer, convey, donate, give away, mortgage or otherwise encumber this Agreement or any direct or indirect interest in Franchisee or the Franchised Restaurant without the prior written consent of Franchisor.

B. Any purported voluntary or involuntary assignment or transfer by Franchisee, by operation of law or otherwise, not having the prior written consent of Franchisor shall be null and void and shall constitute a material breach of this Agreement.

C. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee, substantially all of Franchisee's assets or this Agreement if the following conditions have been met:

(i) All of Franchisee's accrued financial obligations to Franchisor shall have been satisfied;

(ii) Franchisee shall not be in default under any provisions of this Agreement or any other agreement between Franchisee and Franchisor or its affiliates or suppliers to the Franchised Restaurant;

(iii) Franchisee shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, members, agents and employees to the extent permitted by applicable law;

(iv) The transferee shall enter into a written assignment and assumption agreement in a form satisfactory to Franchisor assuming and agreeing to pay, perform, and discharge all of Franchisee's obligations under this Agreement or otherwise;

(v) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-existing requirements and qualifications for a new franchisee; and

(vi) Franchisee or the transferee shall pay Franchisor a transfer fee equal to fifty percent (50%) of the now-current initial franchise fee, to cover Franchisor's expenses in connection with the transfer.

D. Franchisee shall remain liable for all obligations to Franchisor in connection with the Franchised Restaurant arising or accruing prior to the effective date of the transfer. The transferee and any new designated manager shall complete such training programs as Franchisor may reasonably require, at the transferee's expense, which may include a tuition fee specified in the Operations Manual payable to Franchisor in addition to travel and incidental expenses.

13.3 Right of First Refusal. In the event Franchisee or its principal owners desires to sell the Franchised Restaurant and Franchise rights and license granted herein, or any part of the equity interest in an entity that has been granted such rights, and receives a bona fide offer to purchase in writing that Franchisee or such owners are ready, willing and able to accept, Franchisee agrees to notify Franchisor in writing of the terms and conditions of such offer. Franchisor shall have the option, exercisable within thirty (30) days after receipt of such written notice, to notify Franchisee that Franchisor elects to assume and perform the offer to purchase on the same terms and conditions as the bona fide written offer. Franchisee shall sell to Franchisor on the same terms and conditions as the bona fide offer and to comply with all applicable laws relating to such transaction. If Franchisor fails to notify Franchisee of its election to exercise its right of first refusal granted herein within the thirty (30) day period, then Franchisee may consummate the bona fide offer, subject to Franchisor's rights under Section 13.2 above. Any material change in the terms or conditions of any offer prior to closing shall constitute a new offer subject to Franchisor's right of first refusal described herein. If Franchisee fails to consummate the transaction within sixty (60) days from the earlier of: (a) receipt of notice from Franchisor that it elects not to exercise its right of first refusal, or (b) expiration of the thirty (30) day period referred to herein, then Franchisee must resubmit the proposed transaction to Franchisor, and Franchisor shall have a new thirty (30) day review period and right of first refusal.

13.4 Transfer Upon Death or Mental Incapacity. Upon the death or incapacity of Franchisee or its principal equity owner, the Franchised Restaurant or such owner's interest therein may be transferred to the spouse or heirs of the Franchisee or such owner, or to a guardian, conservator or trustee, provided, in Franchisor's sole determination, such person(s) meet

Franchisor's then-existing requirements and qualifications for the granting of a franchise. If the said transfer shall not be approved by Franchisor, the executor, administrator or personal representative of Franchisee must transfer Franchisee's interest to a third party approved by Franchisor within six (6) months after Franchisee's death or the determination of incapacity. If the Franchised Restaurant is not so transferred within six (6) months after such death or incapacity, Franchisor may terminate this Agreement.

13.5 Operation of Franchise by Franchisor. In order to prevent any interruption in the business that would cause harm to the Franchised Restaurant or Franchisor, Franchisee authorizes Franchisor, to operate and manage the Franchised Restaurant, at Franchisor's option, in the event that Franchisee is absent or incapacitated by reason of illness, death or otherwise (except a planned vacation) and as a consequence, in Franchisor's sole judgment, the Franchised Restaurant is rendered inoperable for any period of time longer than seven consecutive days, for so long as Franchisor deems necessary, without waiving any of Franchisor's other rights and remedies under this Agreement. All moneys from the operation of the Franchised Restaurant during such period of operation by Franchisor shall be kept in a separate account, and the expenses of Franchisor during such period for operating the Franchised Restaurant, including reasonable compensation of Franchisor and its employees or representatives, shall be charged to such account. Franchisee agrees to save harmless and fully indemnify Franchisor and its employees and representatives for and against all claims, losses or actions in connection with the operation and management of the Franchised Restaurant hereunder.

13.6 Non-Waiver of Claims. Franchisor's consent to a transfer of the Franchise shall not constitute a waiver of any claims it may have against Franchisee, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

14. CONFIDENTIAL INFORMATION

14.1 Obligation. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity, or use such information other than to operate the Franchised Restaurant, any Confidential Information, knowledge, or know-how concerning the System or the operation of the Franchised Restaurant, including without limitation the Operations Manual. Franchisee shall divulge such Confidential Information only to such of Franchisee's employees or agents as must have access to it in order to operate the Franchised Restaurant, and who have first signed a nondisclosure agreement in a form acceptable to Franchisor. Any and all information, trade secrets, knowledge, know-how, or other data concerning the System or which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to Franchisee's attention prior to disclosure thereof by Franchisor, or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others under no obligation to maintain confidentiality. Franchisee agrees to use such proprietary information of Franchisor only for operation of the Franchised Restaurant. Franchisee shall not at any time, without Franchisor's prior written consent, itself or through others, copy duplicate, record, post on a website, publish, disseminate, or otherwise reproduce confidential information, or make the same available to an unauthorized party.

14.2 Injunctive Relief. Franchisee acknowledges that the provisions of this Section 14 are and have been a primary inducement to Franchisor to enter into this Agreement, and that any failure to comply with the requirements of this Section 14 may cause Franchisor irreparable injury without an adequate remedy at law; and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against any violation of, the requirements of Section 14, and that no bond shall be required to obtain and maintain such an injunction.

15. DEFAULT AND TERMINATION

15.1 Termination by Franchisee. Franchisee shall have the right to terminate this Agreement if Franchisor materially fails to comply with this Agreement and fails to cure its default within thirty (30) days after delivery of written notice of the default from Franchisee. Notwithstanding the foregoing, if the breach is curable but is of a nature which cannot reasonably be cured within such thirty (30) day period and Franchisor has commenced and is continuing to make good faith efforts to cure the breach, Franchisor shall be given an additional reasonable period of time to cure the same, and this Agreement shall not terminate. Any termination by Franchisee other than in accordance with this Section will be deemed a termination by Franchisee without cause.

15.2 Termination by Franchisor for Incurable Defaults. Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure, effective immediately upon receipt of notice by Franchisee, upon the occurrence of any of the following:

A. Franchisee or the Manager fails to complete the required training program(s) described in Section 5 to Franchisor's satisfaction.

B. Franchisee becomes insolvent or makes a general assignment for the benefit of creditors; or a case is commenced under the Federal Bankruptcy Code by Franchisee or such a case is commenced against and consented to by Franchisee; or Franchisee is adjudicated as bankrupt; or if Franchisee is unable to pay commercial debts as they become due. This paragraph shall be void if it is determined that it restricts Franchisee's rights under 11 U.S.C. §§ 101 et seq.

C. Franchisee is convicted of or pleads nolo contendere to a felony or other crime reasonably likely, in the opinion of Franchisor, to adversely affect the goodwill or reputation of Franchisor or the Marks.

D. Franchisee or any equity owner in Franchisee transfers any rights or obligations under this Agreement or any interest in Franchisee or in the Franchised Restaurant to any third party without Franchisor's prior written consent, except as permitted under Section 13.2.

E. Franchisee intentionally discloses the contents of the Operations Manual or other trade secrets or Confidential Information provided to Franchisee by Franchisor to any unauthorized person or fails to exercise reasonable care to prevent such disclosure.

F. Franchisee maintains false books or records of the Franchised Restaurant, refuses to allow Franchisor full remote access to point of sale systems, or knowingly makes any material false statements or omissions to Franchisor in connection with Franchisee's application for the Franchise or in any reports submitted to Franchisor, including without limitation the understatement of Gross Sales by more than two percent in any one year period.

G. Franchisee receives, within any twelve (12) month period, three (3) or more notices of default of this Agreement from Franchisor.

H. Franchisee receives, within the duration of the (5) year renewal agreement, three (3) or more notices of default of this Agreement from Franchisor.

15.3 Termination by Franchisor for Curable Defaults. Except for events listed in Section 15.2 above, or events specifically provided for elsewhere in this Agreement, Franchisee shall have thirty (30) days after receipt of a written notice of default from Franchisor within which to cure any default listed in this Section 15.3, or any other default under of this Agreement, except for such shorter time to cure as specified below.

A. Franchisee fails to submit when due or denies remote access to the financial information or reports required by Franchisor under this Agreement.

B. Franchisee fails to pay amounts due to Franchisor and its affiliates, and such failure continues ten (10) days after receipt of a written default notice from Franchisor.

C. Franchisee fails to meet or comply with any standards, specifications or procedures prescribed by Franchisor in this Agreement, the Operations Manual or otherwise specified in writing from time to time by Franchisor.

D. Franchisee fails to obtain and procure Special Items and other goods and services from Approved Suppliers as Franchisor requires under Section 7.5.

E. Franchisee misuses or makes any unauthorized use of the Marks or otherwise impairs the goodwill associated therewith or Franchisor's rights therein.

F. Franchisee fails to operate the Franchised Restaurant on a continuous basis without the consent in writing of Franchisor to a period of business suspension.

G. Franchisee fails to submit décor, signage, advertising or promotional materials to Franchisor for approval.

15.4 Remedies Not Exclusive. No right or remedy of Franchisor conferred herein shall be exclusive of any other right or remedy provided herein, or at law or in equity, unless specifically provided otherwise in this Agreement.

16. OBLIGATIONS UPON TERMINATION

16.1 Immediate Actions. Upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall immediately terminate, and:

A. Franchisee shall immediately cease to operate the Franchised Restaurant and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present Franchisee of Franchisor, and follow any procedures for termination specified in the Operations Manual.

B. Franchisee shall immediately and permanently cease to use, by advertising or in any other manner whatsoever, the Marks, the System, and all methods of operation associated with the Franchised Restaurant.

C. Franchisee shall take such action as may be necessary to cancel or transfer to Franchisor all identifiers any assumed business name or equivalent registrations or listings in telephone or other directories which contain the names or the Marks. Franchisee shall transfer to Franchisor all telephone listings, domain names, and web pages, if any, for the Franchised Restaurant or which contain, use or display any of the Marks or intellectual property. Franchisee shall furnish evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

D. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates, including all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default.

E. Franchisee shall pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise herein granted in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

F. Franchisee shall immediately turn over to Franchisor the Operations Manual (except for any list of post-termination procedures), records, files, instructions, training materials, software, correspondence, and all other materials provided by Franchisor related to the operation of the Franchised Restaurant, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, except only Franchisee's copy of this Agreement and any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any applicable provision of law.

G. Upon request by Franchisor, Franchisee shall assign the telephone numbers, universal resource locator, domain name, and other links of the Franchised Restaurant to Franchisor or its designee.

17. COVENANTS, REPRESENTATIONS, AND WARRANTIES

17.1 Operation. Franchisee covenants and agrees to devote best efforts to manage and operate the Franchised Restaurant, or to hire a manager to do so.

17.2 In-Term Non-Competition. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential and proprietary information of Franchisor, including, without limitation, information regarding training methods and the operational, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants and agrees that during the term of this Agreement, and subject to the post-termination covenant contained herein, Franchisee shall not either directly or indirectly:

A. Divert or attempt to divert any business or customer of the Franchised Restaurant to any Competitor, or Competing Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to Franchisor or the goodwill associated with the Marks and Franchisor's other franchises.

B. Employ or seek to employ any person who is at that time employed by Franchisor or by another Giovanni's franchisee or induce such person to leave his or her employment with Franchisor or any affiliate.

C. Own, maintain, engage in, be employed by manage, supervise, advise, consult, assist, invest in or have any interest whatsoever in any business or entity which competes with or offers services which are the same or similar to those of the Franchised Restaurant.

For purposes of this Agreement, "Competing Business" means any restaurant or kitchen preparing meals for takeout or delivery that serves any of the following menu items: (i) pizza; (ii) Italian cuisine; (iii) sandwiches on Pepperidge Farm breads or baked goods; or (iv) "sub" sandwiches on buns longer than two inches before or after slicing for serving. "Competitor" means the direct or indirect owner, operator, manager, franchisor, licensor, franchisee or licensee of a Competing Business.

17.3 Post-Term Non-Competition. Franchisee covenants and agrees that Franchisee shall not, for a period of one (1) year following termination of this Agreement for any reason, either directly or indirectly own, maintain, engage in, be employed by, manage, advise, consult, assist, invest in or have any interest whatsoever in any Competitor or Competing Business within a radius of twenty (20) miles of the Franchised Location or any Concept Restaurant. In the event a court of competent jurisdiction holds this covenant to be unreasonable in time or geographic scope or overly broad, the parties agree to reduce the scope of the covenant to the maximum restriction permitted by law, and Franchisee agrees to be bound by such less restrictive terms of this covenant, as such court may determine. Notwithstanding the limitations on the covenants set forth above in this paragraph, Franchisee acknowledges and agrees that all restrictions regarding the use of Franchisor's proprietary Confidential Information set forth in Section 14 above shall continue in full force and effect following expiration or termination of this Agreement without limitation as to duration or geographic scope.

17.4 Limitations. Franchisor covenants and agrees that the restrictions set forth above in Sections 17.2 and 17.3 shall not apply to ownership by Franchisee of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly traded entity that is a Competitor or Competing Business, provided that Franchisee is not an employee, consultant, officer or director of such entity.

17.5 Injunctive Relief. Franchisee covenants and agrees that its violation of any covenant contained herein would result in serious, immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available, and Franchisee consents, in addition to other remedies which may be available to Franchisor, to the entry without opposition of an injunction prohibiting any conduct by Franchisee in violation of any covenant set forth herein, without the posting of any bond or surety.

17.6 No Misrepresentations or Implied Covenants**.** All written information Franchisee submitted to Franchisor about Franchisee, its Owners, any guarantor, or the finances of any such person or entity, was or will be at the time delivered and when Franchisee executes this Agreement, true, accurate and complete, and such information contains no misrepresentation of a material fact and does not omit any material fact necessary to make the information disclosed not misleading under the circumstances. There are no express or implied covenants or warranties, oral or written, between Franchisee and Franchisor except as expressly stated in this Agreement.

18. DISPUTE RESOLUTION

18.1 Resolution of Disputes. Franchisee and Franchisor shall resolve any dispute between Franchisee and Franchisor (including any of our affiliates) and relating (a) to this Agreement (including any claim that any part of this Agreement is invalid, illegal or otherwise void or voidable), or (b) to the parties' business activities conducted as a result of this Agreement by final and binding arbitration in accordance with the Rules for Commercial Arbitration of the American Arbitration Association in effect at the time of the execution of this Agreement. The Federal Arbitration Act will apply. The arbitration will take place before one arbitrator selected by the American Arbitration Association, who must have had at least two years of experience as a federal or state court trial judge. The arbitration will take place in Ashland, Kentucky. The parties will conduct any arbitration proceeding and resolve any dispute on an individual basis only and not on a class-wide or multiple-party basis. The prevailing party will have the right to enter the award of the arbitrator in any court having jurisdiction. The award will not have any precedential or collateral estoppel effect on any other dispute. The provisions of this Section 18 will not apply to any dispute relating to the use or protection of the Marks, any trade name, trade dress, or trade secret, including (without limitation) the right to apply to any court of competent jurisdiction for appropriate injunctive relief for the infringement of the Marks, any trade name, trade dress, or trade secret.

19. GENERAL PROVISIONS

19.1 Waiver. No failure of a party to exercise any power reserved to it by this Agreement or to insist upon strict compliance by the other party with any obligation or condition hereunder shall constitute a waiver of such party's rights unless such waiver is in writing. Any waiver by either party shall not constitute a modification of this Agreement or affect the party's right to thereafter demand exact compliance with any of the terms herein. Waiver by a party of any particular default by the other party shall not affect or impair such party's rights with respect to any subsequent default of the same, or any similar or different nature; nor shall any delay or omission of a party to exercise any power or right arising out of any breach or default by the other party of any of the terms hereof affect or impair such party's right to exercise the same.

19.2 Force Majeure. Delays in the performance of any duties hereunder which are not the fault of and are beyond the ability of the party to control, including without limitation fires, floods, natural disasters, acts of God, labor disputes, riots or other similar events, shall not constitute a default in the party's performance of this Agreement, and the parties agree to extend the time of performance for a reasonable period of time to allow for such delays.

19.3 Independent Contractor Relationship. The relationship between the parties is that of independent contractors. No partnership, joint venture, employment, joint employer or relationship of principal and agent is intended, and Franchisee may not commit or bind Franchisor to any obligation whatsoever. Franchisee controls the means, manner and method of performance except as set forth in the Operations Manual. Franchisee is the employer of its employees and contractors and is solely responsible for recruitment, selection, supervision, training, compensation, insurance, benefits, discipline and termination.

19.4 Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be delivered by any means which will provide evidence of the dates sent and received, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

Giovanni's Franchise Services Inc.
715 Greenup Avenue
Ashland, KY 41101

Notices to Franchisee:

____
____
____

19.5 Entire Agreement. This Agreement and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior offers, understandings, promises, undertakings and agreements, oral or written. No amendment, change or variance from this Agreement shall be binding on either party unless executed by both parties in writing.

19.6 Severability. Each provision of this Agreement shall be considered severable; and if for any reason any provision herein is determined to be invalid under any law or by a court having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, other provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties hereto, and the invalid provision shall be deemed not to be a part of this Agreement.

19.7 Governing Law. This Agreement takes effect upon its acceptance and execution by Franchisor in the Commonwealth of Kentucky and shall be interpreted and construed under the laws of the Commonwealth of Kentucky and the United States.

19.8 Venue. The parties consent to the non-exclusive jurisdiction of the United States District Court for the Eastern District of Kentucky and the state courts of Boyd County, Kentucky for any and all disputes relating to this Agreement or to the business activities conducted as a result of this Agreement, which are not resolved pursuant to Section 18.1 The parties submit to the personal jurisdiction and venue of such courts and waive any plea of privilege, *forum non conveniens* or similar rights, privileges, or defenses to the situs of proceedings in such courts.

19.9 Dispute Costs. In any arbitration or litigation to enforce this Agreement or regarding the relationship of Franchisor and Franchisee, the prevailing party will be entitled to recover from the non-prevailing party all costs and expenses of the arbitration or litigation, including reasonable attorneys' fees, incurred by the prevailing party in such arbitration or litigation.

19.10 **JURY TRIAL WAIVER. THE PARTIES WAIVE THE RIGHT TO TRIAL BY JURY IN ALL CASES AND CONTROVERSIES ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES. THE PARTIES WAIVE ALL CLAIMS AGAINST EACH OTHER FOR EXEMPLARY AND PUNITIVE DAMAGES, TO THE FULLEST EXTENT PERMITTED BY LAW, INCLUDING, WHETHER SUCH CLAIM IS BASED ON CONTRACT OR TORT.**

20. ACKNOWLEDGEMENTS

20.1 Consultation. Before signing this Agreement, Franchisee represents to Franchisor that the Franchisee has read the Franchise Disclosure Document and this Franchise Agreement carefully and has had the benefit of the assistance of any legal counsel and business and financial advisors selected by Franchisee before making its investment decision.

20.2 Understandings. Franchisee acknowledges that:

A. The success of the Franchised Restaurant involves substantial risks and depends on the Franchisee's abilities as an independent business person and Franchisee's active participation in the daily management and supervision of the Franchised Restaurant.

B. Franchisee has not received from Franchisor, and in making its investment decisions is not relying upon, any assurance, guaranty or warranty, express or implied, from Franchisor or any Affiliate as to the potential success of the Franchised Restaurant or any projections of the revenues, earnings, cash flow or profit to be achieved, if any.

C. No statement, representation, or other act, event or communication, except as set forth in this Agreement, and in the Franchise Disclosure Document supplied to Franchisee, is binding on Franchisor in connection with the subject matter of this Agreement.

D. Franchisee has not received from Franchisor or any officer, employee or agent of Franchisor, and its not relying upon any information, either verbal or written, from Franchisor regarding the sales, revenues, earnings, income, or profits of a Giovanni's franchise, except as may be set forth in the Franchise Disclosure Document supplied to Franchisee.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the day and year first above written.

Executed this the _____ day of __________________, 20___.

FRANCHISOR

GIOVANNI'S FRANCHISE SERVICES INC.

By: ______________________________

Name: ___________________________

Title: ____________________________

FRANCHISEE:	**FRANCHISEE:**
By: ______________________________	By: ______________________________
Name: ___________________________	Name: ___________________________
Title: ____________________________	Title: ____________________________

FRANCHISEE:	**FRANCHISEE:**
By: ______________________________	By: ______________________________
Name: ___________________________	Name: ___________________________
Title: ____________________________	Title: ____________________________

<u>Exhibit A</u>

Franchised Location

1. Location of Franchised Restaurant: ____

____

2. Time to complete and open Franchised Restaurant: nine (9) months after the Effective Date.

3. <u>Address and Contact Information of Franchisee</u>:

5. <u>Initial Franchise Fee</u>: $15,000.00

6. Marketing Fee as of Effective Date: ___% of Gross Sales

Exhibit B

Ownership of Franchisee

Name	Address	Telephone	Email	Percentage Ownership

Owner	Share (%)	Witness
Owner	Share (%)	Witness
Owner	Share (%)	Witness
Owner	Share (%)	Witness

<u>Exhibit C</u>

Automated Clearing House Payment Authorization

AUTHORIZATION AGREEMENT
FOR PRE-AUTHORIZED PAYMENTS

(DEBITS)

<u>GIOVANNI'S FRANCHISE SERVICES INC.</u> ____________________

COMPANY NAME COMPANY ID NUMBER

I (we) authorize Giovanni's Franchise Services Inc. (the "Company") and ____ (the "Bank") to electronically credit and/or debit my (our): __ checking __ savings account specified below. Such credits and/or debits shall take place on a [RECURRING TIME PERIOD] basis with a minimum amount of $[___] and a maximum amount of $[____] per transaction. Such minimum and maximum amounts may be amended at any time by any written notice from me (us) to Company.

CUSTOMER'S BANK NAME BRANCH LOCATION

____________________________ ____________________________

____________________________ ____________________________ ____________

CITY STATE ZIP CODE

____ ____________________________

CUSTOMER'S BANK TRANSIT/ABA NUMBER ACCOUNT NUMBER

This authority will remain in full force and effect until the Company and the Bank receive notification from the undersigned of its termination in time for the Company and the Bank to act on it. The Company will provide the undersigned with a copy of this Authorization Agreement upon request.

____ ____

CUSTOMER NAME(S) - (Please print) CUSTOMER NUMBER

____ ____

SIGNATURE DATE SIGNATURE DATE

<u>Exhibit D</u>

Confidentiality Agreement

Confidentiality Agreement

This Confidentiality Agreement (the "Agreement") is made and entered into effective the _______ day of ___________________, 20___, by and between [Franchisee] ("Company") and ________ _______ who resides at ______________________ ("Associate").

RECITALS

A. Company is a franchisee of a pizza restaurant, which operates under the name and service marks GIOVANNI'S ®, PIZZA POWER ®, THE ITALIAN PLACE TO BE ® (the "Franchised Business") under a Franchise Agreement (the "Franchise Agreement") with Giovanni's Franchise Services Inc., a Kentucky corporation ("Franchisor").

B. Company has licensed from Franchisor a system including unique methods and procedures for operating Giovanni's pizza restaurant utilizing certain information, plans, methods, data, processes, marketing systems, techniques, operating procedures, trademarks, designs, logos, information and know-how of Franchisor ("Confidential Information"), and such Confidential Information as may be further developed from time to time by Franchisor.

C. Franchisor has established substantial goodwill and an excellent reputation with respect to the quality of services available through its Franchised Businesses, which goodwill and reputation have been and will continue to be of major benefit to and asset of Franchisor.

D. Associate is or will become associated with Company, as a Franchised Business of Franchisor, in the capacity of an officer, partner, director, manager, employee, contractor or beneficial owner of Company's Giovanni's Franchised Business, and will thereby obtain access to certain Confidential Information; and

E. Associate and Franchisor agree to protect Company's Confidential Information on the terms set forth herein as a condition for disclosure of such information to Associate.

NOW, THEREFORE, Associate and Company agree as follows:

1. Confidential Information. Associate and Company acknowledge that the business plan and methods used in connection with the operation of a Franchised Business which utilize Franchisor's Confidential Information, are confidential, unique, constitute the exclusive property of Franchisor, and are trade secrets of Franchisor. Associate acknowledges that any disclosure of the Confidential Information, or use of such information for purposes other than the operation of the Franchised Business, would be wrongful and would cause irreparable injury and harm to Company and Franchisor. Associate further acknowledges that Franchisor has expended a great amount of effort and money to obtain and develop the Confidential Information, that Franchisor Company each has taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

2. Operations Manual as Trade Secret. Associate acknowledges that Confidential Information constituting "trade secrets" as used in this Agreement is deemed to include, without limitation, any and all information contained in the Giovanni's Operations Manual, as the same are changed or supplemented from time to time, portion boards, training materials, and any other information

of whatever nature provided by Franchisor to Company and identified as confidential for use in the operation of a Franchised Business.

3. Nondisclosure of Confidential Information. Associate shall not at any time publish, disclose, divulge or in any manner communicate to any person or any entity whatsoever, or use, directly or indirectly, for his or her own benefit or for the benefit of any person or entity (other than Company or a Franchised Business) any of the Confidential Information of Company, Franchisor, or its affiliates.

4. No Interference With Business. During the term of this Agreement and for a period of two years following Associate's termination of employment with Company, Associate shall not divert or attempt to divert, directly or indirectly: (i) any business related to, or any customer or sponsor or prospective customer or sponsor of, Company, Franchisor or a Franchised Business, by direct inducement or otherwise, or (ii) the employment of any employee of Company, Franchisor or any Franchised Business, to any competitive business by any direct inducement or otherwise.

5. Remedies. Associate hereby acknowledges and agrees that in the event of any violation of this Agreement, Company shall be authorized and entitled, without posting a bond, to obtain from any court of competent jurisdiction, preliminary and permanent injunctive relief as well as an equitable accounting of and recovery of all profits or benefits arising out of any such violation, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which Company may be entitled.

6. Effect of Waiver. The waiver by Associate or Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and Company and their respective heirs, executors, representatives, successors and assigns.

8. Entire Agreement. This instrument contains the entire agreement of Associate and Company relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

9. Governing Law. This instrument shall be governed by and construed under the laws of the Commonwealth of Kentucky.

10. Jurisdiction and Venue. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the non-exclusive personal jurisdiction of the United States District Court for the Eastern District of Kentucky and the state courts of Boyd County, Kentucky, and irrevocably agrees that venue for any action or proceeding seeking to enforce this agreement may be in Boyd County, Kentucky. Notwithstanding the foregoing, in the event that the laws of the state where Associate resides require that the jurisdiction or venue be elsewhere, then such other state's laws shall control, but only to the extent that such other state's laws so require.

11. Severability. Should any one or more of the provisions hereof be determined to be illegal or unenforceable, all other provisions hereof shall be given effect separately therefrom and shall not be affected thereby.

12. Cost of Enforcement. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals).

13. Third Party Beneficiary. Associate acknowledges that Franchisor is and is intended to be a third-party beneficiary of this Agreement, and that Franchisor may enforce this Agreement on its own whether or not Company joins in such action.

14. Not Employment Agreement. Associate acknowledges that this Agreement is not a contract of employment with Company and does not affect Associate's status as an employee at will of Company. Associate understands that Franchisor is not Associate's employer or joint employer, and that Company is solely responsible for the employment relationship and all obligations of the employer.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on the date first above written.

ASSOCIATE:	COMPANY:
______________________________	______________________________
Name:__________________________	By:__________________________

Exhibit E

Guaranty

Exhibit E

Guaranty

For value received, and in consideration of the execution by Giovanni's Franchise Services Inc., ("Franchisor") of a Franchise Agreement (the "Franchise Agreement") with ______________________________ ("Franchisee"), each of the undersigned ("Guarantor") unconditionally and irrevocably guarantees to Franchisor all indebtedness, obligations and liabilities, direct or indirect, matured or unmatured, primary or secondary, certain or contingent, of Franchisee to Franchisor, now or hereafter owing or incurred. This Guaranty is an absolute, unconditional, unlimited and continuing guarantee of the full and punctual payment by Franchisee of the foregoing indebtedness, obligations and liabilities. Upon any default by Franchisee in such full and punctual payment, the liabilities and obligations of the Guarantor hereunder shall, at Franchisor's option, become forthwith due and payable without further demand or notice of any nature, all of which are expressly waived by the Guarantor.

Franchisor may deal with Franchisee in such manner as Franchisor in its sole discretion deems fit, and Guarantor gives to Franchisor full authority, in its sole discretion, to do any or all of the following things: (a) extend credit, make loans and afford other financial accommodations to Franchisee at such times, in such amounts and on such terms as Franchisor may approve; (b) vary the terms and grant extensions or renewals of any present or future indebtedness of Franchisee to Franchisor; (c) grant additional time, waivers and other indulgences in respect thereto; (d) vary, exchange, release or discharge, wholly or partially, or delay in or abstain from perfecting and enforcing any security or guaranty or other means of obtaining payment; (e) accept partial payments from Franchisee; (f) release or discharge, wholly or partially, any endorser or guarantor; (g) compromise or make any settlement or other arrangement with Franchisee.

Guarantor waives notice of acceptance hereof or of any action taken or omitted by Franchisor in reliance hereon and any requirement that Franchisor be diligent or prompt in making demands hereunder, giving notice of any default by Franchisee, or asserting any other right hereunder. If there is more than one Guarantor, the liability of the undersigned shall be joint and several.

No provision of this Guaranty can be changed, waived, discharged or terminated except by an instrument in writing signed by Franchisor and Guarantor, and no such waiver shall extend to, affect or impair any other right of Franchisor hereunder.

This unlimited Guaranty shall inure to the benefit of Franchisor and its successors and assigns and shall be binding on the Guarantor and the Guarantor's successors, heirs and assigns. Guarantor agrees the Franchise Agreement is incorporated in this instrument by reference. Guarantor shall be personally bound as if a signatory to the Franchise Agreement and shall faithfully observe and comply with Sections 7.5, 7.9, 8, 12, 13, 14, 16, 17 and 18 of the Franchise Agreement. Guarantor covenants not to transfer any equity interest in Franchisee except in compliance with the Franchise Agreement and shall place a legend to such effect on any certificate or other writing that is evidence of Guarantor's ownership of such equity interest in Franchisee.

IN WITNESS WHEREOF, the undersigned Guarantor(s) have each executed and delivered this Guaranty effective concurrently with the Effective Date of the Franchise Agreement.

EXECUTED under seal as of the ____ day of , 20___

______________________________ Guarantor	______________________________ Witness
______________________________ Guarantor	______________________________ Witness
______________________________ Guarantor	______________________________ Witness
______________________________ Guarantor	______________________________ Witness

Exhibit F

Non-Traditional Concept Addendum

Exhibit F

NONTRADITIONAL CONCEPT

ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to Franchise Agreement (this "Addendum") is made and entered into as of _______________, by and between Giovanni's Franchise Services Inc., a Kentucky corporation ("we," "us" or "our"), as franchisor, and __________________________, a _________________ ("you" or "your"), as franchisee. This Addendum relates to and modifies that certain Franchise Agreement (the "Prime Agreement") between the parties. This Addendum shall be controlling in the event of any conflict between the Prime Agreement and this Addendum. All definitions in the Prime Agreement shall apply to this Addendum unless the context otherwise indicates. The parties mutually agree, for good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, as follows:

1. Nontraditional Concept Restaurant. You have requested, and we have approved, the development and operation of a Nontraditional Concept Restaurant to be located in ____________________________ (the "Host Facility") and within the Host Facility, in the following location (the "Location"): ____

2. Lease with Host Facility. You represent and warrant to us that the Lease of the Location (the "Lease") with the owner or landlord of the Host Facility ("Host Operator") (i) allows for the operation of the Franchised Restaurant under the System without material modification, supplier or menu limitations, (ii) provides for [a common seating area convenient to the Franchised Restaurant][no common seating area but contemplates carry out servings for all food concepts in the vicinity of the Location], (iii) allows for the installation and operation of all equipment necessary to prepare the menu items of the System as of the Effective Date, (iv) permits display of the Marks in signage over the Location serving area, (v) [allows you to serve beer subject to licensure and compliance with applicable alcoholic beverage regulations][does not allow you to serve beer], and (vi) [permits the Franchised Restaurant to open and operate during lunch and dinner hours 365 days per year][limits operation to certain event dates and times or periods when active food service at the Host Facility is permitted].

3. Confidential Information. No inspection right in the Lease shall allow or imply our consent to grant to Host Operator or its representatives access to any confidential or proprietary information we provide to you.

4. Rent Payments. You will provide us with copies of any rental reports and forms you submit to Host Operator that show the Gross Sales of the Franchised Restaurant or calculate any percentage rent payable under the Lease.

5. Indemnification. You acknowledge that the indemnification set forth in Section 12.3 of the Prime Agreement extends to any claim arising from the condition, premises or events occurring at the Host Facility, whether the Host Operator or you control the space or activity from which the claim arises.

6. Upgrade of Franchised Restaurant. You represent to us that the Lease will permit you to upgrade the Franchised Restaurant as and when contemplated by the Prime Agreement, subject only to Host Operator approval, which it may not unreasonably withhold or delay.

7. Technology & Communications. You represent to us that the Host Facility will support, and the Lease allows you to install and maintain the technology and communications we require for the Franchised Restaurant as of the Effective Date under the System.

8. New Menu Items. Notwithstanding the Prime Agreement, you will not be obligated to prepare and serve any new menu item that we mandate under the System after the Effective Date if such item is prohibited under the Lease or requires equipment that you do not have and cannot install under the Lease or as a practical matter.

In witness whereof, the parties have executed and delivered this Addendum, intending to be legally bound, as of the Effective Date.

FRANCHISOR:	FRANCHISEE:
GIOVANNI'S FRANCHISE SERVICES INC.	______________________________
By: ______________________________	By: ______________________________
Its: ______________________________	Its: ______________________________
Effective Date:____________________	Date: ______________________________

Appendix I

SPECIAL ITEMS ACKNOWLEDGEMENT

IN WITNESS WHEREOF, Franchisee(s) acknowledges that by Franchisee entering into the Franchise Agreement with Giovanni's Franchise Services Inc. that Franchisee is required to abide by the following requirements set forth by Franchisor, as set forth in the Franchise Agreement and the Operations Manual, including the attached Equipment List and Special Item List. Franchisee understands that Franchisor institutes these requirements in good faith to protect the quality, consistency and uniformity of goods and services offered at all Giovanni's Pizza Restaurants, and to obtain advantageous pricing and supply terms for all franchisees. Franchisee acknowledges that failure to comply with any of these requirements could result in Franchisee being in default under the Franchise Agreement and could result in remedial action up to and including termination of the Franchise Agreement. Franchisee also acknowledges that Franchisor reserves the right in the Franchise Agreement to make changes to any of these requirements, lists and systems. Franchisee has agreed to implement the change to the requirements in a timely manner. By initialing below, Franchisee acknowledges its understanding and confirms its agreement to abide faithfully by all the following requirements and Lists at all times Franchisee's Giovanni's Pizza Restaurant is open for business:

____________ Franchisee is required to purchase, maintain, display and abide by the **GIOVANNI'S STANDARD PORTION POSTERS**, making no changes unless approval is received in writing in advance from Franchisor.

Franchisee is required to purchase, maintain, and utilize the **HUNGER RUSH POS SYSTEM** and the **HUNGER RUSH ONLINE ORDERING SYSTEM, OR ANY SUCCESSOR SYSTEM OR TECHNOLOGY SPECIFIED BY FRANCHISOR**.

Franchisee is required to purchase all **PRINTED MENUS** from Giovanni's or its Affiliates and any intended changes to or printing of menu items and their descriptions must be submitted and approved by Franchisor prior to production. The use of up to date and approved printed menus with current products and pricing is required of all franchised locations at all times.

Franchisee is required to purchase, maintain, and utilize the **GIOVANNI'S CHEMICAL SYSTEM, GIOVANNI'S LOYALTY SYSTEM AND GIOVANNI'S APPROVED MANAGED PHONE AND CAMERA SYSTEMS**.

Franchisee is required to submit to Franchisor **ANY INTENDED USE OF GIOVANNI'S LOGOS OR REGISTERED MARKS, or any CHANGES TO EXISTING SIGNAGE, PURCHASE OF NEW SIGNAGE, DÉCOR, OR ANY USE OF MARKS FOR APPAREL, OR ADVERTISING** for the Franchised Business for approval prior to production.

Franchisee is required to utilize **GIOVANNI'S PROCESSING AND CORPORATE GIFT CARD SYSTEM** for its credit card processing.

Franchisee is required to use **WESTROCK TEA AND COFFEE** service, or any successor required fresh brew system, if offering fresh brewed options on either product at its Franchised Location.

The undersigned Guarantors acknowledge the foregoing obligations of Franchisee to honor these requirements and undertake to cause Franchisee to observe and perform these obligations as and when required under the Franchise Agreement.

IN WITNESS WHEREOF, Franchisee and the Guarantors have duly executed and delivered this Acknowledgement as of the date of execution of the Franchise Agreement.

FRANCHISEE:

____

By:__________________________

Name: __________________________

Title: __________________________

GUARANTORS

____________________ Guarantor	____________________ Witness
____________________ Guarantor	____________________ Witness
____________________ Guarantor	____________________ Witness
____________________ Guarantor	____________________ Witness

GIOVANNI'S REQUIRED EQUIPMENT LIST

The equipment listed below is what you are required for use in a Giovanni's Pizza franchise. You may purchase this equipment either from Giovanni's or you may purchase it from a 3rd party supplier, but it must be the listed brands to ensure it meets or exceeds Giovanni's equipment standards.

BUFFET EQUIPMENT	HATCO APW WYOTT	Pasta Warmer Pizza Warmer Salad Unit Plate Holder	**PASTA COOKER**	PITCO	Pasta Cooker
CHEMICAL CLEANING SYSTEM	BETCO	Concentrated Chemical Dispensing System	**PIZZA OVEN HOOD**	We currently do not have a required hood manufacturer. We recommend you contact your local HVAC company to inquire about purchasing and installation of the hood you will need.	
DINING ROOM FURNITURE	PLYMOLD	Booths Chairs Tables	**PIZZA OVEN**	EDGE	EDGE 40 Lg Gas EDGE 60 Lg Gas
DISHWASHING EQUIPMENT	We currently do not have a required dishwashing equipment manufacturer. We recommend you contact a local company to lease, install, and maintain the equipment needed.		**POINT OF SALE SYSTEM**	HUNGERRUSH	Point of Sale System
DOUGH PRESS	SOMERSET	Manual Press	**PROCESSING (Credit Cards)**	GIOVANNI'S PROCESSING	Credit Card Processing Services
KITCHEN WORK TABLES	We currently do not have a required stainless steel manufacturer of work tables, kitchen sinks, or shelving to use in your kitchen. You may purchase these items from any reputable dealer.		**REFRIGERATION**	TRUE	Reach-In Coolers Reach-In Freezers Pizza Prep Tables Sandwich Prep Tables Under Bar Freezers
ONLINE ORDERING SYSTEM	HUNGERRUSH	Hunger Rush/Giovanni's Online Ordering	**COFFEE/TEA SYSTEM**	WESTROCK	Coffee/Tea Service
			WALK-IN COOLER	We currently do not have a required walk-in cooler.	

GIOVANNI'S SPECIAL ITEM LIST

The special items listed below are what you are required for use in a Giovanni's Pizza franchise and are subject to change with notice provided by Franchisor via the Operations Manual or other written notice.

Giovanni's Pizza Sauces
- Pizza
- Pasta
- Dipping
- Alfredo
- Chicken Wing – Hot, Mild, BBQ
- Sub
- Garlic
- Marinara
- Ketchup – Heinz (bottles, vol-pak, or packs)
- Taco

Giovanni's Pizza Meat Items
- Sausage Topping
- Bacon – Salad and Pizza
- Ham – Sliced and Diced
- Turkey – Sliced
- Chicken – Grilled, Fajita, Strips, and Breaded
- Wings - Boneless, Roasted, Hot, and Italian
- Steak - Hoagie & Philly
- Hamburger Topping
- Salami – Sliced
- Meatballs
- Spaghetti Meat
- Pepperoni
- Taco Meat

Giovanni's Pizza Dough Items
- Flour Mix
- Frozen Dough Balls

Giovanni's Pizza Cheese Items
- Shredded Pizza Blends
- Sliced Cheeses
- Grated Cheeses
- Shredded Cheddar
- Romano

Giovanni's Pizza Sandwich Buns
- Giovanni's Approved Sub Buns

Giovanni's Pizza Salad Dressings
- Salad Dressing/Mayo
- Hidden Valley
- Special Red

Giovanni's Pizza Printed Paper Goods
- Pizza Boxes
- Bags
- Napkins
- Drink Cups
- Wax Paper
- Guest Checks
- Combo Packs
- Menus

Giovanni's Pizza Packaging
- Sandwich Wrap
- Aluminum Foil – Wrap and Roll
- Lasagna Pans – Lg and catering
- Plastic Salad Containers–Lg.
- Styrofoam – Lg.
- Plastic Wrap
- Wing Containers

Giovanni's Pizza Food Items
- Pasta – Fettuccine, Lasagna, Rotini, Spaghetti, Farfalle, Ravioli, Manicotti, and Mac n Cheese
- Vegetable Toppings – Mushrooms, Banana Peppers, Green and Black Olives, Jalapenos, Refried Beans and Pineapples
- Fruit Toppings – Peach, Cherry, Apple, and Blueberry
- Oils – Light Salad or Deep Fry
- Salad Bar Items – Egg, Peaches, Chocolate, Vanilla, and Banana Puddings, Cottage Cheese, Croutons, Crackers (Captain Wafer)
- Sides/Appetizers – Fries, Onion Rings, Battered Mushrooms, Jalapeno Poppers, Mozzarella Cheese Sticks, Toasted Ravioli, Mac N Cheese Wedges, Mini Corn Dogs, Broccoli Bites, Breaded Banana Pepper Rings, Deep Fried Pickles, Hot Pepper Cheese Cubes
- Liquid Butter/Oleo

Utensils and Plating (for dining room)
- 9"Glass Plates
- Plastic Bubble Serving Pans (for dine-in pizza)
- Aluminum Buffet Pans (for buffet)
- Serving Platters (for sandwiches)
- Au Gratin Dishes with Glass Platter (for baked dinners)
- Bread Baskets (bread and appetizers)

Giovanni's Pizza Spices

Pizza
Pounder
Breadstick Sprinkle
Cinnamon Snazzy Mix
Garlic

Exhibit A-2

Forms of Franchise Closing Acknowledgement

Exhibit A-2 (a)
GIOVANNI'S FRANCHISE SERVICES INC.
FRANCHISE CLOSING ACKNOWLEDGMENT
FORM USED IN STATES OTHER THAN VIRGINIA

As you know, you (or the entity you represent) and we are entering into a Franchise Agreement to operate a Giovanni's Pizza Restaurant. The purpose of this Closing Acknowledgment is to determine whether any statements or promises were made to you on which you have relied that we have not authorized or that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest, accurate and complete responses to each question.

Acknowledgments and Representations*

1. Did you receive a copy of our Franchise Disclosure Document ("FDD") (and all exhibits and attachments) at least 14 calendar days (or at the first personal meeting or least 10 business days if you are in New York, Ohio, Oklahoma, and Rhode Island), before you signed the Franchise Agreement? **Check one: (__)Yes (__) No**. If no, please tell us if and when you received the FDD and when you signed the Franchise Agreement. Please explain why you signed the Franchise Agreement before the 14 days expired:

   ____

   ____

2. Did you receive a copy of the Franchise Agreement at least 7 days before you signed the Franchise Agreement? **Check one: (__)Yes (__) No**. If no, tell us when you received the Franchise Agreement and when you signed it. Please explain why you signed the Franchise Agreement when you did:

   ____

   ____

3. Was any oral, written, or visual claim, statement, presentation, or representation made to you on which you relied in making your decision to sign the Franchise Agreement that contradicted the disclosures in the FDD? **Check one: (__)Yes (__)No.** If yes, please explain in detail the oral, written, or visual statement, presentation, claim or representation:

   ____

   ____

4. Except for any financial performance representation included as Item 19 in our FDD, did any employee or other person speaking on our behalf make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Giovanni's pizza restaurant franchise, or the likelihood of success at your franchised business on which you relied in making your decision to sign the Franchise Agreement? **Check one: (__)Yes (__) No**. If yes, please explain in detail who made and what you understand is the oral, written, or visual claim, statement, promise or representation:

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law, if either or both such laws apply to this transaction.

____
____

5. Except for any financial performance representation included as Item 19 in our FDD did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD on which you relied in making your decision to sign the Franchise Agreement? **Check one: (__)Yes (__) No.** If yes, please identify who made the statement or promise and what you understand are the details of the statement or promise.

____
____

6. Do you understand that the franchise granted (a) allows you to operate a Giovanni's Pizza Restaurant franchise only at the authorized Location, (b) allows us to operate or franchise a Giovanni's Pizza Restaurant anywhere, and (c) allows us to open and operate or authorize any other party to open and operate a Giovanni's Pizza Restaurant or a Nontraditional Concept Restaurant near your Franchised Restaurant? **Check one: (__)Yes (__) No**. If no, please comment:

____
____

7. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the franchised business, meaning that any prior oral or written agreements not set out in the Franchise Agreement or the FDD will not be binding? **Check one: (__)Yes (__) No**. If no, please comment:

____
____

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

<u>NOTE:</u> IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS GUARANTORS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed:____________________________

Print Name:________________________

Date:______________________________

Signed:____________________________

Print Name:________________________

Date:______________________________

Signed:____________________________

Print Name:________________________

Date:______________________________

ACCEPTED ON BEHALF OF:
GIOVANNI'S FRANCHISE SERVICES INC.

By:______________________________

Print Name: ________________________

Date:______________________________

Exhibit A-2 (b)
GIOVANNI'S FRANCHISE SERVICES INC.
FRANCHISE CLOSING ACKNOWLEDGMENT
FORM TO BE USED IN VIRGINIA

As you know, you (or the entity you represent) and we are entering into a Franchise Agreement to operate a Giovanni's Pizza Restaurant. The purpose of this Closing Acknowledgment is to determine whether any statements or promises were made to you on which you have relied that we have not authorized or that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest, accurate and complete responses to each question.

Acknowledgments and Representations*.

Did you receive a copy of our Franchise Disclosure Document ("FDD") (and all exhibits and attachments) at least 14 calendar days (or at the first personal meeting in Iowa or New York, or least 10 business days if you are in Connecticut, Michigan, or New York), before you signed the Franchise Agreement and any Multi-Unit Operator Agreement? **Check one: (__) Yes (__) No**. If no, please tell us if and when you received the FDD and when you signed the Franchise Agreement. Please explain why you signed the Franchise Agreement or Multi-Unit Operator Agreement before the 14 days expired:

____

____

Did you receive a copy of the Franchise Agreement or Multi-Unit Operator Agreement at least 7 days before you signed the Agreement? **Check one: (__) Yes (__) No**. If no, tell us when you received the Franchise Agreement and when you signed it. Please explain why you signed the Franchise Agreement or Multi-Unit Operator Agreement when you did:

____

____

Was any oral, written, or visual claim, statement, presentation, or representation made to you on which you relied in making your decision to sign the Franchise Agreement or Multi-Unit Operator Agreement that contradicted the disclosures in the FDD? **Check one: (__) Yes (__) No.** If yes, please explain in detail the oral, written, or visual statement, presentation, claim or representation:

____

____

*Such representations are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law, if either or both such laws apply to this transaction.

Except for any financial performance representation included as Item 19 in our FDD, did any employee or other person speaking on our behalf make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Franchised Restaurant franchise, or the likelihood of success at your Franchised Restaurant on which you relied in making your decision to sign the Franchise Agreement? **Check one: (__)Yes (__) No**. If yes, please explain in detail who made and what you understand is the oral, written, or visual claim, statement, promise or representation:

____

____

Except for any financial performance representation included as Item 19 in our FDD did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD on which you relied in making your decision to sign the Franchise Agreement or Multi-Unit Operator Agreement? **Check one: (__) Yes (__) No.** If yes, please identify who made the statement or promise and what you understand are the details of the statement or promise.

____

____

Do you understand that the franchise granted in the Franchise Agreement (a) allows you to operate a Franchised Restaurant only at the Franchised Location, (b) allows us to operate or franchise a Franchised Restaurant anywhere, and (c) allows us to open and operate or authorize any other party to open and operate a Nontraditional Concept Restaurant near your Franchised Restaurant? **Check one: (__) Yes (__) No**. If no, please comment:

____

____

Do you understand that the Franchise Agreement or Multi-Unit Operator Agreement contains the entire agreement between you and us concerning the franchise for the Franchised Restaurant or the development rights we grant to you, meaning that any prior oral or written agreements not set out in the Franchise Agreement, the Multi-Unit Operator Agreement or the FDD will not be binding? **Check one: (__) Yes (__) No**. If no, please comment:

____

____

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

<u>NOTE:</u> IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS GUARANTORS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed:____________________________	Signed:____________________________
Print Name:_________________________	Print Name:_________________________
Date:______________________________	Date:______________________________

ACCEPTED ON BEHALF OF:
GIOVANNI'S FRANCHISE SERVICES INC.

Signed:____________________________	By:________________________________
Print Name:_________________________	Print Name: _________________________
Date:______________________________	Date:______________________________

Exhibit A-3

General Release

GENERAL RELEASE FOR TRANSFER OR RENEWAL

This General Release (the "Release") is made as of the ____ day of ____________, 20___ by and between ____________________ (the "Franchisee") and Giovanni's Franchise Services Inc., a Kentucky corporation ("Franchisor").

WHEREAS, Franchisee is a party to a certain Franchise Agreement dated _______, 20___ (the "Franchise Agreement") by and between Franchisee and Franchisor; and

WHEREAS, Franchisee desires to sell and assign the Franchise Agreement or transfer the Franchised Restaurant (as defined in the Franchise Agreement) at the Franchised Location (as defined in the Franchise Agreement) to a third party in accordance with the transfer provisions of the Franchise Agreement, and Franchisor has approved the application of the transferee to succeed to and become the franchisee of the Franchised Restaurant at the Franchised Location; and

WHEREAS, the Franchise Agreement requires that, as a condition to any transfer (as defined in the Franchise Agreement) under the Franchise Agreement, Franchisee and the transferee must first execute a general release of all claims in favor of Franchisor.

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements contained herein, the parties covenant and agree as follows:

1. Release of Franchisor. Franchisee hereby releases and forever discharges Franchisor, any subsidiary or affiliate of Franchisor, their respective officers, directors, members, employees, agents, contractors and their respective successors, assigns, heirs and personal representatives from any and all claims, demands, rights and causes of action of any kind that Franchisee now has or hereafter may have on account of or in any way arising out of or related to the offer, sale, administration, performance, default, assignment and termination of the Franchise Agreement. Franchisor and Franchisee mutually intend that this Release shall include, without limitation, claims, demands and causes of action arising out of alleged misrepresentations of any kind or nature whatsoever, alleged breaches of contract (based upon implied, express, estoppel, waiver, or alternative theories of contractual obligation), or breach of any alleged special, trust, agency or fiduciary relationship, whether asserted or proposed to be asserted by way of claim, setoff, affirmative defense, counterclaim, cross-claim or third party claim.

2. No Release of Franchisee. Franchisee is not released from any duty or obligation imposed upon Franchisee by the Franchise Agreement, provided that upon assignment and assumption of the Franchise Agreement by the authorized transferee and delivery of all of the documents and fees required by Franchisor as a condition to the assignment or transfer of the Franchised Restaurant, Franchisee shall have no liability or obligation with respect to any breach of the Franchise Agreement by the transferee arising after the date of transfer or assignment.

3. Survival of Obligations. Franchisee acknowledges that its obligations under the Franchise Agreement with respect to indemnification, audits and confidentiality, and any other provision that specifies it survives termination of the Franchise Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Release as of the date and year first above written.

FRANCHISOR:	FRANCHISEE:
GIOVANNI'S FRANCHISE SERVICES INC.	______________________________
By: ______________________________	By: ______________________________
Printed Name: ______________________	Printed Name: ______________________
Title: ______________________________	Title: ______________________________

Exhibit B

Disclosure Document Addenda Required by Certain States

ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE VIRGINIA RETAIL FRANCHISING ACT

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Virginia:

1. The following is added to Item 17 h:

   a) Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia Act"), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement and/or the Development Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

   b) Any provision in any of the contracts that you sign with the Franchisor which provides for termination of the franchise upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 *et. seq*.).

2. The proposed agreements described in Item 22, including all agreements that a franchisee must sign, are accurately presented in this Disclosure Document.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise

ADDENDUM TO FRANCHISE AGREEMENT PURSUANT TO THE VIRGINIA RETAIL FRANCHISING ACT

This "Addendum" is made and entered into by and between GIOVANNI'S FRANCHISE SYSTEMS, INC., a Kentucky corporation ("we", "our" or "us"), as franchisor and ________________, a ________________ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia Act"), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

2. You acknowledge that your failure to pay the Initial Franchise Fee when due is a material default under the Franchise Agreement and we can suspend providing services to you and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee.

3. You acknowledge that your failure to pay the Initial Franchise Fee when due for a Franchised Restaurant developed under a Multiple Unit Development Agreement is a material default under its Franchise Agreement and the Multiple Unit Development Agreement, and the we can suspend providing services to you, and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee. In addition, you will have no right to proceed with developing other Franchised Restaurants, and our obligation to provide services and approvals to under the Multiple Unit Development Agreement, shall be suspended until we receive the Initial Franchise Fee then due. No such failure to pay the Initial Franchise Fee when due and the resulting suspension of our performance shall extend any deadline for your performance under the Multiple Unit Development Agreement.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Virginia.

(Signature page follows)

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

GIOVANNI'S FRANCHISE SYSTEMS, INC.

By: ______________________________ Attest: ______________________________
Title: ______________________________

YOU, AS FRANCHISEE:

By: ______________________________ Attest: ______________________________
Title: ______________________________

Exhibit C

Financial Statements

GIOVANNI'S FRANCHISE SERVICES, INC.

BALANCE SHEET

AS OF JANUARY 10, 2023

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

TABLE OF CONTENTS

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****

Kelley Galloway Smith Goolsby, PSC
Certified Public Accountants and Advisors
1200 Corporate Court • P. O. Box 990 • Ashland, Kentucky 41105
• Phone (606) 329-1811 (606) 329-1171 • Fax (606) 329-8756 (606) 325-0590
• Web www.kgsgcpa.com Member of Allinial GLOBAL.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Giovanni's Franchise Services, Inc.
Ashland, Kentucky

Opinion

We have audited the accompanying financial statement of Giovanni's Franchise Services, Inc. (a Kentucky corporation), which comprise the balance sheet as of January 10, 2023, and the related notes to the balance sheet (the "financial statement").

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Giovanni's Franchise Services, Inc. as of January 10, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
February 10, 2023

GIOVANNI'S FRANCHISE SERVICES, INC.

BALANCE SHEET

JANUARY 10, 2023

ASSETS

Current assets	
Cash	$ 150,000
Total assets	$ 150,000

EQUITY

Equity	$ 150,000
Total equity	$ 150,000

The accompanying notes to the balance sheet are an integral part of this statement.

GIOVANNI'S FRANCHISE SERVICES, INC.

NOTES TO THE BALANCE SHEET

JANUARY 10, 2023

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Giovanni's Franchise Services, Inc. (the "Company") is a newly established franchisor that plans to sell the right to open stores and sell products or services using the brand, expertise, and intellectual property of Giovanni's Pizza. The Company plans to have franchisee locations in Kentucky, North Carolina, Ohio, Tennessee, Virginia, and West Virginia.

Basis of Accounting

The financial statement has been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). Any references to the "ASC" included hereinafter refer to the Accounting Standards Codification established by the Financial Accounting Standards Board as the source of authoritative GAAP.

Use of Estimates

The preparation of the balance sheet in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual results could differ from the estimated amounts.

Cash and Cash Equivalents

For the purpose of the balance sheet, cash and cash equivalents consist of cash in bank.

Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay income taxes on its taxable income. Instead, its taxable income flows through to the tax return of its shareholder.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken and recognize a tax liability (or asset) if the Company has taken as uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken, and has concluded that as of January 10, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statement. The Company is subject to routine audits by taxing jurisdictions; however, the Company has yet to file any tax returns due to the Company being newly formed.

Subsequent Events

Subsequent events have been evaluated through February 10, 2023, which is the date the balance sheet was available to be issued.

Exhibit D

State Administrators and Agents for Service of Process

We intend to register this Disclosure Document as a "license" or "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 or (866) 275-2677 (Toll Free)	**Michigan** Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building Lansing, Michigan (517) 373-7117	**South Dakota** Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
Hawaii Business Registration Division Securities Compliance Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**Minnesota** Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55155 (651)296-6328	**Virginia** State Corporation Commission, Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, Virginia 23219 (804) 371-9051
Illinois Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**New York** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8211	**Washington** Department of Financial Institutions Securities Division P. O. Box 9033 Olympia, Washington 98507-9033 (360) 902-8760
Indiana Franchise Section Indiana Securities Division Secretary of State, Room E-111 302 West Washington Street Indianapolis, Indiana 46204	**North Dakota** Office of Securities Commissioner 600 East Boulevard, Fifth Floor Bismarck, North Dakota	**Wisconsin** Division of Securities Department of Financial Institutions P. O. Box 1768 Madison, Wisconsin 53701

(317) 232-6681	58505 (701) 328-4712	(608) 266-8559
Maryland Office of Attorney General Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**Rhode Island** Division of Securities 233 Richmond Street, Suite 232 Providence, Rhode Island 02903-4232 (401) 222-3048	

Agents for Service of Process:

Kentucky: Tom Lemaster
715 Greenup Ave.
Ashland, KY 41101

Virginia: Clerk of the State Corporation Commission, 1300 East Main Street, First Floor, Richmond, Virginia 23219

Exhibit E

Table of Contents of Operations Manual

GUIDE TO PREPARING FOOD FOR A GIOVANNI'S PIZZA RESTAURANT

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Exhibit F

Names and Addresses of Franchisees

Kentucky	
Ben Ginn & Sam Williams 205 Main Cross St Flemingsburg, KY 41537 (606) 639-1913	Jeremy Wright, Scott Ball & Scott Wamsley 3264 Louisa Rd Catlettsburg, KY 41129 (606) 739-8277
Pat Estep 724 Greenup Avenue Ashland, KY 41101 (606) 324-5157	Richard Holmes 171 Habbart St Pikeville, KY 41501 (606) 437-2424
Pat Grant 1703 Argillite Road Flatwoods, KY 41139 (606) 836-8151	Mamadouh Ali 1418 Hustonville Road Danville, KY 40442 (859) 236-1455
Jesse Hunt 2819 Blackburn Avenue Ashland, KY 41101 (606) 325-8454	Gary & Pam Porter 8068 Hwy 610 W Dorton, KY 41537 (606) 639-2168
Jesse Hunt 6926 US Route 60 West Ashland, KY 41102 (606) 928-9541	Ronnie Tackett 2121 Main Street Greenup, KY 41144 (606) 473-9817
Mary Dalton 29501 Mayo Trail Burnaugh, KY 41129 (606) 739-8654	Duane James 470 E Tom T Hall Blvd Olive Hill, KY 41164 (606) 315-2012
Jesse Hunt 1724 Cannonsburg Road Cannonsburg, KY 41102 (606) 928-0321	Maulik Patel 257 Court Street Paintsville, KY 41230 (606) 789-8535
Mark Kennard 522 East Main Street Grayson, KY 41143 (606) 474-7878	Marlene Dotson 38824 St Hwy 194 Phelps, KY 41563 (606) 584-5797
Robert Chaney	Mohammad Shalash

101 Rockwood Lane Hazard, KY 41701 (606) 436-2017	4133 Lexington Rd Paris, KY 40361 (859) 987-2727
Brian and Brenda Jude 3256 Blacklog Road Inez, KY 41224 (606) 534-7907	Coty Conley 310 North Lake Prestonsburg, KY 41653 (606) 886-8070
Wendell & Janet Lewis U.S. 23 Ivel, KY 41642 (606) 478-9983	Duane James 439 Prestonsburg St West Liberty, KY 41472 (606) 743-2000
Crystal Scott S. Highway 127 Jamestown, KY 42629 (270) 343-5555	Sam Jouden 805 #1 Eastern Bypass Richmond, KY 40475 (859) 624-5066
Sheryl Tackett P.O. Box 524 Jenkins, KY 41537 (606) 832-4601	Pat Grant 1470 Diederich Blvd. Russell, KY 41169 (606) 836-8181
David & Devin Derifield 403 N. Lock Avenue Louisa, KY 41230 (606) 638-9053	Denise Black HC 81, Box 450 Sandy Hook, KY 41171 (606) 738-5153
John Perry Old Route 80 Martin, KY 41649 (606) 285-0745	Randy Tackett 290 Fairlane Drive Vanceburg, KY 41179 (606) 796-0015
Mohammad Shalash 851 North Main Street Nicholasville, KY 40356 (859) 885-1044	Becky Romine 615 Wheatley Road Westwood, KY 41101 (606) 324-1156
Randy Tackett 810 Main Street South Shore, KY 41175 (606) 932-6466	Gaytha Hensley Southside Mall South Williamson, KY 41503 (606) 237-0042
Jesse Justice 104 Canewood Center Georgetown, KY 40324	Duane James 700 E Main Street Morehead, KY 40351

(502) 570-2314 Joseph Hamad 128 East New Circle Road Lexington, KY 40505 (859) 225-7499 Imad Shalash 4214 Saron Drive Lexington, KY 40517 (859) 271-9247	(606) 755-2100 Ed Lowe 2001 Midland Trail Shelbyville, KY 40065 (502) 520-2100
North Carolina	
Garry & Donald Lackey 611 West Main Street Taylorsville, NC 28681 (828) 632-4694	
Ohio	
Steve Hurley 2120 Washington Blvd. Belpre, OH 45714 (740) 423-9373 Richard Estep 997 3rd Avenue Chesapeake, OH 45619 (740) 867-3366 Javee Staggs State Route 7 Crown City, OH 45623 (740) 256-6644 Brian Hankins Route 243 Deering, OH 45638 (740) 532-9061 Will McWhorter and Ryan Tackett 4301 Gallia Pike Franklin Furnace, OH 45629	Mike & Leslie Payne 423 Western Avenue Chillicothe, OH 45601 (740) 773-0022 John Suitor 631 High Street Coal Grove, OH 45638 (740) 532-8294 Todd Crabtree 470 W Main St Mt Orab, OH 45154 (937) 444-5152 Tony Staggs Route 52 Manchester, OH 45144 (937) 549-2291 Gary Doss Route 139 Minford, OH 45653

(740) 354-9335

Catherine Burchett
1200 North High Street
Hillsboro, OH 45133
(740) 402-4323

Patricia Estep
624 Park Avenue
Ironton, OH 45638
(740) 532-9220

Wilson Bapst
110 Bridge Street
Jackson, OH 45640
(740) 286-4126

Joe Johnson
7 North Main
Kingston, OH 45644
(740) 642-2335

Ray Ferrell
13758 St. Route 141
Kitts Hill, OH 45645
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Amie Stacy
209 S Second St
Ripley, OH 45167
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John & William McWhorter
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(740) 351-0809

Javee Staggs
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Proctorville, OH 45669
(740) 886-6595

Todd Crabtree
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(740) 947-4467

(740) 820-3600

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Amanda Little
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Piketon, OH 45661
(740) 289-2236

John & Will McWhorter
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Portsmouth, OH 45662
(740) 353-5374

Javee Staggs
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Seaman, OH 45679
(937) 386-2121

Debbie Pauley
215 W Court Street
Washington Court House, OH 43160
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Sandra Minix
1548 3rd Street
W. Portsmouth, OH 45662
(740) 858-4493

Javee Staggs
714 Panhandle Avenue
West Union, OH 45693
(937) 544-3784

Shawna Pendleton 10689 US 23 Lucasville, OH 45648 (740) 672-4166 Ed Miller 259 W. College Rio Grande, OH 45674 (740) 245-5322 Sherry Allman Old Route 52 South Point, OH 45680 (740) 377-9490	Shaun Allen Dogwood Ridge Wheelersburg, OH 45694 (740) 574-9393 Cindy & Joe Curry 205 E 8^{th} St Marysville, OH 43041 (937) 839-8900 Maggie Sowers 318 W. High McArthur, OH 45651 (740) 596-4000
Tennessee	
Brian Dyer 610 River Road Gainesboro, TN 38562 (931) 268-3404	
West Virginia	
Angie Sullivan 6418 U.S. Route 60 E Barboursville, WV 25504 (304) 736-3500 Jack Mullins Rt 10 Chapmansville, WV 25508 (304) 855-3973 Manoli Stilianoudak 118 Spring Street Charleston, WV 25302 (304) 345-2525 Shane Marcum 235 S. Elkriver Road Clendenin, WV 25045 (304) 548-7002	Jamie Stowers P.O. Box 1450 Griffithsville, WV 25508 (304) 524-2500 Zach Barrett 3422 Teays Valley Rd Hurricane, WV 25526 (304) 397-6522 Jamie Stowers 5109 Upper Mud River Rd Branchland, WV 25506 304-524-2600 John & William McWhorter 327 Summers Addition Milton, WV 25541 (304) 743-1122

Randy Workman 2171 Smoot Avenue Danville, WV 25063 (304) 369-4000 Harold Villers P.O. Box 519, Route 14 Elizabeth, WV 26143 (304) 275-3035 Tim & Ted Tomlin 601 Main Street Man, WV 25601 (304) 583-8887 Kenneth Calloway 7021 Harper Road, Route 3 Glen Daniels, WV 25844 (304) 934-0222 Marlene Dotson P.O. Box 187 Matewan, WV 25678 (304) 426-8196 Patrick Hensley & Jason Beter 2002 3 Rd Ave Huntington, WV 25703 (304) 378-3459 Dave Wagner Prichard Road Prichard, WV 25555 (304) 486-5362 Kevin Calloway 841 Robert Byrd Sophia, WV 25921 (304) 683-2200	Marlene Dotson 100 Main St Gilbert, WV 25621 (304) 426-4027 Seburne Watts 4624 Waverly Rd Westmoreland, WV 25704 (304) 697-7797 Greg Dotson Route 10, Box 5207 Logan, WV 25601 (304) 752-9030 Jessica & Jamie Smith 4388 5th Rd Huntington, WV 25701 304-529-1212 Tina & Charly Macintosh 5844 Ohio River Rd Huntington, WV 25702 (304) 697-7777 Herburt Mullins 24 Country View Drive Winfield, WV 25213 (304) 586-1212 Seburne Watts 1449 Co Rte 3/1 Huntington, WV 25704 (304) 963-8197 Jim Tatterson 2807 Jackson Ave Unit 1 Point Pleasant, WV 25550 (606) 755-2100
Virginia	
Rusty Hess Magic City Shopping Center Richlands, VA 24641	

(276) 963-0166 Chrissy Kiser Route 1, Haber Drive St. Paul, VA 24566 (276) 762-9898	

Names, City and State and Telephone Number of Franchisees who had a Franchise Agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement during the 12-month period ended December 31, 2022.

Aubrey Crump
728 Boone Ave
Winchester, KY 40391
(859) 771-7777

Jenny Lemaster
315 Harding Avenue
Sciotoville, OH 45662
(740) 776-2191

Lisa & Doug Kirk
P.O. Box 424
Kermit, WV 25674
(304) 393-9106

Sue Damron
531 E. High Street
Mt. Sterling, KY 40353
(859) 498-6858

Terry Brenner
216 S. Penn Street
Wellston, OH 45692
(740) 384-2157

Sandra Minix
Galena Pike
W. Portsmouth, OH 45662
(740) 858-6636

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Registration Date
Virginia	Pending

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

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Giovanni's Franchise Services Inc. offers you a franchise for a Giovanni's Pizza Restaurant, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 days before you sign a binding contract or pay any consideration. Connecticut and Michigan require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Giovanni's Franchise Services Inc. 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 state agency listed on Exhibit D.

The franchisor is Giovanni's Franchise Services Inc., located at 715 Greenup Avenue, Ashland, Kentucky 41101. Its telephone number is (800) 955-9055. The name, principal business address and telephone number of the franchise seller offering the franchise is: ____

Issuance Date: April 29, 2023

Giovanni's has authorized the persons listed on Exhibit D to this Disclosure Document to receive service of process for us in Kentucky and states where our franchise is registered.

I have received Giovanni's Disclosure Document, dated April 29, 2023 (or the later date set forth for each applicable state on Exhibit F to this Disclosure Document), which includes the following exhibits:

A-1 Franchise Agreement (including ACH Payment Authorization, Form of Confidentiality Agreement, Nontraditional Concept Restaurant Addendum and Form of Guaranty)
A-2 Franchise Closing Acknowledgements
A-3 General Release
B Disclosure Document Addenda Required by Certain States
C Financial Statements
D State Administrators and Agents for Service of Process
E Table of Contents of Giovanni's Operations Manual
F Names and Addresses of Franchisees
G Receipts

________________ ____

Date of Signature Signature of Prospective Franchisee (for the prospective franchisee and

(Do not leave blank) any corporation, partnership or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)

Printed Name: ________________________________

You may return the signed receipt either by signing, dating, and mailing it to Giovanni's Franchise Services Inc. at 715 Greenup Avenue, Ashland, Kentucky 41101, or by email to: sign@giovannispizza.com.

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Giovanni's Franchise Services Inc. offers you a franchise for a Giovanni's Pizza Restaurant, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 days before you sign a binding contract or pay any consideration. Connecticut and Michigan require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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C	Financial Statements
D	State Administrators, Effective Dates, and Agents for Service of Process
E	Table of Contents of Operations Manual
F	Names and Addresses of Franchisees
G	Receipts

______________ ____

Date of Signature Signature of Prospective Franchisee (for the prospective franchisee and

(Do not leave blank)	any corporation, partnership or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)

Printed Name: ____________________________

You may return the signed receipt either by signing, dating, and mailing it to Giovanni's Franchise Services Inc. at 715 Greenup Avenue, Ashland, Kentucky 41101, or by email to: sign@giovannispizza.com.