Pasta Di Guy Franchise, LLC
d/b/a Pasta Di Guy

FRANCHISE DISCLOSURE DOCUMENT

ISSUANCE DATE: January 28, 2025

FRANCHISE DISCLOSURE DOCUMENT

Pasta Di Guy Franchise, LLC
A Florida limited liability company
5359 Pine Bark Ln
Wesley Chapel, Florida 33543
(813) 439-4846
franchise@pastadiguy.com
www.pastadiguy.com

The franchisee will operate restaurant specializing in the sale of gourmet Italian cuisine and related products in a fast casual format (each a "Restaurant,").

The total investment necessary to begin operation of a Restaurant is between $156,800 to $484,100. This includes between $51,500 to $53,500 that must be paid to the franchisor or its affiliates.

We also offer qualified parties the right to open and operate multiple Restaurants in accordance with a development schedule under Franchisor's form of development agreement. The total investment necessary to begin operations under a development agreement depends on the number of Restaurants we grant you the right to open. The total investment necessary to begin operations under a development agreement for the right to open between three (3) and ten (10) Restaurants ranges from $241,800 to $784,100. This includes $136,500 to $353,500 that must be paid to us or our affiliates upon execution of your development agreement and prior to opening your first franchise in your development schedule.

This Franchise Disclosure Document ("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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Eyal Carmeli, 5359 Pine Bark Ln, Wesley Chapel, Florida 33543, (813) 439-4846, and franchise@pastadiguy.com.

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

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

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

Issuance Date: January 28, 2025

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 franchises. You can find their names and contact information in Item 20 or Exhibit C.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Pasta Di Guy 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 Pasta Di Guy franchisee?	Item 20 or Exhibit C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that 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 B.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement and development agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.

2. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value, at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Restaurant 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, marketing, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.[1]

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

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

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

[1]NOTE: Notwithstanding paragraph (f) above, we intend to fully enforce the provisions of the arbitration section of our agreements. We believe that paragraph (f) is preempted by the Federal Arbitration Act and that paragraph (f) is therefore unconstitutional.

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

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

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

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

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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.

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If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor must, at the request of the franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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The name and address of the franchisor's agent in this state authorized to receive service of process is: Michigan Department of Commerce, Corporation and Securities Bureau, 6546 Mercantile Way, P.O. Box 30222, Lansing, MI 48910.

Any questions regarding this notice should be directed to:

Department of the Attorney General's Office
Corporate Oversight Division
Attn: Franchise
670 G. Mennen Williams Building
Lansing, MI 48913

TABLE OF CONTENTS

Exhibits

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

To simplify the language in this Disclosure Document, "we", "our" or "us" means and includes Pasta Di Guy Franchise, LLC. We are a Florida limited liability company that was formed in March 2024 with a principal business address at 5359 Pine Bark Ln, Wesley Chapel, Florida 33543. We have not previously offered franchises but will do so upon issuance of this document. We do business under the name "Pasta Di Guy." We have not conducted business in or offered franchises in any other line of business. We do not currently opert any Pasta Di Guy locations. "Franchisee," "You" or "Your" means the individual or entity who buys the franchise, including all equity owners of a corporation, limited liability company, general partnership, or limited partnership, or any other type of entity (an "Entity"). If you are an Entity, each individual with direct or indirect ownership interest shall be referred to as an "Owner".

Agents for Service of Process

Our agents for service of process in the states whose franchise laws require us to name a state agency as our agent for service of process are shown on Exhibit B.

Parents, Predecessors and Affiliates

We do not have any parent or predecessor companies.

Our affiliate, Pasta Di Guy, LLC, a Florida limited liability company, with a principal business address at 4839 Buce B Downs Blvd., Wesley Chapel FL 33544 has operated one restaurant under the name "Pasta Di Guy", since 2020 which is similar to the Restaurants offered under this Disclosure Document. Pasta Di Guy, LLC, owns the marks and intellectual property used in the System.

Our affiliate, Pasta DI Guy Trinity LLC, a Florida limited liability company, with a principal business address at 7813 Mitchell Blvd, Suite 106 New Port Ritchie, FL 34655, has operated one restaurant under the name "Pasta Di Guy", since 2022. This Restaurant does not operate in a substantially similar manner to the Restaurants offered in this Disclosure Document.

Our affiliate, Pasta Di Guy FW LLC, an Indiana limited liability company, with a principal business address at 1620 Broadway, Fort Wayne, IN 46802 has operated one restaurant under the name "Pasta Di Guy", since late January 2024 which is similar to the Restaurants offered under this Disclosure Document.

We refer to these as affiliates as "Company-Owned Outlets". The Company-Owned Outlets do not offer franchises in this or any other line of business and do not provide products or services to our franchisees. However, the Company-Owned Outlets may serve as the training facility for the training we provide to our franchisees.

Our Affiliate owns the Marks and intellectual property used in the Pasta Di Guy system, which it licenses to us under a license agreement. Other than those listed above, we do not have any other parents, predecessors, or affiliates to disclose in Item 1.

The Franchise Offered

Single Unit Offering

We grant franchises for the right to operate a Restaurant, which specializes in the sale of gourmet Italian cuisine in a fast casual setting, under the Pasta Di Guy name and marks and any additional or alternative names or marks to be developed or acquired in the future.

Each Restaurant operates pursuant to our proprietary operating system, the characteristics of which include but not limited to: (a) proprietary recipes and methods for preparing the food and beverage items, including the made-to-order menu items and related foods; (b) interior and exterior Restaurant designs, décor, and color schemes; (c) standards and specifications for the furniture, fixtures, and equipment necessary to operate a Restaurant; (d) sales techniques, and merchandising, marketing, advertising, and inventory management systems; and (e) standardized procedures for operating and managing a Restaurant (collectively, the "System").

We identify the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the mark Pasta Di Guy, distinctive trade dress, and any other trade names, trademarks, and service marks we may now or in the future designate in writing for use in connection with the System (the "Proprietary Marks"). We continue to develop, use, and control the Proprietary Marks in order to identify for the public the source of products and services marketed under the System, and to represent the System's high standards of quality, appearance, and service.

You will operate your Restaurant pursuant to our current form of franchise agreement, which is attached to this Disclosure Document as Exhibit E ("Franchise Agreement"). Under the Franchise Agreement, you are granted the right and obligation to open and operate a Restaurant at a certain location ("Approved Location") within a certain designated territory ("Designated Territory").

You must designate an Owner with at least a 20% ownership interest in your Entity as the "Operating Principal". The Operating Principal must have authority over all business decisions related to your Restaurant and must have the power to bind you in all dealings with us and actively, personally, participate in the day-to-day operation of each Restaurant. If approved by us in writing, you may appoint a trained manager (the "Key Manager") to manage the day-to-day business of your Restaurant.

Multi-Unit Offering

We also offer qualified individuals the right to open and operate multiple Restaurants within a defined geographical area (the "Development Area") by: (i) executing our current form of development agreement (the "Development Agreement") attached as Exhibit F to this Disclosure Document; and (ii) paying our then-current development fee upon execution of your Development Agreement, which will depend on the number of Restaurants you agree to open (the "Development Fee").

You will be required to enter into our then-current form of franchise agreement, which may contain terms that are materially different from the Franchise Agreement in Exhibit E, for each of the Restaurants you are required to open under the Development Agreement. You must execute the Franchise Agreement attached as Exhibit E for your initial Restaurant contemporaneously with the execution of your Development Agreement. You must then ensure that you open and commence operations of each additional Restaurant in the Development Area in accordance with a development schedule set forth in your Development Agreement (the "Development Schedule").

Area Representative Offering

Currently we do not offer, but may in future offer, area representative rights to certain individuals and companies through a separate Franchise Disclosure Document as a separate line of business. An Area Representative acts as our representative within a defined geographic area to solicit prospective franchises and to provide support before, during and after a franchisee begins operations. If your Restaurant is in an area with an Area Representative, they will assist us in providing certain support functions to you. Area Representatives are not management service organizations and will not provide any administrative staff and services to you.

The Market and Competition

You can expect to compete in your market with locally owned businesses, as well as with national and regional chains that offers the sale of gourmet Italian cuisine in a fast casual setting and related products, and which may compete with the products offered at Pasta Di Guy. The market for these items is well-established and highly competitive.

Café and restaurant businesses compete on the basis of many factors, such as price, service, location, product offerings, quality, speed of service, hospitality, and customer experience. These businesses are often affected by other factors as well, such as changes in customer taste, economic conditions, seasonal population fluctuation, and traffic patterns.

Industry Specific Regulations

Federal, state and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Restaurant, including those that (i) establish general standards, specifications, and requirements for the construction, design, and maintenance of the premises; (ii) regulate matters affecting the health, safety, and welfare of your customers, such as general health and sanitation requirements for restaurants; employee practices concerning the storage, handling, cooking and preparation of food and beverages; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (iii) set standards pertaining to employee health and safety; (iv) set standards and requirements for fire safety and general emergency preparedness; (v) govern the use of vending machines; (vi) control the sale of alcoholic beverages; and (vii) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Restaurant and should consider both their effect and cost of compliance.

Upon your request, and with our prior approval, your Restaurant may be permitted to serve craft beer and wine. State alcoholic beverage regulatory authorities administer and enforce laws and regulations that govern the sale of alcoholic beverages. If we permit you to service alcoholic beverages at your Restaurant, you will be required to comply with state and local laws in order to obtain a beer and wine license for your Restaurant. You must comply with all applicable laws, rules and regulations in your state and locality related to the sale of alcoholic beverages at your Restaurant.

In addition, you must comply with all local, state, and federal laws that apply to your Restaurant including health, sanitation, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws, including all requirements set forth in the Alcoholic Beverage Control Act. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled people and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, etc. You must obtain all required real estate permits, licenses, and operational licenses. You must also comply with all menu and menu board labeling laws and rules requiring restaurant operators to disclose certain calorie or other nutritional information about the foods they sell, including, for example, the FDA's Nutrition Labeling of Standard Menu Items in Restaurants and Similar Food Establishments Rule.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA. The Health Care Reform Bills that became law in March 2010 additionally contain provisions that require disclosure of nutrition and calorie information in chains of more than 20 restaurants.

The Payment Card Industry Data Security Standard ("PCI") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data.

You should consult with your attorney concerning these and other local laws and ordinances that may affect your Restaurant. You alone are responsible for compliance despite any advice or information that we may give you. We have not researched any of these laws or regulations to determine the specific applicability to your Restaurant.

ITEM 2
BUSINESS EXPERIENCE

Gai Carmeli – CEO, COO

Employer	Title	Employer City, State	Start Month/Year	End Month/Year
Pasta Di Guy LLC (Food Truck)	Owner and Operator	Wesley Chapel, Florida	May 2019	Aug 2020
Pasta DI Guy LLC (Restaurant)	Owner, Chef and Operator	Wesley Chapel, Florida	Aug 2020	July 2022
Pasta DI Guy Trinity LLC	Owner, Chef and Operator	New Port Richey, Florida	July 2022	Present
Pasta Di Guy FW LLC	Owner, Executive Chef, CEO, COO	Fort Wayne, Indiana	Dec 2023	Present
Pasta Di Guy Franchise LLC	Owner, CEO, COO, Executive Chef	Wesley Chapel, Florida	Jan 2024	Preset

Eyal Carmeli – CFO, HR Director

Employer	Title	Employer City, State	Start Month/Year	End Month/Year
Pasta Di Guy LLC (Food Truck)	Owner, Driver, Front person, CFO	Wesley Chapel, Florida	May 2019	Aug 2020
Pasta DI Guy LLC (Restaurant)	Owner, CFO, HR, front person	Wesley Chapel, Florida	Aug 2020	July 2022
Pasta DI Guy Trinity LLC	Owner, CFO, HR	New Port Richey, Florida	July 2022	Present
Pasta Di Guy FW LLC	Owner, CFO, HR	Fort Wayne, Indiana	Dec 2023	Present
Pasta Di Guy Franchise LLC	Owner, CFO, HR	Wesley Chapel, Florida	Jan 2024	Presentt

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

Franchise Fee

You must pay us an initial franchise fee of $49,500 upon signing the Franchise Agreement ("Initial Franchise Fee"). The Initial Franchise Fee is uniform to all franchisees and deemed fully earned and nonrefundable upon payment.

Development Fee

If we determine that you are financially and operationally qualified to develop multiple Restaurants, we may offer you the opportunity to enter into a Development Agreement, in which you will commit to develop a certain number of Restaurants that you and we determine to be appropriate. If you enter into a Development Agreement, you must pay us a one-time development fee upon execution of your Development Agreement ("Development Fee"). Your Development Fee will depend on the number of Restaurants we grant you the right to open within the Development Area, and is calculated as set forth in the table below:

Number of Restaurants We Grant You the Right to Develop	Franchise Fee	Cumulative Development Fee
1	$49,500	$49,500
2	$45,000	$94,500
3	$40,000	$134,500
4	$35,000	$169,500

If we permit, you to open five (5) or more Restaurants under a Development Agreement your Development Fee will be equal to (i) $169,500 *plus* (ii) $30,000; for each additional Restaurants we grant you the right to develop. You will be required to enter into our then current form of franchise agreement for each Restaurant you wish to open under your Development Agreement, but you will not be required to pay any additional initial franchise fee at the time you execute each of these franchise agreements. If you enter into a Development Agreement, you must execute our current form of Franchise Agreement for the initial Restaurant we grant you the right to open within your Development Area concurrently with the Development Agreement.

Pasta Di Guy Opening Package

You must pay us or our affiliates between $2,000 to $4,000 for the Pasta Di Guy Opening Package You must pay us or our affiliates for the Pasta Di Guy Opening Package prior to opening your Restaurant. The Pasta Di Guy Opening Package is comprised of the initial supply of uniforms, menus, seasoning packets and other inventory necessary to operate the Restaurant.

Refunds, Different Fees and Financing

The Initial Franchise Fee, Development Fee, and Pasta Di Guy Opening Package are fully earned by us when paid and are not refundable under any circumstances. We may reduce, finance, defer or waive the Initial Franchise Fee, Development Fee, or Pasta Di Guy Opening Package if and when we determine, it is warranted by a unique or compelling situation. We generally do not provide financing for the Initial Franchise Fee, Development Fee, or Pasta Di Guy Opening Package. We may do so if and when we determine it is warranted by a unique or compelling situation.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty fee[1]	5% of Gross Revenue	Monthly	See Note 2 for definition of "Gross Revenue."
National Brand Fund	0% of Gross Revenue Up to 3% of Gross Revenue	Monthly	We reserve the right to establish an advertising and marketing fund (the "National Brand Fund") for the common benefit of System franchisees. When established, you are required to participate in and contribute 1% of your Gross Revenue in the manner we prescribe. We reserve the right to increase your Advertising and Marketing Fund to a maximum of 3% upon 30 days' written notice.
Local Advertising Expenditure	2% of Gross Revenue	As incurred	In addition to the National Brand Advertising Fund Contributions, you must spend a minimum amount as described for local advertising and promotion implemented in a format and using materials and designs approved by us.
Technology Fee	$500 per month	Monthly beginning in the month you open your Restaurant	The Technology Fee currently includes fees related to your maintenance, licensing, access to and usage of some of our designated software, our intranet, and the Pasta Di Guy website and application. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. In addition to the monthly Technology Fee, you will be responsible for any "per transaction" fee charged by third-party vendors for mobile application or online ordering. We may increase the Technology Fee upon 30 days' written notice.
Audit fee	The costs of the audit	10 days after notice of amount due	You will pay us the costs of an audit to be performed if you fail to provide monthly financial statements, which are required by the Franchise Agreement in excess of 3 times per calendar year or if a random audit shows an understatement of Gross Revenue in excess of 3%.
Late fee	10% of the amount due	Within 10 days of the date of the statement for the amount due	You will pay us a late fee in the amount of 10% if you fail to pay the Royalty, National Brand Advertising Fund Contribution, and Technology Fee within 10 days of the due date.
Interest on late payments	1.5% per month	Within 10 days of the date of the statement for the amount due	You will pay us interest on any overdue fee that is payable to us in the amount of 1.5% per month.

Type of Fee	Amount	Due Date	Remarks
Initial Training Fee	$0 for up to three people to attend our Initial Training Program for first casual concept	On Demand	We will provide an Initial Training Program for up to three supervisorial or managerial personnel, including you, your Operating Principal and your Key Manager. If you send more than 3 supervisorial or managerial personnel to the Initial Training Program, you must pay this Additional Initial Training Fee per additional trainee.
Additional Initial Training Fee	Then-current fee, with a minimum of three (3) people in attendance, which will not exceed $500 per person per day	Prior to commencement of the training program	You will pay us a fee if you ask for special assistance or we determine that additional training is warranted after your initial training period.
Ongoing Training Fee	$500 per day per additional trainee plus your out- of-pocket expenses, including transportation, food and lodging.	On demand.	If you request or we determine you require additional or remedial training to confirm operation of your Restaurant to our System, you will pay this fee for each day on a per trainer basis.
Alternative Supplier Evaluation Fee	$500	On demand	If you propose to purchase or lease items not previously approved by us as meeting our specifications or from a vendor not approved by us, you must first notify us and we may require submission of sufficient specifications, photographs, drawings and/or other information and samples to determine whether any such item or supplier meets our specifications or our approved vendor criteria. We will advise you within a reasonable time whether any proposed item or vendor meets our specifications or our approved vendor criteria. You agree to use only such items that meet our specifications in the operation of the Restaurant and to purchase them from approved vendors, if we so require. You understand, however, that we or our affiliates or an approved vendor may be the only source for some of these items and that we may otherwise limit the number of approved vendors.
Renewal Fee	$10,000 or 25% of our then-current initial franchise fee, whichever is greater	At least five months before the signing of the renewal franchise agreement	Payable to us, if you wish to renew your franchise agreement.
Transfer fee	$10,000 $2,500 non-refundable deposit	Before such transfer becomes effective	Payable to us as a condition of approval for transfer.

Type of Fee	Amount	Due Date	Remarks
Relocation Fee	$5,000	With relocation request	If you ask to relocate your Restaurant during the term of your Franchise Agreement, you must pay us the amount when you submit your request to change locations.
Management Fee	5% of Gross Revenue for the period in which we manage the Restaurant	With Royalty	If you ask and we agree, or we exercise any right under the Franchise Agreement to manage your Restaurant on your behalf, we will be entitled to collect this amount in addition to your Royalty Fee.
Sanitation and Food Safety Audits	Cost of the inspection.	On demand.	We may, in our sole discretion, contract with a third party to conduct sanitation and food safety audits during the term of your Franchise Agreement.
Annual Convention Fee	Reasonable costs	On Demand	If we organize a convention for franchisees and your Operating Principal is required to attend; you must pay our then-current Convention Fee for each attendee, even if you choose not to attend. You will be responsible for all travel related expense incurred by you.
Liquidated Damages	Will vary under circumstances	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your violation of any of the terms of the non-competition provisions.
Costs and attorneys' fees, and expert fees	Will vary under circumstances	As incurred	Payable to us, to reimburse us for fees incurred by us in obtaining injunctive or legal relief for the enforcement of any item of the Franchise Agreement or for costs incurred for Arbitration proceedings. These fees are non-refundable
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for any claims arising from your Restaurant. This fee is nonrefundable.
Insurance	Will vary according to coverage and area	As incurred	You must be fully covered in all areas of operating a business. Earned premiums are not refundable.

Notes:

1. Unless otherwise noted, all fees are non-refundable, payable to us, and uniformly imposed on all franchisees receiving this offering. For all amounts payable to us and our affiliates, you must use the payment method(s) that we designate from time to time. As of the date of this disclosure document, we require payment by Automatic Clearing House (ACH) or electronic funds transfer and you must designate an account at a commercial bank of your choice and furnish the bank with authorizations at the time of signing your franchise agreement to permit us to make withdrawals from that account. All fees listed in this chart are applicable to each Designated Territory purchased and the amount of each fee will be due and payable in the manner and at the times described in this table for each Designated Territory independently, and not in the aggregate.

2. "**Gross Revenue**" means all revenue that you derive from operating the Restaurant, whether from cash, check, credit and debit card, or otherwise, but excluding all taxes actually collected from customers and paid to the appropriate taxing authority, revenue derived from selling or issuing gift or loyalty cards (but not revenue received from selling products to customers who use such cards for payment), and refunds and credits you in good faith give to Restaurant customers (if those amounts originally were included in calculating Gross Revenue).

3. "**Liquidated Damages**" Liquidated damages are determined by multiplying the combined monthly average of Royalty Fees and Brand Fund Contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you open for business through the date of early termination, multiplied by the lesser of: (i) 36; or (ii) the number of months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than $50,000.

4. "**Interest**" Interest begins from the due date.

5. "**Indemnification**". You must indemnify us and our respective owners, employees, and officers for any claims relating to the operation of your Restaurant, and for all costs incurred relating to any default by you under the Franchise Agreement

6. "**Insurance**" You must maintain insurance of the types and minimum amounts (naming us as additional insured) that we specify in your franchise agreement, the Manual, or in supplementary notices. You may obtain additional insurance as you desire. Insurance policies may not be subject to amendment or cancellation without at least 30 days prior written notice to us. You must provide certificates of insurance evidencing coverage on an ongoing basis.

ITEM 7
ESTIMATED INITIAL INVESTMENT
A. Your Estimated Initial Investment – Single Unit under Franchise Agreement

Type of Expenditure[1]	Low Estimate	High Estimate	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[2]	$49,500	$49,500	Cash, check or electronic funds transfer	Upon signing Franchise Agreement	Us
Travel Expenses for Initial Training[3]	$500	$5,000	Check, cash, or credit card	As incurred	Various vendors
Real Estate/Rent and Deposit[4]	$8,000	$18,000	As agreed to	As incurred	Landlord
Leasehold Improvements[5]	$25,000	$256,000	As agreed to	As incurred	Various providers
Equipment and Small Wares[6]	$40,000	$70,000	As agreed to	As incurred	Various suppliers
Mill Works and Furnitire[7]	$0	$10,000	As agreed to	As incurred	Various designated suppliers
Pasta Di Guy Opening Package[8]	$2,000	$4,000	As agreed to	Prior to Opening	Us
Initial Inventory[9]	$9,000	$15,000	As agreed to	As incurred	Designated and approved suppliers
Signage[10]	$1,000	$10,000	As agreed to	As incurred	Vendor
Management and Technology System[11]	$3,100	$8,600	As agreed to	As incurred	Designated vendor
Office Supplies[12]	$1,000	$1,500	As agreed to	As incurred	Various suppliers
Licenses and Permits[13]	$700	$3,000	As agreed to	As incurred	Licensing and permit authorities
Professional Fees[14]	$1,500	$10,000	As agreed to	As incurred	Attorney, Accountant
Utility Deposits[15]	$0	$2,000	As agreed to	As incurred	Utility companies
Insurance[16]	$2,000	$3,000	As agreed to	As incurred	Insurance company
Grand Opening Marketing[17]	$3,500	$3,500	As agreed to	As incurred	Various vendors
Additional Funds—3 months[18]	$10,000	$15,000	As agreed to	As incurred	Various vendors
TOTAL ESTIMATED INITIAL INVESTMENT[19]	**$156,800**	**$484,100**			

*Unless otherwise noted below, the expenses listed above are non-refundable.

Explanatory Notes:

(1) All fees and expenses paid to us or our affiliate are deemed to be earned upon receipt and are non-refundable.

(2) Initial Franchise Fee. The initial Franchise Fee is $49,500 for a single-unit Franchise Agreement. We will not refund the Franchise Fee, or any other fees paid to us or our affiliates under any circumstances. Neither we nor our affiliates offer any other financing. Please see Item 5 for details.

(3) Travel and Living Expenses While Training. We provide the initial training program tuition-free for up to three (3) of your representatives, however, you are required to pay the expenses that you will incur for travel, food, and lodging during the initial training program.

The cost you incur will vary depending upon factors such as distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, per diem expenses actually incurred, and the number of persons who attend training. The low end of this estimate assumes that one (1) person will be attending initial training at our corporate offices in Wesley Chapel, Florida, and that you will not need to purchase a flight to attend, while the high end assumes that a total of three (3) individuals will attend the initial training and will be required to purchase a flight to/from that training in order to attend. Your other managers or personnel may attend training classes for an additional fee of $500 per person, plus travel, lodging and living expenses, which fees and expenses are not included in the estimated range above. This cost does not include salaries or wages owed to employees of your Restaurant, which are covered under the "Additional Funds" estimated range.

(4) Real Estate/Rent and Deposit. A Restaurant is estimated to require 800 to 1,600 square feet of space. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors and could be considerably higher in large metropolitan areas than in more suburban or small-town areas. A Restaurant can be located in strip shopping centers, shopping malls, free-standing units, and other venues in downtown commercial areas and in residential areas. We anticipate that you will rent the Restaurant's premises. It is possible, however, that you will choose to buy, rather than rent, real estate on which a building suitable for the Restaurant already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying.

(5) Leasehold Improvements. Leasehold improvement costs, including floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work. Architect's and contractor's fees depend on various factors, including: (i) the site's condition, location, and size; (ii) the demand for the site among prospective lessees; (iii) the site's previous use; the build-out required to conform the site for your Restaurant; and (iv) any construction or other allowances the landlord grants. The lower figures provided here under "Leasehold Improvements" assume that you remodel an existing building that has previously been utilized as a restaurant. Full buildout of a "grey shell" location likely would require a greater initial investment, the amount of which would depend on market conditions. We do not recommend, neither we took into account a construction of a new building.

Your actual costs will depend on, among other factors, the Restaurant location, the size of the Restaurant, the condition of the premises being remodeled, national and local economic factors, the local costs of material and labor, and the amount of tenant improvement allowances that you are able to obtain, if any.

In certain major metropolitan markets such as Boston, Chicago, New York, Los Angeles, San Francisco, Seattle, and Washington, D.C., costs may be higher due to local market rates for materials and labor.

(6) Equipment and Small Wares. These amounts include specific specialized equipment used in the preparation of all of our menu items that you may be required to purchase from any available supplier. These amounts also include a pasta machine, pasta cooker, ovens, refrigerators, freezers, and other equipment.

(7) Mill Works and Furniture. These amounts include purchases of furniture and millwork for the Restaurant.

(8) Pasta Di Guy Opening Package. This estimate includes the cost of The Pasta Di Guy Opening Package which is comprised of the initial supply of uniforms, menus, seasoning packets and other inventory necessary to operate the Restaurant.

(9) Initial Inventory. This estimate includes the food products, utensils, supplies, and other inventory necessary to operate the Restaurant.

(10) Signage. This estimate includes the cost for one inside sign and one outside sign.

(11) Management and Technology System. This estimate includes the cost of your back-office computer and printer, as well as your POS System, KDS terminals, and any accompanying software purchase we require.

(12) Office Supplies. These amounts include your purchase of miscellaneous office supplies for use in the operation of your Restaurant such as printer paper, ink, writing utensils, and organizational supplies.

(13) Licenses and Permits. You must obtain business licenses as dictated by state and local regulations. You will need to provide funds for deposits for utilities and insurance.

(14) Professional Fees. This estimate includes the cost of professional fees that you may incur in establishing your Restaurant. Such expenses may include fees payable to attorneys, accountants, and finance originators that you will need to use for the review of this Disclosure Document and its Exhibits, as well as for entity formation and lease negotiation.

(15) Utility Deposits. This estimate includes the costs of deposits for utility services at your Restaurant, which may be paid directly to utility providers or your landlord.

(16) Insurance. This estimate is for your insurance premium deposit and your first three months of insurance coverage, which may be paid prior to opening. We require you to maintain: (i) property insurance; (ii) general liability insurance; (iii) automobile liability insurance, if applicable; and (iv) workers' compensation insurance (in your name) or other comparable insurance or benefit programs for your employees. We also require you to name us and our affiliates as an additional insured. See Item 8 for details.

(17) Grand Opening Marketing. You must spend a minimum of $3,500 on grand opening advertising. We expect that you will typically be required to expend these amounts in the 30-60 days prior to opening and in the 30-day period following opening.

(18) Additional Funds – 3 Months. This item estimates your expenses during the initial period (first three months) of operation of your Restaurant (other than the items identified separately in the table). These expenses include payroll costs. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the Restaurant. Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; local rental rates and the local real estate market; the local market for your products and services; the prevailing wage rate; the competition; and the sales level reached during the initial period of operation of your Restaurant.

(19) TOTAL. We relied on our business experience in compiling these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not currently offer financing directly or indirectly for any part of the initial investment, although we reserve the right to do so in the future. The availability and terms of financing depend on many factors, including: the availability of financing, generally; your creditworthiness and collateral; and the lending policies of financial institutions from which you request a loan.

B. Development Agreement - Your Estimated Initial Investment

Type of Expenditure	Low Estimate	High Estimate	Method of Payment	When Due	To Whom Payment Is to be Made
Development Fee[1]	$134,500	$349,500	Lump Sum	When sign Development Agreement	Us
Estimate Initial Investment for First Restaurant[2]	$107,300	$434,600	As incurred	As incurred.	Us and third parties
TOTALS[3]	**$241,800**	**$784,100**			

Notes

1. Development Fee. Upon signing the Development Agreement, you must pay us the Development Fee. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. The Development Fee varies based on the number of Restaurants you commit to develop. The low estimate is based on a commitment to develop three Restaurants and the high estimate is based on a commitment to develop 10 Restaurants. We may permit you to enter into a Development Agreement to develop more than ten (10) Restaurants if we determine that you are operationally and financially capable of doing so. The Development Fee is due upon execution of your Development Agreement and is not refundable. The Development Fee will be credited towards the initial Franchise Fee for each Restaurant developed under the Development Agreement. See Item 5.

2. Estimated Initial Investment for First Restaurant. For each Restaurant that you develop under a Development Agreement, you will execute a Franchise Agreement and incur the initial investment expenses for the development of a single Restaurant as described in the first table of this Item 7. This estimate is based on the expenses described in the first table of this Item 7. The estimate does not include the Franchise Fee, since the Development Fee is credited towards the Franchise Fee for each Restaurant.

3. Total. We do not provide financing to franchisees either directly or indirectly in connection with their initial investment requirements.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Authorized Products and Services.

We have the right to require that furniture, fixtures, signs and equipment (the "Operating Assets") and products, supplies, and services that you purchase for resale or purchase or lease for use in your Restaurant: (i) meet specifications that we establish from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that we have expressly approved; and/or (iv) be purchased or leased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates).

You must offer to customers only the products and services we approve in writing. In addition, you must offer the specific products and services that we require in the Manuals or otherwise in writing. We may change these specifications periodically, and we may designate specific products or services as optional or mandatory. You must offer all products or services that we designate as mandatory. You may sell products and services only in the varieties, forms, and packages that we have approved in accordance with our System Standards. You must maintain a sufficient supply of required products to meet the inventory standards we prescribe in the Manuals (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards).

We may require you to purchase merchant processing services from us, our affiliates, or an approved vendor we select. You must (i) require your customers to pay all services and other fees through the Management and Technology System; or (ii) enter all other payments received from customers into the Management and Technology System upon receipt. When you begin collecting revenue in your Restaurant, the payment processor may process all credit card payments related to your Restaurant, and remit payment to you of all monies owed, after withholding any Technology Fees, Royalty Fees, or Marketing Fees payable to us and any payment processing fees payable to such processor.

You must offer products and services in accordance with the System. You must offer at the Restaurant any products or services that we deem to be mandatory. Any products, services, methods, or procedures that you or your employees develop must be consistent with the System Standards that we specify from time to time. If we disapprove of any product or service that you offer, you must immediately discontinue offering the product or service in accordance with our instructions.

Items You Must Purchase from Us or Affiliates

<u>Ongoing Inventory Purchases</u>. All products that carry the Marks must be purchased only from us or suppliers approved by us. This includes, but is not limited to uniforms, seasoning packs, printed take out menus, and logo stickers.

<u>Pasta Di Guy Opening Package</u>. You must pay us or our affiliates for the Pasta Di Guy Opening Package prior to opening your Restaurant. The Pasta Di Guy Opening Package is comprised of the initial supply of uniforms, menus, seasoning packets and other inventory necessary to operate the Restaurant.

We reserve the right to designate ourselves or our affiliates as approved suppliers at any time.

Items You Must Purchase from Designated or Approved Third Parties

<u>POS and KDS Systems</u>. You must purchase a designated point of sale ("POS") and kitchen display systems ("KDS") from our approved supplier for each Restaurant you operate.

<u>Management and Technology System</u>. You must purchase the Management and Technology System from our approved supplier for each Restaurant you operate.

Food Products and related Inventory. You must purchase certain Food Products and related inventory, which includes but is not limited to certain produce, food ingredients, prepared food, take out containers and any other items we may designate now or in the future.

Items That Must Meet Our Specifications

For some products and services, we have not designated a specific source or vendor that you must use, but you must follow our specifications and/or obtain our approval of the vendor. As of the date of this disclosure document, they include: signage, phone and internet service, surveillance cameras, insurance, and more.

Signage. Any signage we require you to purchase must meet our specifications, which we will provide in the Manuals.

Phone and Internet. Your Restaurant must also have a phone and internet systems. Phone and internet vendors and prices may vary based on the location of your Restaurant.

Surveillance Cameras. Your Restaurant must also have web accessible surveillance cameras with audio. Surveillance camera vendors and prices may vary based on the location of your Restaurant.

Insurance. You must maintain the types and minimum amounts of insurance coverage and bonds we specify for the Restaurants. The table below sets out our required and recommended insurance coverage as of the date of this disclosure document:

Type	Minimum Coverage
Comprehensive General Liability (occurrence based policy)	$1 million per incident / $2 million aggregate per location
Commercial Umbrella Policy	$1 million follow form umbrella over all underlying liability coverages per occurrence and $1 million in the aggregate
Business Interruption	12 months loss of income, including coverage for our Royalty Fees with no co-insurance clause
Product Liability	$1 million policy limit
Workers' Compensation	As required by law in your area
Crime Insurance for Employee Dishonesty	$50,000 combined single limit
Employer Liability	$100,000 per incident
Auto Insurance	Coverage to comply with law

Your insurance policies must be written by a carrier with an industry rating acceptable to us, must name us, Pasta Di Guy Franchise, LLC and our parents, subsidiaries, and affiliates, and their respective officers, directors, members, shareholders, and employees as additional insureds on a primary and noncontributory basis including products and completed operations, and must not have deductibles, exclusions or co-insurance that are unacceptable to us. All public liability and property damage policies must be primary and non-contributory and must contain a waiver by the insurance company of subrogation rights against us and our affiliates, successors, and assigns. Franchisee should supply copies of all the endorsements.

Prior to opening your Restaurant, you must provide us with certificates of insurance demonstrating that you have met the requirements. At least thirty (30) days before expiration of a policy, you must furnish evidence of renewal or replacement insurance. If you do not obtain the required coverage, we have the right (but not obligation) to obtain insurance on your behalf. If we do so, you must reimburse us for the cost of insurance, plus a reasonable fee for our services. Each policy must provide a 30-day notice of cancellation, 10 days in cases of nonpayment of premium. We can increase the coverage requirements or require different or additional kinds of insurance.

Gift Cards, Loyalty, CRM, Social Media Software, Online and Mobile Ordering Programs

You may not create or issue any gift certificates or gift cards and may only sell gift certificates or gift cards that have been issued by us that are accepted at all Pasta Di Guy Restaurants. You must participate in all gift certificate and/or gift card administration programs as we may designated from time to time. You must honor all coupons, gift certificates, gift cards and other programs or promotions we direct. You must fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by us. You must not issue coupons or discounts of any type for use at your Restaurant except as approved by us in writing. In addition, you must purchase, enroll in or subscribe to, as applicable, all CRM, social media analytics and online and mobile ordering software or programs that we designate. We may change the designated suppliers of these or similar services in our discretion. You must change, purchase or subscribe to the additional programs or software, as applicable, after we give you notice to do so.

Music and Music Selection.

You must play only the music and music selections that we approve. You must install the equipment necessary to receive and play approved music. You will be required to obtain any necessary licenses for the playback of music in your Restaurant.

Approval Process

If you would like to offer products or use any supplies, Operating Assets, or services that we have not approved or to purchase or lease from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the proposed supplier's facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings. Proposed suppliers may be required to come to our offices in order for us to make an evaluation. You agree to pay us an amount not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within 90 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. You acknowledge that the products and services that we approve for you to offer in your Restaurant may differ from those that we permit or require to be offered in other Restaurants.

We reserve the right to re-inspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider at and to revoke approval of the item, service, supplier, or service provider if any fail to meet any of our then-current criteria. If we revoke approval of a previously approved product that you have been selling to customers or service that you have been offering to customers, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30 days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining formerly approved inventory as we direct.

Issuance of Specifications and Standards

To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manuals. We may, at any time, in our discretion, change, delete, or add to any of our specifications or quality standards. Such modifications, however, will generally be uniform for all franchisees. We will notify you of any changes to our Manuals, specifications, or standards in writing, which we may transmit to you electronically.

Proportion of Purchases Subject to Specifications

We estimate that the cost to purchase and lease all equipment, inventory and other items and services that we require you to obtain from us or our affiliates, from designated suppliers, or in accordance with our specifications ranges from 80% to 90% of the total cost to purchase and lease equipment, inventory, and other items necessary to establish a Restaurant and 80% to 90% of the total cost to purchase and lease equipment, inventory, and other items to operate a Restaurant.

Revenue from Purchases

We or our affiliates reserve the right to receive revenues or profits or other material consideration from the purchases you make from us, our affiliates, or from other approved suppliers. We or our affiliates may retain any rebates or other payments we receive from suppliers. In our last fiscal year ending on December 31, 2024, we did not receive any rebates or revenues from the required purchase of products and services by our franchisees.

Cooperatives and Purchase Arrangements

We are not involved in any purchasing or distribution cooperatives. We may, but are not obligated to, negotiate purchase arrangements with suppliers for the benefit of franchisees.

Material Benefits

We do not provide any material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers.

[The remainder of this page intentionally left blank. Item 9 begins on next page.]

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement ("FA"). It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation	Location in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA §1.2, §1.3, §6.1, Article 7	Item 11
b. Pre-opening purchases/leases	FA §7.3	Item 8
c. Site development and other pre-opening requirements	FA §6.2, Article 7	Items 6, 7, and 11
d. Initial and ongoing training	FA Article 6	Items 6 and 11
e. Opening	FA §9.2	Item 11
f. Fees	FA Article 3	Items 5 and 6
g. Compliance with standards and policies/ Manual	FA Article 7, Article 8	Items 8 and 11
h. Trademarks and proprietary information	FA Article 4	Items 13 and 14
i. Restrictions on products/ services offered	FA Article 8	Items 8 and 16
j. Warranty and customer service requirements	FA §8.8	Item 11
k. Pricing	FA §6.7	Item 12
l. Ongoing product/service purchases	FA §8.4	Item 8
m. Maintenance, appearance, and remodeling requirements	FA §3.2, §6.2	Item 11
n. Insurance	FA §10.4	Items 6 and 8
o. Advertising	FA Article 9	Items 6, 8, and 11
p. Indemnification	FA Article 11	Item 6
q. Owner' participation/ management/staffing	FA §2.1, §5.7, §8.6	Items 11 and 15
r. Records/reports	FA Article 10	Item 16
s. Inspections/audits	FA Article 10	Items 6 and 11
t. Transfer	FA Article 14	Item 17
u. Renewal	FA §3.2	Item 17
v. Post-termination obligations	FA Article 15	Item 17
w. Non-competition covenants	FA Article 13	Item 17
x. Dispute resolution	FA Article 16	Item 17
y. Other: Guaranty of franchisee obligations	Attachment B	Item 15

ITEM 10
FINANCING

We and our affiliates do not offer direct or indirect financing arrangements for any purpose in establishing or operating your Restaurant. We and our affiliates do not guarantee your promissory note, lease, or any other obligation you may make to others.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, MANAGEMENT AND TECHNOLOGY SYSTEMS, AND TRAINING

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

Franchise Agreement

Before you open the Restaurant, we will:

1. Approve the location of your Restaurant (the "Approved Location") and designate such location in the Franchise Agreement (Franchise Agreement – Paragraph 6.1);

2. Approve the lease or other document for occupancy of the Approved Location. (Franchise Agreement – Paragraph 6.2). Franchisor generally does not own the premises and does not lease it to the franchisee;

3. Provide you with standards and a list of approved suppliers for authorized food and beverages, storage and display equipment, other equipment, fixtures, furniture, signs and decorating required. Franchisor will only supply the names of approved suppliers and the written specifications for these items. (Franchise Agreement - Paragraph 6.6).

4. Offer certain training programs which you must enroll in and complete prior to opening the Restaurant. (Franchise Agreement - Paragraph 6.3) and,

5. Provide you with reasonable operating assistance, consultation, and general guidance, subject to our discretion and availability. (Franchise Agreement – Paragraphs 6.1, 6.5, 6.9); and,

6. Give you access to our operations manual in any form we designate, either electronic or otherwise (the "Manual"). The Manual contains mandatory specifications, standards, operating procedures, and rules (collectively, "Brand Standards") we periodically prescribe for developing and operating a Restaurant and information on your other obligations. We may modify the Manual periodically to reflect changes in Brand Standards, but those modifications will not alter your fundamental rights or status under the Franchise Agreement. If there is a dispute over the Manual's contents, our master version controls. (Franchise Agreement – Paragraph 6.4)

During your operation of the Restaurant, we will:

1. Provide you with information on operating the Restaurant. Operating assistance will include:

a. methods of authorized food and beverage preparation, packaging, and sale; and,

b. administrative, accounting, inventory control and general operating procedures. (Franchise Agreement - Paragraph 6.5, 6.7);

2. Advise you of operating problems from your reports or our inspections. (Franchise Agreement – Paragraph 8.8);

3. From time to time formulate, develop, produce, and conduct advertising and promotional programs in the form and media as we determine to be most effective as described below. (Franchise Agreement - Paragraph 9.1);

4. Offer you guidance on prices for the products and services that in our judgment constitute good business practice. (Standard Franchise Agreement - Paragraph 6.7);

5. Offer certain additional training programs which we may require you to attend as more fully described below. (Franchise Agreement – Paragraph 6.3(C)-(D)

6. Not unreasonably withhold approval to a proposed transfer if all requirements are met. (Franchise Agreement - Paragraph 14.2); and,

Site Selection and Opening

You will operate the Restaurant at the Approved Location agreed upon by you and us. (Franchise Agreement - Paragraph 6.1). While it is your responsibility to obtain a mutually acceptable site and negotiate a lease for your Restaurant, we may designate a vendor to assist you in the site selection process and provide input on the location as we deem reasonable and appropriate. We consider factors such as size, location, operational ease, traffic patterns, visibility from roadways, parking space and outdoor seating in approving any given site.

You are solely responsible for obtaining the applicable ordinances, building codes, and permits required to operate the Restaurant from your Approved Location, and ensuring your compliance with all applicable laws and regulations, including the Americans with Disabilities Act. All costs connected with the design, construction, leasehold improvements, equipment, furnishings, fixtures, and signs are your responsibility.

You must obtain a location acceptable to us within three (3) to five (5) months of signing the Franchise Agreement. If you fail to find an acceptable location within five (5) months of signing, we reserve the right to terminate your Franchise Agreement. (Franchise Agreement- Paragraph 6.1). We estimate that it will take approximately six (6) months to nine (9) months from signing the Franchise Agreement for you to open your Restaurant. The actual length of this period will depend upon factors such as your ability to obtain a mutually acceptable site and the lease for that site, financing arrangements, training schedules, delivery schedules for inventory and equipment and other factors including the time necessary to obtain zoning permits, licenses, and variances. Under the Franchise Agreement, you are required to open your Restaurant no later than twelve (12) months after you obtain the site for the Restaurant. If the Restaurant has not been opened within this twelve (12) month time frame, we may, at our sole discretion, elect to terminate your Franchise Agreement. (Franchise Agreement – Paragraph 17.2(b)).

Brand Fund

We reserve the right and intend to establish a National Brand Fund (the "Brand Fund") for the common benefit of System franchisees. Once established all franchisees will be required to contribute an equal amount to the Brand Fund (the "Brand Fund Contribution"). When established, you must contribute 1% of your Gross Revenue to the Brand Fund in the manner we prescribe and participate in Brand Fund programs. We reserve the right to increase your Brand Fund Contribution to up to 3% of Gross Revenue upon 30 days' notice to you.) . Neither we or our affiliates will be required to contribute to the Brand Fund. We have the right to use Brand Fund Contributions, in our sole discretion, to develop, produce, and distribute national, regional and/or local advertising and to create advertising and public relations materials which promote, in our sole judgment, the products offered by System franchisees. We may use the Brand Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, including: (a) the cost of preparing and producing television, radio, magazine, Internet, and newspaper advertising campaigns; (b) the cost of direct mail and outdoor billboard advertising; (c) the cost of public relations activities and advertising agencies; (d) the cost of developing and maintaining an Internet website, which may be used to collect customer orders, conduct surveys; and (e) personnel and other departmental costs for advertising that we internally administer or prepare. We are not obligated to expend monies from the Brand Fund in any particular franchisee's market in proportion to the payments to the Brand Fund made by the franchisee in that market. We do not represent that we will spend any particular amount of Brand Funds locally, regionally, or nationally. While we do not anticipate that any part of Brand Fund Contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Brand Fund for public relations or recognition of our brand, for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available." (Franchise Agreement - Paragraph 12.3).

We will use Brand Fund Contributions to develop and prepare advertising which we distribute to System franchisees for their placement in the local media. The advertising is prepared by us and by outside sources. If we do not spend all Brand Fund Contributions by the end of each fiscal year, the funds will be carried forward into the next fiscal year. There is no requirement that the Brand Fund be audited. Upon your written request, we will provide you with an unaudited accounting of Brand Fund expenditures. In our last fiscal year ending on December 31, 2024, we neither collected nor spent any Brand Fund Contributions. (Franchise Agreement - Paragraph 12.3).

We shall administratively segregate all contributions to the Brand Fund on our books and records. All such payments to the Brand Fund may be deposited in our general operating account, may be commingled with our general operating funds, and may be deemed an asset of ours, subject to our obligation to expend the monies in the Brand Fund in accordance with the terms hereof. We may, in our sole discretion, elect to accumulate monies in the Brand Fund for such periods of time, as we deem necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year. In the event our expenditures for the Brand Fund in any one fiscal year shall exceed the total amount contributed to the Brand Fund during such fiscal year, we shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Brand Fund or to use such excess as a credit against its future contributions. The parties do not intend that the Fund be deemed a trust. (Franchise Agreement - Paragraph 12.3).

We have the sole right to determine how to spend the Brand Fund Contributions, or funds from any other advertising program, and the sole authority to determine the selection of the advertising materials and programs, provided, however, that we will make a good faith effort to expend such funds in the general best interests of the System on a national or regional basis. We are not required, under the Franchise Agreement, to spend any amount of Brand Fund Contributions in your Designated Territory and not all System franchisees will benefit directly or on a pro rata basis from our expenditures. We have the right to reimbursement from the Brand Fund Contributions for reasonable costs and overhead, if any, as we may incur in activities which are reasonably related to directing and implementing the Brand Fund and advertising programs for franchisees and the System, including costs of personnel for creating and implementing advertising, promotional and marketing programs. (Franchise Agreement - Paragraph 9.1).

Local Advertising Expenditure

In addition to the Brand Fund Contributions described above, you must spend a minimum of two percent (2%) of monthly Gross Revenue on local advertising and promotion implemented in a format and using materials and designs approved by us as your "Local Advertising Expenditure". You may spend any additional sums you wish on local advertising. You are permitted to use your own advertising materials, so long as you have submitted them to us for approval before your use. We have the right, in our discretion, to require you to submit receipts documenting this marketing activity. (Franchise Agreement - Paragraph 9.2).

All advertising and promotion by you, including, but not limited to, all advertising and promotion conducted by you in print, or on radio, television, the Internet, and other electronic media, must be completely factual and shall conform to the highest standards of ethical advertising and be consistent with the then current image and policies relating to advertising and promotional programs of a Restaurant. You must obtain our advance written approval prior to using or producing any advertising or marketing materials using any of the Marks, in whole or in part. We have no obligation to spend any amount on advertising in your territory. We will have the final decision on all creative development of advertising and promotional messages. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved. We reserve the right to require you to discontinue the use of any advertising or marketing materials. (Franchise Agreement – Paragraph 9.2)

Grand Opening Plan

In addition to the Local Advertising Expenditure, you will be required to expend a minimum of $3,500 for a Restaurant, on grand opening advertising. You may be required to expend all or some portion of these funds on products/services received from an Approved Supplier we designated or approve, and all materials used in connection with your grand opening campaign must be approved by us if not previously designated for use. We expect that you will typically be required to expend these amounts in the 30-60 days prior to opening and in the 30-day period following opening (Franchise Agreement, Section 9.2).

Regional Advertising Cooperative

We have the right, in our discretion, to designate any geographic area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"). All Company-Owned Restaurants and Restaurants in the designated geographical area must participate in the Cooperative. If established, the Cooperative will be administered by us and governing documents will be established and available for your review. All franchisees in the designated geographical area must participate in the Cooperative. Cooperative contributions will be credited towards your Local Advertising Expenditure and will not exceed the Local Advertising Expenditure unless a majority of the Cooperative's members vote to spend an amount greater than the Local Advertising Expenditure on advertising. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising. No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. All such plans and materials will be submitted to us in accordance with the procedure set forth in Section 12.1 of the Franchise Agreement. We may grant to any franchisee, in our sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating reasons supporting such exemption. Our decision concerning such a request for exemption will be final. (Franchise Agreement - Paragraph 9.4).

Management and Technology Systems

We have the right to specify or require that certain brands, types, makes, and/or models of communications, electronic equipment and hardware be used by you, including without limitation: (i) a "back office" computer that complies with our standards and specifications; (ii) the point of sale and kitchen display systems (the "POS Systems" and "KDS Systems") from our designated supplier; (iii) all-in-one printer, scanner and fax machine; and (iv) Internet access mode and speed (collectively, the "Management and Technology System"). You will purchase, use, and maintain any and all computer software programs ("Software") which we have developed or may develop and/or designate for use for the System, and will purchase such computer hardware as may be necessary for the efficient operation of the Software.

You will strictly comply with our standards and specifications for all items associated with the Management and Technology System and any Software. You agree, at your own expense, to keep your Management and Technology System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Management and Technology System or Software as we direct from time to time in writing. We estimate that the cost of obtaining the required Management and Technology System will between $3,100 to $8,600. Although we estimate that you will not incur a substantial cost in updating the Management and Technology System on an annual basis, we estimate that the annual costs of any optional or required maintenance, updating, or support contracts will be less than $2,000.

If and at such time we develop and custom design any software programs for conducting scheduling, accounting, inventory and point-of-sale functions and related activities ("Proprietary Software Program"), you, at your own expense, agree to obtain the computer hardware required to implement the Proprietary Software Program into your Restaurant, and to comply with all specifications and standards prescribed by us regarding the Proprietary Software Program, as provided in the Operating Manual or otherwise in writing. This Proprietary Software Program will be proprietary to us and Confidential Information of ours. It is possible that we might not be able to alter the Proprietary Software Program to accommodate each and every franchisee of the System, and therefore, at such time that we require the implementation of such software, you will only utilize the program as prescribed by us. At such time as we require the implementation of such Proprietary Software Program, we or our designee agree to provide ongoing service and support to you regarding the Proprietary Software Program and will lease such Proprietary Software Program to you at the then current rates published by us. (Section 7.8.5 of the Franchise Agreement). We reserve the right to have independent access to any data you collect electronically. You must install, at your expense, the necessary computer hardware and software to provide us with full and direct electronic access to all of your data, software systems, and related information. (Franchise Agreement - Paragraph 10.3).

We shall have independent access to data on your Management and Technology System, including but not limited to sales figures, client information, projections, evaluations, and reports. We may require that your Management and Technology System, and all other electronic media, be programmed to automatically transmit data and reports about the operation of the Restaurant to us. There are no contractual limitations on our right to access this information.

We reserve the right to specify and designate by brand, model, size, type and any other relevant standards or specifications the digital and other signs and displays which must be used or displayed in yours and any other Restaurant, including the right to require that you purchase any relevant signs or displays from us or from our affiliates.

You may be required to enter into licenses and agreements with us or with designated or approved third party vendors for technical support, warranty service, or collateral software licenses.

Internet

You must have and maintain adequate hardware and software in order to access the Internet at the bit speed we require from time to time. We may, but are not obligated to, establish an Internet website that provides information about the System and the products and services offered by Restaurants. In the event we exercise our right to create such a website, we have sole discretion and control over the website (including timing, design, contents, and continuation). We may, but are not obligated to, create interior pages on our website(s) that contain information about your Restaurant and other Restaurants. If we do create these pages, we may require you to prepare all or a portion of the page for your Restaurants, at your expense, using a template that we provide. All such information will be subject to our approval prior to posting. (Franchise Agreement - Paragraph 9.2 and 9.3).

Except as approved in advance in writing by us, you may not establish or maintain a separate website, splash page, profile, or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Restaurants, including any profile on Facebook, Pinterest, Twitter, LinkedIn, Instagram, YouTube, Snapchat or any other social media and/or networking site. If such approval is granted by us, you must: (i) establish and operate such Internet site in accordance with System standards and any other policies we designate in the Operating Manual or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s). (Franchise Agreement - Paragraph 9.3).

We have the right to modify our policies regarding both our and your use of Internet websites as we deem necessary or appropriate for the best interests of the System.. You acknowledge that we and/or our affiliates are the lawful, rightful and sole owner of the Internet domain name www.pastadiguy.com, as well as any other Internet domain names registered by us, and you unconditionally disclaim any ownership interest in such domain names and any colorably similar Internet domain names.

Computer Network, Intranet or Extranet Participation

You are required to participate in any System-wide computer network, intranet system or extranet system that we implement and may be required by us to use such computer network, intranet system, or extranet system to, among other things: (i) submit your reports due under the Franchise Agreement to us on- line; (ii) view and print portions of or updates to the Operating Manual; (iii) download approved local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete training. You agree to use the facilities of any computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operating Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. (Franchise Agreement - Paragraph 10.3).

Social Media

In order to maintain a consistent image and message and to protect the Marks and the System, you must not participate or market through the use of social technology, social media such as Facebook, Instagram, TikTok, Pinterest and Twitter, social networking platforms or other forms of electronic media not yet developed ("Social Media Platforms") using the Marks, or in connection with the your Restaurant, without our prior written consent. If you separately register any Social Media Platform account (a "Social Media Account") containing the Marks or related to your Restaurant, whether with our prior consent or not (i) you must promptly notify us and provide us with all necessary information related to the Social Media Account we require or demand, without compensation to you; and (ii) the Social Media account will become our property, without compensation to you. We will be the sole owner of all related intellectual property rights in all Social Media Accounts and all content posted on Social Media Accounts.

Data Security Safeguards

You must use your best efforts to protect your customers against identity theft, data breach or any other theft of personal information (a "Cyber Event"). You must reimburse us for our out-of–pocket costs we incur in responding to and remedying any Cyber Event you are responsible for. You must at all times maintain compliance with all applicable laws regarding data privacy, data security and security breaches and our security polices and guidelines that we may adopt and/or amend from time to time. (Franchise Agreement, Section 10.4).

Promotional Campaigns

We may conduct promotional campaigns on a national or regional basis to promote products or marketing themes. You must participate in all promotional campaigns which we may establish for the region in which your Restaurant is located. (Franchise Agreement, Section 9.2 (C)).

Advisory Council

We may establish an Advisory Council for Pasta Di Guy Franchisees to work with us and to consult with us on potential improvements to the Pasta Di Guy System, the products offered by Restaurants, advertising conducted by the Marketing Fund and any other matters that we deem appropriate. If an Advisory Council is formed, it will act solely in an advisory capacity, will not have decision making authority, and will be comprised of our representatives and Pasta Di Guy Franchisees who may be chosen by us or elected by other Pasta Di Guy Franchisees. All Pasta Di Guy Franchisees who serve on an Advisory Council must pay their own transportation costs, food, lodging and similar expenses to attend Advisory Council meetings. We will have the right to form, change, merge or dissolve any Advisory Council at any time, in our discretion. As of the issuance date of this Disclosure Document, we do not have an advisory council. Franchisee members are appointed by us for a one-year term and may only be removed for a failure to attend two consecutive meetings or a total of four meetings prior to the expiration of their term. The advisory council serves in an advisory capacity only and does not have operational or decision-making power. Franchise Agreement, Section 9 (D)).

Training

Initial Training Program

After signing your Franchise Agreement and before opening your Restaurant, you or (if you are an approved entity) your Operating Principal, must enroll in and complete all training programs and classes which we require for the operation of a Restaurant. The franchisee's designated operator or manager must also attend. These training programs and classes will be furnished at such times and places as we designate. All training programs and classes must be completed to our satisfaction. You will be responsible for the travel, lodging, and living expenses and other costs incurred during these training programs and classes.

We offer initial training ("Initial Training") tuition-free for up to three people per Restaurant, who ordinarily should be your designated operator or manager and the franchisee or (if it is an Approved Entity) its Operating Principal. Your other managers or personnel may attend training classes for an additional fee, initially expected to be $500 per person per day, plus travel, lodging and living expenses.

We expect that the Initial Training will take approximately two to three weeks, with the first portion being held in New Port Richie, Florida, or another location that we designate (the "PDG In Person Training"). The remainder of the Initial Training will be held at your location or another location that we designate (the "Onsite Training"). The Initial Training will be based on the Operating Manual. To reduce travel costs to the franchisee, we may also permit training to occur in Restaurants around the country.

PDG IN PERSON TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Introduction to the Pasta Di Guy system	2	2	New Port Richie, Florida, or other location we designate
Brand and Culture	1	0	New Port Richie, Florida, or other location we designate
Operations	2	16	New Port Richie, Florida, or other location we designate
Product and Service Training	2	8	New Port Richie, Florida, or other location we designate
Customer Service	1	4	New Port Richie, Florida, or other location we designate
Sales and Marketing	1	0	New Port Richie, Florida, or other location we designate
Financial Management	1.5	0	New Port Richie, Florida, or other location we designate
Technology and Systems	1	1	New Port Richie, Florida, or other location we designate
HR and Staff Management	1.5	0	New Port Richie, Florida, or other location we designate
Legal and Compliance	1	0	New Port Richie, Florida, or other location we designate
TOTALS	**14 hours**	**31 hours**	

The PDG In Person Training program will be conducted and or supervised by Eyal Carmeli and Gai Carmeli. We may, at our discretion, utilize employees and other individuals for various aspects of training who have at least 12 months of experience in the restaurant industry. The Initial and Onsite Training will be conducted on an as needed basis.

Prior to opening your Restaurant, you, your Operating Principal, and your Key Manager must complete our additional Onsite Training at your Restaurant. We anticipate Onsite Training will be conducted starting on the day that is one week prior to the opening date of your Restaurant and continuing for up to one week after the opening date. We do not charge any fee for providing Onsite Training to you.

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ONSITE TRAINING TABLE

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Introduction to the Pasta Di Guy system	0	0	Your Restaurant location or another location that we designate
Brand and Culture	0	1	Your Restaurant location or another location that we designate
Operations	0	40	Your Restaurant location or another location that we designate
Product and Service Training	0	40	Your Restaurant location or another location that we designate
Customer Service	0	6	Your Restaurant location or another location that we designate
Sales and Marketing	0	2	Your Restaurant location or another location that we designate
Financial Management	0	2	Your Restaurant location or another location that we designate
Technology and Systems	0	1	Your Restaurant location or another location that we designate
HR and Staff Management	0	2	Your Restaurant location or another location that we designate
Legal and Compliance	0	1	Your Restaurant location or another location that we designate
TOTALS	**0 hours**	**95 hours**	

All training will be supervised by Eyal Carmeli and Gai Carmeli. The training supervisors may utilize our employees and other individuals for various aspects of training who have at least 12 months of experience with the Pasta di Guy system and in the restaurant industry generally.

Should you or your employee fail to complete Initial Training to our satisfaction, at our option, the respective person may repeat the course, or in the case of an employee, you may send a replacement (the "Replacement Personnel") to the next available Initial Training program. Failure by you, your employee, manager, or any Replacement Personnel to complete the Initial Training program to our satisfaction is a material breach of the Franchise Agreement and we may terminate the Franchise Agreement.

Your other employees may be trained by you, or at your request, and subject to the availability of our personnel, we will train your additional personnel at one of our restaurants at a fee of $500 per person per day. All training related expenses for your additional teaching personnel, including transportation to and from the training site, lodging, meals, and salaries during training, are your sole responsibility. We will provide you with training materials for you to use in training your personnel. You may only use the training materials that we provide to you to train your personnel. Updated training materials will be provided to you as they are developed. All training materials provided to you are our property, and you agree not to challenge our or our affiliates' title or rights in or to the training materials. You may not make any disclosure, duplication, or other unauthorized use of any portion of the training materials.

We may also, at our option, require you (or the Operating Principal if you are an Approved Entity) to attend supplemental or additional training programs which may be offered from time to time by us or our affiliates during the term of the franchise. The fee for such training shall not exceed $500.00 per training class. You will be responsible for the reasonable costs of such programs and also for the travel, lodging and living expenses and any other costs incurred during these programs. You must complete this supplemental or additional training within one year of the time in which it is originally requested by us or our affiliates or designees. These supplemental or additional classes are not expected to require more than two days of classroom or on the job training, plus any travel time. To reduce travel costs to the franchisee, we may also permit supplemental training to occur in Restaurants around the country.

Operating Manual

The Table of Contents to our Operating Manual is attached hereto as Exhibit D.

Development Agreement

Our obligations regarding site selection assistance, training, computer hardware and software selections, and advertising for additional Restaurants developed under a Development Agreement will be governed by the form of single-unit franchise agreement you sign for each additional Restaurant. Under each single-unit franchise agreement you sign, we will approve the location of your Restaurant and designate such location in each franchise agreement based on our then-current standards for sites and territories.

ITEM 12
TERRITORY

Franchise Agreement

<u>Approved Location</u>

You will operate the Restaurant at a specific location approved by us (referred to as your "Approved Location"). Once you have secured your Approved Location, we will provide you with a Designated Territory within which you will have certain protected rights.

<u>Designated Territory</u>

You will operate your Restaurant at the Approved Location within the Designated Territory that is identified in the Franchise Agreement. Your Designated Territory will typically be a 3 to5-mile radius around your Restaurant, unless your Restaurant is located in a major metropolitan downtown area or similarly situated/populated central business district ("Central Business District"). If your Restaurant is located in a Central Business District, your Designated Territory may be limited to a geographic area comprised of anywhere from a radius of approximately 1 to 2 miles around your Restaurant, as we deem appropriate in our discretion. The size of your Designated Territory may vary from the territory granted to other franchisees based on the location and demographics surrounding your Restaurant.

The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Designated Territory will be publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources). You may not solicit customers and/or advertise outside your Designated Territory or deliver any products or services to any destination outside your Designated Territory without our prior written consent.

Except as otherwise provided in and during the term of the Franchise Agreement, for so long as you comply with the terms and conditions of the Franchise Agreement, we will not establish and operate, nor license any party other than you to establish and operate, any Restaurant under the System and the Proprietary Marks within your Designated Territory. Your Designated Territory is not dependent upon meeting a certain sales quota or the opening of additional Restaurants. The boundaries of your Designated Territory will not change, even if the population within your Designated Territory increases or decreases, during the initial term of your Franchise Agreement.

Relocation

You will not be permitted to relocate your Restaurant without our prior written approval, which may be withheld in our discretion. You will be assessed a relocation fee of $5,000 at the time you submit the proposed location for your relocated Restaurant. Generally, we do not approve requests to relocate your Restaurant after a site selection has been made and you have opened for business, unless (a) it is due to extreme or unusual events beyond your control, and (b) you are not in default of your Franchise Agreement. If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection.

We may choose, in our sole discretion, to evaluate your Restaurant for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, surveillance camera monitoring, member comments/surveys, audit POS and CRM System and secret shopper reports). You must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service. Your employees, including independent contractors, must meet minimum standards for courteousness and customer service. (Franchise Agreement, Section 8.8A)

Development Agreement

If you are granted the right to open three or more Restaurants under our form of Development Agreement, then we will provide you with a Development Area upon execution of this agreement. The size of your Development Area will substantially vary from other System developers based on the number of Restaurants we grant you the right to open and operate, and the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Attachment A of the Area development and Franchise Agreement.

Each Restaurant you timely open and commence operating under our then-current form of franchise agreement will be operated from a distinct site located within the Development Area and within its own Designated Territory that we will define once the site for that Restaurant has been approved. We will approve sites for additional Restaurants developed under your Development Agreement using our then-current site selection criteria.

We will not own or operate, or license a third party the right to own or operate, a Restaurant utilizing the Marks and System from a physical location within the Development Area until the earlier of (a) the date we define the Designated Territory of the final Restaurant you were granted the right to operate under the Development Agreement, or (b) the expiration or termination of the Development Agreement for any reason (whichever occurs earlier). Your Development Area will be exclusive during this time period.

Upon the occurrence of any one of the events described in the preceding paragraph, your territorial rights within the Development Area will be terminated, except that each Restaurant that you have opened and are continuously operating as of the date of such occurrence will continue to enjoy the territorial rights within their respective Designated Territories that were granted under the franchise agreement(s) you entered into for those Restaurant(es).

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your exclusive rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

Reserved Rights

We and our parent/affiliates reserve the exclusive right under the Franchise Agreement and/or Development Agreement (as appropriate) to establish and operate and license any third party the right to establish and operate, other Restaurants and businesses using the Marks and System at any location outside of your Designated Territory(ies) and, if applicable, Development Area. We and our parent/affiliates also reserve the right to use the Marks and System, as well as other such marks we designate, to distribute any Approved Products and/or Services in any alternative channel of distribution, within or outside the Designated Territory(ies) and Development Area (including the Internet, mail order, catalog sales, toll-free numbers, wholesale stores, etc.), as further described below.

We and our parent/affiliates also reserve the right to acquire, merge with, be acquired by, or otherwise affiliate with, any other company – and/or have us or any successor/acquiring entity own and operate, and franchise or license others to own and operate, any business of any kind -- including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Services (but under different marks), within or outside your Designated Territory(ies) and, if applicable, Development Area. Finally, we and our parent/affiliates reserve the right to use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement and, if applicable, your Development Agreement.

Neither the Franchise Agreement nor Development Agreement grants you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our parent/affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Designated Territory.

The Franchise Agreement and Development Agreement do not grant you any options, rights of first refusal, or similar rights to acquire additional franchises within the Designated Territory/Development Area granted or any contiguous territories. Any dispute as to whether a particular site is a Non-Traditional Site will be determined by us, and our determination will be final and binding. We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to operate Restaurants at Non-Traditional Sites, either directly or through our affiliates, licensees, or designees, and you will not be entitled to any compensation as a result of our operation of Restaurants at Non-Traditional Sites.

Internet Sales / Alternative Channels of Commerce

We may sell products and services to members located anywhere, even if such products and services are similar to what we sell to you and what you offer at your Restaurant. We may use the internet or alternative channels of commerce to sell our brand products and services. You may only sell the products and services from your approved Restaurant location and may only use the internet or alternative channels of commerce to offer or sell the products and services, as permitted by us. We may require you to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise. We retain the right to approve or disapprove of such advertising, in our sole discretion. Any use of social media by you pertaining to the Restaurant must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. We reserve the right to "occupy" any social media websites/pages and be the sole provider of information regarding the Restaurant on such websites/pages (e.g., a system-wide Facebook page). At our request, you will promptly modify or remove any online communication pertaining to the Restaurant that does not comply with the Franchise Agreement or the Manual. You are not prohibited from obtaining members over the Internet provided your Internet presence and content comply with the requirements of the Franchise Agreement.

Additional Disclosures

Neither the Franchise Agreement nor the Development Agreement provides you with any right or option to open and operate additional Restaurants (other than as specifically provided for in your Development Agreement if you are granted area development rights). Regardless, each Restaurant you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement.

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. We have not established, nor do we presently intend to establish, other franchised or company-owned businesses that are similar to the Restaurant and that sell our Approved Products and Services under a different trade name or trademark, but we reserve the right to do so in the future without your consent. Certain of our affiliates are involved with franchising and other activities as previously disclosed in Item 1 of this Disclosure Document, and such affiliates reserve the right to continue conducting franchising and other activities.

ITEM 13
TRADEMARKS

We grant you the right to operate a Restaurant featuring the sale of gourmet Italian cuisine in a fast casual setting and related products. The principal trademark which we will license to you is the word trademark "Pasta Di Guy".

All of the Proprietary Marks are owned by Pasta Di Guy, LLC and licensed to us under a License Agreement (the "License Agreement"). Under the license agreement, we have the non-exclusive worldwide right to use the Proprietary Marks and license others the right to use the Proprietary Marks in the United States. The License Agreement does not contain any significant limitation on our right to use or license the Proprietary Marks to you, is perpetual in duration, and may be terminated unilaterally by either party only upon a material breach of the License Agreement. Upon termination of the License Agreement, we must immediately discontinue the use of the Proprietary Marks and assign to Pasta Di Guy, LLC all our franchise agreements licensing the use of the Proprietary Marks, and Pasta Di Guy, LLC has agreed to assume all obligations under such agreements arising from and after their assignment.

The following is a description of trademarks that we license to Restaurants, and for which we have applied for registration on the Principal Register of the United States Patent and Trademark Office ("USPTO") and we have filed all required affidavits with respect to each of these trademarks:

Mark	Registration	Registration Date
Pasta Di Guy	6,793,770	July 19, 2022

At this time, we have a registration for this trademark. If your right to use this trademark is challenged, you may have to change to an alternative trademark which will increase your expenses. We are not aware of any superior prior rights or infringing uses of this trademark that could materially affect a franchisee's use of the principal trademark.

We also license the following logo; however it is not registered as the United States Patent and Trademark Office. Therefore, this trademark does not have many of the legal benefits and rights as a federally registered trademark. If your right to use this trademark is challenged, you may have to change to an alternative trademark which will increase your expenses. We are not aware of any superior prior rights or infringing uses of this trademark that could materially affect a franchisee's use of the principal trademark. We intend to apply for registration of this mark on the Principal Register of the USPTO in the future.

Mark
Pasta di Guy

There are currently no effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court; no pending interference, opposition or cancellation proceedings; nor any pending material litigation involving the Proprietary Marks.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including the right to settle the proceedings or litigation. We have the exclusive right, but not the obligation, to affirmatively prosecute actions against third parties for infringement or threatened infringement of the Proprietary Marks.

We have the right, though not the obligation, to defend you against any third-party claim, suit, or demand arising solely out of your use of the Proprietary Marks in a manner expressly authorized by us. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement and the Operating Manual, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement and the Operating Manual, you will be required to pay for the defense or to reimburse us for costs we incurred in providing the defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Proprietary Marks, you are required to sign all documents and assist us, as we deem necessary, to carry out the defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner not in accordance with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in performing such acts.

Pasta Di Guy, LLC is the lawful and sole owner of the domain name(s) www.PastaDiGuy.com. You cannot register any of the Proprietary Marks owned by us or any abbreviation, acronym or variation of the Proprietary Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue using of a website using the Proprietary Marks. You may access our website. Except as we may authorize in writing in advance, however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; or (iii) create or register any Internet domain name in connection with your franchise.

You may use only the Proprietary Marks which we designate and may use them only in the manner we authorize and permit. Any goodwill associated with Proprietary Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Proprietary Marks only for the operation of the Restaurant and only at the Approved Location or in advertising for the Restaurant. You will use all Proprietary Marks without prefix or suffix and in conjunction with the symbols “SM,” “TM,” “S” or “R,” as applicable. You may not use the Proprietary Marks in connection with the offer or sale of any services or products which we have not authorized for use in connection with the System. You may not use the Proprietary Marks as part of your corporate or other legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials “D/B/A” and the business name “Pasta Di Guy.” You must promptly register at the office of the county in which your Restaurant is located, or such other public office as provided for by the laws of the state in which your Restaurant is located, as doing business under such assumed business name.

All of your advertising must prominently display the Proprietary Marks and must comply with our standards for using the Proprietary Marks. All such advertising is subject to our prior written approval, which we will not unreasonably withhold. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Proprietary Marks. You may use the Proprietary Marks including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us and we must approve all advertising, publicity, signs, decorations, furnishings, equipment or other materials employing the Proprietary Marks, or related marks, before first publication or use. You must identify yourself as the owner of the Restaurant (in the manner we prescribe) in conjunction with any use of the Proprietary Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing at the Approved Location.

We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder. You must discontinue using all Proprietary Marks which we have notified you, in writing, have been modified or discontinued within 10 days of receiving written notice and must promptly begin using such additional, modified or substituted Proprietary Marks at your expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Except as discussed in the following paragraph, we do not own any patents, patent applications or copyrights that are material to the franchise.

We claim copyright protection for our Pasta Di Guy Operations Manual; printed advertising and promotional materials; certain plans and specifications for the design, layout and development of Pasta Di Guy restaurants (and any modifications you make to those plans), product specifications, computer programs, training materials, newsletters, and other operations and accounting materials and forms.

We also consider certain information used in the development and operations of Pasta Di Guy restaurants, trade secrets and proprietary information. This information includes, but is not limited to:

(1) ingredients, recipes and methods of preparation and presentation of certain food products;

(2) site selection criteria for Pasta Di Guy restaurants and plans and specifications for the development of Pasta Di Guy restaurants;

(3) sales, marketing and advertising programs and techniques for Pasta Di Guy restaurants;

(4) identity of suppliers and knowledge of specifications, processes, procedures and equipment, and pricing for authorized food products, materials, supplies and equipment;

(5) knowledge of operating results and financial performance of Pasta Di Guy restaurants, other than your own Pasta Di Guy restaurants;

(6) methods of inventory control, storage, product handling, food cost and management of Pasta Di Guy restaurants;

(7) computer systems and software programs; and

(8) other information and specifications related to the development and operation of Pasta Di Guy restaurants that are included in the Pasta Di Guy Operations Manual and in other materials that we provide to you.

All ideas, concepts, methods or techniques useful to Pasta Di Guy restaurants, whether or not constituting protectable intellectual property, and whether created by you or on your behalf, must be promptly disclosed to us and, if adopted as part of the System, will be considered our property and works made-for-hire for us. You must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in the ideas, concepts, methods or techniques.

You may not use our confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others. Your restrictions on disclosure and use of confidential information do not apply to information or techniques which are or become generally known in the restaurant industry (other than through your own or wrongful disclosure), provided you obtain our prior written consent to the disclosure or use.

Except as noted above, we are not required by any agreement to protect or defend copyrights or confidential information, although we will do so when this action is in the best interest of our franchise system.

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

At all times that your Restaurant is open for business, it must be under the personal, on-premises supervision of either you, Operating Principal, your Key Manager, or a trained attendant. Your Key Manager or other trained manager must be available at all times the Restaurant is open for business. You, your Operating Principal, and your Key Manager must successfully complete our training program and any other training programs that we may require. You may not permit your Restaurant to be operated, managed, directed, or controlled by any other person without our prior written consent. We do not require that the Franchisee or its Operating Principal be full-time employees of the Restaurant, the franchisee, or the Approved Entity.

We require that you (or the Operating Principal if you are an entity) are obligated to actively, personally, participate in the day-to-day operation of each Restaurant. Your Operating Principal must have at least a 20% ownership interest in your Approved Entity and must have authority over all business decisions related to your Restaurant and must have the power to bind you in all dealings with us. In addition, you must appoint a Key Manager to manage the day-to-day business of your Restaurant, who may also be the Operating Principal. The Key Manager is not required to have an ownership interest in your Approved Entity. You must provide us with written notice of your Operating Principal and Key Manager at least 60 days prior to opening and may not change your Operating Principal and Key Manager without our prior approval.

In the event that your Key Manager resigns or is otherwise terminated, you must hire a replacement approved by us in writing who meets our then current standards for Key Managers and who is approved by us in writing before hiring, within 30 days after the resignation or termination of the former Key Manager. You must train the new Key Manager within 30 days of hiring. Your Key Manager and certain key employees and their spouses will be bound by the confidentiality and non-compete covenants of the Franchise Agreement and will execute the Confidentiality and Restrictive Covenant Agreement attached as Exhibit H to this Disclosure Document.

Each person or entity owning any percent of the equity or ownership interest in the franchisee or any approved entity relating to the franchise must personally and individually guarantee the franchisee's performance of its obligations to us. Each such person will be jointly and severally financially responsible for the monetary obligations of the franchisee entity.

All employees you hire or employ at your Restaurant will be your employees and your employees alone, and will not, for any purpose, be deemed to be our employees or subject to our direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. You will file your own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for your employees and operations. We will not have the power to hire or fire your employees. Our authority under the Franchise Agreement to train and approve your supervisorial or managerial personnel for qualification to perform certain functions at your Restaurant does not directly or indirectly vest us with the power to hire, fire or control any of your personnel. You and you alone will be solely responsible for all hiring and employment decisions and functions relating to the Restaurant, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether you have received advice from us on these subjects or not. Any guidance we may give you regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment policies and should do so in consultation with local legal counsel experienced in employment law.

[The remainder of this page intentionally left blank. Item 16 begins on next page.]

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You agree that you will not offer for sale or sell at the Restaurant any products or services except those authorized by us in writing. You agree that you will offer for sale and sell at the Restaurant for final consumption and not for resale, all authorized food and beverage products that we from time to time authorize; provided, however, you may offer for resale any authorized products for certain programs which may be approved by us in our sole and absolute discretion, considering factors including but not limited to: (i) quality control or assurance; (ii) brand image; and, (iii) such other factors as we determine. There is no limit on our right to change the types of authorized goods and services during the term of your Franchise Agreement.

All food ingredients, beverage products, cooking materials, containers, packaging materials, other paper and plastic products, utensils, uniforms, menus, forms, cleaning and sanitation materials and other supplies and materials used in the operation of the Restaurant must conform to the specifications and quality standards established by us from time to time. You must use in the operation of the Restaurant boxes, cups, containers and other paper or plastic products imprinted with the Proprietary Marks as prescribed from time to time by us. We may in our sole and absolute discretion require that ingredients, supplies and materials used in the preparation, service or packaging of authorized food products be purchased exclusively from us, our affiliates or from approved suppliers or distributors. Any ingredient, supply or material not previously approved by us as conforming to our specifications and quality standards must be submitted for examination and/or testing prior to use. We reserve the right from time to time to examine the facilities of any approved supplier or distributor, and to conduct reasonable testing and inspection of the ingredients, materials or supplies to determine whether they meet our standards and specifications. We also reserve the right to charge fees for testing and evaluating proposed suppliers or distributors and examining and inspecting operations and to impose reasonable limitations on the number of approved suppliers or distributors of any product. Approval of a supplier or distributor may be withheld or conditioned on requirements relating to frequency of delivery, standards of service including prompt attention to complaints and the ability to service and supply Restaurants within areas designated by us.

We may change the components of the System (and the requirements of the System), including, for example, changing the food products, beverages, programs, methods, standards, forms, policies, procedures, and services of the System, and adding to, deleting from or modifying the programs, services and products which we authorize or require you to conduct or offer. You must comply with any of these modifications, additions, deletions, substitutions and alterations. However, the changes will not materially and unreasonably increase your obligations under the Franchise Agreement.

We may, on occasion, require you to test market products and/or services at your Restaurant. You must cooperate with us in conducting these test marketing programs and must comply with all rules and regulations established by us.

No vending, gaming machines, payphones, automatic teller machines, Internet kiosks or other mechanical or electrical devices are permitted in your Restaurant without our prior written consent.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

Provision	Section of Franchise Agreement ("FA") or Development Agreement ("DA")	Summary
(a) Length of the franchise term.	FA ¶ 3.1 DA ¶ 5	Ten years commencing from the date the Franchise Agreement is signed and approved by us. Two to twenty years for development rights depending on the agreement and the number of Restaurants you have agreed to open. (DA)
(b) Renewal or extension of the term.	FA ¶ 3.2 DA ¶ 5	You have the option to renew the franchise agreement for one additional ten-year term provided that you are not in violation of your agreement and other contractual requirements are met. At least five months prior to renewal, you must pay a renewal fee equal to the greater of $10,000 or twenty-five percent (25%) of our then-current franchise fee. You must be able to retain possession of the Restaurant or to obtain an alternative cite acceptable to us. You must refurbish the site as provided in Paragraphs 8 and 14 of the franchise agreement or, at our option, relocate the Restaurant to a site agreeable to and approved by us. You will be offered our then-current franchise agreement applicable at the time of renewal to sign, which may be materially different from the current form of franchise agreement. (FA). No express renewal provision; Renewal or extension occurs only by mutual written agreement. (DA)
(c.) Requirements for franchisee to renew or extend	FA ¶ 3 DA - NA	Not be in material default on franchise, supplier or affiliate agreements; Pay a renewal fee; Maintain possession of the Restaurant premises or secure suitable alternative, refurbish the Restaurant or relocate to alternative suitable site; Execute then current standard Franchise Agreement, which may be materially different from the current form of franchise agreement. (FA) No express renewal requirements or right are provided for in the DA; the renewal requirements are those set forth in the FA. (DA).
(d) Termination by Franchisee	FA ¶ 17.1 DA ¶ 6.1	If you are in compliance with your FA and we materially breach this Agreement and fail to cure any breach within thirty (30) days after written notice is delivered to us, you may terminate your FA and the franchise effective ten (l0) days after delivery of notice to us. (Subject to state law) (FA) No unilateral franchisee termination right is provided by the DA; The franchisee retains common law rights to terminate for material breach by us; the termination rights are those set forth in the FA. The DA permits termination by mutual agreement. (Subject to state law) (DA).

Provision	Section of Franchise Agreement (“FA”) or Development Agreement (“DA”)	Summary
(e) Termination by Franchisor Without Cause	FA ¶ 15 DA ¶ 6.1	Neither the FA nor the DA permits either party to terminate the agreement without cause
(f) Termination by Franchisor with Cause	FA ¶ 15.1 DA ¶ 6.1	Both the FA and the DA permit the Franchisor to terminate the agreements for cause during their terms and before expiration. Termination of the DA does not permit us to terminate the FA: however, termination of an FA does permit us to terminate the DA
(g) “Cause” Defined: Curable Defaults	FA ¶ 15.1(B) DA ¶ 6	The FA permits the franchisee an opportunity to cure the following defaults before a termination notice is effective: Failure to obtain or maintain the required insurance; Failure to comply with operating standards, trademarks usage requirements, safety, security or sanitation requirements, or product quality requirements. Failure to timely pay amounts due to us, our affiliates, creditors or suppliers of the Restaurant, or tax authorities; or, Failure to comply with any other provision of the FA or any specification, standard or operating procedure. The DA does not provide any opportunity to cure defaults thereunder. Franchise Agreements opened under the DA are subject to the same rights to cure set forth immediately above. Termination of the DA does not permit us to terminate the FA: however, termination of an FA does permit us to terminate the DA.

Provision	Section of Franchise Agreement ("FA") or Development Agreement ("DA")	Summary
(h) "Cause" Defined: Non-curable Defaults	FA ¶ 15.1	We may terminate the FA immediately upon written notice without providing you an opportunity to cure if any of the following conditions exist or events have transpired: (a) You or any of your owners have made any material misrepresentation on any record or report required by us under the FA, or on your application for the franchise, or in any other application submitted to us; (b) you do not lease or purchase an approved location for the operation of your Restaurant within six (6) months from the date of this Agreement. (c) You do not open the Restaurant within twelve (12) months from the date of the FA; (d) You are judged a bankrupt or file a bankruptcy petition, become cash flow or balance sheet insolvent, make an assignment for the benefit of creditors, are unable to pay your debts as they become due in the ordinary course of business, or a petition under any bankruptcy law is filed by or against you, or a receiver or custodian is appointed for a substantial part of the assets of the Restaurant; (e) You abandon or fail to continuously and actively operate the Restaurant, or, without our prior written consent, permit any person other than a qualified employee designated by you, whose identity has been disclosed to us, to operate the Restaurant in your absence; (f) The lease or sublease for the Restaurant is terminated or cancelled or you are unable to renew or extend the lease or sublease or you fail to maintain possession of the Restaurant premises unless you are permitted to relocate the Restaurant under section 6.2 of the FA; (g) You or any of your owners is convicted of a felony, or a crime which substantially impairs the goodwill associated with the Marks or you or any of your owners engages in any conduct which, in our judgment, adversely affects the reputation of the Restaurant or the goodwill associated with the Marks or involves dishonesty, fraud, deceit, or misrepresentation; (h) You intentionally, recklessly, or with gross negligence under-report the royalty sales of the Restaurant for any period or periods; (i) You or any of your owners violates any of the restrictions contained in Articles 19 or 20 of the FA (which relate to restrictive covenants, ownership, confidential information and proprietary rights, and transfer and assignment restrictions).

Provision	Section of Franchise Agreement ("FA") or Development Agreement ("DA")	Summary
		(i) You intentionally on one or more occasion during the term of this Agreement, violate any Child Labor Laws in connection with your operation of the Restaurant; (j) An audit by us discloses an understatement of royalty sales and you fail to pay to us the applicable royalty fee and advertising contribution and interest due within ten (10) days after receipt of the final audit report; (k) The interest of a deceased or permanently disabled person is not disposed of in accordance with the terms of your FA; (l) You or any of your owners fail on three (3) or more occasions during any twelve (12) month period to comply with any one or more provisions of your FA, including without limitation, your obligation to submit when due sales reports or financial statements, to pay when due the royalty fees, advertising contributions or other payments due to us or our affiliates or subsidiaries or any other creditors or suppliers of the Restaurant, whether or not such failure to comply is corrected after notice is delivered to you; (m) Any of your assets or items used in the operation of the Restaurant are seized or you are otherwise denied the use of the property or access to the Restaurant because of you failure to pay any taxing authority or any amount due a creditor of the Restaurant, or because of any other act or omission of you or any of your owners; or, you fail to notify us of tax levy or delinquency; or, (n) You fail to cease operating the Restaurant or fail to correct the conditions in the Restaurant causing a present threat of imminent danger to public health or safety, after notice to you as provided in Section 17.4 of your FA.
	DA ¶ 6.1	We may terminate the DA immediately upon written notice without providing you an opportunity to cure if any of the following conditions exist or events have transpired: (a) You fail to meet the Development Requirements set forth in Section 4 of your DA; (b) You or your owners fail to comply with any other provision of your DA; (c) You or your owners fail to comply with any Development Agreement or Franchise Agreement or any such agreement with any entity that you or your Operating Principal directly or indirectly owns in whole or in part, is terminated by us in accordance with its terms; (d) You and your owners fail to maintain the capacity and necessary skills and experience to meet the Development Requirements and timely develop and operate the Restaurants

Provision	Section of Franchise Agreement ("FA") or Development Agreement ("DA")	Summary
		required to be opened and operated under this Agreement based upon criteria established by us from time to time; or, (e) The Operating Principal of the Developer under your DA is not at any time the Operating Principal of all approved entities operating Restaurants in the Development Area, unless a sale or transfer has been made with our express written consent. (f) Termination of the DA does not permit us to terminate the FA: however, termination of an FA does permit us to terminate the DA.
(i) Franchisee's Obligations on Termination/ Non-renewal	FA ¶ 15.3	After termination, expiration or nonrenewal under the FA, you must: (a) Immediately return to us all copies of the Operating Manual; (b) Cancel all assumed name or fictitious name registrations relating to the use of any Mark; (c) Cancel and transfer to us or our designee all telephone numbers, post office boxes and directory listings relating to any Mark or to your Restaurant; (d) Immediately pay all royalty fees, advertising contributions and other charges and fees due and owing under your FA; (e) Immediately cease identifying yourself as a Pasta Di Guy Restaurant or as being associated with Pasta Di Guy system; (f) If you retain possession of the Restaurant premises, at your expense, modify the exterior and interior of the Restaurant to fully eliminate its identification and appearance as a Pasta Di Guy Restaurant. And,

Provision	Section of Franchise Agreement ("FA") or Development Agreement ("DA")	Summary
		(g) Make the Restaurant accessible and available for us to operate pursuant to ¶ 15.4 of your FA if we elect to do so. Also upon termination, expiration, or nonrenewal, you must make the Restaurant and (if you own or control it) the land on which it located available to us to purchase the Restaurant and purchase or lease the land at our option pursuant to the purchase and lease terms set forth in ¶ 15 of your FA, and to permit us to operate the Restaurant during the option period if we elect to do so. For a period of two (2) years after the termination, expiration, or nonrenewal, of the FA, you agree not to open or operate a "Competing Business" (as defined in ¶ 13.2 of the FA) within ten miles of the premises of any of your Restaurants and within five miles of any other Pasta Di Guy Restaurants in any state in which you operated a Pasta Di Guy Restaurant.
	DA ¶ 8	Your obligations not to disclose or use for other purposes our trade secrets, confidential business information, or other proprietary materials remains in effect upon and after the termination, expiration or nonrenewal of the FA.
(j) Assignment of Contract by Franchisor	FA ¶ 14.6	We may assign the FA without limitation and the assignee or other legal successor to our interests will be entitled to all of the benefits of the FA. However, no assignment will be made except to an assignee who in our good faith business judgment is willing and financially able to assume the franchisor's obligations under the agreement.
	DA ¶ 7.3	We may assign the DA without limitation and the assignee or other legal successor to our interests will be entitled to all of the benefits of the DA.
(k) "Transfer" by Franchisee -Defined	FA ¶ 14.1	The FA defines transfers by the franchisee to include any assignment or transfer of the FA, any interest in the FA, any sale of transfer of any interest in an Approved Entity not specifically authorized in the FA, or a transfer of the Restaurant or its assets.
	DA ¶ 7.1	The DA defines transfers by the franchisee to include assigning, transferring or encumbering the DA or the development rights provided therein, including the sale, assignment or transfer of the interests of any owner owning more than 19.9% of the equity or ownership interest in an Approved Entity
(l) Franchisor Approval of Transfer by Franchisee	FA ¶ 14.3	The FA may be assigned to an Approved Entity provided that: (a) operation of Restaurants is the only business of the Approved Entity; (b) the Approved Entity is actively managed by you; (c) the Controlling Person own and controls not less than 40% and the largest share of the equity or partnership interest in the Controlling Person;

Provision	Section of Franchise Agreement ("FA") or Development Agreement ("DA")	Summary
		(d) all owners of greater than a 19.9% equity interest in the Approved Entity meet our future, then-current franchisee approval requirements, guarantee the obligations of the Approved Entity, and agree to be bound by the terms of the FA; (e) The Approved Entity's stock certificates and organizational documents state that they are subject to the restrictions set forth in the FA; (f) The owners of the Approved Entity enter into a buy/sell Agreement acceptable to us; and, (g) All documents to be executed in connection with the transfer or assignment are provided to and approved by us.
(m) Conditions for Franchisor Approval of Transfer	FA ¶14.2	Assignment or Transfer to Others We will permit sales, transfers or assignments of your FA or, if you are an Approved Entity, of an ownership interest in the Approved Entity to others provided: (a) You (and your owners) are not in default under your FA or any other agreement with us or our subsidiaries or affiliates or any other creditor or supplier of the Restaurant: (b) The proposed transferee or assignee (and its Controlling Person and all other owners if it is an Approved Entity) meets our then-applicable standards for franchisees or owners; (c) The proposed transferee or assignee (and its owners) is not engaged in any other Competing Business activity without our prior written consent, except other Restaurants; (d) The proposed transferee or assignee (and its owners if it is an Approved Entity) must sign our then-current form of standard Franchise Agreement for a term equal to the remaining term of your FA or, at our election, the then-current term if longer; (e) The proposed transferee or assignee (or the person designated by us) must complete all required training to the extent required by us; (f) At our request, the proposed transferee or assignee refurbishes the Restaurant in the manner and subject to the provisions prescribed in Articles 8 and 14 of the FA; (g) The proposed transferee or assignee pays us a transfer fee equal to$5,000; and, (h) Your FA is terminated according to the terms of our then-customary form of mutual termination agreement.

Provision	Section of Franchise Agreement ("FA") or Development Agreement ("DA")	Summary
	FA ¶ 14.4 DA ¶ 7.1	You must provide us with all documents to be executed by you and/or your owners and the proposed purchasers in connection with any transfer or assignment at least thirty (30) days prior to signing. <u>Death or Permanent Disability</u> Upon your death or permanent disability or the death or permanent disability of the Controlling Person, your FA or the ownership interest of such deceased or permanently disabled Controlling Person must be transferred to a party approved by us. Any transfer, including, without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for transfers which are contained in ¶ 20.4 of the FA. We will not unreasonably withhold our consent to the transfer of your FA or of such ownership interest to your spouse, heirs or relatives or to the spouse, heirs or relatives of such deceased or permanently disabled Controlling Person, provided the requirements of ¶ 20.4 are satisfied. Upon the death of any other owner, the interest of such owner shall be transferred within a reasonable time to a person meeting our requirements. All such transfers must also comply with ¶ 20.4 your FA. <u>Definition of Permanent Disability</u> You or your Controlling Person, will be deemed to have a "permanent disability" if you or your Controlling Person's usual, active participation in the Restaurant as contemplated by your FA is for any reason curtailed or prevented for a substantially continuous period of six (6) months, or if you become imprisoned, hospitalized, a resident of a mental institution, or in a persistent vegetative state for a substantially continuous period of six months.
(n) Franchisor's Right of First Refusal to Acquire Franchisee's Business	FA ¶ 15.3	Except for assignments or transfers to an Approved Entity, we have a 30-day right of first refusal to acquire all or any part of your Restaurant, its assets, or an ownership interest in an Approved Entity if you or any owners of the Approved Entity propose to sell them. If the offer to purchase is for the interest of a Controlling Person, then we also have a right of first refusal to purchase all of any other owners' shares or equity in your company at the same price per share or per unit. If you or your owners do not accept an offer to purchase within 60 days, our right of first refusal is renewed.
(o) Franchisor's Option to Purchase Franchisee's Business	FA ¶ 15.3	Upon termination, nonrenewal or expiration, you must make the Restaurant and (if you own or control it) the land on which it located available to us to purchase the Restaurant and purchase or lease the land at our option pursuant to the purchase and lease terms set forth in ¶ 18 of your FA, and you must permit us to operate the Restaurant during the option period if we elect to do so. The purchase price under this option may be paid in installments and be based on 50% of the last twelve months' royalty sales for Restaurants that have been in operation more than 52 weeks, as

Provision	Section of Franchise Agreement ("FA") or Development Agreement ("DA")	Summary
		adjusted pursuant to ¶18.3. The option price for Restaurants operating for less than 52 weeks shall be the cost of the Restaurant plus 20%.
(p) Death or disability of Franchisee	FA ¶ 14.4 FA ¶ 14.4	Death or Permanent Disability Upon your death or permanent disability or the death or permanent disability of the Controlling Person, your FA or the ownership interest of such deceased or permanently disabled Controlling Person must be transferred to a party approved by us. Any transfer, including, without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for transfers which are contained in 20.4 of the FA. We will not unreasonably withhold our consent to the transfer of your FA or of such ownership interest to your spouse, heirs or relatives or to the spouse, heirs or relatives of such deceased or permanently disabled Controlling Person, provided the requirements of 20.4 are satisfied. Upon the death of any other owner, the interest of such owner shall be transferred within a reasonable time to a person meeting our requirements. All such transfers must also comply with ¶ 20.4 your FA. Definition of Permanent Disability You or your Controlling Person, will be deemed to have a "permanent disability" if you or your Controlling Person's usual, active participation in the Restaurant as contemplated by your FA is for any reason curtailed or prevented for a substantially continuous period of six (6) months, or if you become imprisoned, hospitalized, a resident of a mental institution, or in a persistent vegetative state for a substantially continuous period of six months.
(q) Non-Competition Covenants During the Term of the Franchise	FA ¶ 13.1 FA ¶ 13.2	During the term of your FA, you will not own or be engaged in: (i) any other restaurant or business that: (a) specializes in the sale of gourmet Italian cuisine in a fast casual setting and related products, and more (each, a "Competing Business"); or (ii) any business which provides consulting services too, or grants franchises or licenses for, a Competing Business. (Subject to state law). During the term of your FA, you will not solicit for employment or employ any employees of us, put affiliates or other Restaurant franchisees if that solicitation or employment results in that person terminating his or her present employment and working for you, or if that solicitation or employment results in that person working in or for or operating a Competing Business, chain or franchise business. (Subject to state law)

Provision	Section of Franchise Agreement ("FA") or Development Agreement ("DA")	Summary
(r) Non-Competition Covenants After the Franchise is Terminated or Expired	FA ¶ 13.1	For two (2) years after termination or expiration of your FA, you will not own or be engaged in any Competing Business within ten (10) miles of the location of your Restaurant or within ten (10) miles of any Pasta Di Guy Restaurant in operation or under development at the time of termination or expiration of this Agreement, or the date on which you cease to operate the Restaurant or use the Marks, whichever is later, excluding ownership of less than ten percent of the stock of shares in any corporation whose stock is publicly traded. (Subject to state law)
(s) Modification of Agreement	FA ¶ 19	This FA may be amended or modified only through a signed writing and constitutes the complete agreement between the parties hereto, superseding any prior or contemporaneous oral agreements or understandings of the parties relating to the Restaurant at issue. We cannot waive any rights or claims under the FA except through a writing signed by a duly authorized officer. No modification, waiver, termination, etc. of the FA shall release any claim of any party hereto based on facts or events that occurred prior to the modification, waiver, termination, etc. Nothing in the FA or any related agreement is intended to disclaim any representation made in this Disclosure Document.
(t) Integration/ merger clause	FA ¶19	This Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous oral or written agreements or understandings of the parties regarding the subject matter of this Agreement for the Restaurant at issue. Nothing contained in this Agreement or in any related agreement is intended to disclaim any representation made by us in this Franchise Disclosure Document. Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
(u) Dispute Resolution by Arbitration or Mediation	FA ¶ 16.1	The FA require disputes to be submitted first to mediation in Florida and then to binding arbitration in Florida. There is an exception permitting claims for temporary or preliminary injunctive relief to be asserted in state or federal courts in Pasco County, Florida to prevent irreparable harm pending arbitration. The arbitrator has no authority to award punitive damages. These provisions are subject to state law.
(v) Choice of Forum	FA ¶ 16.6	Any mediation, arbitration or litigation must be held and conducted in Pasco County, Florida or federal courts over Pasco County Florida. These provisions are subject to state law.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figures to promote the sale of our franchises, but we reserve the right to do so in the future.

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.

This financial performance representation is based upon the historic operating revenue of our existing Company-Owned Outlet, Pasta Di Guy, LLC., which operates in and around Wesley Chapel, Florida (the "Disclosed Outlet"). It includes historical financial results from the Disclosed Outlet for the 2024 calendar year (the "Measurement Period.)" An outlet's operational similarity and full operation throughout the Measurement Period are the only criteria that were used to select the financial performance information that is included in Item 19. Our Company-Owned Outlet Pasta Di Guy FW LLC did not begin open for operations until late January 2024 and as such is not included in this Item 19. Our Company-Owned Outlet Pasta Di Guy Trinity LLC does not operate in a substantially similar manner to the Restaurant offered in this Disclosure Document and as such is not included in this Item 19. We have a reasonable basis and written substantiation for the financial performance information disclosed in Item 19.

Table 1 of this Item 19 details the Gross Revenue generated by the Disclosed Outlet during the Measurement Period, along with (a) the costs and expenses associated with operating the location (collectively, the "Operating Costs"); and (b) the estimated Royalty Fee that the Disclosed Outlet would have incurred if operating as a Restaurant governed by our current form of franchise agreement during the 2024 fiscal year.

The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following charts.

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

Table 1: Gross Revenue and Certain Operating Expenses for the Disclosed Outlets

Disclosed Outlet 2024	
Gross Revenue[1]	$893,578
Food Cost	$178,184
Third Party Commissions[2]	$152,759
COGS[3]	$330,943
Labor	$223,415
Rent	$49,000
Utilities	$18,076
Other Operating Expenses	$81,372
Franchisee Expenses	
Royalty Fee (5%)	$44,679
Technology Fee	$6,000
Total Expenses	$753,485
EBITDA (if franchised)[6]	**$140,093**

Notes to Item 19 Table 1:

The figures in the tables above use the historical information provided by the Disclosed Outlet. The financial information provided represents the profit and loss figures. You should be advised that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form, nor have we sought to independently verify their accuracy. Upon your reasonable request, we will provide written substantiation for this financial performance representation.

1. “Gross Revenue” means all revenue that you derive from operating the Restaurant, whether from cash, check, credit and debit card, or otherwise, but excluding all taxes actually collected from customers and paid to the appropriate taxing authority, revenue derived from selling or issuing gift or loyalty cards (but not revenue received from selling products to customers who use such cards for payment), and refunds and credits you in good faith give to Restaurant customers (if those amounts originally were included in calculating Gross Revenue).

2. “Third Party Commissions” includes the fees and charges paid to third party currier services such as UberEATS and DoorDash.

3. “COGS” or “Costs of Goods Sold” includes the costs to purchase inventory and supplies used in the performance of sales and services to customers.

4. “Other Operating Expenses” means other expenses attributable to the operation of the Disclosed Outlet, including advertising, insurance, software fees, merchant fees and banking charges, business licenses & permits, office expenses, dues & subscriptions, meals and entertainment, mileage, charitable contributions, postage and delivery, and other miscellaneous expenses.

5. “Franchise Expenses” includes the Royalty Fees which is 5% of Gross Revenue and the Technology Fee of $500 if charged over the entirety of the Measurement Period. To calculate the estimated fees, the total Gross Revenue was multiplied by the applicable percentage.

6. “EBITDA If Franchised” means Gross Revenue minus Total Expenses. EBITDA does not include interest paid on debt, taxes, depreciation, or amortization expenses.

7. The restaurant industry is well developed and highly competitive throughout the United States. You will compete with both independent operators of similar businesses, franchisees of other similar businesses, and other Pasta Di Guy franchisees. The restaurant industry is year-round, not seasonal. Additionally, acquiring a site is highly competitive with other businesses for suitable sites. The performance of your Restaurant will be affected by the region in which you operate, your competitors, and the success you have in marketing and managing your operations.

8. This Item 19 does not reflect certain pre-opening costs and expenses over the Measuring Period that you are likely to incur in connection with development of a new Restaurant. See Item 7 for details about pre-opening costs for your Restaurant.

9. You should consult other sources for financial information including your financial, business, and legal advisors in connection with the information provided to obtain additional information necessary for you to develop estimates of the sales, costs, expenses, earnings, and profits.

Written substantiation to support the information appearing in this financial performance representation is available to you upon reasonable request.

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Eyal Carmeli, 5359 Pine Bark Ln, Wesley Chapel, Florida (813) 439-4846, and franchise@pastadiguy.com., the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	1	2	1
	2023	2	2	0
	2024	2	3	1
Total	**2022**	**1**	**2**	**1**
	2023	**2**	**2**	**0**
	2024	**2**	**3**	**1**

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES
TO NEW OWNERS (OTHER THAN FRANCHISOR)
FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
FL	2022	0
	2023	0
	2024	0
Total	**2022**	**0**
	2023	**0**
	2024	**0**

TABLE 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
FL	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	**2022**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
IN	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
FL	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Total	**2022**	**1**	**1**	**0**	**0**	**0**	**2**
	2023	**2**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**1**	**0**	**0**	**0**	**3**

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2024

State	Franchise Agreements Signed But Outlets Not Yet Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
FL	1	0	1
Total	**1**	**0**	**1**

The contact information for our franchisees is attached as to this Disclosure Document as Exhibit C lists of franchisees who have left the System or who have not communicated with us within the 10-week period immediately preceding the effective date of this Disclosure Document will also be attached to this Disclosure Document in Exhibit C once we have them. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

There is presently no trademark specific franchisee organization associated with the System. No franchisees have signed provisions during our last three fiscal years restricting their ability to speak openly about their experience with us.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A to this Disclosure Document is our unaudited opening balance sheet as of April 30th, 2024, and our audited closing balance sheet as of December 31, 2024. As we were formed and began offering franchises in 2024, we have not been in business for three years or more and cannot include all financial statements required by the FTC Rule for our last three fiscal years. Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

Exhibits E, F, H, and G of this Disclosure Document contain all contracts proposed for use or in use regarding the offer of our franchises, including the following agreements:

Exhibit E – Franchise Agreement
Exhibit F – Development Agreement
Exhibit H – Form of Confidentiality and Noncompete Agreement
Exhibit G – Form of General Release

ITEM 23
RECEIPTS

The last two pages of this Disclosure Document are duplicate Receipts to be signed by you. Keep one for your records and return the other to us.

EXHIBIT A

FINANCIAL STATEMENTS

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

PASTA DI GUY FRANCHISE LLC

DECEMBER 31, 2024

FINANCIAL STATEMENTS

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

PASTA DI GUY FRANCHISE LLC

Table of Contents

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Pasta Di Guy Franchise LLC, which comprise the balance sheet as of December 31, 2024, and the related statements of operations, changes in members' equity and cash flows for the period April 8 through December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pasta Di Guy Franchise LLC as of December 31, 2024, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

279 Niagara Falls Blvd.   Amherst, New York 14226   716 – 510-6068

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

• Exercise professional judgment and maintain professional skepticism throughout the audit.

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

• Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

AAG CPA

A. Andrew Gianiodis

Certified Public Accountant

January 3, 2025

Pasta Di Guy Franchise LLC

Balance Sheet
December 31, 2024

Assets

Current assets		
Cash	$	119,320
Related party receivables		36,887
Total Current Assets		156,207
Other assets		
Equipment		14,611
		14,611
Total Assets	$	170,818

Liabilities & Equity

Current liabilities		
Accounts payable	$	7,966
Officer loans		65,905
Total Current Liabilities		73,871
Note Payable		-
Total liabilities		73,871
Capital		96,947
Total liabilities and equity	$	170,818

See accompanying notes

Pasta Di Guy Franchise LLC

Statement of Operations

Period April 8, 2024 through December 31, 2024

Revenues		
Franchise fees	$	29,500
Other revenue		
Total revenue		29,500
Expenses		
Bank fees		195
Computer		937
Insurance		2,102
Licenses		264
Marketing and advertising		10,918
Office		2,296
Payroll costs		17,825
Professional fees		60,706
Travel and training		21,488
Total expenses		116,731
Operating loss		(87,231)
Interest expense		
Amortization		
Tax payments		
Net Loss	$	(87,231)

See accompanying notes

Pasta Di Guy Franchise LLC

Statement of Changes in Member's Equity

Period April 8, 2024 through December 31, 2024

Equity at April 8, 2024	$ -
Capital contribution	275,693
Member Draws	(91,515)
Net Income	(87,231)
Equity at December 31, 2024	$ 96,947

See accompanying notes

Pasta Di Guy Franchise LLC

Statement of Cash Flows

Period April 8, 2024 through December 31, 2024

Cash flows from operating activities:		
Net Loss	$	(87,231)
Adjustments to reconcile net loss to net cash provided by operating activities:		-
Depreciation & amortization		
Changes in assets and liabilities		
Current assets		(36,887)
Current liabilities		73,871
Net cash provided by operating activities		(50,247)
Cash flows from investing activities:		
Expenditures on equipment		(14,611)
Owner draws		
Net cash provided by investing activities		(14,611)
Cash flows from financing activities:		
Owner investment		275,693
Owner draws		(91,515)
Net cash provided by investing activities		184,178
Net change in cash		119,320
Cash - beginning of period		-
Cash - end of period	$	119,320
Supplemental Disclosures		
Interest Paid	$	
Income Taxes Paid	$	

See accompanying notes

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

Pasta Di Guy Franchise LLC ("The Company") was incorporated under the laws of the State of Florida in April 2024, for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own Pasta Di Guy operation, as a franchise.

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting.

REVENUE RECOGNITION

The Financial Accounting Standards Board ("FASB") issued Codification Topic 606, Revenue from Contracts with Customers (ASC 606). Under ASC 606, the franchisor must determine if the pre-opening activities contain any distinct goods or services, known as performance obligations, and then allocate the initial franchise fees to those performance obligations using the stand-alone selling price of the goods or services. The Company decided to postpone instituting ASC 606 until the financial reporting for year-end December 31, 2023.

Royalty fees and other revenues are reported as earned.

COMPANY INCOME TAXES

The Company is as a LLC reporting as a subchapter-S corporation and, as such, any income from the Company will be reported on the owners' personal income tax returns based on their pro rata share of income.

ADOPTION OF NEW ACCOUNTING STANDARDS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at December 31, 2024, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

NOTE 3 FRANCHISE AGREEMENT

The terms of the Company's franchise agreement will be as follows:

A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
B. The franchisee is obligated to pay a non-refundable initial franchise fee.
C. The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.

NOTE 4 SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 3, 2025, the date that the financial statements were available to be issued.

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

CONSENT OF THE INDEPENDENT AUDITOR

A. Andrew Gianiodis consents to the use in the Franchise Disclosure Document issued by Pasta Di Guy Franchise LLC ("Franchisor") of the report dated January 8, 2025, as it may be amended, of our report dated January 3, 2025, relating to the financial statements of the Franchisor for the period ending December 31, 2024.

Sincerely,

AAG CPA

A. Andrew Gianiodis, CPA

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

Pasta Di Guy Franchise, LLC
Balance Sheet
As of April 30, 2024

30-April-24

	April 30, 2024	
Current Assets		
Cash/Cash Equivalent	$14,918.06	
Total Current Assets	$14,918.06	
TOTAL ASSETS		$14,918.06

EXHIBIT B

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

List of State Regulatory Administrators

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. 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 these states:

LIST OF STATE ADMINISTRATORS	
CALIFORNIA Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**CONNECTICUT** State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**ILLINOIS** Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**MARYLAND** Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	**MINNESOTA** Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEW YORK New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
OREGON Department of Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street, NE Room 410 Salem, Oregon 97310 (503) 378-4387	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
WASHINGTON Department of Financial Institutions Securities Division, P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

List of Agents for Service of Process

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

LIST OF STATE AGENT FOR SERVICE OF PROCESS	
CALIFORNIA Commissioner Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**CONNECTICUT** Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**ILLINOIS** Illinois Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA Indiana Secretary of State Franchise Section 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**MARYLAND** Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	**MINNESOTA** Minnesota Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEW YORK New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231 (518) 472-2492	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712
OREGON Secretary of State Corporation Division - Process Service 255 Capitol Street NE, Suite 151 Salem, OR 97310-1327 (503) 986-2200	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON Director, Department of Financial Institutions Securities Division, 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	**WISCONSIN** Administrator, Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT C

LIST OF CURRENT FRANCHISEES

CURRENT FRANCHISEES
(SIGNED BUT NOT YET OPENED)

State	City	Address	Contact	Owner Name(s)
FL	Brooksville	8294 Evergreen Ave. Brooksville, FL 33613	daryl_apr1989@yahoo.com	Daryl Capodanno

FORMER FRANCHISEES

NONE.

EXHIBIT D

OPERATIONS MANUAL TABLE OF CONTENTS

The Operations Manual is still under development; therefore, these numbers are estimates based on what has currently been developed and are subject to change.

Sec #	Tittle/Section
10	**Labor Cost & management**
10a	Monitoring labor
10b	Weekly schedule
10c	Types of labor hours
10d	Days off
10e	Employment laws
10f	Record keeping and posters
11	**Shift Management.**
11a	Back of house open and close checks
11b	Front of House open and close checks
11c	In shift logs
11d	Service management.
11e	Equipment
11f	Shift manager tasks

Sec #	Tittle/Section
12	**Risk Management**
12a	Guest incidents
12b	Stilling
12c	Emergency plan
12d	Security
12e	Safety
12f	Fire
12g	Employee accidents
12h	Food Born Illness
12i	Criminal activity

EXHIBIT E

FRANCHISE AGREEMENT
WITH ATTACHMENTS

FRANCHISE AGREEMENT

between

Pasta Di Guy Franchise, LLC
and

____
FRANCHISEE

TABLE OF CONTENTS

ARTICLE PAGE

ATTACHMENTS

Pasta Di Guy
FRANCHISE AGREEMENT
Pasta Di Guy

This Pasta Di Guy Franchise Agreement (this "Agreement") is entered into as of the ____ day of ______________________, 20___ between Pasta Di Guy Franchise, LLC, a Florida limited liability company, doing business as "Pasta Di Guy" ("Franchisor") and ______________ ___________________, or his/her/their assignee, if a partnership, corporation or limited liability company is later formed ("Franchisee"), upon the following terms, conditions, covenants and agreements:

RECITALS

A. Pasta Di Guy Franchise, LLC, a Florida limited liability company ("Licensor"), owns and has developed and administers a system and franchise opportunity, including various techniques and methods, trade secrets, copyrights, confidential and proprietary information and other intellectual property rights (collectively, the "System") for the establishment and operation of a fast casual restaurant specializing in the sale of gourmet Italian cuisine and related products ("each a "Franchised Business") identified by the "Pasta Di Guy" trade name and other trademarks and service marks licensed hereunder (the "Marks").

B. The System includes the Marks and trade secrets, proprietary methods and information and procedures for the establishment and operation of Franchised Businesses, including, without limitation, confidential manuals (collectively, the "Manual"), training methods, furniture and fixtures, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, personnel management, distinctive interior design and display procedures, and color scheme and décor (collectively, the "Trade Dress").

C. Franchisor grants to qualified persons who are willing to undertake the required investment and effort, a franchise to own and operate a Franchised Business offering (i) the sale of gourmet Italian cuisine, premium confectionary items, baked goods, and other merchandise (collectively, the "Approved Services") and (ii) certain other products Franchisor authorizes for sale in conjunction with the Approved Services and Franchised Businesses operations (collectively, the "Approved Products"), all while utilizing the System and Marks.

D. Franchisee desires to obtain a franchise to use the System and Marks in the development and operation of a Franchised Business at the location specified in this Agreement.

E. Franchisee has independently investigated the business contemplated by this Agreement and recognizes that the nature of the business may change over time, that an investment in a Franchised Business involves business risks, and that the venture's success depends primarily upon Franchisee's business abilities and efforts.

NOW, THEREFORE, in consideration of the foregoing, the fees and other sums payable by Franchisee and of the mutual covenants contained in this Agreement, the parties agree as follows:

1. GRANT OF FRANCHISE; LOCATION

1.1. **Grant**. Franchisee agrees at all times faithfully, honestly and diligently to perform its obligations under this Agreement and to use its best efforts to promote the Franchised Business and its location. Accordingly, Franchisor grants to Franchisee the non-exclusive right and license to:

A. Establish and operate a single Franchised Business utilizing only the System and the Pasta Di Guy Marks, at a location that has been authorized by Franchisor (the "Approved Location"), in accordance with the provisions and for the term specified in this Agreement;

B. Use only the Marks of Franchisor under the terms of this Agreement to identify and promote the Franchised Business offered hereunder.

1.2. **Site Approval Process**. Franchisor will assist Franchisee in connection with site selection by: (i) providing Franchisee with its then-current site selection criteria, to the extent such criteria has been reduced to writing; and (ii) providing Franchisee with access to a local real estate broker that is familiar with Franchisor's confidential site evaluation criteria, to the extent Franchisor has established relationships with such brokers in or around the Site Selection Area (as defined in Section 1.3 below). Franchisor will use commercially reasonable efforts to approve or reject a proposal for an Approved Location within 30 days of the date Franchisor receives all reasonably-requested information regarding the proposed site. Franchisor's approval of the proposed site shall be deemed to be a binding addendum to this Agreement upon Franchisor and Franchisee's execution of Schedule 1 to Attachment A, which is attached hereto and incorporated herein by reference, and which will set forth the Approved Location. Franchisor agrees not to unreasonably withhold approval of a site that meets its site criteria. Franchisee acknowledges that Franchisor's approval of a proposed site is permission only and not an assurance or guaranty to Franchisee of the availability, suitability or success of a location, and cannot create a liability for Franchisor. While Franchisor will provide site selection assistance as specified in Section 6.1 herein, Franchisee alone is ultimately responsible for selecting and developing an acceptable location for the Franchised Business. Franchisee agrees to hold Franchisor harmless with respect to the selection of the Approved Location by Franchisee. Franchisee must obtain a location acceptable to Franchisor no later than five (5) months after signing this Agreement. Failure to do so may result in termination of the Agreement Franchisee must open for business no later than twelve (12) months after signing this Agreement. The opening date may be extended an additional three (3) months in certain instances, as explained in Section 2.2D, below. Franchisor has the right to terminate this Agreement if Franchisee fails to select a site for the Franchised Business that meets Franchisor's approval, within the time period allotted above. If Franchisee has not found a suitable location approved by Franchisor within five (5) months of signing the Agreement or if Franchisee has not opened the Franchised Business within twelve (12) months of signing the Agreement, Franchisor reserves the right to terminate the Agreement.

1.3. **Approved Location & Designated Territory**. If the Approved Location has not been identified at the time this Agreement is signed, Franchisee must identify a site approved by Franchisor within the following geographical area as listed in Attachment A of this Agreement ("Site Selection Area"). Once the Approved Location for the Franchised Business has been identified on Schedule 1 to Attachment A, Franchisor agrees that, so long as Franchisee is in good standing, neither it nor its affiliates will operate or establish, or authorize another Pasta Di Guy franchisee to operate or establish, a Franchised Business using the Pasta Di Guy System or Marks within a certain geographical area surrounding the Approved Location ("Designated Territory"). The Designated Territory, if any, will be defined in Schedule 1 to Attachment A, hereto.

1.4. **Rights Reserved to Franchisor**. Notwithstanding anything contained in this Agreement, Franchisor and its affiliate(s)/parent(s) hereby reserve the exclusive right to: (i) open and operate, and license third parties the right to open or operate, other Franchised Businesses utilizing the Marks and System outside the Designated Territory; (ii) market, offer and sell products and services similar to those offered by the franchised business and other businesses (such as private label products that Franchisor may develop) through alternate channels of distribution, including without limitation, via the Internet and other e-commerce channels, catalog sales, direct mail or wholesale, at any location; (iii) acquire, or be acquired by, any company, including a company operating one or more businesses offering products or services similar to those offered by a Franchised Business, located within or outside Franchisees Designated Territory, and subsequently operate (or license a third party the right to operate) these locations; (iv) open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to the franchised business under marks other than the Marks at any location; and (v) use, and license others the right to use, the Marks and System to engage in any other activity not expressly prohibited by this Agreement.

2. ACCEPTANCE BY FRANCHISEE

2.1. **Acceptance by Franchisee**. Franchisee accepts this Agreement and the license granted herein and agrees to develop and operate the Franchised Business on the terms and conditions specified herein. Franchisee agrees to follow the System requirements in the operation of its Franchised Business, including, without limitation, its facilities, staff, advertising, operations, and all other aspects of Franchisor's business and the System now in effect and changed periodically. Franchisee (or, if Franchisee is an entity, one of its operating principals) and its proposed Key Manager (as defined in Section 8.6 of this Agreement) must attend and complete the initial training to Franchisor's satisfaction, as set forth in Section 6.3 of this Agreement.

2.2. **Conditions**. The rights being licensed herein are subject, without limitation, to the following conditions:

A. The Franchised Business shall be identified only by those Marks approved in writing by Franchisor with at least one exterior sign as designated by Franchisor.

B. Concurrently, with the signing of this Agreement, Franchisee must execute a personal guaranty in the form attached hereto as Attachment B ("Personal Guaranty"). In the event Franchisee is a legal entity having more than one owner, all owners, shareholders, partners, joint venturers, and any other person who directly or indirectly owns a 20% or greater interest in Franchisee (the "Owners") must execute the Personal Guaranty. Any person or entity that at any time after the date of this Agreement becomes an Owner, pursuant to Section 14 or otherwise, shall, as a condition of becoming an Owner, execute Franchisor's then-current form of Personal Guaranty.

C. Franchisee shall submit the lease for the Franchised Business to Franchisor for its written consent before Franchisee executes the lease for the Approved Location. The lease must contain the provisions outlined in Section 7.2 and our form of Lease Rider.

D. Franchisee agrees that it shall open the Franchised Business for regular, continuous business no later than twelve (12) months after this Agreement is signed by Franchisor. If, through no fault of Franchisee, the Franchised Business has not opened after twelve (12)months, Franchisor may agree in writing to provide Franchisee with an additional three (3) months to open its Franchised Business if Franchisee (a) has already secured an approved premises for its Franchised Business, and (b) is otherwise making diligent and continuous efforts to buildout and otherwise prepare its franchised business for opening throughout the twelve (12) month period following the execution of this Agreement.

E. Franchisee agrees at all times to comply with the Manual, standards, operating systems, and other aspects of the System (collectively, the "System Standards") prescribed by Franchisor, which are subject to change at Franchisor's discretion.

3. TERM AND RENEWAL

3.1. **Term**. The term of this Agreement shall be for a period of ten (10) years beginning on the date this Agreement is accepted by Franchisor, unless sooner terminated under Section 15. The conditions to obtain a renewal Pasta Di Guy franchise agreement are those stated below in Section 3.2.

3.2. **Renewal**. Unless terminated at an earlier date, upon the expiration of the initial term, Franchisee shall have the right to renew this Agreement for one additional ten (10) year term, subject to satisfaction of each of the following conditions:

A. Prior to each such renewal, Franchisee shall execute Franchisor's standard form of franchise agreement being offered at the time of each such renewal. The provisions of each such renewal franchise agreement may differ from and shall supersede this Agreement in all respects, including, without limitation, changes in royalty and advertising fees, except that Franchisee shall pay the renewal fee specified in Section 3.2(F), instead of the initial franchise fee. Franchisee's failure or refusal to execute and return Franchisor's then-current standard form Franchise Agreement to Franchisor within thirty (30) days after receipt by Franchisee shall constitute Franchisee's election not to renew;

B. Franchisee shall demonstrate that it has the right to remain in possession of the Approved Location for the duration of the renewal term, or that it has been able to secure and develop an alternative site acceptable to Franchisor;

C. In consideration of each such renewal of the franchise, Franchisee shall execute a general release in the form and substance satisfactory to Franchisor, releasing any and all claims against Franchisor and its affiliates, officers, directors, employees and agents;

D. Franchisee shall have completed or made arrangements to make, at Franchisee's expense, such renovation and modernization of the Franchised Business, including the interior and exterior of the building, grounds, leasehold improvements, signs, furnishings, fixtures, equipment, surveillance cameras, and decor as Franchisor reasonably requires so the Franchised Business conforms with the then-current standards and image of Franchisor;

E. Franchisee, during the term of this Agreement, shall have substantially complied with all of the provisions of this Agreement and all other agreements with Franchisor, and shall be in compliance with the Manual and with Franchisor's policies, standards and specifications on the date of the notice of renewal and at the expiration of the initial term;

F. Franchisee shall pay to Franchisor a renewal fee equal to the greater of (i) $10,000 or (ii) 25% of the then current Initial Franchise Fee; and

G. Franchisee shall have given Franchisor written notice of renewal no less than 90 days or more than 180 days before expiration of the initial term.

3.3. **Franchisor's Refusal to Renew Franchise**. Franchisor may refuse to renew the franchise if Franchisee is in default under this Agreement, or any other agreement with Franchisor or an affiliate of Franchisor, or if Franchisee fails to satisfy any of the foregoing conditions. Subject to the above, Franchisor will not unreasonably deny renewal of a Franchise.

3.4. **Notice of Expiration Required by Law.** If applicable law requires that Franchisor give a longer period of notice to Franchisee than herein provided prior to the expiration of the initial term or any additional term, Franchisor will give such additional required notice. If Franchisor does not give such required additional notice, this Agreement shall remain in effect on a month-to-month basis until Franchisee has received such required notice.

4. TRADEMARK STANDARDS

4.1. **Name and Ownership**. Franchisee acknowledges the validity of the Mark "PASTA DI GUY" and all other Marks that now or in the future are or will be part of the System and agrees and recognizes that the Marks are the sole and exclusive property of Franchisor and/or the affiliates of Franchisor. Franchisee further acknowledges that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of a Franchised Business pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by Franchisor from time to time. Any unauthorized use of the Marks by Franchisee shall be a breach of this Agreement and an infringement of the rights of Franchisor and its affiliates. Franchisee's use of the Marks inures to the benefit of Franchisor, which owns all goodwill now and hereafter associated with the Marks. Franchisee agrees not to contest ownership or registration of the Marks. Franchisor (and/or its affiliates) owns all right, title and interest in and to the Marks, and Franchisee has and acquires hereby only the qualified license granted in this Agreement. Franchisor agrees to indemnify Franchisee from any claims, costs or fees associated with Franchisee's authorized use of the Marks in connection with the franchised business, subject to the requirement that Franchisor be immediately notified of any third-party challenge to Franchisee's authorized use of any Mark under this Agreement, and Franchisor has the right to control any related litigation.

4.2. **Use**.

A. Franchisee shall not use any Mark as part of any corporate or business name with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall display and use the Marks only in the manner and form prescribed or authorized by Franchisor and shall conduct no other business than that prescribed by Franchisor. Franchisee shall not use any other mark, name, commercial symbol or logotype in connection with the operation of the Franchised Business and shall not market any product relating to the Franchised Business without Franchisor's written consent, and if such consent is granted, such product must be marketed in a manner acceptable to Franchisor. Franchisor may also permit Franchisee to use from time-to-time other trademarks, service marks, trade names and commercial symbols as may be designated by Franchisor in writing.

B. Franchisee agrees to give such notices of trademark and service mark registrations and copyrights as Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law.

C. Franchisee is prohibited from using the Marks in advertising, promotion or otherwise, without the appropriate "©" or "®" (copyright and registration marks) or the designations "™" or "℠" (trademark and service mark), where applicable.

4.3. **Litigation**. Franchisee agrees to notify Franchisor immediately in writing if it becomes aware that any person who is not a licensee of Franchisor is using or infringing upon any of the Marks. Franchisee may not communicate with any person other than Franchisor and its counsel in connection with any such use or infringement. Franchisor will have discretion to determine what steps, if any, are to be taken in any instance of unauthorized use or infringement of any of its Marks and will have complete control of any litigation or settlement in connection with any claim of an infringement or unfair competition or unauthorized use with respect to the Marks. Franchisee will execute any and all instruments and documents and will assist and cooperate with any suit or other action undertaken by Franchisor with respect to such unauthorized use or infringement such as by giving testimony or furnishing documents or other evidence. Franchisor will be responsible for legal expenses incurred by Franchisor in connection with any litigation or other legal proceeding involving such third party. Franchisor shall not be liable for any legal expenses of Franchisee unless (a) pre-approved in writing by Franchisor in its discretion, and (b) the action arises solely out of Franchisees authorized use of the Marks as set forth in the Manual.

4.4. **Modification, Discontinuance or Substitution**. Franchisor reserves the right, if necessary in Franchisor's sole judgment, to change the principal Mark(s) of the System on a national or regional basis, and upon reasonable notice, Franchisee shall at its expense adopt a new principal Mark(s) designated by Franchisor to identify the Franchised Business. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's change of any Mark.

4.5. **Franchisor's Revenues**. Franchisor and its affiliates may offer to sell to Franchisee at a reasonable profit various goods and services and reserve the right to receive fees or other consideration in connection with sales promotion and advertising programs associated with the Marks or from System vendors.

5. FEES

5.1. **Initial Franchise Fee.** Franchisee agrees to pay Franchisor an initial franchise fee in the sum of Forty-Nine Thousand and Five Hundred Dollars ($49,500) for a single Franchised Business upon execution of this Agreement (the "Initial Franchise Fee") in the form of a cashier's check or bank wire. The Initial Franchise Fee shall be fully earned by Franchisor upon payment and is not refundable under any circumstance.

5.2. **Royalty Fee**. Beginning on the day the Franchised Business starts generating revenue from its business operations, and continuing during the Term of this Agreement, Franchisee agrees to pay Franchisor a monthly royalty fee without setoff, credit or deduction of any nature (the "Royalty" or "Royalty Fee"), of five percent (5%) of the Gross Revenue (as that term is defined in Section 5.3, below) generated by the Franchised Business over the immediately preceding month. Franchisor may modify the Royalty Fee upon thirty (30) days' written notice to Franchisee, with the new Royalty Fee taking immediately after the expiration of such notice.

5.3. **<u>Gross Revenue</u>**. Gross Revenue means the total revenue generated by the Franchised Business, including all revenue generated from the sale and provision of any and all gift cards and other approved products and services at or through the Franchised Business and all proceeds from any business interruption insurance related to the non-operation of the Franchised Business, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange or any form of electronic payment. "Gross Revenue" does not include (a) any sales tax and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, (b) the value of any allowance issued or granted to any client of the Franchised Business that is credited in good faith by Franchisee in full or partial satisfaction of the price of the approved products or services offered in connection with the Franchised Business, or (c) the remuneration that Franchisee is entitled to receive in connection with any authorized training that is provided to clients pursuant to Section 6 of this Agreement.

5.4. **<u>Brand Fund Contribution</u>.** Franchisor reserves the right to establish a creative brand fund to promote the System, Marks and Pasta Di Guy brand generally (the "Brand Fund"). If and when the Brand Fund is established Franchisee will be required to contribute a minimum of one percent (1%) and up to three percent (3%) of the Gross Revenue of its Franchised Business on a monthly basis, to this Brand Fund (the "Brand Fund Contribution"), commencing once the Brand Fund is established. Franchisee agrees to make their Brand Fund Contribution in the same manner and at the same interval that the Royalty Fee is collected (based on the Gross Revenue of the Franchised Business over the immediately preceding reporting period).

5.5. **<u>Technology Fee</u>.** Franchisor charges Franchisee its then-current monthly technology fee (the "Technology Fee") of Four Hundred and Fifty Dollars ($450) as consideration for certain technology-related service which may include, without limitation, fees related to: (a) Franchisor's intranet, (b) any mobile applications Franchisor develops, (c) the Website, (d) proprietary or customized software licensed by Franchisor or its affiliates to assist with the day-to-day operations of the Franchised Business, and/or (e) any other technology that Franchisor determines appropriate, in its discretion, for use in connection with the Franchised Business and determines to provide as part of the Technology Fee. Franchisor may modify the Technology Fee upon thirty (30) days' written notice to Franchisee. Franchisee will also be responsible for any "per transaction" fee charged by third-party vendors for mobile application or online ordering. Franchisor may require the use of third party vendors for use of any software required in the operation of the Franchised Business at any time.

5.6. **<u>Training-Related Fees</u>.**

A. *Training Fee.* As described more fully in this Agreement, Franchisee and certain of its personnel will: (i) be required to attend and complete certain initial training before the Franchised Business can open for operations, as well as certain ongoing training, as described more fully in Section 6 of this Agreement; and (ii) have the right to request that Franchisor provide certain kinds of training or on-site assistance, subject to the availability of Franchisor's training personnel. While certain initial and ongoing training will be provided by Franchisor without charging any kind of training fee, Franchisee (or its personnel) will be responsible for ensuring Franchisor receives its then-current training fee, as applicable, in connection with any training that Franchisor provides hereunder that involves such a fee (the "Training Fee"). The-current Training Fee which is $500 per day with a minimum of three (3) persons in attendance, plus Franchisees out- of-pocket expenses, including transportation, food and lodging, for any subsequent training sessions.

5.7 **<u>Other Amounts Due in Connection with Franchised Business</u>.** Franchisee will also be responsible for timely payment of any other required fees or amounts necessary to purchase marketing materials, inventory or other supplies from Franchisor or its affiliates described in this Agreement.

5.8. **<u>Electronic Transfer; Right to Modify Collection Interval</u>.**

A. The Royalty Fee, Technology Fee, and Brand Fund Contribution as well as any other fees owed to Franchisor or its affiliates under this Section 5 or otherwise in connection with the franchised business, may be automatically debited from Franchisee's point-of-sale operating account administered by the designated supplier of point-of-sale services on a monthly basis throughout the Term, unless Franchisor provides reasonable written notice that Franchisor is modifying the collection interval (*e.g.*, notifying Franchisee that Franchisor will be collecting Royalty Fee, Brand Fund Contribution and other recurring amounts due on a weekly rather than monthly basis, with such monthly fees based on the Gross Revenue of the Franchised Business over the preceding calendar month). Franchisor reserves the right to withdraw any fees or amounts owed to Franchisor from Franchisees bank account via the EFT agreement as described in section C below

B. All amounts due to Franchisor for the purchase of products, services or otherwise are due upon receipt of an invoice from Franchisor. Any payment or report not actually received by Franchisor on or before the due date is overdue.

C. Franchisee agrees to complete and execute an "Electronic Funds Transfer Agreement" and any other form, including, without limitation, an "Electronic Debit Authorization" for the purpose of authorizing an electronic debit, and to submit any information required by Franchisor for such authorization.

D. Franchisee is required to use only the POS system provided by the designated supplier and will pay the designated provider directly for all fees associated with the use of the designated provider's software. Franchisee is not allowed to use an unapproved external terminal to process transactions.

5.9. **<u>Interest and Late Charges</u>**. Amounts due to Franchisor (except interest on unpaid amounts due) not paid when due shall bear interest from the date due until paid at the lesser of one and one-half percent (1.5%) per month, or the highest rate of interest allowed by law. Franchisor may also recover its reasonable attorneys' fees, costs and other expenses incurred in collecting amounts owed by Franchisee.

5.10. **<u>Pasta Di Guy Opening Package</u>.**

A. Prior to opening the Franchised Business governed by this Agreement, Franchisee must purchase an initial supply of uniforms, menus, seasoning packets and other inventory necessary to operate the Franchised Business ("Pasta Di Guy Opening Package"); Over the term of this Agreement, Franchisee will be responsible for maintaining and/or replacing the items and maintaining certain levels of inventory comprising the Pasta Di Guy Opening Package, as set forth in this Agreement.

6. FRANCHISOR SERVICES

6.1. **Site Selection and Lease Negotiations**. Although Franchisor will provide the site selection assistance described in Section 1.2 of this Agreement, Franchisee is solely responsible for locating, obtaining and evaluating the suitability and prospects of the Franchised Business location, for the review and negotiation of its lease, and for hiring an attorney or other advisor to review and help negotiate the lease. The Approved Location must meet Franchisor's then-current System standards and specifications, as set forth in the Manuals or otherwise in writing by Franchisor. Franchisor reserves the right to charge a reasonable fee for performing any Franchisee-requested on-site evaluation to cover incurred expenses, including, but not limited to, travel, lodging, meals and wages. Franchisor agrees not to unreasonably withhold approval of a site that meets its site criteria.

6.2. **Unit Development**. Franchisor shall consult and advise Franchisee on the proper display of the Marks, layout and design, and other equipment, furniture, fixtures, surveillance cameras with audio, initial inventories, recruiting personnel, and managing construction or remodeling of the Franchised Business. After Franchisee has executed a lease for the Approved Location, Franchisor shall deliver to Franchisee specifications and standards for building, equipment, furnishings, fixtures, surveillance cameras with audio, layout, design and signs relating to the Approved Location and shall provide reasonable consultation in connection with the development of the Franchised Business. Franchisee must make any layout, design and specifications provided by Franchisor site-specific. Franchisee agrees to make no changes, alterations or modifications whatsoever to the selected layout and design without obtaining prior written consent from Franchisor.

6.3. **Training Requirements and Remedies.** Franchisee agrees and acknowledges that the following training obligations and requirements must be strictly complied with and adhered to at all times during the Term:

1. *Initial Training Requirements.* Prior to opening the Franchised Business, Franchisee (or, if an entity, its Operating Principal) and if permitted in writing, its Key Manager, must complete the initial training at a time we designate (the "Initial Training") The Initial Training will take approximately two to three weeks, with the first portion being held in New Port Richie, Florida, or another location designated by Franchisor (the "PDG In Person Training"). The remainder of the Initial Training will be held at Franchisees location or another location designated by Franchisor (the "Onsite Training"). Franchisor will provide each of the foregoing modules for up to three (3) persons tuition-free, provided the three (3) individuals attend at the same time prior to the opening of the Franchised Business and subject to the schedules and availability of its training staff. Otherwise, Franchisor reserves the right to charge its then-current Training Fee for any subsequent training sessions.

2. Remote Instruction. Franchisor has the right to provide and require that Franchisee or other required trainee participate in and complete, portions of the training described in this Section that are provided remotely via the Internet or similar learning management system that permits the Franchisor to determine whether Franchisee and/or other required trainee is actively participating in the webinar or other instruction at issue.

3. Requirements Prior to Attending Initial Training. Before Franchisor will approve or schedule Franchisee to attend any portion of the Initial Training, Franchisee must: (i) sign this Agreement (ii) have a location approved by Franchisor within three (3) months of signing this Agreement; (iii) pay all fees owed to Franchisor and any required vendors for any opening inventory and equipment; (iv) undertake all steps to establish the EFT Account to use in connection with the Franchised Business, including ensuring that both Franchisor and its designee have all authorizations and approvals necessary to access this EFT Account; and (v) provide Franchisor with completed and signed copies of all exhibits to the Franchise Agreement, to the extent such exhibits have not been signed or need to be updated/completed.

A. *Discretionary On-Site Assistance*. During the term of this Agreement, Franchisor may send one (1) or more representatives to the Franchised Business to (i) provide assistance and recommendations regarding the operations of the Franchised Business, and/or (ii) provide additional or refresher training, as Franchisor determines appropriate in its discretion (collectively, the "Discretionary On-Site Assistance"). In the event Franchisor notifies Franchisee that it will be providing the Discretionary On-Site Assistance, the length of such assistance will be determined at Franchisors discretion and Franchisee must ensure that Franchisee (or its Operating Principal), and management personnel are in attendance at the Franchised Business during those days. Any costs incurred as a result of the Discretionary On-Site Assistance by Franchisor including but not limited to food, travel, and lodging expenses shall be the responsibility of Franchisee.

B. *Ongoing/Refresher Training.* Franchisor may provide and require that Franchisee as well as any of its management personnel attend, additional training each year at a training facility that Franchisor designates (without charging Franchisee any Training Fee as described in Section 5.7 of this Agreement). Franchisee may also request that Franchisor provide certain additional or refresher training to Franchisee, either at one (1) of Franchisor's designated training facilities or on-site at Franchisee's Franchised Business, but Franchisor reserves the right to charge Franchisee its then-current Training Fee based in connection with any training that Franchisor provides at Franchisee's request. Such training will be provided subject to the availability and schedules of Franchisor's training personnel.

C. *Remedial Training*. If Franchisor determines that Franchisee is operating the franchised business in a manner that is not consistent with the terms of this Agreement or the Manuals, or if Franchisee is otherwise in material default of this Agreement, Franchisor may also require that Franchisee, its Key Manager (if applicable) and/or certain employees of the Franchised Business attend and complete additional training at (a) Franchisor's designated training facility, (b) the Franchised Business, or (c) other location Franchisor designates, that is designed to address the default or other non-compliance issue (the "Remedial Training"). Franchisor may require Franchisee and its designated trainees to pay Franchisor its then-current Training Fee in connection with attending Remedial Training.

D. *Costs and Expenses.* Franchisee will be responsible for the costs and expenses associated with Franchisee and its personnel attending and completing all of the training described in this Section, including without limitation, any costs related to travel, lodging, meals and (if appropriate) wages/compensation for personnel.

6.4. **Operations Manual**. Franchisor will grant Franchisee online access to an electronic version of the Manual during the term of this Agreement. The Manual is anticipated to codify existing mandatory and suggested specifications, standards and operating procedures currently prescribed by Franchisor. Franchisee acknowledges that Franchisor may from time to time revise its Systems as well as the contents of the Manual, and Franchisee agrees to comply with each new or changed standard and specification upon notice from Franchisor. The Manual shall remain the sole property of Franchisor and shall be kept confidential by Franchisee both during the Term of this Agreement and subsequent to the termination, expiration, or non-renewal of this Agreement. If Franchisee, intentionally or otherwise through its gross negligence, compromises the secure access to the online version of the Manual (or any hard copy of the Manual), including, but not limited to, allowing unauthorized users access to the Manual and its confidential contents, Franchisee will be required to pay Franchisor liquidated damages in the amount of $50,000 or the highest amount permitted by state law, to compensate Franchisor for the breach and related damage to the System. Franchisee must pay a 3rd party vendor designated by Franchisor for the online access to the Manual.

6.5. **Continuing Services**. Franchisor shall provide such continuing advisory assistance and information to Franchisee in the development and operation of the Franchised Business as Franchisor deems advisable in its discretion. Such assistance may be provided, in Franchisor's discretion, by Franchisor's directives, System bulletins, meetings and seminars, telephone, computer, e-mail, fax, personal visits, newsletters or manuals.

6.6. **Approved Lists**. Franchisor shall provide and from time to time, add to, alter or delete, at Franchisor's discretion, lists of specifications, approved distributors and suppliers, approved services and products, including, but not limited to food ingredients, prepared food, inventory, equipment, and any other materials and supplies used in the operation of the Franchised Business. Franchisor, or an affiliate of Franchisor, may be a designated or approved supplier of certain food ingredients, prepared food, equipment, inventory, merchandise, apparel and supplies.

6.7. **Pricing.** Franchisor has developed an image that is based in part on fast casual gourmet Italian cuisine and other products and services offered by the System. To promote a consistent consumer experience, and to maximize the value of the products and services Franchised Businesses offer, Franchisor may require fixed minimum prices for any products or services offered by the System and Franchisee. Franchisee is obligated to use the pricing required by Franchisor, unless Franchisor consents to changes in local pricing offered by Franchisee in order to (i) allow Franchisee to respond to unique, local, marketing conditions, competition, or expenses; or (ii) comply with changes or interpretations in state or federal anti-trust laws. Consistent with state or federal law, Franchisor reserves the right to change or eliminate its pricing program in the future, or to move from a required to recommended pricing structure.

6.8. **Brand Fund.** As detailed in Section 9.1 of this Agreement, if and when established, the Brand Fund will be maintained and administered by Franchisor to meet the costs of conducting regional and national advertising and promotional activities (including the cost of advertising campaigns, test marketing, marketing surveys, public relations activities and marketing materials) which Franchisor deem beneficial to the System. Franchisor may establish a brand fund committee ("BFC") to assist in maintaining and administering the Brand Fund.

6.9. **Grand Opening Advertising Assistance.** Franchisor may consult and advise Franchisee on the advertising, marketing, and promotion for the grand opening of the Franchised Business, as Franchisor deems appropriate in its discretion.

7. FACILITY STANDARDS, LEASE AND CONSTRUCTION

7.1. **Facility Specifications.** Franchisee's Franchised Business shall meet the following conditions:

A. The Franchised Business shall be laid out, designed, constructed or improved, equipped and furnished in accordance with Franchisor's standards and specifications. Equipment, furnishings, fixtures, decor and signs for the Franchised Business shall be purchased from suppliers approved or designated by Franchisor. Franchisee may remodel or alter the Franchised Business, or change its equipment, furniture or fixtures, only with Franchisor's consent. Franchisee must obtain necessary permits, licenses and other legal or architectural requirements. The Franchised Business shall contain or display only signage that has been specifically approved or designed by Franchisor.

B. The Franchised Business and all equipment shall be maintained in accordance with standards and specifications established by Franchisor or prescribed after inspection of the Franchised Business. Franchisee shall promptly repair or replace defective or obsolete equipment, signage, fixtures or any other item of the interior or exterior that is in need of repair, refurbishing or redecorating in accordance with such standards established (and updated from time to time) by Franchisor or as may be required by Franchisee's lease.

C. Franchisee agrees and acknowledges that: (i) the System will evolve; (ii) the restaurant industry must respond to new fads, equipment and techniques; and (iii) the System must change to meet customer demands. From time to time, as Franchisor requires, Franchisee must modernize and/or replace items of the Trade Dress or Franchised Business equipment as may be necessary for the Franchised Business to conform to the standards for new Franchised Business. Further, Franchisee will be required to thoroughly modernize or remodel the Franchised Business when requested by Franchisor, but no more than once every 5 years. Franchisee acknowledges that this obligation could result in Franchisee making extensive structural changes to, and significantly remodeling and renovating the Franchised Business, and Franchisee agrees to incur, without limitation, any capital expenditures required in order to comply with this obligation and Franchisor's requirements. Within 60 days after receiving written notice from Franchisor, Franchisee shall have plans prepared according to the standards and specifications that Franchisor prescribes and Franchisee must submit those plans to Franchisor for its approval. Franchisee agrees to complete all work according to the plans that Franchisor approves within the time period that Franchisor reasonably specifies and in accordance with this Agreement. Franchisor, or its Affiliate, will hold themselves, and the Franchised Business they operate (if any) to the same high standard, and same frequency for replacement and renovation as is expected of Franchisee.

D. The Franchised Business shall contain signage prominently identifying Franchisee by name as an independently owned and operated franchisee of Franchisor.

7.2. **Lease**. Franchisee is solely responsible for purchasing or leasing a suitable site for the Franchised Business. Franchisee must submit the lease for the Franchised Business to Franchisor for its written consent before Franchisee executes the lease for the Approved Location. Franchisor will not withhold consent arbitrarily; however, any lease must contain substantially the following provisions: (1) "The leased premises will be used only for the operation of a Pasta Di Guy franchise utilizing the Proprietary Marks and System;" (2) "The employees of Franchisor will have the right to enter the leased premises to make any modifications necessary to protect the System and proprietary marks thereof;" (3) "Lessee agrees that Lessor may, upon request of Franchisor disclose to said Franchisor all reports, information or data in Lessor's possession with respect to sales made in, upon or from the leased premises;" and (4) a conditional assignment clause to be contained in a lease rider in a form approved by Franchisor, which shall provide that Franchisor (or its designee) may, upon termination, expiration, non-renewal or proposed assignment of this Agreement, at Franchisor's sole option, take an assignment of Franchisee's interest thereunder, without the consent of the Lessor or property owner, without liability for accrued obligations, payment of additional consideration or increase in rent, and at any time thereafter, reassign the lease to a new franchisee. Franchisor's execution of this Agreement is conditioned upon the above-referenced lease addendum, which shall be signed by Franchisee and attached and made part of the lease for the Franchised Business. Franchisee acknowledges that it has been advised to have any lease reviewed by Franchisee's own legal counsel.

7.3. **Unit Development.** Franchisee agrees that after obtaining possession of the Approved Location, Franchisee will promptly, at Franchisee's sole expense:

A. Obtain any standard plans and/or specifications from Franchisor;

B. Complete the construction or remodeling of the Franchised Business in full and strict compliance with plans and specifications approved by Franchisor, and in compliance with all applicable ordinances, building codes and permit requirements;

C. Purchase or lease, in accordance with Franchisor's standards and specifications, all furniture, equipment, fixtures, inventory, supplies and signs required for the Franchised Business;

D. Hire and train the initial operating personnel according to Franchisor's standards and specifications; and

E. Complete development of and have the Franchised Business open for business not later than twelve (12) months after the date that Franchisor accepts this Agreement.

7.4. **Franchisee's Responsibility.** Although Franchisor may provide Franchisee with various standard or sample plans and specifications with respect to constructing and equipping the Franchised Business, it is Franchisee's sole responsibility to construct and equip the Franchised Business in compliance with all applicable federal, state and local laws and regulations, including, without limitation, all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health laws, sanitation laws, Americans with Disabilities Act and all other requirements that may be prescribed by any federal, state or local governmental agency. Franchisee further acknowledges and agrees that Franchisee is, and will continue to be at all times during the Term, solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained. Franchisee acknowledges that nothing in this Agreement shall, or may be construed to, create any type of employer or joint employer relationship between (a) Franchisee or any of Franchisee's personnel, and (b) Franchisor in any matter.

8. IMAGE AND OPERATING STANDARDS

8.1. **Compliance**. Franchisee acknowledges and agrees that every detail regarding the appearance and operation of the Franchised Business is important to Franchisor, Franchisee, the System and other Pasta Di Guy franchisees in order to maintain high and uniform operating standards, to increase demand for the products and services sold by all franchisees, and to protect Franchisor's reputation and goodwill, and, accordingly, Franchisee agrees to comply strictly at all times with the requirements of this Agreement and Franchisor's standards and specifications (whether contained in the Manual or any other written or oral communication to Franchisee by Franchisor) relating to the appearance or operation of the Franchised Business. Franchisee acknowledges that other Franchised Businesses may operate under different forms of agreement with Franchisor, and that the rights and obligations of the parties to other agreements may differ from those hereunder.

8.2. **Franchisor's Right to Inspection**. To determine whether Franchisee is complying with this Agreement and Franchisor's standards and specifications, Franchisor reserves the right to supervise, determine and approve the standards of appearance, quality and service pertinent to the Franchised Business including, without limitation, the right at any reasonable time and without prior notice to Franchisee to: (1) inspect and examine the business premises, equipment, facilities and operation of the Franchised Business in person or by web accessible surveillance cameras with audio, which are required to be installed in the each Franchised Business; (2) interview Franchisee and Franchisee's employees, including any independent contractors; (3) interview Franchisee's customers, suppliers and any other person with whom Franchisee does business; (4) confer with members and staff of government agencies with authority over Franchisee about matters relevant to the Franchised Business; and (5) use "mystery shoppers," who may pose as customers and evaluate Franchisee and Franchisee's operations.

8.3. **Personnel.** Franchisee agrees to employ in the operation of the Franchised Business only persons of high character and ability who maintain and exhibit traits of enthusiasm, cleanliness, neatness, friendliness, honesty and loyalty, it being recognized by Franchisee that such persons are necessary in order to promote and maintain customer satisfaction and the goodwill of the System. Franchisee agrees to staff the Franchised Business at all times with a sufficient number of qualified, competent personnel who have been trained in accordance with Franchisor's standards. Franchisee shall be considered the employer of all employees and independent contractors of the Franchised Business. It is the sole responsibility of Franchisee to hire, discipline, discharge and establish wages, hours, benefits, employment policies and other terms and conditions of employment for its employees and independent contractors. Franchisee is responsible for obtaining its own independent legal advice regarding the employment of employees and independent contractors and complying with any and all applicable laws pertaining thereto. Franchisor shall have no responsibility for the terms and conditions of Franchisee's relationship with Franchisee's employees and/or independent contractors. Franchisee shall engage in no discriminatory employment practices and shall in every way comply with all applicable laws, rules and regulations of federal, state and local governmental agencies, including, without limitation, all wage-hour, civil rights, immigration, employee safety and related employment and payroll related laws. Franchisee shall make all necessary filings with, and pay all taxes and fees due to, the Internal Revenue Service and all other federal, state and local governmental agencies or entities to which filings and payments are required.

8.4. **Products and Services to be Offered for Sale.**

A. *Approved Services and Approved Products Generally.* Franchisee acknowledges that the presentation of a uniform image to the public and the offering of uniform services and products is an essential element of a successful franchise system. In order to insure consistency, quality and uniformity throughout the System, Franchisee agrees: (i) to sell or offer for sale only the services or products that have been expressly approved for sale by Franchisor; (ii) to sell or offer for sale all services and products required by Franchisor; (iii) not to deviate from Franchisor's standards and specifications; and (iv) to discontinue selling and offering for sale any services or products that Franchisor may, in its discretion, disapprove at any time. Franchisor shall supply Franchisee with a list of suppliers from which Franchisee is required to purchase food ingredients, prepared food, inventory, furniture, fixtures, equipment, supplies, products or services for the Franchised Business. Franchisor may change this list from time to time, and upon notification to Franchisee, Franchisee shall only purchase and use food ingredients, prepared food, equipment, products or services from approved suppliers as specified on the changed list. Franchisor, or an affiliate of Franchisor, may be a designated or approved supplier of certain inventory furniture, fixtures, equipment and supplies. Franchisee agrees to keep the Franchised Business and its premises in clean condition, operational, and be open at all times specified by Franchisor.

B. *Required Use of Approved Suppliers.* Franchisee agrees that all items as so designated in our Operations Manual must be purchased exclusively from approved suppliers and must be maintained according to Franchisor specifications, as applicable. Franchisee acknowledges and agrees that Franchisor is (or may at any time in future become) an approved or designated supplier for any food ingredients, prepared food, furniture, fixtures, equipment, supplies, products, logo items, and signage, that Franchisor may derive income from the sale of such items, and that the price charged by Franchisor may reflect a profit.

C. *Non-Approved Services, Products or Suppliers.* If Franchisee proposes to offer for sale any other products or services that have not been approved by Franchisor, Franchisee shall first notify Franchisor in writing and submit sufficient information, specifications and samples concerning such product and/or supplier and/or service for a determination by Franchisor whether such product or supplier of service complies with Franchisor's specifications and standards and/or whether such supplier meets Franchisor's approved supplier criteria. Franchisor shall, within a reasonable time frame, notify Franchisee in writing whether or not such proposed product and/or supplier or service is approved, as determined in Franchisor's discretion. Franchisor reserves the right to charge Franchisee reasonable costs in connection with Franchisor's review, evaluation, and approval of alternative suppliers which is currently five hundred dollars ($500) per evaluation. These charges may also include reimbursement for travel, accommodations, meal expenses, and personnel wages. Franchisor may from time to time prescribe procedures for the submission of requests for approved products and/or suppliers or services and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be executed by approved suppliers). Franchisor reserves the right to revoke its approval of a previously authorized supplier or product when Franchisor determines in its discretion that such supplier or product is not meeting the specifications and standards established by Franchisor. If Franchisor modifies its list of approved products, suppliers and/or services, Franchisee shall not, after receipt in writing of such modification, reorder any product or utilize any supplier, product, or service that is no longer approved.

D. *Franchisor Rights.* Franchisee acknowledges and agrees that Franchisor may sell products and services to customers located anywhere, even if such products and services are similar to what Franchisor sells to Franchisee and what Franchisee offers at the Franchised Business. Franchisor may use the internet or alternative channels of commerce to sell Pasta Di Guy brand products and services. Franchisee may only sell the products and services from the Franchised Business's approved location and may only use the internet or alternative channels of commerce to offer or sell the products and services, as permitted by Franchisor.

E. *Advertising Outside Designated Territory.* Unless Franchisor agrees otherwise, Franchisee may not actively solicit customers, or otherwise promote the Franchised Business through any targeted advertising/marketing, outside of the Designated Territory. Nothing in this Agreement, however, shall prohibit Franchisee from servicing customers that contact Franchisee or the Franchised Business, regardless of where those customers reside or work.

F. *No Unauthorized Sales of Certain Items.* Unless Franchisor directs or agrees otherwise in writing, Franchisee agrees not to sell any unauthorized products or services at the Franchised Business.

G. *Penalty Fee.* Franchisor reserves the right to charge its then-current per day Penalty Fee for each day Franchisee offers or sells unauthorized products or services from the Franchised Business in a manner that is not consistent with this Agreement.

8.5. **Compliance with Laws.** Franchisee agrees to comply with all federal, state and local laws, rules, and regulations and shall as soon as practicable, but in any event prior to the opening for business of the Franchised Business, obtain all municipal and state permits, certificates or licenses necessary to operate the Franchised Business and shall file and publish, if required by applicable law, a certificate of doing business (whether under a fictitious name or otherwise). Franchisee acknowledges and agrees that it has the sole responsibility to investigate and comply with any applicable laws in the state where the Franchised Business is located that are specific to the operation of a Franchised Business. Franchisee shall operate and maintain the Franchised Business in strict compliance with all employment laws, building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health and safety laws, sanitation laws, Americans with Disabilities Act and any other requirements that may be prescribed by any federal, state or local governmental agency. Franchisee agrees to immediately provide Franchisor with a copy of any notice received by Franchisee from any state, local or governmental agency pertaining to compliance with any codes or requirements, or the failure to comply with any codes or requirements, at the Franchised Business. Franchisee hereby certifies and represents that Franchisee, and any of its affiliates, any of its partners, members, shareholders or other equity owners, and their respective employees, officers, directors representatives or agents, are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control. Franchisee hereby agrees to defend, indemnify and hold harmless Franchisor from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorneys' fees and costs) arising from or related to any breach of the certifications set forth in this paragraph.

8.6. **Operational Efforts**. Franchisee must designate an Owner with at least a 20% ownership interest in franchisee Entity as the "Operating Principal". The Operating Principal must have authority over all business decisions related to the Franchised Business and must have the power to bind Franchisee in all dealings with us and actively, personally, participate in the day-to-day operation of the Franchised Business. If approved by Franchisor in writing, Franchisee may appoint a trained manager (the "Key Manager") to manage the day-to-day business of the Franchised Business., provided that the Key Manager successfully completes the Initial Training prior to commencing any management responsibilities at the Franchised Business. Franchisor must approve, in writing, of any manager involved in the operation of the Franchised Business. If Franchisor does not approve the appointment of a Key Manager, then Franchisee (or its Operating Principal, as applicable) must be on-site at the Franchised Business during normal business hours to manage day to day operations. Franchisee agrees to keep the Franchised Business open for the hours stated in the Manual and as deemed appropriate by Franchisor.

8.7. **Good Standing**. Franchisee will be considered in "Good Standing" if Franchisee is not in default of any obligation to Franchisor or any of Franchisor's affiliates, whether arising under this Agreement or any other agreement between Franchisee and Franchisor (or any of Franchisor's affiliates), the Manual or other System requirements.

8.8. **Performance Standards**. Franchisee and Franchisor have a shared interest in the Franchised Business performing at or above the System Standards. Franchisor would not have entered into this franchise relationship if Franchisor had anticipated that Franchisee would not meet these Performance Standards.

A. *System Standards*. Franchisor may choose, in its sole discretion, to evaluate the Franchised Business for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, surveillance camera monitoring, customer comments/surveys, and secret shopper reports.) Franchisee must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service. Franchisee's employees, including any independent contractors, must meet minimum standards for courteousness and customer service.

9. ADVERTISING AND MARKETING

9.1. **Brand Fund**.

A. Upon Franchisor's establishment of a Brand Fund, Franchisee will be required to pay the appropriate Brand Fund Contribution to Franchisor as described in Section 5.5 of this Agreement. In the event Franchisor increases the Brand Fund Contribution from what it is as of the date this Agreement is signed, Franchisor will provide at least 30 days' written notice of such increase in the Brand Fund Contribution

B. Once Established the Brand Fund will be administered by Franchisor as it deems appropriate in its discretion. Franchisor may establish a BFC to serve in an advisory capacity only with respect to providing guidance and advice on Brand Fund-related matters, but Franchisor is under no obligation to do so. In the event a BFC is established in connection with the Brand Fund, Franchisor will determine how best to structure and work with the BFC and Franchisor will have the right to dissolve any established BFC upon 30 days' written notice to Franchisee. The Brand Fund will be maintained and operated by Franchisor, as it deems appropriate in its discretion, to meet the costs of conducting regional and national advertising, promotional, marketing activities, as well as related technology and other brand development activities, that are deemed most beneficial to the System.

C. Franchisor will have complete control and discretion over how to administer the Brand Fund and Brand Fund Contributions to determine the advertising, marketing and public relations programs and activities financed by the Brand Fund, including the creative concepts, materials and endorsements used and the geographic market, media placement and allocation. Franchisee agrees that the Brand Fund may be used to pay the costs of preparing and producing associated materials and programs as Franchisor may determine, including the use of social media; video, audio and written advertising materials employing advertising agencies; sponsorship of sporting, charitable or similar events; administering regional, national and multi-regional advertising programs including purchasing direct mail and other media advertising, website development/operation and to pay Internet, Intranet, URL, (800) or similar number, and other charges, fees and/or expenses, including employing advertising agencies to assist with marketing efforts; and supporting public relations, market research and other advertising, promotional and marketing activities. The parties agree and acknowledge that, among other things, a brief statement regarding the availability of Pasta Di Guy franchises and details about the franchise offering may be included in advertising and other items produced using the Brand Fund.

D. Franchisor may spend in any calendar year more or less than the total Advertising Contributions to the Brand Fund in that year. Franchisor may cause the Brand Fund to invest any surplus for future use by the Brand Fund. Franchisor may borrow from Franchisor or other lenders on behalf of the Fund to cover deficits of the Brand Fund.

E. Franchisor and/or any Franchisor-Related Persons/Entities can provide goods, services, materials, etc. (including administrative services and/or "in-house advertising agency" services) and be compensated and/or reimbursed for the same by the Brand Fund, provided that any such compensation must be reasonable in amount. Franchisor can arrange for goods, services, materials, etc. (including administrative services) to be provided by independent persons/companies and all related costs, fees, etc. will be paid by the Brand Fund.

F. The Brand Fund will be accounted for separately from Franchisor's other funds and Franchisor will not use the Brand Fund for its general operating expenses. All taxes of any kind incurred in connection with or related to the Brand Fund, its activities, contributions to the Brand Fund and/or any other Brand Fund aspect, whether imposed on Franchisor, the Brand Fund or any other related party, is the sole responsibility of the Brand Fund. Franchisor will not be required to audit the Brand Fund but will provide an annual accounting of the Brand Fund at the written request of Franchisee that is made 120 days after the fiscal year at issue. All interest earned on monies contributed to or held in the Brand Fund will be remitted to the Brand Fund, subject to the restrictions of the relevant Franchise Agreement(s).

G. Franchisee acknowledges that the Brand Fund Contributions are intended to maximize general public recognition of and the acceptance of the Intellectual Property for the benefit of the System as a whole. Notwithstanding the foregoing, Franchisor undertakes no obligation, in administering the Brand Fund Contributions to make expenditures for Franchisee that are equivalent or proportionate to Franchisees contribution, or to insure that any particular Pasta Di Guy business benefits directly or *pro rata* from advertising or promotion conducted with the Brand Fund Contributions.

H. Franchisor will maintain the right to terminate the collection and disbursement of the Brand Fund Contributions and the Brand Fund. Upon termination, Franchisor will disburse the remaining funds for the purposes authorized under this Agreement.

I. In the event Franchisor or any Affiliate of Franchisor owns and operates a Franchised Business utilizing the System, these corporate locations will contribute to the Brand Fund on the same basis that franchised businesses in the System are required to contribute.

9.2. **<u>Grand Opening Advertising; Local Marketing Activities</u>.**

A. *Grand Opening.* Franchisee must spend a minimum of three thousand and five hundred dollars ($3,500) in connection with the grand opening and initial launch marketing of the Franchised Business starting 30-60 days prior to opening and in the 30-day period following opening of the Franchised Business, as reasonably directed by Franchisor (the "Grand Opening Advertising Spend"). Franchisor may also require that Franchisee expend all or any portion of the Grand Opening Advertising Spend on initial marketing/advertising and/or public relations materials or services that are purchased from an Approved Supplier.

B. *Local Advertising Requirement.* Franchisee is responsible for local advertising and marketing activities to attract customers to the Franchised Business. Must Franchisee expend two percent (2%) of its monthly Gross Revenue on approved local advertising and marketing activities designed to promote the Franchised Business within the Designated Territory. Upon Franchisor's written request, Franchisee must provide Franchisor with an accounting of all expenditures made by Franchisee to comply with this Section, along with any invoices or other documentation to support such expenditures. Franchisor reserves the rate to change this amount upon ninety (90) days written notice, to Franchisee.

C. *Promotional Campaigns*. Franchisor may conduct promotional campaigns on a national or regional basis to promote products or marketing themes. Franchisee must participate in all promotional campaigns which Franchisor may establish within the Designated Territory the Franchised Business is located.

D. *Advisory Council*. Franchisor may establish an Advisory Council for Pasta Di Guy Franchisees to work with and to consult with Franchisor on potential improvements to the Pasta Di Guy System, the products offered by Pasta Di Guy, advertising conducted by the Brand Fund and any other matters that we deem appropriate. If an Advisory Council is formed, it will act solely in an advisory capacity, will not have decision making authority, and will be comprised of Franchisors representatives and Pasta Di Guy Franchisees who may be chosen by Franchisor or elected by other Pasta Di Guy Franchisees. All Pasta Di Guy Franchisees who serve on an Advisory Council must pay their own transportation costs, food, lodging and similar expenses to attend Advisory Council meetings. Franchisor has the right to form, change, merge or dissolve any Advisory Council at any time, at Franchisor's discretion. Franchisee members are appointed by Franchisor for a one-year term and may only be removed for a failure to attend two consecutive meetings or a total of four meetings prior to the expiration of their term. The advisory council serves in an advisory capacity only and does not have operational or decision-making power.

E. *Advertising Standards.* Franchisee's advertising will be in good taste and conform to ethical and legal standards and our requirements. Franchisor may require Franchisee to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise. Franchisor retains the right to approve or disapprove of such advertising, in its sole discretion. Franchisee agrees not to use any materials or programs disapproved by Franchisor.

F. *Approval.* Franchisor will have the final decision on all creative development of advertising and promotional messages. If written approval is not received within fourteen (14) days from the date Franchisor received the material, the material is deemed disapproved. Franchisor reserves the right to require Franchisee to discontinue the use of any advertising or marketing materials.

9.3. **Social Media Activities.** As used in this Agreement, the term "Social Media" is defined as a network of services, including, but not limited to, blogs, microblogs, and social networking sites (such as Facebook, LinkedIn and MySpace), video-sharing and photo-sharing sites (such as YouTube, Instagram, Tiktok, and Flickr), review sites (such as Google, Yelp and Urbanspoon), marketplace sites (such as eBay and Craigslist), Wikis, chat rooms and virtual worlds, that allows participants to communicate online and form communities around shared interests and experiences. While it can be a very effective tool for building brand awareness, it can also be devastating to a brand if used improperly. Therefore, Franchisee must strictly follow all code of conduct and etiquette guidelines as set forth in the Manual. Any use of Social Media by Franchisee pertaining to the Franchised Business must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. Franchisor reserves the right to "occupy" any Social Media websites/pages and be the sole provider of information regarding the Franchised Business on such websites/pages (e.g., a system-wide Facebook page). At Franchisor's request, Franchisee will promptly modify or remove any online communication pertaining to the Franchised Business that does not comply with this Agreement or the Manual.

9.4. **Franchisee Marketing Group(s) ("Co-Ops").** Franchisor may decide to form one or more associations and/or sub-associations of Franchised Business's to conduct various marketing-related activities on a cooperative basis (a "Co-Op"). If one or more Co-Ops (local, regional and/or national) are formed covering Franchisee's area, then Franchisee must join and actively participate. Each Franchised Business will be entitled to one (1) vote, but in order to vote the Franchised Business must be in Good Standing. Franchisee may be required to contribute such amounts as are determined from time to time by such Co-Ops.

10. FINANCIAL REPORTS, AUDITS, MANAGEMENT AND TECHNOLOGY SYSTEM AND INSURANCE REQUIREMENTS

10.1. **Records and Reports.** Franchisee shall maintain and preserve for four (4) years or such period as may be required by law (whichever is greater) from the date of their preparation such financial information relating to the Franchised Business as Franchisor may periodically require, including without limitation, Franchisee's sales and use tax returns, register tapes and reports, sales reports, purchase records, and full, complete and accurate books, records and accounts prepared in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor. Franchisee agrees that its financial records shall be accurate and up-to-date at all times. Franchisee agrees to promptly furnish any and all financial information, including tax records and returns, relating to the Franchised Business to Franchisor on request.

10.2. **Right to Conduct Audit or Review**. Franchisor shall have the right, in its sole determination, to require a review by such representative(s) as Franchisor shall choose, of all information pertaining to the Franchised Business including, without limitation financial records, books, tax returns, papers, and business management software programs of Franchisee at any time during normal business hours without prior notice for the purpose of accurately tracking unit and System-wide sales, sales increases or decreases, effectiveness of advertising and promotions, and for other reasonable business purposes. Such review will take place at the Franchised Business or Franchisee's head office (if different), or both, and Franchisee agrees to provide all information pertaining to the Franchised Business requested by Franchisor during its review. If the review is done because of a failure by Franchisee to furnish reports, supporting records or other required information or to furnish the reports and information on a timely basis, Franchisee shall reimburse Franchisor for all costs of the audit or review including, without limitation, travel, lodging, wage expense and reasonable accounting and legal expense. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law.

10.3. **Management and Technology Systems.** Franchisor will specify or require that certain brands, types, makes, and/or models of communications, electronic equipment and hardware be used by Franchisee, including without limitation: (i) a "back office" computer that complies with Franchisors standards and specifications; (ii) the point of sale and kitchen display systems (the "POS Systems" and "KDS Systems") from Franchisor designated supplier; (iii) all-in-one printer, scanner and fax machine; and (iv) Internet access mode and speed (collectively, the "Management and Technology System"). Franchisor must purchase, use, and maintain any and all computer software programs ("Software") which Franchisor has developed or may develop and/or designate for use for the System, and will purchase such computer hardware as may be necessary for the efficient operation of the Software. Data, including names, addresses, contact information, and credit card or payment information of customers of the Franchised Business will be captured on the required software, and will become the joint property of Franchisee and Franchisor during the Term of this Agreement. Franchisee will provide Franchisor with any passwords necessary to access the business information for the Franchised Business that is stored on the required software and online. Franchisor may use such information to communicate directly to the customers of the Franchised Business, and to provide updates, information, newsletters, and special offers to the customers. Franchisee must upgrade and maintain the Management and Technology System in the Franchised Business, as required by Franchisor from time to time, and pay any fees associated with such upgrades. Upon expiration or termination of this Agreement, Franchisee shall have no further access or rights to the customer information and Franchisor shall be the sole owner of such information. Franchisee is required to participate in any System-wide computer network, intranet system, or extranet system that Franchisors implements and may be required by Franchisor to use such computer network, intranet system, or extranet system to, among other things: (i) submit all reports due under this Agreement to Franchisor on- line; (ii) view and print portions of or updates to the Manual; (iii) download approved local advertising materials; (iv) communicate with Franchisor and other System franchisees; and (v) complete training. Franchisees agree to use the facilities of any computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

10.4. **Data Security Safeguards**. Franchisee must use their best efforts to protect customers against identity theft, data breach or any other theft of personal information (a “Cyber Event”). Franchisee must reimburse Franchisor for any and all out-of–pocket costs incurred in responding to and remedying any Cyber Event Franchisee is responsible for. Franchisee must at all times maintain compliance with all applicable laws regarding data privacy, data security and security breaches and our security polices and guidelines that Franchisor may adopt and/or amend from time to time.

10.5. **Insurance.** Franchisee agrees to secure and maintain during the term of this Agreement, at its own cost, an insurance policy or policies protecting Franchisee and Franchisor and its affiliates against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the Franchised Business, including, but not limited to, comprehensive general liability insurance, property and casualty insurance, statutory workers’ compensation insurance, and umbrella liability insurance. In connection with this obligation, Franchisee agrees that:

A. Such policy or policies shall reflect industry standards, shall be written by a responsible carrier or carriers acceptable to Franchisor, shall name Franchisor and its affiliates as additional insureds (with the exception of any employer’s liability or workers’ compensation insurance), and shall provide at least the types and minimum amounts of coverage as are specified in the Operations Manual or Brand Standards Manual as modified by Franchisor from time to time. Franchisee understands and acknowledges that the amounts of coverage required by Franchisor are minimum amounts and do not represent a recommendation by Franchisor as to an appropriate amount of insurance coverage Franchisee should maintain for the Business. Franchisee further understands and acknowledges that it is Franchisee’s sole responsibility to determine the proper insurance coverage that is appropriate to protect Franchisee’s interests and that Franchisee should seek the consultation and advice of an independent insurance broker to assist Franchisee in making an informed determination.

B. At least 15 days prior to the opening of the Franchised Business and, thereafter, at least 30 days prior to the expiration of any such policy or policies, Franchisee shall deliver to Franchisor certificates of insurance evidencing the proper coverage with limits not less than those required hereunder, and all such certificates shall expressly contain endorsements requiring the insurance company to give Franchisor at least 30 days written notice in the event of material alteration to termination, non-renewal, or cancellation of, the coverages evidenced by such certificates and notice of any claim filed under such policy within 30 days after the filing of such claim.

C. If Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor or to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may, but need not, obtain such insurance coverage on behalf of Franchisee, and Franchisee shall pay to Franchisor on demand all costs incurred by Franchisor in connection with the placement of such insurance.

D. Franchisee’s obligation to obtain and maintain, or cause to be obtained and maintained, the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee’s performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 11.2 hereof. Notwithstanding the existence of such insurance, Franchisee, as agreed above, is and shall be responsible for all loss or damage and contractual liability to third persons originating from or in connection with the operation of the Franchised Business and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom.

E. Franchisee shall not permit any third-party sub-contractor to perform any work or offer any services on behalf of Franchisee in respect of the Franchised Business unless such sub-contractor maintains insurance coverage in such amounts and types as Franchisee is required to maintain under the provisions of this Section, and such insurance names Franchisor as an additional insured. Franchisee shall maintain evidence of such insurance by its subcontractors and provide such proof of insurance to Franchisor prior to the start of any on-site work at the Franchised Business.

11. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

11.1. **Independent Contractor**. The only relationship between Franchisor and Franchisee created by this Agreement is that of independent contractor. The business conducted by Franchisee is completely separate and apart from any business that may be operated by Franchisor and nothing in this Agreement shall create a fiduciary relationship between them or constitute either party as agent, legal representative, subsidiary, joint venturer, partner, employee, servant or fiduciary of the other party for any purpose whatsoever. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor, and Franchisee agrees to take such action including exhibiting a notice to that effect in such content, form and place as Franchisor may specify. It is further specifically agreed that Franchisee is not an affiliate of Franchisor and that neither party shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other party. Neither party shall be in any way responsible for any acts and/or omissions of the other, its agents, servants or employees and no representation to anyone will be made by either party that would create an implied or apparent agency or other similar relationship by and between the parties.

11.2. **Indemnification**. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, principals/owners, managers, shareholders, affiliates, subsidiaries, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement or in connection with the offer/sale of the Franchised Business prior to the execution of this Agreement, (b) ownership, construction, development, management, or operation of the Franchised Business in any manner; and/or (c) gross negligence or intentional misconduct. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense.

12. CONFIDENTIAL INFORMATION

12.1. **Franchisor's Confidential Information**.

A. Franchisee acknowledges and agrees that all information relating to the System and to the development and operation of the Franchised Business, including, without limitation, the Manual, Franchisor's training programs, recipes and supplier lists, or other information or know-how distinctive to a Pasta Di Guy franchise (all of the preceding information is referred to herein as the "Confidential Information") are considered to be proprietary and trade secrets of Franchisor. Franchisee agrees that all Confidential Information is to be held in the strictest of confidence during and after the term of this Agreement and is not to be divulged to anyone directly or indirectly at any time, except to Franchisee's Franchised Business employees, including any independent contractors, with a need to know the information in order to operate the Franchised Business. Upon Franchisor's request, Franchisee shall require the Franchised Business's employees and any independent contractors to execute a nondisclosure and non-competition agreement in a form satisfactory to Franchisor. Franchisee shall not acquire any interest in the Confidential Information other than the right to utilize it in the Franchised Business and agrees not to copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, nor otherwise make them available to any unauthorized person, nor use them in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee shall adopt and implement all reasonable procedures to prevent unauthorized use, duplication or disclosure of Franchisor's Confidential Information. If Franchisee or Franchisee's employees or any independent contractors learn about an unauthorized use of any trade secret or confidential materials, Franchisee must promptly notify Franchisor. Franchisor is not obligated to take any action but will respond to the information as it deems appropriate. If Franchisee at any time conducts, owns, consults with, is employed by or otherwise assists a similar or competitive business to that franchised hereunder, the doctrine of "inevitable disclosure" will apply, and it will be presumed that Franchisee is in violation of this covenant; and in such case, it shall be Franchisee's burden to prove that Franchisee is not in violation of this covenant.

B. Franchisee agrees that any new concept, process or improvement in the operation or promotion of the Franchised Business developed by or on behalf of Franchisee that relates to or enhances the System, or any aspect of Franchisor's business, shall be the sole property of Franchisor, and Franchisee shall promptly notify Franchisor and shall provide Franchisor with all necessary information and execute all necessary documents to memorialize said ownership, or, if necessary, Franchisee's assignment of such ownership to Franchisor, without compensation. Franchisee acknowledges that Franchisor may utilize or disclose such information to other Franchisees.

12.2. **No Other Interests.** Franchisee further acknowledges that Franchisor would be unable to protect its Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Pasta Di Guy franchisees if its franchisees were permitted to hold an interest in other fast casual restaurants and otherwise to compete with Franchisor. Therefore, during the term of this Agreement, Franchisee must comply with the competitive covenant provisions of Article 13 herein.

12.3. **<u>Injunctive Relief</u>.** Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of this Article 12. Franchisee acknowledges and agrees that any failure to comply with the requirements of this Article 12 will cause Franchisor irreparable injury for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to injunctive relief as specified in Section 16.5 herein to enforce the terms of this Article 12. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 12. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law.

13. <u>COVENANTS NOT TO COMPETE</u>

13.1. <u>Non-Competition Covenants of Franchisee</u>.

A. *During the Term of this Agreement*. Neither Franchisee, its principals, owners, or guarantors, nor any immediate family of Franchisee, its principals, owners, or guarantors ("Restricted Parties"), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with any (a) fast casual gourmet Italian cuisine restaurants, (b) any restaurant marketing or consulting business, (c) any business offering Approved Services of a similar nature to those of the Franchised Business, or (d) in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses described in subparts (a)-(c) of this Section (each, a "Competing Business"). Furthermore, the Restricted Parties shall not divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. *After the Term of this Agreement*.

(1) <u>Prohibition on Franchising</u>. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

(2) <u>Prohibition on Competing Businesses.</u> For two (2) years after the expiration, termination or non-renewal (by Franchisor or by Franchisee for any reason) of this Agreement or after Franchisee has assigned its interest in this Agreement, the Restricted Parties shall not own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with, any other Competing Business: (i) at the Approved Location; or (ii) within a ten (10) mile radius of (a) the Approved Location, or (b) any other Franchised Business or corporate location that is open, under lease or otherwise under development as of the date this Agreement expires or is terminated.

13.2. **<u>Non-Solicitation Covenants</u>.**

A. *During the Term of this Agreement*. Franchisee agrees not to (a) divert or seek to divert customers from another Franchised Business or System franchisee, or (b) employ or seek to employ any person employed by Franchisor or by any other franchisee of Franchisor, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment during the term of this Agreement, without first obtaining the consent of Franchisor or any other franchisee of Franchisor. Franchisee acknowledges that Franchisor has the right to offer to sell or to sell a Pasta Di Guy franchise to any employee of Franchisee.

B. *After the Term of this Agreement*. For two (2) years after the expiration, termination or non-renewal (by Franchisor or by Franchisee for any reason) of this Agreement or after Franchisee has assigned its interest in this Agreement, the Restricted Parties shall not: (i) solicit business from customers of Franchisee's former Franchised Business; (ii) contact any of Franchisor's suppliers or vendors for any competitive business purpose; or (iii) solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee, to discontinue employment.

13.3. **<u>Enforcement of Covenants</u>.**

A. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of the covenants in this Article 13. Franchisee acknowledges and agrees that in view of the nature of the System and the business of Franchisor, the restrictions contained in this Article 13 are reasonable and necessary to protect the legitimate interests of the System and Franchisor. Franchisee further acknowledges and agrees that Franchisee's violation of the terms of this Article 13 will cause irreparable injury to Franchisor for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to preliminary and permanent injunctive relief and damages, as well as, an equitable accounting of all earnings, profits, and other benefits arising from such violation, which remedies shall be cumulative and in addition to any other rights or remedies to which Franchisor shall be entitled. Franchisee agrees to waive any bond that may be required or imposed in connection with the issuance of any preliminary or provisional relief. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 13. If Franchisee violates any restriction contained in this Article 13, and it is necessary for Franchisor to seek equitable relief, the restrictions contained herein shall remain in effect until two (2) years after such relief is granted. If Franchisee contests the enforcement of Article 13 and enforcement is delayed pending litigation, and if Franchisor prevails, the period of non-competition shall be extended for an additional period equal to the period of time that enforcement of this Article 13 is delayed.

B. Franchisee agrees that the provisions of this covenant not to compete are reasonable. If, however, any court should find this Article 13 or any portion of this Article 13 to be unenforceable and/or unreasonable, the court is authorized and directed to reduce the scope or duration (or both) of the provision(s) in issue to the extent necessary to render it enforceable and/or reasonable and to enforce the provision so revised.

C. Franchisor shall have the right, in Franchisor's discretion, to reduce the scope of any covenant not to compete set forth in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee shall comply with any covenant as so modified.

14. TRANSFER OF INTEREST

14.1. **Franchisor's Approval Required.** All rights and interests of Franchisee arising from this Agreement are personal to Franchisee and except as otherwise provided in this Article 14, Franchisee shall not, without Franchisor's prior written consent, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, pledge or encumber its interest in this Agreement, in the license granted hereby, in the assets of the Franchised Business, any of its rights hereunder, or in the lease for the premises at which the Franchised Business is located, and any purported sale, assignment, transfer, pledge or encumbrances shall be null and void. If Franchisee is a corporation, limited liability, partnership, or an individual or group of individuals, any assignment (or new issuance), directly or indirectly, occurring as a result of a single transaction or a series of transactions that alters the percentage of ownership interest reflected in Section 17.3 of this Agreement must promptly be reported to Franchisor and is a "transfer" within the meaning of this Article 14.

14.2. **Conditions for Approval of Transfer.** Franchisor shall not unreasonably withhold its approval of a proposed transfer, provided that the prospective transferee, in Franchisor's reasonable judgment, is of good moral character and reputation, has no conflicting interests, has a good credit rating and sufficient and competent business experience, aptitude and financial resources acceptable to Franchisor's then-current standards for franchisees; and that the following conditions are met: (1) Franchisee pays Franchisor a transfer fee in an amount equal to the greater of $10,000 or twenty five percent (25%) of our then current franchise fee ; (2) Franchisee signs a prescribed form of general release in favor of Franchisor and related parties; (3) the Franchised Business and equipment must be upgraded, refurbished or repaired if Franchisor, in its sole discretion, decides it is necessary; and (4) the transferee (a) completes (or has its Operating Principal complete) the Initial Training.

14.3. **Permitted Transfers to a Corporation or LLC or Affiliate Company**. If Franchisee is an individual or partnership, and desires to assign and transfer its rights, assets and obligations under this Agreement to a corporation or limited liability company that is wholly-owned by Franchisee and formed for the convenience of ownership, it may do so without approval from Franchisor, and without payment of a transfer fee, so long as the terms and conditions of this Agreement remain unchanged, and the Franchisee shall own and control all of the equity and voting power of all issued and outstanding stock of the transferee corporation or all of the equity and voting power of the limited liability company and, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the corporation or limited liability company as he or she had in Franchisee prior to the transfer.

14.4. **Death or Disability of Franchisee**. In the event of the death or disability of Franchisee, if an individual, or of a stockholder of a corporate Franchisee, or of a partner of a Franchisee which is a partnership, or a member of a Franchisee which is a limited liability company, the transfer of Franchisee's or the deceased stockholder's, partner's or member's interest in this Agreement to his or her heirs, trust, personal representative or conservators, as applicable, must occur within six (6) months of the death or disability, but, shall not be deemed a transfer by Franchisee (provided that the responsible management employees or agents of Franchisee have been satisfactorily trained at Franchisor's Initial Training) nor obligate Franchisee to pay any transfer fee. If Franchisor determines (i) there is no imminent transfer to a qualified successor or (ii) there is no heir or other principal person capable of operating the Franchised Business, Franchisor shall have the right, but not the obligation, to immediately appoint a manager and commence operating the Franchised Business on behalf of Franchisee. Franchisee shall be obligated to and shall pay to Franchisor all reasonable costs and expenses for such management assistance, including without limitation, the manager's salary, room and board, travel expenses and all other related expenses of the Franchisor appointed manager. Operation of the Franchised Business during any such period shall be for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee or its owners for any debts, loses or obligations incurred by the Franchised Business, or to any creditor of Franchisee for any supplies, inventory, equipment, furniture, fixtures or services purchased by the Franchised Business during any period in which it is managed by a

Franchisor appointed manager. Franchisor may, in its sole discretion, extend the six (6) month period of time for completing a transfer contemplated by this Section.

14.5. **Relocation**. Except in cases when Franchisee is in default of its lease, Franchisee may identify a new Approved Location within the same site selection area in which the Franchised Business was located, subject to the written consent and approval of Franchisor.

14.6. **Transfer by Franchisor**. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity, directly or indirectly, by merger, assignment, pledge or other means.

15. DEFAULT AND TERMINATION OF AGREEMENT

15.1. **Termination of Franchise by Franchisor**. Franchisor shall have the right to terminate this Agreement for "good cause" upon delivering notice of termination to Franchisee. For purposes of this Agreement, "good cause" shall include, without limitation: (i) a material breach of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, (ii) intentional, repeated or continuous breach of any provision of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, and (iii) the breaches (and, if applicable, failure to cure such breaches) described below in this Section 15.

A. **Immediate Termination**. Franchisee shall be deemed to be in default and Franchisor may terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, and such termination shall be for good cause where the grounds for termination are:

1. Franchisee has made any material misrepresentation or omission in applying for the franchise or in executing or performing under this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates;

2. Franchisee becomes insolvent by reason of Franchisee's inability to pay debts as they become due, or makes an assignment for the benefit of creditors or makes an admission of Franchisee's inability to pay obligations as they become due;

3. Franchisee files a petition in bankruptcy, or an involuntary petition in bankruptcy is filed against Franchisee or a receiver is appointed for Franchisee's business, or a final judgment remains unsatisfied or of record for thirty (30) days or longer; or if Franchisee is a corporation, limited liability company or partnership, Franchisee is dissolved;

4. Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manual;

5. Franchisee or any of its principal officers, directors, partners or managing members is convicted of or pleads no contest to a felony or other crime or offense that adversely affect the reputation of the System or the goodwill associated with the Marks;

6. Franchisee makes an unauthorized direct or indirect transfer or attempted or purported transfer of this Agreement, or makes an unauthorized direct or indirect transfer or attempted or purported transfer of an ownership interest in the Franchise, or fails or refuses to transfer the Franchise or the interest in the Franchise of a deceased or disabled controlling owner thereof as required;

7. Franchisee falsifies any financial reports or records required to be provided by Franchisee to Franchisor under this Agreement;

8. Franchisee's: (i) disclosure, utilization, or duplication of any portion of the System, the Manual or other proprietary or Confidential Information relating to the Franchised Business that is contrary to the provisions of this Agreement; or (ii) material misuse of the Marks in any manner not expressly authorized by Franchisor;

9. Franchisee violates any health or safety law, ordinance or regulation or operates the Franchised Business in a manner that presents a health or safety hazard to its employees, customers or to the public;

10. Franchisee fails to obtain lawful possession of an Approved Location within three (months) or open the Franchised Business within twelve (12) months after this Agreement is accepted by Franchisor, unless Franchisor agrees otherwise in writing;

11. Franchisee defaults under the lease agreement or otherwise loses the right to possess the premises at the location at which the Franchised Business is located;

12. Franchisee fails to comply with the covenants not to compete as required in Article 13 herein; or

13. Franchisee permits the offer or sale of products and services other than the Approved Services at the Franchised Business in violation of the terms of this Agreement on two (2) or more occasions in any 24-month period, regardless of whether Franchisee subsequently cured the prior default(s); or

14. Franchisee, after curing a default pursuant to Section 15.1B herein, commits the same act of default again within any twelve (12) consecutive month period whether or not such default is cured after notice thereof is delivered to Franchisee, or if Franchisee received three (3) or more default notices from Franchisor within any twelve (12) consecutive monthly period whether or not such defaults were related to the same problem or were cured after notice thereof was delivered to Franchisee.

B. **Termination with Notice**. In addition to the provisions of Section 15.1A, if Franchisee shall be in default under the terms of this Agreement and the default shall not be cured or remedied (to Franchisor's satisfaction) within thirty (30) days after receipt of written notice from Franchisor (or 10 days' prior notice in the event of a default that is described in Subsections (6), (7) or (8) below), in addition to all other remedies available to Franchisor at law or in equity, Franchisor may immediately terminate this Agreement. If any such default is not cured within the specified cure period, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of the cure period. Franchisee shall be in default, and each of the following shall constitute good cause for termination under this Agreement:

1. Failure, refusal or neglect by Franchisee to obtain Franchisor's prior written approval or consent any time such approval or consent is required by this Agreement;

2. Franchisee's failure to comply with any provision of this Agreement that does not otherwise provide for immediate termination, or Franchisee's bad faith in carrying out the terms of this Agreement;

3. Failure by Franchisee to maintain books and financial records for the Franchised Business suitable for proper financial audit or failure by Franchisee to permit Franchisor to carry out its rights to conduct an inspection or audit as provided in this Agreement or failure by Franchisee to submit as required by this Agreement all reports, records and information of the Franchised Business;

4. Franchisee or management employee, fails to complete, to Franchisor's satisfaction, the Initial Training as provided in this Agreement;

5. Franchisee fails to pay when due any amount owing to Franchisor or its affiliates under this Agreement or any other agreement, or is unable to obtain adequate financing to cover all costs of developing, opening and operating the Franchised Business;

6. Franchisee fails to pay when due any amounts owing to any person or entity in connection with the construction, leasing, financing, operation or supply of the Franchised Business;

7. Franchisee closes any bank account without completing all of the following after such closing: (i) immediately notifying Franchisor in writing, (ii) immediately establishing another bank account, and (iii) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by electronic funds transfer;

8. Franchisee fails to maintain or suffers cancellation of any insurance coverage required under this Agreement;

9. Any transfer or attempted transfer by Franchisee or any partner, member or shareholder in Franchisee of any rights or obligations under this Agreement to any third party without the prior written consent of Franchisor;

10. Franchisee offers in conjunction with the operation of the Franchised Business products or services that have not been approved by Franchisor;

11. Franchisee fails to abide by the pertinent marketing and advertising requirements and procedures and participate in marketing programs for the business as established by Franchisor; or

12. Franchisee fails to comply with the Performance Standards as set forth in the provisions of this Agreement, as prescribed by Franchisor, or in the Manual, including, but not limited to, System Standards for cleanliness, customer service, equipment maintenance, and any other System Standards which effect or enhance the customers experience at the Franchised Business.

15.2. **Cross-Default.** If there are now, or hereafter shall be, other franchise agreements or any other agreements in effect between Franchisee and Franchisor and/or any of Franchisor's affiliates, a default by Franchisee under the terms and conditions of this or any other such agreement, shall at the option of Franchisor, constitute a default under all such agreements.

15.3. **Obligations of Franchisee upon Termination, Expiration or Non-Renewal.** Immediately upon termination, expiration or non-renewal of this Agreement for any reason:

A. All rights, privileges and licenses granted by Franchisor to Franchisee shall immediately cease and be null and void and of no further force and effect, and all such rights, privileges and licenses shall immediately revert to Franchisor;

B. Franchisee shall cease to be an authorized franchise owner hereunder, and shall immediately, at its own expense, remove all signs, obliterate or remove all letterheads, labels or any other item or form of identification that would in any way link or associate Franchisee, its goods and/or services with Franchisor, and shall immediately cease to use, in any manner, the Marks, System and any other copyrighted information or materials or any confidential information Franchisee obtained as a result of the franchise granted to Franchisee;

C. Franchisee shall immediately terminate all advertising and promotional efforts and any other act that would in any way indicate that Franchisee is or was ever an authorized Pasta Di Guy franchisee;

D. Franchisee shall cancel any assumed name of Franchisee or equivalent registration that contains any Proprietary Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination, expiration or non-renewal of this Agreement;

E. Franchisee agrees not to use any reproduction, counterfeit, copy, or colorable imitation of the Marks that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to use any trade dress or designation of origin or description or representation that falsely suggests or represents an association or connection with Franchisor;

F. Franchisee shall pay all sums owing to Franchisor and its approved suppliers for outstanding amounts owed under the Franchise Agreement and otherwise in connection with the Franchised Business. In the event of termination for any default of Franchisee, such sums shall include all damages, costs and expenses, including reasonable legal fees, incurred by Franchisor as a result of the default;

G. Franchisee shall comply with the covenants set forth in Articles 12 and 13 of this Agreement; and

H. Franchisee shall, at Franchisor's option, assign to Franchisor any interest that Franchisee has in any lease for the premises of the Franchised Business;

I. Franchisor shall have the option**,** exercisable by giving written notice thereof within thirty (30) days from the date of such termination, expiration or non-renewal to purchase any and all equipment, furniture, fixtures, signs, and supplies owned by Franchisee and used in the Franchised Business, at the lesser of (i) Franchisee's cost less depreciation computed on a reasonable straight line basis (as determined in accordance with generally accepted accounting principles and consistent with industry standards and customs) or (ii) fair market value of such assets, less(in either case) any outstanding liabilities of the Franchised Business. In addition, Franchisor shall have the option to assume Franchisee's lease for the lease location of the Franchised Business, or if an assignment is prohibited, a sublease for the full remaining term on the same terms and conditions as Franchisee's lease. No value will be attributed to the value of the Marks or the System or to the assignment of the lease (or sublease) for the premises or the assignment of any other assets used in conjunction with the Franchised Business, and Franchisor will not be required to pay any separate consideration for any such assignment or sublease. If the parties cannot agree on fair market value within thirty (30) days of Franchisor's notice of intent to purchase, fair market value shall be determined by an experienced, professional and impartial third party appraiser without regard to goodwill or going concern value, designated by Franchisor and acceptable to Franchisee, whose determination shall be final and binding on both parties. The cost of such appraisal shall be borne equally by Franchisor and Franchisee. If the parties cannot agree upon an appraiser one shall be appointed by the American Arbitration Association, upon petition of either party. Franchisor shall have the right to withhold from the purchase price funds sufficient to pay all outstanding debts and liabilities of Franchisee and the Franchised Business and to pay such debts and liabilities from such funds.

J. Termination, expiration or non-renewal of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether under this Agreement or otherwise, for any reason whatsoever, whether such claims or rights arise before or after termination.

15.4. **Franchisor's Rights and Remedies in Addition to Termination.**

A. If Franchisee shall be in default in the performance of any of its obligations or breach any term or condition of this Agreement, in addition to Franchisor's right to terminate this Agreement, and without limiting any other rights or remedies to which Franchisor may be entitled at law or in equity, Franchisor may, at its election, immediately or at any time thereafter, and without notice to Franchisee cure such default for the account of and on behalf f Franchisee including, without limitation, entering upon and taking possession of the Franchised Business and to taking in the name of Franchisee, all other actions necessary to effect the provisions of this Agreement and any such entry or other action shall not be deemed a trespass or other illegal act, and Franchisor shall not be liable in any manner to Franchisee for so doing, and Franchisee shall pay the entire cost thereof to Franchisor on demand, including reasonable compensation to Franchisor for the management of the Franchised Business.

B. As an alternative to Franchisor's exercising its rights under this Section 15, and only in the event of a premature termination of this Agreement, Franchisee shall pay Franchisor liquidated damages in an amount equal to the sum of the royalties paid to Franchisor for the twenty four (24) months prior to the termination of this Agreement; provided, however exercise of this right shall not preclude Franchisor's right to seek injunctive relief as outlined in Section 16.5. Franchisee's payment to Franchisor would not be a penalty for breaching this Franchise Agreement, but rather a reasonable estimate of the losses Franchisor would incur in the event of the closure of Franchisee's franchised business. Should Franchisor elect to enforce its right to liquidated damages under this Section, Franchisee's obligation to pay such damages would be in addition to Franchisee's obligations to (i) pay all amounts still owed to Franchisor, and (ii) adhere to Franchisee's other post-termination obligations. Franchisor's right to payment of liquidated damages would be in addition to all other post-termination remedies available to Franchisor under the law.

16. RESOLUTION OF DISPUTES

16.1. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to this state's conflict of laws principles. Notwithstanding the foregoing, the parties specifically agree and acknowledge that all claims, causes of actions or disputes related to Franchisee's covenants not to compete set forth in Section 13 of this Agreement, including the interpretation, validity and enforcement thereof, shall be governed by the laws of the state where the Franchised Business is located.

16.2. **Internal Dispute Resolution**. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's management and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

16.3. **Mediation**. At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 16.2 above, will be submitted first to mediation to take place at Franchisor's then-current corporate headquarters under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (a) any federally protected intellectual property rights in the Marks, the System, or in any Confidential Information or other confidential information; (b) any of the restrictive covenants contained in this Agreement; and (c) any of Franchisee's payment obligations under this Agreement.

16.4. **Mandatory Binding Arbitration**. Except as provided in Section 16.5 of this Agreement, Franchisee and Franchisor agree that any claim, dispute, suit, action, controversy, or proceeding of any type whatsoever including any claim for equitable relief and/or where either party is acting as a "private attorney general," suing pursuant to a statutory claim or otherwise, between or involving Franchisee and Franchisor on whatever theory and/or facts based and whether or not arising out of this Agreement (each, a "Claim") will be processed in the following manner:

A. Franchisee and Franchisor each expressly waives all rights to <u>any</u> court proceeding, except as expressly provided in Section 16.5 below;

B. All Claims shall be submitted to and resolved by binding arbitration that will take place at Franchisor's headquarters or other location that Franchisor designates in Pasco County, Florida, before and in accordance with the arbitration rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator shall be entered in any Court having jurisdiction thereof.

C. Franchisor and Franchisee agree that any arbitration between Franchisor and Franchisee shall be of Franchisee's individual claim and that the claim subject to arbitration shall not be arbitrated on a class-wide basis.

D. This arbitration provision shall be deemed to be self-executing, and in the event either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party notwithstanding said failure to appear.

E. In no event shall Franchisor be liable to Franchisee for punitive damages in any action arising out of or relating to this Agreement, or any breach, termination or cancellation hereof.

F. Any arbitration proceeding involving this Agreement or the Franchised Business generally, including all demands, other filings and evidence submitted in connection with such proceeding, must be kept strictly confidential by Franchisee and its representatives, unless Franchisor agrees otherwise in writing.

16.5. **Right to Injunctive Relief**. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) the prohibition of any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

16.6. **Choice of Forum.**

A. Franchisee acknowledges and agrees that this Agreement is entered into in Florida and that, subject to the requirements of Sections 16.4 and Section 16.5 above, any action brought by either party against the other for the purpose of enforcing the terms and provisions of this Agreement (provided such action is not subject to the arbitration proceeding pursuant to the terms of this Agreement or applicable law) shall be instituted solely in a state or federal court having subject matter jurisdiction thereof only in Florida in the judicial district in which Franchisor has its principal place of business and in no other court and that Franchisee irrevocably waives any objection Franchisee may have to the exclusive jurisdiction or the exclusive venue of such court.

B. If Franchisee institutes any arbitration or other legal proceedings in any venue or other court other than those specified, Franchisee shall assume all of Franchisor's costs in connection therewith, including, without limitation, food, travel, lodging expenses and reasonable attorney fees regardless of the outcome of such arbitration or legal proceedings.

C. Franchisee acknowledges that Franchisor may bring an action in any other court of competent jurisdiction to seek and obtain injunctive relief as set forth in Section 16.5 above, including to enforce Franchisee's non-compete obligations hereunder.

16.7. **Waiver of Punitive Damages**. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

16.8. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

16.9. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

16.10. **Attorneys' Fees and Costs.**

A. If legal action or arbitration is necessary to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to recover reasonable compensation for preparation, investigation, court costs, arbitration costs (if applicable) and reasonable attorneys' fees, from the non-prevailing party as fixed by an arbitrator or court of competent jurisdiction.

B. Separate and distinct from the right of a prevailing party to recover expenses, costs and fees in connection with any legal proceeding or arbitration, the prevailing party shall also be entitled to receive all expenses, costs and reasonable attorneys' fees incurred in connection with the enforcement of any arbitration award or judgment entered. Furthermore, the right to recover post-arbitration award and post-judgment expenses, costs and attorneys' fees shall be severable and shall survive any award or judgment and shall not be deemed merged into such judgment.

16.11. **No Withholding of Payments**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

16.12. **Limitation of Actions**. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after (a) the act, transaction or occurrence upon which such action is based, or (b) Franchisee becomes aware, or should have become aware after reasonable investigation, of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner. Any claim, action or other proceeding not brought against Franchisor or its affiliates within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

16.13. **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 16, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

17. MISCELLANEOUS PROVISIONS

17.1. **Severability**. Except as provided in Section 13.4, each article, section, paragraph, term and provision of this Agreement, or any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held by an arbitrator or by a court of competent jurisdiction to be unenforceable due to any applicable existing or future law or regulation, such portion shall not impair the operation of or have any effect upon, the remaining portions of this Agreement which will remain in full force and effect. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but, each shall be cumulative of every other right or remedy.

17.2. **Waiver and Delay**. No failure, refusal or neglect of Franchisor to exercise any right, power, remedy or option reserved to it under this Agreement, or to insist upon strict compliance by Franchisee with any obligation, condition, specification, standard or operating procedure in this Agreement, shall constitute a waiver of any provision of this Agreement and the right of Franchisor to demand exact compliance with this Agreement, or to declare any subsequent breach or default or nullify the effectiveness of any provision of this Agreement. Subsequent acceptance by Franchisor of any payment(s) due under this Agreement shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

17.3. **Designation of Responsible Parties**. Franchisee represents and warrants to Franchisor that the list below states: (i) the name, mailing address and equity interest of each person holding any shares or other form of ownership, or security interest convertible into an equity interest, in Franchisee, showing percentage of ownership held by each and (ii) the name and mailing address of the individual(s) who will be the Operating Principal(s) of the Franchised Business. Each Operating Principal named below has the authority to act for Franchisee in all matters relating to the Franchised Business granted hereunder, including voting responsibilities. Only those individuals who are party to this Agreement and have an ownership interest in the franchise entity may be listed as an Operating Principal. Franchisee shall promptly notify Franchisor of any change in any such information. Any change in the Operating Principal(s), or in ownership information of Franchisee, is subject to Article 14 and the training requirements of this Agreement:

Franchisee is a ☐ ____________________, organized under the laws of __________________________, or ☐ Franchisee is an individual or group of individuals, and hereby represents and warrants that the information stated below is true and accurate as of the date set forth below:

Shareholder, Partner, Member or Individual Name and Address	**Percentage of Ownership Interest**
______________________________	____________
______________________________	____________

Operating Principal (may also be referred to as the "Designated Operator" in the FDD):

____

17.4. **Franchisor's Discretion**. Except as otherwise specifically referenced herein, all acts, decisions, determinations, specifications, prescriptions, authorizations, approvals, consents and similar acts by Franchisor may be taken or exercised in the sole and absolute discretion of Franchisor, regardless of the impact upon Franchisee. Franchisee acknowledges and agrees that when Franchisor exercises its discretion or judgment, its decisions may be for the benefit of Franchisor or the Pasta Di Guy franchise network and may not be in the best interest of Franchisee as an individual franchise owner.

17.5. **Notices**.

A. All notices which the parties hereto may be required or permitted to give under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, postage paid, or by reliable overnight delivery service, addressed as follows:

If to Franchisor:

Pasta Di Guy Franchise, LLC
5359 Pine Bark Ln
Wesley Chapel 33543
Attention: Eyal Carmeli

If to Franchisee:

____
____
____

B. The addresses given for notices may be changed at any time by either party by written notice given to the other party as herein provided. Notices delivered by certified or registered mail shall be deemed to have been given three (3) business days after postmark by United States Postal Service, or the next business day after deposit with reliable overnight delivery service or when delivered by hand.

17.6. **<u>No Recourse Against Nonparty Affiliates</u>.** All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to this Agreement, but not including separate undertakings such as guarantees of performance, personal guaranties, or corporate guarantees), may be made only against (and are those solely of) the entities that are expressly identified as parties in the preamble to this Agreement ("Contracting Parties"). No Person who is not a Contracting Party, including without limitation any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any of the foregoing ("Nonparty Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Nonparty Affiliates, unless such liabilities, claims, causes of action, and obligations arise from deliberately fraudulent acts. Without limiting the foregoing, to the maximum extent permitted by law, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Nonparty Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Nonparty Affiliates with to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement. Nothing herein is intended to prevent a Contracting Party from pursuing any distinct legal rights it may have against a Nonparty Affiliate which arise from a separate document, such as a guaranty of performance, personal guaranty, corporate guaranty or similar agreement. Notwithstanding any other provision of this Agreement which limits the right of prospective Third-Party Beneficiaries, any Nonparty Affiliate may rely on this provision and enforce it against any Contracting Party or other Person or entity.

18. <u>ACKNOWLEDGMENTS</u>

18.1. THE SUBMISSION OF THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER AND THIS AGREEMENT SHALL BECOME EFFECTIVE ONLY UPON THE EXECUTION HEREOF BY THE FRANCHISOR AND THE FRANCHISEE. THE DATE OF EXECUTION BY THE FRANCHISOR SHALL BE CONSIDERED TO BE THE DATE OF EXECUTION OF THIS AGREEMENT.

18.2. THIS AGREEMENT <u>SHALL NOT</u> BE BINDING ON THE FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF THE FRANCHISOR.

18.3. FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COMPLETE COPY OF THIS AGREEMENT FOR A PERIOD NOT LESS THAN FOURTEEN (14) CALENDAR DAYS, DURING WHICH TIME FRANCHISEE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS LICENSED HEREUNDER TO THE EXTENT OF FRANCHISEE'S DESIRE TO DO SO. FRANCHISEE RECOGNIZES AND ACKNOWLEDGES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS, AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF THE FRANCHISEE AS AN INDEPENDENT BUSINESSPERSON. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, THAT FRANCHISEE WILL BE SUCCESSFUL IN THIS VENTURE OR THAT THE BUSINESS WILL ATTAIN ANY LEVEL OF SALES VOLUME, PROFITS, OR SUCCESS. FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT, THE FRANCHISE DISCLOSURE DOCUMENT ("FDD"), ATTACHMENTS, AND THE EXHIBITS HERETO CONSTITUTE THE ENTIRE AGREEMENT OF THE PARTIES. THIS AGREEMENT TERMINATES AND SUPERSEDES ANY PRIOR AGREEMENT BETWEEN THE PARTIES CONCERNING THE SAME SUBJECT MATTER. FRANCHISEE REPRESENTS, WARRANTS AND ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY INFORMATION NOT SPECIFICALLY DISCLOSED IN THE FDD IN MAKING ITS DETERMINATION TO ENTER INTO THIS AGREEMENT.

18.4. FRANCHISEE AGREES AND ACKNOWLEDGES THAT FULFILLMENT OF ANY AND ALL OF FRANCHISOR'S OBLIGATIONS WRITTEN IN THIS AGREEMENT OR BASED ON ANY ORAL COMMUNICATIONS WHICH MAY BE RULED TO BE BINDING IN A COURT OF LAW SHALL BE FRANCHISOR'S SOLE RESPONSIBILITY AND NONE OF FRANCHISOR'S AGENTS, REPRESENTATIVES, NOR ANY INDIVIDUALS ASSOCIATED WITH FRANCHISOR'S FRANCHISE COMPANY SHALL BE PERSONALLY LIABLE TO FRANCHISEE FOR ANY REASON. THIS IS AN IMPORTANT PART OF THIS AGREEMENT. FRANCHISEE AGREES THAT NOTHING THAT FRANCHISEE BELIEVES FRANCHISEE HAS BEEN TOLD BY FRANCHISOR OR FRANCHISOR'S REPRESENTATIVES SHALL BE BINDING UNLESS IT IS WRITTEN IN THIS AGREEMENT. THIS IS AN IMPORTANT PART OF THIS AGREEMENT. DO NOT SIGN THIS AGREEMENT IF THERE IS ANY QUESTION CONCERNING ITS CONTENTS OR ANY REPRESENTATIONS MADE.

19. ENTIRE AGREEMENT

This Agreement, the attachments and the documents referred to herein, and the exhibits hereto, constitute the entire and only agreement between the parties concerning the granting, awarding and licensing of Franchisee as an authorized Pasta Di Guy Franchisee at the location, and supersede all prior and contemporaneous agreements. There are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties other than those set forth herein. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement does not alter agreements between Franchisor and Franchisee for other locations. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations Franchisor made in the FDD that Franchisor furnished to Franchisee.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below to be effective upon execution by Franchisor.

"FRANCHISOR"	**"FRANCHISEE"**
Pasta Di Guy Franchise, LLC	If Franchisee is an individual:
By:_________________________	Signature: _______________________
	Date: __________________________
Title: _______________________	
	Signature: _______________________
Date: ___________________	Date: __________________________
	If Franchisee is a corporation or other entity:
	_______________________________ [Name of Franchisee]
	By: ____________________________
	Title: __________________________
	Date: __________________________
	By: ____________________________
	Title: __________________________
	Date: __________________________

ATTACHMENT A
FRANCHISEE-SPECIFIC TERMS

Effective Date:

Franchisee's Name(s):

Ownership of Franchise:
If the franchisee is a business entity (as defined in the Agreement), the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

Name	Percentage Ownership
[FRANCHISEE MEMBER 1]	%
[FRANCHISEE MEMBER 2]	%
[FRANCHISEE MEMBER 3]	%

Operating Principal:

Key Manager:

Franchise Fee:

Franchisee's Address, Phone, and Email:

Site Selection Area:
[Attach map or list of distinguishing territory features such as list of zip codes]

Signature Page for Attachment A (Franchisee-Specific Terms)

FRANCHISOR

Pasta Di Guy Franchise, LLC

By:__________________________________

Name:________________________________

Title:_________________________________

Date:_________________________________

FRANCHISEE

(IF ENTITY):

____
[Name]

By:__________________________________

Name:________________________________

Title:_________________________________

Date:_________________________________

(IF INDIVIDUALS):

____
[Signature]

____
[Print Name]

____
[Signature]

____
[Print Name]

Date:_________________________________

Schedule 1 to Attachment A of the Franchise Agreement
Franchisee-Specific Terms
(to be completed after site selection and acceptance)

1. Site: ____
____
____

Pasta Di Guy Franchise, LLC agrees that effective on the date specified below, (i) the address listed above is hereby accepted by us as the Site pursuant to the Franchise Agreement.

Pasta Di Guy Franchise, LLC:

By:___________________________________

Name:________________________________

Title:_________________________________

Date:_________________________________

Acknowledged and Agreed:
[Franchisee]

By:___________________________________

Name:________________________________

Title:_________________________________

Date:_________________________________

ATTACHMENT B
PERSONAL GUARANTEE OF OWNER/SHAREHOLDER

This Personal Guarantee and Assumption of Obligations (this "Guarantee") is given this [DD MONTH YYYY], by [INDIVIDUAL OWNER NAME].

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith ("Franchise Agreement") by Pasta Di Guy Franchise, LLC ("Franchisor"), a Florida limited liability company, and [FRANCHISEE ENTITY], a [STATE AND FRANCHISEE ENTITY TYPE] ("Franchisee"), the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and, including any renewal thereof, as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Franchise Agreement (collectively, the "Franchise Documents"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

- acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
- notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- protest and notice of default to any party with respect to the indebtedness of non-performance of any obligations hereby guaranteed;
- any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

- the undersigned's direct and immediate liability under this Guarantee shall be joint and several with all signatories to this and similar guaranties of Franchisee's obligations;
- the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;
- this Guarantee shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
- such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

- such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guarantee, which shall be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Franchise Agreement.

This Guarantee shall be governed, construed, and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature as dated below.

GUARANTOR

____
[GUARANTOR NAME]

DATE:

ATTACHMENT C

FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

DO NOT SIGN THIS STATEMENT IF YOU ARE A RESIDENT OF, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE).

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH PROSPECTIVE FRANCHISEE IS NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, Pasta Di Guy Franchise, LLC ("we", "us"), and you are preparing to enter into a franchise agreement for the right to operate a Pasta Di Guy franchise (each, a "Business"). The purpose of this questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay us the appropriate franchisee fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes/No ____ 1. Have you received and personally reviewed the Franchise Agreement, as well as each exhibit or schedule attached to these agreements that you intend to enter into with us?

Yes/No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes/No ____ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes/No ____ 4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

Yes/No ____ 5. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Business(es) with these professional advisor(s)?

Yes/No ____ 6. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Yes/No ____ 7. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the System mark or any other mark at any location outside your Territory under the Franchise Agreement, without regard to the proximity of these activities to the premises of your Business(es)?

Yes/No ____ 8. Do you understand all disputes or claims you may have, arising from, or relating to the Franchise Agreement must be mediated and/or arbitrated, at our option, at our then-current headquarters?

Yes/No ____ 9. Do you understand the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential, or other special damages?

Yes/No ____ 10. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?

Yes/No ____ 11. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Principal Executive(s) (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Business to open or consent to a transfer of that Business?

Yes/No ____ 12. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Yes/No ____ 13. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises (other than those that you timely fulfill your development obligations and have contracted to open under the Area Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Yes/No ____ 14. Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Business or home address until you designate a different address by sending written notice to us?

Yes/No ____ 15. Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Yes/No ____ 16. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes/No ____ 17. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the actual, average, or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes/No ____ 18. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes/No ____ 19. Is it true that no broker, employee, or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property, or services from you in connection with a Business purchase with exception of those payments or loans provided in the Disclosure Document?

GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS PAGE (REFER TO QUESTION NUMBER)

[Signature page follows]

FOR MARYLAND FRANCHISEES: ALL REPRESENTATIONS REQUIRING PROSPECTIVE FRANCHISEES TO ASSENT TO A RELEASE, ESTOPPEL, OR WAIVER OF LIABILITY ARE NOT INTENDED TO NOR SHALL THEY ACT AS A RELEASE, ESTOPPEL, OR WAIVER OF ANY LIABILITY INCURRED UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

FRANCHISEE APPLICANT(S):
(add signature lines as necessary)

Signature:

Name:

Title:

Date:

EXHIBIT F

AREA DEVELOPMENT AGREEMENT
WITH ATTACHMENTS

AREA DEVELOPMENT AGREEMENT

between

Pasta Di Guy Franchise, LLC

and

____

FRANCHISEE

TABLE OF CONTENTS

ATTACHMENTS

PASTA DI GUY

AREA DEVELOPMENT AGREEMENT

THIS AGREEMENT (this **"Agreement"**) is made and entered into as of the date set forth on Attachment A of this Agreement (the **"Effective Date"**) (Attachment A and all appendices and schedules attached to this Agreement are hereby incorporated by this reference) between Pasta Di Guy Franchise, LLC ("**Franchisor**," "**we**," "**us**" or "**our**") and the person or entity identified on Attachment A as the franchisee (**"Franchisee"** or "**you**") with its principal place of business as set forth on Attachment A.

RECITALS

A. We and you have entered into a certain Franchise Agreement dated the same date as this Agreement (the **"Initial Franchise Agreement"**), in which we have granted you the right to establish and operate one Pasta Di Guy restaurant (a **"Franchised Business"**).

B. We desire to grant you the exclusive right to establish and operate a specified number of Franchised Businesses within a specified geographical area in accordance with a development schedule.

C. If you are a corporation, limited liability company, partnership, or other entity (collectively, an **"Entity"**), all of your owners of a legal and/or beneficial interest in the Entity (the **"Owners"**) are listed on Attachment A of this Agreement (Attachment A and all other appendices hereto being hereby incorporated herein by reference).

D. You desire to establish and operate additional Franchised Businesses upon the terms and conditions contained in our then-current standard franchise agreements (a **"Franchise Agreement,"** the current form of which is attached hereto as Attachment B).

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant of Development Rights and Development Area.

Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to establish and operate in the area designated on Attachment A to this Agreement (the **"Development Area"**) the number of Franchised Businesses specified in the development schedule in Attachment A (the **"Development Schedule"**). This Agreement does not grant you any right to use the Marks (as defined in your Initial Franchise Agreement) or the System (as defined in your Initial Franchise Agreement). Rights to use the Marks and the System are granted only by the Franchise Agreements.

2. **Fees**.

Upon execution of this Agreement, you must pay us a development fee in the amount specified on Attachment A (the **"Development Fee"**), which is based on the initial franchise fee you must pay for each Franchised Business that you develop (the **"Franchise Fee,"** which is also specified on Attachment A). The Development Fee will be credited towards 100% of the Franchise Fee due under the Franchise Agreement for each Franchised Business that you develop pursuant to this Agreement. The Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not comply with the Development Schedule.

3. **Development Schedule**.

3.1 Deadlines. You must enter into Franchise Agreements and open and operate Franchised Businesses in accordance with the deadlines set forth in the Development Schedule. By each **"Opening Deadline"** specified in the Development Schedule, you must have the specified number of Franchised Businesses open and operating. You must locate the Franchised Businesses only at sites that we have accepted in accordance with the terms of the applicable Franchise Agreement.

3.2 Damaged Franchised Businesses. If a Franchised Business is destroyed or damaged by any cause beyond your control such that it may no longer continue to be open for the operation of business, you must immediately give us notice of such destruction or damage (**"Destruction Event"**). You must diligently work to repair and restore the Franchised Business to our approved plans and specifications as soon as possible at the same location or at a substitute site accepted by us within the Development Area. If a Franchised Business is closed due to a Destruction Event, the Franchised Business will continue to be deemed a "Franchised Business in operation" for the purpose of this Agreement for up to 180 days after the Destruction Event occurs. If a Franchised Business (i) is closed in a manner other than those described in this Section 3.2 or as otherwise agreed by us in writing or (ii) fails to reopen within 180 days after a Destruction Event, then we may exercise our rights under Section 6.2 (Our Remedies).

4. **Development Area**.

4.1 Development Area. Except as provided in this Section 4.1, while this Agreement is in effect, provided that you open and operate the Franchised Businesses in accordance with the Development Schedule and the minimum number of Franchised Businesses that you have open and operating in the Development Area at any given time is not less than the minimum required pursuant to the Development Schedule, we will not operate, or license any person other than you to operate, a Franchised Business under the Marks (as defined in your Initial Franchise Agreement) and the System (as defined in your Initial Franchise Agreement) within the Development Area.

4.2 No Other Restriction On Us. Except as expressly provided in Section 4.1 or any other agreement between the parties, we and our affiliates retain the right, in our sole discretion, to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Franchised Businesses. For example, we and our affiliates have the right to:

(a) Establish or license franchises and/or company-owned Franchised Businesses or other Franchised Businesses or businesses offering similar or identical products, services, using the System or elements of the System (i) under the Marks anywhere outside of the Development Area or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Development Area;

(b) Sell or offer, or license others to sell or offer, any products, services, using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, or in retail stores, anywhere, including inside and outside of the Development Area;

(c) Advertise, or authorize others to advertise anywhere, using the Marks;

(d) Acquire, be acquired by, or merge with other companies with fast causal gourmet Italian restaurants, businesses, and/or Franchised Businesses anywhere (including inside or outside of the Development Area) and, even if such businesses are located in the Development Area, (i) convert the other businesses to the "PASTA DI GUY" name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Franchised Businesses to such other name; and

(e) Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

5. Term.

This Agreement expires at midnight on the last Opening Deadline date listed on the Development Schedule, unless this Agreement is terminated sooner as provided in other sections of this Agreement.

6. Termination.

6.1 Events of Default. Any one or more of the following constitutes an **"Event of Default"** under this Agreement:

(a) You fail to have open and operating the minimum number of Franchised Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule;

(b) An Event of Default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or

(c) You breach or otherwise fail to comply fully with any other provision contained in this Agreement, including Section 8 (Franchisee's Covenant Not to Compete).

6.2 Our Remedies. If any Event of Default occurs under Section 6.1, we may, at our sole election: (i) declare this Agreement and any and all other rights granted to you under this Agreement to be immediately terminated and of no further force or effect; (ii) terminate any exclusive or territorial rights that you may have within the Development Area or otherwise under this Agreement; and/or (iii) exercise any other remedy we may have in law or equity as a result of an Event of Default hereunder. Upon termination of this Agreement for any other reason whatsoever, we will retain the Development Fee and you will not be relieved of any of your obligations, debts, or liabilities hereunder, including without limitation any debts, obligations, or liabilities which have accrued prior to such termination. All rights and remedies of the parties hereto shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement. The rights and remedies of the parties hereto shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or early termination of this Agreement shall not discharge or release you from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration or early termination of this Agreement. Notwithstanding anything to the contrary herein, a termination of this Agreement resulting from your failure to open and thereafter operate Franchised Businesses in accordance with the Development Schedule will not, in itself, constitute cause for us to terminate any previously executed Franchise Agreement in effect at the time of such termination.

7. Assignment; Our Right of First Refusal.

7.1 Rights Personal to You. This Agreement and the rights granted to you under this Agreement are personal to you and neither this Agreement, nor any of the rights granted to you hereunder nor any controlling equity interest in you may be voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, assigned or otherwise transferred, given away, or encumbered by you without our prior written approval, which we may grant or withhold for any or no reason.

7.2 Our Right of First Refusal.

(a) If you receive, and desire to accept, from a third party a bona fide offer to transfer any of your rights in this Agreement, you shall promptly notify us in writing and send us an executed copy of the contract of transfer. We shall have the right and option, exercisable within thirty (30) days after actual receipt of such notification or of the executed contract of transfer which shall describe the terms of the offer, to send written notice to you that we intend to purchase your interest on the same terms and conditions offered by the third party.

(b) Closing on the purchase must occur within sixty (60) days from the date of notice by us to you of our election to purchase. If we elect not to accept the offer within the thirty (30) day period, you shall have a period not to exceed sixty (60) days to complete the transfer subject to our approval of the third-party transferee of your rights, which may be withheld in our sole discretion. Any material change in the terms of any offer before closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of an initial offer.

(c) Our failure or refusal to exercise the option afforded by this Section 7 shall not constitute a waiver of any other provision of this Agreement.

(d) If the offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent, or any publicly-traded securities, including its own, or intangible benefits similar to those being offered. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the offer, then such amount shall be determined by an independent appraiser designated by us, and such appraiser’s determination shall be binding.

7.3 Our Rights to Assign Unrestricted. We may assign this Agreement or any ownership interests in us without restriction.

8. **Franchisee's Covenant Not to Compete**.

8.1 Non-Competition. You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Pasta Di Guy franchises, if franchise owners of Pasta Di Guy franchises were permitted to hold interests in any competitive businesses (as described below). You further acknowledge that the following restraints are fair and reasonable, are required for the protection of our legitimate business interests, and do not impose any undue hardship on you. Therefore, during the Term, neither you, nor any Owner, nor any member of your immediate family or of the immediate family of any Owner, shall directly or indirectly have any direct or indirect interest as an owner, investor, partner, director, officer, employee, manager, consultant, representative, or agent in any business that offers products or services the same as or similar to those offered or sold at Pasta Di Guy franchises; provided, however, that the ownership of 1% or less of a publicly traded company will not be deemed to be prohibited by this Section 8.1. Your duties and obligations under this Section 8 shall survive for 2 years following any termination, expiration or approved transfer of this Agreement; provided, however, that following such termination, expiration, or approved transfer of this Agreement, this covenant shall only apply with respect to a competitive business that has a place of business located within a 10 mile radius of the: (i) the Development Area; and (ii) the location of any Franchised Business that is under development or in operation as of the date of such termination, whether developed and opened by us, you, or another franchisee.

8.2 Covenants of Others. The Owners personally bind themselves to this Section 8 by signing the Guarantee that is attached as Attachment B to this Agreement. You must also obtain from your officers, directors, managers, instructors, Owners' spouses, Key Managers (as defined in the Initial Franchise Agreement) and other individuals that we may designate executed agreements containing nondisclosure and non-compete covenants similar in substance to those contained in this Section 8 as we prescribe in the Manuals and otherwise. The agreements must be in a form acceptable to us and specifically identify us as having the independent right to enforce them.

8.3 Enforcement of Covenants. You acknowledge and agree that (i) the time, territory and scope of the covenants provided in this Section 8 are reasonable and necessary for the protection of our legitimate business interests; (ii) you have received sufficient and valid consideration in exchange for those covenants; (iii) enforcement of the same would not impose undue hardship; and (iv) the period of protection provided by these covenants will not be reduced by any period of time during which you are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that this Section 8 is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time but may be made enforceable by reductions of any or all thereof, the same will be enforced to the fullest extent permissible. You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Section 8. You acknowledge that any breach or threatened breach of this Section 8 will cause us irreparable injury for which no adequate remedy at law is available, and you consent to the issuance of an injunction prohibiting any conduct violating the terms of this Section 8. Such injunctive relief will be in addition to any other remedies that we may have.

9. **Incorporation of Other Terms**.

All Articles of the Initial Franchise Agreement are incorporated by reference in this Agreement and will govern all aspects of our relationship and the construction of this Agreement as if fully restated within the text of this Agreement.

10. **<u>Miscellaneous</u>.**Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Initial Franchise Agreement. This Agreement, together with the Initial Franchise Agreement, supersedes all prior agreements and understandings, whether oral and written, among the parties relating to its subject matter, and there are no oral or other written understandings, representations, or agreements among the parties relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document that we delivered to you or your representatives. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

[Signature page follows]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR
Pasta Di Guy Franchise, LLC

By:___________________________________

Name:________________________________

Title:_________________________________

Date:_________________________________

FRANCHISEE
(IF ENTITY):

____
[Name]

By:___________________________________

Name:________________________________

Title:_________________________________

Date:_________________________________

(IF INDIVIDUALS):

Signature: _____________________________

Print Name: ___________________________

Date: _____________________________

Signature: _____________________________

Print Name: ___________________________

Date: _____________________________

Signature: _____________________________

Print Name: ___________________________

Date: _____________________________

Signature: _____________________________

Print Name: ___________________________

Date: _____________________________

Attachment A to the Area Development Agreement

FRANCHISEE SPECIFIC TERMS

1. **Effective Date (First Paragraph):**

2. **Franchisee's Name:**

3. **Franchisee's State of Organization** *(if applicable):*

4. **Development Area (Section 1):** *[provide list of counties or zip codes which make up the Development Area] [attach map if necessary]*

5. **Total Development Fee (Section 2):**

6. **Franchise Fee for each Franchised Business enter developed pursuant to this Development Agreement (Section 2):**

7. **Development Schedule (Section 3)**: You agree to establish and operate a total of _______ Franchised Businesses within the Development Area during the term of this Agreement. The Franchised Businesses must be open and operating in accordance with the following Development Schedule:

MINIMUM NUMBER OF FRANCHISED BUSINESSS The minimum number of Franchised Businesses open and operating by each Opening Deadline	**OPENING DEADLINE** Deadline for having the minimum number of Franchised Businesses open and operating (Month Date, Year)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
	___________________________ (the Expiration Date of the Agreement)

8. **Ownership of Franchisee (Recital C)**: If the franchisee is an Entity, the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

Name	Percentage Ownership
___________________________________	_______%
___________________________________	_______%
___________________________________	_______%
___________________________________	_______%

9. **Other Terms:**

[Signature page follows]

Signature Page to Attachment A – Franchisee Specific Terms

FRANCHISOR
Pasta Di Guy Franchise, LLC

By:__________________________________

Name:________________________________

Title:_________________________________

Date:_________________________________

FRANCHISEE
(IF ENTITY):

____
[Name]

By:____________________________________

Name:__________________________________

Title:___________________________________

Date:___________________________________

(IF INDIVIDUALS):

Signature: ______________________________

Print Name: ____________________________

Date: ______________________________

Signature: ______________________________

Print Name: ____________________________

Date: ______________________________

Signature: ______________________________

Print Name: ____________________________

Date: ______________________________

Signature: ______________________________

Print Name: ____________________________

Date: ______________________________

ATTACHMENT B TO THE AREA DEVELOPMENT AGREEMENT

PAYMENT AND PERFORMANCE GUARANTEE

In order to induce Pasta Di Guy Franchise, LLC ("Franchisor") to enter into an Area Development Agreement (the "Development Agreement") by and between Franchisor and the Franchisee named in the Development Agreement dated ____________________ to which this Payment and Performance Guarantee (the "Guarantee") is attached ("Franchisee"), the undersigned (collectively referred to as the "Guarantors" and individually referred to as a "Guarantor") hereby covenant and agree as follows:

1. **Guarantee of Payment and Performance.** The Guarantors jointly and severally unconditionally guarantee to Franchisor and its affiliates the payment and performance when due, whether by acceleration or otherwise, of all obligations, indebtedness, and liabilities of Franchisee to Franchisor, direct or indirect, absolute or contingent, of every kind and nature, whether now existing or incurred from time to time hereafter, whether incurred pursuant to the Development Agreement or otherwise, together with any extension, renewal, or modification thereof in whole or in part (the "Guaranteed Liabilities"). The Guarantors agree that if any of the Guaranteed Liabilities are not so paid or performed by Franchisee when due, the Guarantors will immediately do so. The Guarantors further agree to pay all expenses (including reasonable attorneys' fees) paid or incurred in endeavoring to enforce this Guarantee or the payment of any Guaranteed Liabilities. The Guarantors represent and agree that they have each reviewed a copy of the Development Agreement and have had the opportunity to consult with counsel to understand the meaning and import of the Franchise Agreement and this Guarantee.

2. **Waivers by Guarantors.** The Guarantors waive presentment, demand, notice of dishonor, protest, and all other notices whatsoever, including without limitation notices of acceptance hereof, of the existence or creation of any Guaranteed Liabilities, of the amounts and terms thereof, of all defaults, disputes, or controversies between Franchisor and Franchisee and of the settlement, compromise, or adjustment thereof. This Guarantee is primary and not secondary and will be enforceable without Franchisor having to proceed first against Franchisee or against any or all of the Guarantors or against any other security for the Guaranteed Liabilities. This Guarantee will be effective regardless of the insolvency of Franchisee by operation of law, any reorganization, merger, or consolidation of Franchisee, or any change in the ownership of Franchisee.

3. **Term: No Waiver.** This Guarantee will be irrevocable, absolute, and unconditional and will remain in full force and effect as to each of the Guarantors until the later of (i) such time as all Guaranteed Liabilities of Franchisee to Franchisor and its affiliates have been paid and satisfied in full, or (ii) the Development Agreement and all obligations of Franchisee thereunder expire. No delay or failure on the part of Franchisor in the exercise of any right or remedy will operate as a waiver thereof, and no single or partial exercise by Franchisor of any right or remedy will preclude other further exercise of such right or any other right or remedy.

4. **Other Covenants.** Each of the Guarantors agrees to comply with the provisions of Section Sections 4 (Trademark), 10 (Financial Reports, Audits, Management and Technology System and Insurance Requirements), 11 (Relationship of the Parties; Indemnification), 12 (Confidential Information), and 13 (Covenant Not to Compete) of the Initial Franchise Agreement as though each such Guarantor were the "Franchisee" named in the Initial Franchise Agreement and agrees that the undersigned will take any and all actions as may be necessary or appropriate to cause Franchisee to comply with the Development Agreement and will not take any action that would cause Franchisee to be in breach of the Development Agreement.

5. **Dispute Resolution.** Section 16 (Resolution of Disputes) of the Initial Franchise Agreement is hereby incorporated herein by reference and will be applicable to any all disputes between Franchisor and any of the Guarantors, as though Guarantor were the "Franchisee" referred to in the Initial Franchise Agreement.

6. **Miscellaneous.** This Agreement will be binding upon the Guarantors and their respective heirs, executors, successors, and assigns, and will inure to the benefit of Franchisor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned Guarantors have caused this Guarantee to be duly executed as of the day and year first above written.

By:____

Print Name:_________________________________

By:____

Print Name:_________________________________

By:____

Print Name:_________________________________

By:____

Print Name:_________________________________

EXHIBIT G

FORM OF GENERAL RELEASE

GENERAL RELEASE OF CLAIMS

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release of Claims ("Release") is made as of the date signed below, by the individual or entity listed below as franchisee ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Pasta Di Guy Franchise, LLC ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Pasta Di Guy business;

WHEREAS, [Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement] OR [the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release], and Franchisor has consented to such; and

WHEREAS, as a condition to Franchisor's consent, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the state where the Franchised Business is located.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

[Signature Page follows]

<u>Signature Page to General Release Form</u>

IN WITNESS WHEREOF, Releasor has executed this Release as of the date signed below.

FRANCHISEE:

[FRANCHISEE]

By:

Name:

Title:

Date:

FRANCHISEE'S OWNERS:
(add more lines signature lines as necessary)

Signature:

Name:

Date:

Signature:

Name:

Date:

EXHIBIT H

FORM OF NONDISCLOSURE AND NONCOMPETE AGREEMENT

[THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE.]

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

[Sample ONLY]

This Agreement (the "Agreement") is entered into by the undersigned ("you") in favor of:

[On the Line Below, Insert Name of Franchisee that Owns and Operates the [Pasta Di Guy Franchise, LLC] Franchised Business]

____ (hereinafter referred to as "us", "our" or "we")

Recitals and Representations

WHEREAS, we are the owners of a licensed Pasta Di Guy Business (hereinafter referred to as the "Pasta Di Guy Business") that we independently own and operate as a franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a Pasta Di Guy Business that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, our franchisor, Pasta Di Guy Franchise, is not a party to this agreement and does not own or manage the Pasta Di Guy Business but is an intended third-party beneficiary of this Agreement; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the Pasta Di Guy Business.

NOW THEREFORE, you acknowledge and agree as follows:

1. Recitals and Representations. You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

2. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Business Management System" refers to and means the software and/or internet or cloud-based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the Pasta Di Guy Business.

"Business Management System Data" refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the Pasta Di Guy Business.

“Confidential Information” refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of the Pasta Di Guy Business; (b) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the Pasta Di Guy Business; (c) customer lists and information related to the Pasta Di Guy Business; (d) Business Management System Data; I current and future information contained in the Pasta Di Guy Operations Manual made available to the Pasta Di Guy Business by Pasta Di Guy Franchise, LLC; and (e) recipes, production, cooking, and service procedures that are not disclosed to the public but used by the Pasta Di Guy Business.

“*Digital Media*” refers to and means any interactive or static electronic document, application or media including, but not limited to, www.pastadiguy.com, social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snapchat, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to the Pasta Di Guy Business or other Pasta Di Guy Businesses.

“Licensed Marks” refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a Pasta Di Guy Business, including, but not limited to, the “Pasta Di Guy” word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a Pasta Di Guy Business.

“Operations Manual” refers to and means the confidential operations manual made available to the Pasta Di Guy Business by our franchisor or as otherwise designated by us. The Operations Manual may consist of one of more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet-based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced, or supplemented.

“Trade Dress” refers to and means the Pasta Di Guy designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the Pasta Di Guy Business.

3. Your Access to Confidential Information. In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of the Pasta Di Guy Business that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

4. Protection of the Confidential Information. You agree that: (i) you will not use the Confidential Information in any business or capacity other than the Pasta Di Guy Business; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

5. Reasonableness of Covenants and Restrictions. You agree that: (i) the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable, or otherwise unenforceable.**

6. Breach. You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us and to our franchisor, Pasta Di Guy Franchise, LLC, and other Pasta Di Guy Franchise, LLC franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us or our franchisor, Pasta Di Guy Franchise, LLC, to injunctive relief. You agree that we and/or our franchisor, Pasta Di Guy Franchise, LLC, may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you agree that the amount of the bond shall not exceed one thousand dollars ($1,000.00). None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages.

7. Miscellaneous.

(a) If we hire an attorney or files suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

(b) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.

YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, PASTA DI GUY FRANCHISE, LLC, IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD-PARTY BENEFICIARY OF THIS AGREEMENT.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

RESTRICTED PARTY OR PARTIES

Signature:

Name:

Date:

Signature:

Name:

Date:

EXHIBIT I

STATE SPECIFIC ADDENDA

The following modifications are made to this Disclosure Document given to you and may supersede, to the extent then-required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated as of the Effective Date set forth in your Franchise Agreement. When the term "Franchisor's Choice of Law State" is used, it means the laws of the state of Florida, subject to any modifications as set forth in the addenda below. When the term "Supplemental Agreements" is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. These State Specific Addenda ("Addenda") modify the agreements to comply with the state's laws. The terms of these Addenda will only apply if you meet the requirements of the applicable state, independent of your signing the appropriate Addenda. The terms of the Addenda will override any inconsistent provision in the FDD, Franchise Agreement, or any Supplemental Documents. These Addenda are only applicable to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign the signature page to the Addenda along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT dfpi.ca.gov.

ITEM 3 – LITIGATION

Neither the Franchisor, nor any person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

ITEM 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

2. The Franchise Agreement provides for termination upon bankruptcy, this provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).

3. The Franchise Agreement and the Development Agreement contain provisions requiring application of the laws of Florida. This provision may not be enforceable under California law.

4. The Franchise Agreement and the Development Agreement require venue to be limited to Florida. This provision may not be enforceable under California law.

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination or non-renewal of the franchise. This provision may not be enforceable under California law.

6. THE FRANCHISE AGREEMENT MAY REQUIRE THE FRANCHISEE TO EXECUTE A GENERAL RELEASE OF CLAIMS UPON EXECUTION OF THE FRANCHISE AGREEMENT. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your Franchise Agreement or the Development Agreement.

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

9. The Franchise Agreement and any Area Development Agreement require binding arbitration. The arbitration will occur in Florida. If we are the substantially prevailing party, we will be entitled to recover reasonable attorneys' fees and litigations costs and expenses in connection with the arbitration. Prospective

franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

10. 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.

HAWAII

The following paragraphs are added in the state cover pages:

THESE FRANCHISES WILL HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS ADDENDUM AND THE DISCLOSURE DOCUMENT CONTAIN A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the Franchise Disclosure Document for Pasta Di Guy Franchise, LLC in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

> This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Addendum to the disclosure document.

ILLINOIS

Illinois law governs the Disclosure Document and Franchise Agreement(s).

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

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

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

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INDIANA

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement and Area Development Agreement will be governed by Indiana law. Venue for litigation will not be limited to a venue outside of the State of Indiana, as specified in the Franchise Agreement and Area Development Agreement.

2. The prohibition by Indiana Code 23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede any conflicting provisions of the Franchise Agreement and the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. The post-termination non-competition covenants set forth in the Franchise Agreement and Area Development Agreement shall be limited in time to a maximum of three (3) years and in geographic scope to the designated territory granted by the Agreement.

5. Nothing in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede any conflicting choice of law provisions set forth herein if such provision is in conflict with Indiana law.

6. You will not be required to indemnify us and the other Indemnities for any liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.

7. If we receive any payments related to purchases from you that we do not pass on in full to the supplier, we will promptly account for the amount of the payment that we retained and we will transmit the retained amount to you.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

____________________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Pasta Di Guy Franchise, LLC at 5359 Pine Bark Ln, Wesley Chapel, Florida 33543 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

FRANCHISEE

Signed:

Name:

Date:

MARYLAND

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document, Franchise Agreement or Area Development Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

Item 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. No release language in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Any general release required as a condition of renewal, sale and/or assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the franchise.

3. The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value, at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised 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, marketing, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.[1]

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

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

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

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

[1]NOTE: Notwithstanding paragraph (f) above, we intend to fully enforce the provisions of the arbitration section of our agreements. We believe that paragraph (f) is preempted by the Federal Arbitration Act and that paragraph (f) is therefore unconstitutional.

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

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

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

*****

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

*****

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor must, at the request of the franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

*****

The name and address of the franchisor's agent in this state authorized to receive service of process is: Michigan Department of Commerce, Corporation and Securities Bureau, 6546 Mercantile Way, P.O. Box 30222, Lansing, MI 48910.

Any questions regarding this notice should be directed to:

Department of the Attorney General's Office
Corporate Oversight Division
Attn: Franchise
670 G. Mennen Williams Building
Lansing, MI 48913

MINNESOTA

Notwithstanding anything to the contrary set forth in the Disclosure Document, the Franchise Agreement, or the Area Development Agreement, the following provisions will supersede and apply:

1. We will protect your right to use the trademarks, service marks, trade names, logotypes, or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the same.

2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Area Development Agreement.

5. Under the terms of the Franchise Agreement and Area Development Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

NEW YORK

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NY 10005, 212-416-8236. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the Franchise System or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for Franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for Franchisor approval of transfer**:"

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Section 33 of the General Business law of the State ofNew York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by Franchisee**:"

> You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of Forum**," andItem 17(w), titled "**Choice of Law**:"

> The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Section 33 of the General Business Lawof the State of New York.

6. Franchise Questionnaires and Acknowledgements - 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.

7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

Item 5 "Initial Fees," is supplemented by the addition of the following:

> Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

Item 6 "Other Fees," is supplemented by the addition of the following:

> No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

Item 17 "Renewal, Termination, Transfer and Dispute Resolution," is supplemented by the addition of the following:

> Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
>
> Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
>
> Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
>
> Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.
>
> Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.
>
> Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials: ____________________ Date: _______________

NOTICE OF CANCELLATION

____________________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Pasta Di Guy Franchise, LLC at 5359 Pine Bark Ln, Wesley Chapel, Florida 33543 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

FRANCHISEE

Signed:

Name:

Date:

RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Rhode Island.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

§19-28.1.-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Pasta Di Guy Franchise, LLC, for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17:

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

Estimated Initial Investment.
The franchisee will be required to make an estimated initial investment ranging from $156,800 to $484,100. This amount exceeds the franchisor's stockholders equity as of December 31, 2024, which is $96,947.

WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

SIGNATURE PAGE FOR APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, and any Supplemental Agreements entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, or Supplemental Agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California
☐ Hawaii
☐ Illinois
☐ Iowa
☐ Indiana
☐ Maryland
☐ Michigan
☐ Minnesota
☐ New York
☐ North Dakota
☐ Ohio
☐ Rhode Island
☐ South Dakota
☐ Virginia
☐ Washington
☐ Wisconsin

Date:___________________

FRANCHISOR:

Pasta Di Guy Franchise, LLC

Name:

Title:

FRANCHISEE:

FRANCHISEE

Name:

Title:

EXHIBIT J

LEASE RIDER

THIS LEASE RIDER is entered into between the undersigned parties.

WHEREAS, Company and Franchisee are parties to a Franchise Agreement dated ____________________, (the "Franchise Agreement"); and

WHEREAS, the Franchise Agreement provides that Franchisee will operate a Pasta Di Guy business (the "Business") at a location that Franchisee selects and Company accepts; and

WHEREAS, Franchisee and Landlord propose to enter into the lease to which this Rider is attached (the "Lease"), pursuant to which Franchisee will occupy premises located at the address listed on the signature page below (the "Premises") for the purpose of constructing and operating the Business in accordance with the Franchise Agreement; and

WHEREAS, the Franchise Agreement provides that, as a condition to Company's authorizing Franchisee to enter into the Lease, the parties must execute this Lease Rider;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth in this Rider and in the Franchise Agreement, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. During the term of the Franchise Agreement, Franchisee will be permitted to use the Premises for the operation of the Business and for no other purpose.

2. Subject to applicable zoning laws and deed restrictions and to prevailing community standards of decency, Landlord consents to Franchisee's installation and use of such trademarks, service marks, signs, decor items, color schemes, and related components of the Pasta Di Guy system as Company may from time to time prescribe for the Business.

3. Landlord agrees to furnish Company with copies of all letters and notices it sends to Franchisee pertaining to the Lease and the Premises, at the same time it sends such letters and notices to Franchisee. Notice shall be sent to Company by the method(s) as stated in the lease to:

Pasta Di Guy Franchise, LLC
5359 Pine Bark Ln, Wesley Chapel, Florida 33543
franchise@pastadiguy.com

4. Company will have the right, without being guilty of trespass or any other crime or tort, to enter the Premises at any time or from time to time (i) to make any modification or alteration it considers necessary to protect the Pasta Di Guy system and marks, (ii) to cure any default under the Franchise Agreement or under the Lease, or (iii) to remove the distinctive elements of the Pasta Di Guy trade dress upon the Franchise Agreement's expiration or termination. Neither Company nor Landlord will be responsible to Franchisee for any damages Franchisee might sustain as a result of action Company takes in accordance with this provision. Company will repair or reimburse Landlord for the cost of any damage to the Premises' walls, floor or ceiling that result from Company's removal of trade dress items and other property from the Premises.

5. Franchisee will be permitted to assign the Lease to Company or its designee upon the expiration or termination of the Franchise Agreement. Landlord consents to such an assignment and agrees not to impose any assignment fee or similar change, or to increase or accelerate rent under the Lease, in connection with such an assignment.

6. If Franchisee assigns the Lease to Company or its designee in accordance with the preceding paragraph, the assignee must assume all obligations of Franchisee under the Lease from and after the date of assignment, but will have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.

7. Franchisee may not assign the Lease or sublet the Premises without Company's prior written consent, and Landlord will not consent to an assignment or subletting by Franchisee without first verifying that Company has given its written consent to Franchisee's proposed assignment or subletting.

8. Landlord and Franchisee will not amend or modify the Lease in any manner that could materially affect any of the provisions or requirements of this Lease Rider without Company's prior written consent.

9. The provisions of this Lease Rider will supersede and control any conflicting provisions of the Lease.

10. Landlord acknowledges that Company is not a party to the Lease and will have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, Company.

IN WITNESS WHEREOF, the parties have executed this Lease Rider on the date signed below:

COMPANY:
Pasta Di Guy Franchise, LLC

By:

Name:

Title:

FRANCHISEE:
[FRANCHISEE]

By:

Name:

Title:

LANDLORD:
[LANDLORD]

By:

Name:

Title:

Effective Date of this Lease Rider:

Premises Address:

EXHIBIT K

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

Bank Name:

ABA Number:

Account Number:

Account Name:

Effective as of the date of the signature below, [FRANCHISEE NAME] (the "Franchisee") hereby authorizes Pasta Di Guy Franchise, LLC (the "Franchisor") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Franchisor or its affiliates under the franchise agreement dated [EFFECTIVE DATE OF FA] (the "Franchise Agreement") for the business operating at the location identified on Attachment A of the Franchise Agreement (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions; (iii) any amounts due and owing the Franchisor or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Franchisor or its affiliates; and (iv) all other fees and amounts due and owing to Franchisor or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Franchisor (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Franchisor shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Franchisor. **PLEASE ATTACH A VOIDED BLANK CHECK, FOR PURPOSES OF SETTING UP BANK AND TRANSIT NUMBERS.**

AGREED ON [DATE]:

FRANCHISEE:

[FRANCHISEE]

By:

Name:

Title:

FRANCHISOR:

Pasta Di Guy Franchise, LLC

By:

Name:

Title:

EXHIBIT L

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	February 26, 2025
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	February 26, 2025
Washington	Not Registered
Wisconsin	Not Registered

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

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Pasta Di Guy Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Pasta Di Guy Franchise, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and any applicable state agency.

This franchise is being offered by the following seller(s) at the principal business address and phone number listed below (check all that have been involved in the sales process):

Eyal Carmeli, 5359 Pine Bark Ln, Wesley Chapel, Florida 33543, (813) 439-4846

Franchise Brokers, Consultants, or Franchise Development Company Representatives (if any):

Name:
Address:
Phone:

Issuance Date: January 28, 2025

I received a Disclosure Document that included the following Exhibits:

A. Financial Statements
B. List of State Administrators and Agents for Service of Process
C. List of Current and Former Franchisees
D. Operations Manual Table of Contents
E. Franchise Agreement with Attachments
F. Area Development Agreement with Attachments
G. Form of General Release
H. Form of Confidentiality and Noncompete Agreement
I. State Specific Addenda
J. State Effective Dates
K. Electronic Funds Transfer Form
L. Lease Rider
Receipts

Signature:

Print Name:

Date Received:

PLEASE SIGN AND KEEP THIS COPY FOR YOUR RECORDS.

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Pasta Di Guy Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

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E. Franchise Agreement with Attachments
F. Area Development Agreement with Attachments
G. Form of General Release
H. Form of Confidentiality and Noncompete Agreement
I. State Specific Addenda
J. State Effective Dates
K. Electronic Funds Transfer Form
L. Lease Rider
Receipts

Signature:

Print Name:

Date Received:

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