

FRANCHISE DISCLOSURE DOCUMENT

PIEZONI'S FRANCHISING, LLC
(A Rhode Island Limited Liability Company)
969 Broadway, East Providence, RI 02914
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www.PieZonis.com



The franchise being offered is to establish and operate a PieZoni's restaurant. PieZoni's restaurants are casual dining restaurants that feature fresh made-to-order pizzas made from our proprietary pizza sauce and dough and include our distinct "bar pie" and rectangular sheet pan pizzas, as well as calzones, Italian pasta classics, salads, submarine sandwiches, and various appetizers and side orders. This Disclosure Document describes the offer of the right to establish and operate both a single PieZoni's restaurant and multiple PieZoni's restaurants.

The total investment necessary to begin operation of a PieZoni's restaurant is \$254,900 to \$331,100. This includes \$25,000 that must be paid to us or our affiliate. If you enter into a development agreement for the right to develop multiple PieZoni's restaurants, you will be required to pay a development fee of \$5,000 multiplied by the number of restaurants required to be developed under the agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Victor Martinez at vmartinez@piezonis.com.

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

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

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

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.
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 D 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 PieZoni's business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a PieZoni's franchisee?	Item 20 or Exhibit G 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 A.

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 that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Rhode Island. 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 Rhode Island than in your own state.

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.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language of this franchise disclosure document (“Disclosure Document”), “we,” “us,” or “our” refers to PieZoni’s Franchising, LLC, the franchisor. “You”, “your”, “Franchisee”, or “Developer” refers to the franchisee or developer who enters into a PieZoni’s Franchise Agreement or Development Agreement. The franchisee or developer may be a person, corporation, partnership or limited liability company. If the franchisee or developer is a corporation, partnership, limited liability company, or other entity, “you”, “your”, “Franchisee”, and “Developer” do not include the principals of the corporation, partnership, limited liability company, or other entity.

We are a limited liability company organized under the laws of Rhode Island on February 17, 2006. Our principal place of business is 969 Broadway, East Providence, Rhode Island 02914. We do business under the name “PieZoni’s” and under no other names. Our agents for service of process are listed in Exhibit B.

PieZoni’s Licensing, LLC, was organized under the laws of Rhode Island on February 17, 2006. Its principal place of business is 969 Broadway, East Providence, Rhode Island 02914. PieZoni’s Licensing, LLC is the owner of certain trade names, trade dress, service marks, and trademarks under which you will do business, as further described below. We have received a perpetual license from PieZoni’s Licensing for the use of these marks. PieZoni’s Licensing, LLC has never offered franchises for the same type of business as that to be operated by you or in any other lines of business. PieZoni’s Licensing, LLC does not engage, and has never engaged, in any business activities or any other line of business other than as described in this Disclosure Document. We have no parents, predecessors or affiliates for purposes of this Item 1.

We have been offering franchises of the type being offered in this Disclosure Document since 2006. We have never offered franchises in any other line of business. We do not engage, and have never engaged, in any business activities or any other line of business other than as described in this Disclosure Document. As of December 31, 2021, there were 3 company-operated PieZoni’s locations, owned by us or our affiliates, and 14 franchised locations.

The PieZoni’s Business Concept

PieZoni’s started as a casual dining restaurant chain in 1996, located within the states of Massachusetts and Rhode Island, trading under the name of “Pepperoni’s.” Our current concept has evolved from development and guidance under the ownership of Victor Martinez and Joe Ferreira since 2001. This concept features pizza with a complementary array of items that has exhibited its appeal to a value-conscious clientele. Our web site is www.PieZonis.com, listing our locations and menu, and provides an online franchise application. As of the date of this disclosure document, all of the Pepperoni’s restaurants are now operating under the name “PieZoni’s.”

The specific style of pizza we feature is categorized as a “bar pie” and is the foundation upon which we have constructed our menu. It is so named for its size, shape and use: a 10-inch round thin-crust pizza that traces its origin to Massachusetts taverns. As this style of pizza is quite popular in the Northeastern United States, our distinction from the competition has been achieved through development of proprietary recipes for our sauce and dough. For larger group catering or individual slice service, we have adapted our dough product to create larger, rectangular pizzas baked in metal sheet pans, available in both whole and half sheets. Each one of these formulas has come about from years of considerable testing and sampling.

In addition to our traditional Bar Pie and sheet pan pizzas, we have surrounded these offerings with calzones, Italian pasta classics, salads, submarine sandwiches, appetizers, and side orders developed with complementary flavor profiles in mind. We work continuously to present new menu items in order to keep our flavors as fresh as our pizza products.

PieZoni's has built its reputation on quality consistency and value pricing. Our business has realized its success largely due to the higher level of satisfaction by our customers. This degree of satisfaction is further communicated to family members, friends, and acquaintances as an endorsement of our restaurants and thus this "word of mouth" becomes by far our most effective means of promotion and gaining new customers. Aside from all of the great things our patrons say about our food, service, and value, our most utilized and tangible marketing tool for PieZoni's is the employment of direct mail offers. With only a small enticement in the form of a bundled offer or discount, our consumers are drawn to the experience of PieZoni's and will pass the word along to others.

Our Franchise Program Recipe

We have thus far opened or franchised more than sixteen restaurants to service residential areas. The first five restaurants were no more than 35 miles apart. The two stores in Taunton and Raynham Center, Massachusetts are less than four miles apart while the restaurant located in Pawtucket, Rhode Island is a center point of the three restaurants there, twelve miles each from our Barrington and Warwick locations. We believe this model of centralized expansion of contiguous areas offers an efficient and cost-effective means of operating multiple stores within a defined geographic area. Area Developers following this prescribed method may also realize efficiencies in store construction costs, staff training, development of store managers, advertising expenditures and purchasing of equipment, materials and supplies.

Our franchisees will offer our most current menu, with an occasional opportunity to include products that meet regional or local market demand, with our prior testing and approval. We require our franchisees to offer our products for dine-in, take-out, and delivery (with our prior written consent, which we may withhold or rescind). We anticipate that PieZoni's restaurants will be open seven days a week Monday–Sunday, except for those holidays listed in our Manuals.

To ensure consistent brand image, franchisees may be provided with a page on the PieZoni's web site. PieZoni's, through a third party, will be the webmaster and will approve and implement all changes to web pages that are requested by a franchisee. No franchisee will be allowed to establish an independent web site or URL using the PieZoni's name, trademarks or other confusingly similar names.

We believe that training and education are essential towards maintaining our high quality standards and enable franchisees to grow their business. Initial start-up training for the franchisee and their management designee is included upon payment of the initial franchise fee. Additionally, we will also spend up to one week at a franchisee's store providing support and staff training when they first open for business. Franchisees are welcome to send their staff members for training at our headquarters or other locations that we will designate, at no charge, whenever time and available space permit. If, at some time, it is necessary for PieZoni's personnel to conduct training at a franchisee's location beyond the scope of what is customary, a per diem charge to the franchisee will apply at our current rate, plus travel and living expenses if required.

Our training materials will also be available to franchisees who wish to train their own staff. We further reinforce our training with a certification program which provides our franchisees with the confidence that their staff possess the necessary skills to perform their assigned tasks to PieZoni's standards.

As there are a multitude of smaller markets within the United States, there will be regional and possibly local differences in the taste preferences and popularity of various menu items. We will specify a

group of core items that must be available at every PieZoni's location and will provide an optional list of products from which the franchisee can select based on their customers' preferences. We also have created a means by which franchisees can request an additional flavor be developed or modified for their particular market. All recipe suggestions proposed by franchisees will be evaluated for their relevance and compatibility to the PieZoni's concept. Those selected to be developed and tested by PieZoni's will, if approved, become part of the PieZoni's product offering.

Many franchise systems charge a renewal fee for franchisees who wish to stay in the business past their initial term. However, our philosophy is different. We believe that if you have been in substantial compliance with your agreement and otherwise meet the requirements to continue in the PieZoni's business that you should not have to pay a fee to do so. We do not charge a fee for successor agreements. You will, however, be required to sign a Renewal Addendum, the form of which is attached to this Disclosure Document as Exhibit I.

We believe that the best examples of franchising are when the franchisor and franchisee work together, and we believe that our franchise program reflects this philosophy. Recognizing that it is the desire of many people joining a franchise to build a business that can be passed down through the generations or passed on to those who have been loyal and dedicated employees or colleagues of the franchisee, we have created a family friendly transfer program. Provided that the transferee meets the then current standards for new franchisees, we have substantially reduced the transfer fee for transfers to family members, employees, and franchise colleagues.

We have established a PieZoni's Brand Fund to which all corporate and franchised stores may be required to contribute 3% of their Gross Sales. By pooling monies and coordinating efforts we will be able to build, promote and, most importantly, protect the PieZoni's brand name.

Annual store sales are also used to calculate the amount of money franchisees are required to spend on their local marketing and advertising. You must spend at least 2% of the Gross Sales of the franchised business on advertising in your local area during your first year of operation, until the anniversary date of when you opened for business. After the first year, your required local marketing and advertising expenditures will be based on your annual Gross Sales for the preceding year. If those sales are at \$600,000 or below, then you must spend at least 2% of that sales figure on local marketing and advertising, with those expenditures qualified and detailed in the annual marketing plan that you are required to submit to us at least 30 days before each anniversary date of when you opened for business. If your annual sales are greater than \$600,000, then you must spend at least 1.5% of that sales figure on local marketing and advertising. We will consult with you on the appropriate extent of your "local area." We must approve all advertising before you use it. Upon our request, you must provide us with an itemized report of advertising expenditures to show that you have complied with your local marketing and advertising requirement. If you fail to comply with the minimum requirements, we can require you to contribute the remaining balance to the PieZoni's Brand Fund.

We will provide franchisees with proven marketing programs and advertising materials for use in their market. Should franchisees wish to develop advertising materials for their market, they may do so with our approval. If a promotion ad, or product developed by a franchisee is approved for use, it will become the property of PieZoni's and may be shared with other franchisees in the system.

Description of the Franchised Business

The PieZoni's System. We grant franchises to establish and operate PieZoni's restaurants under the Proprietary Marks and System described below (the "Franchised Business" or the "Restaurant") under a PieZoni's Restaurant Franchise Agreement (the "Franchise Agreement"). We offer casual dining restaurants that feature fresh made-to-order pizzas made from our proprietary pizza sauce and dough and

include our distinct “bar pie” and rectangular sheet pan pizzas, as well as calzones, Italian pasta classics, salads, submarine sandwiches, and various appetizers and side orders; feature dine-in, take-out, and optional delivery formats; and offer for sale a variety of additional menu items and beverages to the public, including beer and wine (upon our prior written consent, where permitted by local and state law), and such other menu items as we may designate, all of which we may change periodically (the “System”). PieZoni’s restaurants are not permitted to offer liquor or fortified wine products. The distinguishing characteristics of the System include distinctive exterior and interior designs, décor, graphics displays, fixtures, and furnishings; standards and specifications for the preparation of food products; uniform standards; specifications and procedures for operations and dine-in, take-out, and delivery food services; training and assistance; and advertising and promotional programs, all of which may be changed, improved and further developed by us periodically.

You will be provided with the right to use certain trade names, trade dress, service marks, trademarks, trade dress, logos, emblems, and indicia of origin, including “PieZoni’s,” as are now designated and may be designated by us in writing for use in connection with the System (the “Proprietary Marks”).

The Franchised Business will be operated according to the System, and you will be required to operate your Restaurant in accordance with our standards, procedures, and specifications. These standards, procedures, and specifications will be provided in our confidential operating manuals (the “Manuals”), which will be provided to you, as well as through other system communications which will be provided in either written or electronic format. We will provide you with our site selection criteria and such additional site selection guidance and specifications as we deem advisable. An approved location will typically range from 1,500 to 2,000 square feet of retail space per Restaurant and will service neighborhoods of all classes and income levels. Restaurants will typically be located in strip malls or lifestyle centers with moderately priced real estate leases, have ample and convenient parking with easy ingress and egress, and provide limited dining, utilizing paper service products to promote lighter clean-up. We will also provide you with pre-screened and approved vendors for equipment, fixtures, and products. Orientation training for up to two individuals is included upon payment of the franchise fee. At your request, we may provide you with additional training at the Restaurant. We have the right to charge you our current per diem fee for each of our personnel required to this training, plus their travel and living expenses. We can also require you and your employees to attend subsequent training programs, at no charge, offered by us in regularly scheduled classes at our offices or at other training locations. However, registration for attendance is subject to availability and we reserve the right to select class participants based on the needs and priorities of the System. We also reserve the right to charge a training fee when a training class has been requested beyond that which is in our regular schedule, and we may increase our training fees periodically.

Periodically, at the times and in the manner we determine, we will provide limited on-going support, advice, assistance, and written materials related to operations issues, service standards, business performance, sales and customer service, changes to the operation procedures, marketing and advertising, new recipes and products, and other aspects of the operation of the Restaurant.

We offer single-unit franchises to those who are interested in opening a single Restaurant within a minimum population area of approximately 15,000 marketable residential households. You will have a protected territory as defined in the Franchise Agreement. We also offer the opportunity to establish and operate three or more Restaurants in a designated area (“Development Area”) under a PieZoni’s Restaurant Development Agreement (“Development Agreement”). Under the Development Agreement, we will specify the number of Restaurants you must develop within the Development Area, and we will establish your particular development schedule, which sets specific dates by which you must open each Restaurant (“Development Schedule”). For each Restaurant developed under the Development Agreement, you must sign a separate, then-current Franchise Agreement. Upon your request, we may grant you the right and obligation to develop one of your Restaurants as a production facility (“Production Facility”) for the

purpose of preparing menu items and food products and transporting these items and products to the other Restaurants developed by you.

If you are a corporation, partnership or limited liability company, you must designate a principal, with or without an ownership interest in you, which must be approved by us (“Operating Principal”). The Operating Principal must attend our initial training program and devote full time, energy, and best efforts to the management and operation of the Restaurant.

Market and Competition. While we offer a distinctive format and System, the market for pizza restaurants is mature and highly competitive, but is generally populated with numerous small, “mom and pop” operations. You will compete with these “mom and pop” retail stores, some of which may be well established, while other forms of competition will come from national chain pizza locations, such as Domino’s, Papa John’s, and Pizza Hut. The PieZoni’s business is year round, without major fluctuations through the seasons. Your ability to compete will depend upon such factors as consumer taste, traffic patterns, and local economic conditions.

Industry Specific Laws and Regulations. Your Franchised Business will be subject to federal, state, and local laws and regulations that are applicable to businesses generally, such as the Americans with Disabilities Act and the Occupational Safety and Health Act. The U.S. Food & Drug Administration, U.S. Department of Agriculture, and various state and local health and other departments and agencies have laws and regulations concerning the preparation and handling of food, sanitary conditions at restaurant facilities, the service of alcoholic beverages, and nutritional information on menus. State and local agencies may conduct inspections of the Franchised Business to ensure compliance with these laws and regulations. It is your responsibility to conduct your own due diligence on local regulations, and we assume no responsibility for you meeting local, state or federal rules and regulations. Some regulations may apply disproportionately to franchise businesses.

ITEM 2

BUSINESS EXPERIENCE

Listed below are our principal officers, directors and other individuals who have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document. The principal occupation and business experience of each, including the names and locations of prior employers, are indicated below. Unless otherwise indicated, we are the employer and the location of employment is Barrington, Rhode Island.

Victor Martinez

Current position with the franchise company (title): **Chief Operating Officer**

Beginning date of current position: February 2006

Employment History for past five (5) years:

<u>Beginning Date</u>	<u>Employer & City/State</u>	<u>Position</u>	<u>Ending Date</u>
December 2001	PieZoni’s, Raynham, MA	Owner	None
July 2007	PieZoni’s, East Providence, RI	Owner	January 2021
January 2018	PieZoni’s, East Greenwich, RI	Owner	None
March 2017	PieZoni’s, Walpole, MA	Owner	March 2020
March 2018	PieZoni’s, Middletown, RI	Owner	January 2019

Joe Ferreira

Current position with the franchise company (title): **Chief Executive Officer**

Beginning date of current position: February 2006

Employment History for past five (5) years:

<u>Beginning Date</u>	<u>Employer & City/State</u>	<u>Position</u>	<u>Ending Date</u>
December 2001	PieZoni's, Raynham, MA	Owner	None
July 2007	PieZoni's, East Providence, RI	Owner	January 2021
January 2018	PieZoni's, East Greenwich, RI	Owner	None
March 2017	PieZoni's, Walpole, MA	Owner	March 2020
March 2018	PieZoni's, Middletown, RI	Owner	January 2019

Michelle Ferreira McCue

Current position with the franchise company (title): **Vice-President of Administration & Development**

Beginning date of current position: February 2006

Employment History for past five (5) years:

<u>Beginning Date</u>	<u>Employer & City/State</u>	<u>Position</u>	<u>Ending Date</u>
February 2009	PieZoni's, Barrington, RI	Owner	None
October 2009	PieZoni's, Warren, RI	Owner	None

Daniel Ferreira

Current position with the franchise company (title): **Vice-President of Operations & Training**

Beginning date of current position: February 2006

Employment History for past five (5) years:

<u>Beginning Date</u>	<u>Employer & City/State</u>	<u>Position</u>	<u>Ending Date</u>
June 2004	PieZoni's, Taunton, MA	Owner/Operator	None
July 2007	PieZoni's, East Providence, RI	Owner	January 2016

ITEM 3**LITIGATION**

No litigation is required to be disclosed in this Disclosure Document.

ITEM 4**BANKRUPTCY**

No person or entity previously identified in Items 1 or 2 of this Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or the bankruptcy laws of foreign nations required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Franchise Fee

You must pay to us a \$25,000 lump sum initial franchise fee for a single Restaurant to be operated under an individual Franchise Agreement. You must pay the entire initial franchise fee no later than the date of your signing the Franchise Agreement. The initial franchise fee is uniformly imposed and is normally non-refundable. However, we will refund 50% of the initial franchise fee, less our reasonable costs and expenses incurred in assisting you, including our costs of evaluating proposed sites and providing training to you, if we terminate the Franchise Agreement before the opening of the Restaurant because: (a) we determine that you or your Operating Principal fails to complete our initial training program to our satisfaction; or (b) you fail to find an approved location for the Restaurant or fail to sign a lease for the Restaurant within the time periods required under the Franchise Agreement.

Development Fee

If you enter into a Development Agreement, you must pay to PieZoni's a non-refundable development fee ("Development Fee") when you sign the Development Agreement. The amount of the Development Fee will be \$5,000 multiplied by the number of restaurants required to be developed under the Development Schedule. If you remain in full compliance with the Development Schedule, we will credit \$5,000 against the initial franchise fee payable under each Franchise Agreement signed under the Development Agreement.

ITEM 6

OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE
Royalty ¹	5% of Gross Sales	Wednesday of each week by electronic funds transfer
Site Selection ²	Amount of our expenses	As incurred
Additional and Ongoing Training ³	Then-current training fee or per diem fee, plus amount of expenses	As incurred; payment of fees by electronic funds transfer
PieZoni's Brand Fund ⁴	3% of Gross Sales	Wednesday of each week by electronic funds transfer
Local Advertising ⁵	2% of Gross Sales for annual sales up to \$600,000; 1.5% of Gross Sales for annual sales over \$600,000	As incurred, according to the annual plan submitted to us
Advisory Council Fee ⁶	As determined by the Advisory Council	As determined by the Advisory Council
Interest ⁷	Interest on overdue payments	As incurred

TYPE OF FEE	AMOUNT	DUE DATE
Insurance ⁸	Cost of insurance and, if not obtained by you, our procurement expense	As required and as incurred
Technology Fee ⁹	To be determined by us. Currently \$379 to \$603. Fees may be paid to a third party rather than to us.	As incurred; currently, monthly payment by electronic funds transfer
Inspection/Audit ¹⁰	Cost of inspection or audit plus interest	As incurred
Testing and Evaluation ¹¹	Cost of testing and evaluation	As incurred
Transfer ¹²	\$7,500	Time of transfer
Public Offering Review Fee ¹³	\$10,000 or amount of our costs and expenses	Time of review
Relocation ¹⁴	Amount of our costs and expenses	Time of relocation
Convention Registration Fee ¹⁵	\$500	Before event by electronic funds transfer
Indemnification ¹⁶	Cost of liability	As incurred
Collection Costs and Attorneys' Fees ¹⁷	Cost of collection and attorneys' fees	As incurred
Credit Card and Payment Service Processing Charges ¹⁸	Amount charged by credit card companies	As incurred
Field Consulting Fee ¹⁹	Then-current per diem fee plus expenses	As incurred
Liquidated Damages ²⁰	Average monthly royalty and Brand Fund fees multiplied by the lesser of 36 or the number of months remaining in term	Upon termination

This table describes other recurring or isolated fees or payments that you must pay to us, or which we impose or collect on behalf of a third party, in whole or in part. Unless otherwise indicated, all of the fees are uniformly imposed and non-refundable, and are imposed by, payable to, and collected by us.

NOTES

¹ For each week during the term of the Franchise Agreement, you must pay us a continuing royalty fee of 5% of Gross Sales (as defined below), which you must pay by Wednesday of each week based on the Gross Sales from Monday through Sunday of the preceding week. We can increase any royalty fee payable by you upon the approval of more than 50% of the PieZoni's restaurant locations then operating under a franchise agreement with us, with each location receiving one vote. "Gross Sales" means all revenues generated by the Restaurant conducted upon, from or with respect to the Restaurant, whether those sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales includes monies or credit received from the sale of products, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Restaurant, including off-premises services such as catering and delivery. Gross Sales does not include the sale of all food and beverage products for which

refunds have been made in good faith to customers, the sale of equipment used in the operation of the Restaurant, any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority, or any reduction in revenue due to coupon sales.

² Under the Franchise Agreement, we will conduct, if we deem necessary and appropriate, one on-site evaluation for one proposed site at our expense. For each additional on-site evaluation (if any), you must reimburse us for our expenses, including the costs of travel, lodging and meals.

³ You must pay the then-current training fee designated in the Manuals or otherwise in writing by us for any subsequent employees who attend the Initial Training Program or Advanced Training Program and for attendance at additional courses, seminars and training programs. The current training fee is \$250 per person per day for the Initial Training Program and Advanced Training Program. You will be responsible for all other expenses incurred by you and your employees in connection with attending all training programs, including the costs of transportation, lodging, meals, and wages. In addition, you must pay us a per diem charge, which is currently \$250 per day, and reimburse us our actual out-of-pocket costs and expenses in connection with any on-site training program provided to you, including our costs of transportation, lodging, and meals. If any person required to complete the Initial Training Program or Advanced Training Program fails to successfully complete one of those programs to our satisfaction, we can require that person to attend additional remedial training and pay us an additional training fee of \$5,000 per person.

⁴ Under the Franchise Agreement, you must contribute each week to the PieZoni's Brand Fund in an amount equal to 3% of your Gross Sales for the preceding week. We have the right to increase the PieZoni's Brand Fund fee upon the approval of more than 50% of the PieZoni's restaurant locations then operating under a franchise agreement with us, with each location receiving one vote.

⁵ You must expend an amount equal to at least 2% of Gross Sales on local marketing, advertising, and promotion during your first full year in operation, until the initial anniversary date of when you opened for business. During each year that follows, your minimum local advertising requirement will be an amount equal to 2% of your Gross Sales from the preceding year, expended on a monthly basis, if your Gross Sales were \$600,000 or below. If your Gross Sales from the preceding year exceeded \$600,000, your minimum local advertising expenditure for the twelve months that follow will be an amount equal to 1.5% of your Gross Sales from the preceding year, expended on a monthly basis. You must produce proof of your expenditures upon our request.

⁶ If we establish an Advisory Council ("Council") in your area, you must pay a fee or otherwise contribute to the Council in such amounts as determined by the Council and approved by us.

⁷ All required royalty fees and PieZoni's Brand Fund contributions must be paid by Wednesday of each week based on your Gross Sales from Monday through Sunday of the preceding week, and must be submitted to us together with any reports or statements required by the Franchise Agreement. If any payment is overdue, you must pay us interest on that amount from the date it was due until paid, at the rate of 18% per annum, or the maximum rate permitted by law, whichever is less.

⁸ Before you open your Restaurant, you must purchase and maintain at your sole expense at all times during the term of the Franchise Agreement the minimum insurance coverage required by the Franchise Agreement. If you fail to obtain or maintain the minimum insurance required, we have the right to procure and maintain the required insurance in your name and to charge you for it, which charges, together with a reasonable fee for our expenses in so acting, will be payable by you.

⁹ We reserve the right to charge you a reasonable monthly technology fee, the amount of which will depend on the specific software and services that we designate. At our option, the technology fee may be

payable to a third party instead of us. Currently, the technology fee is \$379 to \$603 per month and is paid to our designated vendor, HungerRush, for your subscription to the required point-of-sale system software, related service and support, and other items. See Item 11.

¹⁰ We have the right at all reasonable times to examine, copy, and/or personally review, at our expense, your books, records, accounts, and tax returns; to remove your books, records, accounts and tax returns for copying; and to have an independent audit made of your books and records. If an inspection or audit reveals that any income or sales have not been reported or have been understated in any report to us, then you must pay us the amount underpaid immediately upon demand, in addition to interest from the date the amount was due until paid, at the rate of 18% per annum, or the maximum rate permitted by law, whichever is less, plus all of our costs and expenses in connection with the inspection or audit, including travel costs, lodging and wage expenses, and reasonable accounting and legal fees and costs.

¹¹ If you desire to purchase products from a party other than an approved supplier, you must submit to us a written request to approve the proposed supplier, together with such evidence of conformity with our specifications as we may reasonably require. We will have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us. You must pay a charge not to exceed the reasonable cost of the evaluation and testing.

¹² If there is a transfer under the Franchise Agreement or Development Agreement (as described in Item 17 and the Franchise Agreement and Development Agreement), you must pay to us a transfer fee of \$7,500 or such greater amount as is required to reimburse us for our reasonable costs and expenses, including attorneys' fees, associated with our review and approval of the proposed transfer. However, the transfer fee will be \$1,000, plus our out-of-pocket costs and expenses, if: (a) the transferee has been a PieZoni's franchisee for at least five (5) years; (b) the transferee has held a managerial position at a franchised or company-owned PieZoni's restaurant; or (c) the transferee has obtained the business as a result of your death or incapacity. The transfer fee will be waived if the transferee is an entity controlled by you.

¹³ You must pay us the greater of \$10,000 or the amount of our costs and expenses incurred in reviewing any proposed public offering.

¹⁴ If we consent to relocation of your Restaurant, you must reimburse us our reasonable costs and expenses, including attorneys' fees, incurred by us.

¹⁵ You may be required to register for and attend, on occasion, conventions, regional meetings, and conferences developed by us and to pay us a registration fee as designated in the Manuals or otherwise in writing by us. The current registration fee is \$500, and we may increase this fee to \$2,500 during the initial term of the Franchise Agreement.

¹⁶ You must indemnify and hold us, and our officers, directors and employees harmless against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with your operation of the Franchised Business, as well as the costs, including attorneys' fees, of the indemnified party in defending against them.

¹⁷ You must pay to us all damages, costs, and expenses, including all court costs and reasonable attorneys' fees, and all other expenses we incur in enforcing any obligation or in defending against any claim, demand, action, or proceeding relating to the Franchise Agreement or Development Agreement, including the obtaining of injunctive relief.

¹⁸ You must pay any credit card and payment service processing charges for any payments by you using credit cards or payment services. The fees are payable to the company charging the fee and will vary.

¹⁹ If you request the services of a field consultant at your Restaurant, and we consent, you must pay us the then-current per diem fee for each consultant, which is currently \$250 per person per day, plus the costs and expenses of each consultant, including the costs of travel, lodging, and meals.

²⁰ If the Franchise Agreement is terminated due to your default, you must pay us a lump sum payment (as damages and not as a penalty) in an amount equal to: (a) the average monthly royalty fees and PieZoni's Brand Fund fees payable by you over the 12 month period immediately before the date of termination (or such shorter time period if the Restaurant has been open less than 12 months); (b) multiplied by the lesser of 36 or the number of months then remaining in the term of the Franchise Agreement. This lump sum payment will be in place of any damages we may incur as a result of your default, but it will be in addition to all amounts you owe us under your Franchise Agreement and any attorneys' fees and other costs and expenses to which we are entitled under the terms of the Franchise Agreement.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee ¹	\$25,000	Lump sum	At signing of Franchise Agreement	Us
Construction and Leasehold Improvements ²	\$60,000 – \$80,000	As incurred	Before opening	Contractors, Suppliers
Rent and Utility Deposits ³	\$8,000 – \$12,000	As incurred	Before opening	Landlord, Utilities
Furniture, Equipment & Signage ⁴	\$100,000 – \$130,000	As incurred	Before opening	Suppliers
Smallwares ⁵	\$4,000 – \$5,400	As incurred	Before opening	Suppliers
Computer System ⁶	\$16,000 – \$20,000	As incurred	Before opening	Suppliers
Travel and Living Expenses During Training ⁷	\$0 – \$3,000	As incurred	Before opening	Airlines, Hotels, Etc.
Pre-Opening Labor ⁸	\$5,000 – \$6,700	As incurred	Before opening	Employees
Opening Inventory ⁹	\$7,000 – \$10,000	As incurred	Before opening	Suppliers

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Market Introduction Program ¹⁰	\$10,000	As incurred	Commencing 30 days before opening until 120 days after opening	Media
Initial Insurance Premiums ¹¹	\$2,000 – \$3,000	As incurred	Before opening	Insurance Agent or Carrier
Permits & Licenses ¹²	\$1,500 – \$3,000	As arranged	Before opening	Licensing Authorities
Legal/Professional Fees ¹³	\$1,400 – \$3,000	As incurred	As incurred	Attorney, Accountant, Etc.
Additional Funds for 3 months ¹⁴	\$15,000 – \$20,000	As incurred	As incurred	Suppliers, Employees, Etc.
TOTAL	\$254,900 – \$331,100			

This chart provides an estimate of your initial investment for a new, single PieZoni's restaurant and the costs necessary to begin operation of your Restaurant. All costs listed in the table are estimates only. Actual costs will vary for each franchisee and each location depending upon a number of factors. All fees and payments described in this Item 7 are non-refundable, unless otherwise stated or permitted by the payee.

NOTES

¹ The initial franchise fee will be the same for all franchisees. See Item 5.

² These build-out costs are presented in a low and high estimate, with the low estimate based on a 1,500 square foot location while the high estimate is based on a 2,000 square foot location. The estimates are representative of the costs to install and provide finish for floors, walls and ceilings, as well as licensed professionals who are employed to provide design and plans, install electrical, gas, and plumbing. The cost to build out the Restaurant will vary depending on the market, the size of the location, the condition of the property, the extent of demolition to take place, and your negotiations with the landlord of the property. Financing may be available through your bank for some of the leasehold improvements; however, there are costs and fees associated with such financing, which have not been included here. You are responsible for obtaining all necessary permits and licenses necessary for demolition, construction, renovation, and operation of the Restaurant.

³ These estimated figures represent the equivalent of a two-month payment of rent (first month & security deposit) combined with utility deposits for water, gas, and electric. Pre-paid rent is generally non-refundable, while security or other deposits may be refundable either in full or in part, depending upon your lease or rental contracts.

⁴ These figures represent an estimate of costs for kitchen production equipment, including, in part, two ovens, two fryers, three refrigerated prep tables, grill & range, walk-in cooler, dough mixer, dining area tables and chairs, as well as items utilized for decor. Storefront signage is also included here, as is the menu board utilized above the front counter.

⁵ Smallwares include items such as plastic storage containers, small appliances, cooking or food preparation utensils, measuring devices, cleaning materials, and equipment.

⁶ This is the cost for the point-of-sale computer system that we require for PieZoni's operations. The system includes touch-screen monitors, computers, hard drives, station printers, cash register drawers, a multi-function printer with fax capability, and a subscription to the required software. Our current requirements are described more fully in Item 11.

⁷ This estimate is the cost for you or your Operating Principal plus your store manager to attend the initial training program in East Providence, Rhode Island. We do not charge tuition for this training, but you will be responsible for all costs associated for you and your staff to attend. Each franchisee's costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation, and living expenses (food, entertainment, etc.). The training program is 3 weeks. See Item 11.

⁸ This is the estimated cost of wages for your staff during the period preceding the opening of your Restaurant.

⁹ This is the estimated cost of initial inventory of food (frozen, refrigerated, dry goods) and packaging, plus allowances for training, waste, and higher than expected sales. As a 2,000 square foot location will seat and serve more diners than a 1,500 square foot restaurant, the initial stock order has been increased by the relevant percentage.

¹⁰ This is the estimated amount that you will spend in pre-opening and opening marketing and advertising during the period beginning one month before opening and continuing for a four-month period after opening. We will provide you with a market introduction plan and approved advertising and promotion materials. You must submit any requested changes to the plan or its materials to us before their inclusion or usage. Your actual costs may vary based on the time of year that you open, the media costs in your market area, and the rate at which you are able to build your sales.

¹¹ This is the estimated cost to obtain the minimum insurance required by the Franchise Agreement. You will need to check with your local carrier for actual premium quotes and cost. Cost of coverage will vary based on the area in which your Restaurant will be located, your experience with the insurance carrier, the loss experience of the carrier, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry. The types and amount of insurance required by the Franchise Agreement and set forth in the Manuals are minimum requirements only. We encourage you to obtain additional insurance for your protection.

¹² You are responsible for applying for, obtaining, and maintaining all required permits and licenses necessary to operate the Restaurant. This estimate is based upon our experiences gained through the operation of our company-owned restaurants. You will need to check with your advisors regarding the requirements of the states and communities in which your Restaurant will be located. This estimate does not include the costs of obtaining licenses or permits for serving beer or wine.

¹³ These fees are representative of the costs for engagement of professionals such as attorneys and accountants for the initial review and advisories consistent with the start-up of a franchised business. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document, and the franchise agreements. You should also consult these professionals to review any lease or other contracts that you will enter into as a part of starting your franchised business. The estimates in this chart are based on professional fees in the Rhode Island and Southern Massachusetts area. It is best to request a fee schedule before engaging such professionals to perform any services on your behalf.

¹⁴ This is an estimate of the amount of additional operating capital that you may need to operate your Restaurant during the first 3 months after opening for business. We cannot guarantee that you will not have additional expenses starting the business that exceed this estimate. The estimate includes such items as initial payroll taxes (including payroll to cover the pre-opening training period for some of your staff), continuing royalty fees and system brand fund contributions, professional fees including accounting fees, additional advertising, health and workers' compensation insurance, rent, repairs and maintenance, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, state tax and license fees, deposits and prepaid expenses (if applicable), and other miscellaneous items. The preceding sentence is by no mean all inclusive. The expenses you incur during the initial start-up period will depend on factors such as the time of year that you open, local economic and market conditions, as well as whether your business is located in a new or mature market, and your experience in business.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To insure that the highest degree of quality and service is maintained, you must operate the Restaurant in strict conformity with the methods, standards and specifications as we may prescribe in the Manuals or otherwise in writing; and you must refrain from deviating from these methods, standards and specifications without our prior, written consent. We may revise the contents of the Manuals, and you must comply with each new or changed standard and specification. You must at all times insure that your copies of the Manuals are kept current and up to date.

You must maintain in sufficient supply (as we may prescribe in the Manuals or otherwise in writing), and use at all times, only products and ingredients acquired from a supplier or suppliers we designate or approve, and those other ingredients, products, materials, supplies, paper goods, cleaning products, chemicals, fixtures, furnishings, equipment, signs, and menu items as conform with our standards and specifications, and refrain from deviating from those standards and specifications by the use of nonconforming items, without our prior written consent. We will periodically provide you with updated lists of additional products and services that have been added to the PieZoni's offering, approved food ingredients and suppliers, products and services that have been eliminated from the PieZoni's offering, and food ingredients and suppliers whose approval has been revoked.

You must sell or offer for sale only those menu items, products, merchandise, and services as we have expressly approved for sale in writing; sell or offer for sale all types of menu items, products, services, and merchandise we specify (including beer and wine products to the extent approved by us and permitted by local and state laws and regulations); refrain from any deviation from our standards and specifications without our prior written consent; discontinue selling and offering for sale any menu items, products, merchandise or services which we may, in our discretion, disapprove in writing at any time; refrain from selling or advertising any menu items, other products, merchandise, or services on the Internet without our prior, written approval; refrain from installing or permitting to be installed any vending machine, game, or coin-operated device, unless specifically approved in writing by us; and refrain from selling or disclosing any customer lists or information. You may offer catering and delivery services from the Approved Location upon our prior written consent, which we may withhold or rescind at any time in our sole discretion. We also have the right to require you to provide catering and/or delivery services.

You must purchase and install, at your expense, all fixtures, furnishings, equipment (including facsimile machine, telephone(s), computer, printer, and cash register or point-of-sale recording system), décor, and signs as we may reasonably direct; and refrain from installing or permitting to be installed on or about the premises of your Restaurant, without our prior written consent, any fixtures, furnishings, equipment, décor, signs or other items not previously approved as meeting our standards and specifications.

All products sold or offered for sale at the Franchised Business must meet our then-current standards and specifications, as established in the Manuals or otherwise in writing. You must purchase all food items, ingredients, supplies, materials, and other products offered for sale at the Franchised Business for which we have established standards or specifications solely from suppliers (including distributors and other sources) which demonstrate to our continuing reasonable satisfaction, the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your and other franchisees' needs promptly and reliably, and who we have approved in the Manuals or otherwise in writing. None of our officers own an interest in any of our approved suppliers.

If you desire to purchase products from other than approved suppliers, you must submit to us a written request to approve the proposed supplier, together with evidence of conformity with our specifications as we may reasonably require. We will have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility we designate. We will, within 30 days after our receipt of your completed request and completion of such evaluation and testing (if we require), notify you in writing of our approval or disapproval of the proposed supplier. You must not sell or offer for sale any products of the proposed supplier until our written approval of the proposed supplier is received. We may revoke our approval of particular products or suppliers when we determine, in our sole discretion, that the products or suppliers no longer meet our standards. Within 15 days of receipt of written notice of the revocation (or immediately if the disapproved product poses a health threat), you must cease to sell any disapproved products and cease to purchase from any disapproved supplier.

You must immediately notify us if an approved supplier substitutes an unapproved product in place of an approved product. We grant and revoke approval of suppliers based on their ability to meet our standards, specifications, and requirements for all food products and their ability to support our financial and operational requirements. We reserve the right to inspect supplier facilities, review their financial records, and obtain complete listings of all ingredients and sub-ingredients in all products being supplied to PieZoni's restaurants.

We formulate and modify specifications and standards imposed upon franchisees by evaluating the market acceptance of products and the financial stability of suppliers. We are not required to issue our specifications and standards, or our criteria for supplier approval, to franchisees or approved suppliers.

We reserve the right to limit the number of vendors and suppliers for products, goods, services, suppliers, fixtures and equipment. We also reserve the right to designate a single source of supply for certain products and services. We or an affiliate may be that single source. As of the date of this Disclosure Document, we are the sole supplier of the required uniforms for the Franchised Business. For all products and services purchased from us and our affiliates, you must pay the then-current price in effect which may be more than cost.

Designated suppliers may make payments to us based on franchisee purchases. In 2021, we received a percentage rebate of 2% from Gordon Food Service and a flat-fee rebate of \$2.25 per case from PepsiCo. We also received one-time contributions from suppliers Frito-Lay and Grande A, although those contributions were in response to the Covid-19 pandemic and were not directly tied to specific franchisee purchases. In 2021, our total revenues were \$1,044,938, and we received a total of \$159,326.83 from suppliers based on franchisee purchases, which represented approximately 15.25% of our total revenues.

Other than these supplier rebates, we do not derive revenue or other material consideration as a result of required purchases or leases. However, we reserve the right to derive revenue or other material consideration as a result of required purchases or leases in the future. We estimate that 90% of the total goods and services required to establish and operate the Franchised Business are required goods and services that must be purchased from approved suppliers.

We do not provide any direct material benefit to franchisees for use of approved suppliers. When we receive rebates or other income from suppliers, we may, in our sole discretion, keep this income for ourselves, pass this income on to our franchisees, where feasible, or contribute the income to the PieZoni's Brand Fund. We may, but are not required to, negotiate purchase arrangements with suppliers (including price terms) for the benefit of our franchisees. We do not have a purchasing or distribution cooperative related to our franchises.

ITEM 9

FRANCHISEE'S OBLIGATIONS

The following tables summarize your principal obligations under the franchise agreement and development agreement. It will help you find more detailed information about your obligations in these agreements and other items of this disclosure document.

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	SECTION IN DEVELOPMENT AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	1.2, 5.1, 5.3, 7.14 and 7.15	1.1, 3 and 5.1	11
b. Pre-opening purchases/leases	7.6	3.3 and 3.4	5, 6, 7 and 8
c. Site development and other pre-opening requirements	5 and 7.6	1.1, 3 and 5.1	11
d. Initial and ongoing training	6	Not Applicable	6, 7 and 11
e. Opening	5 and 7.6	3.5	11
f. Fees	4 and 14.3.13	2 and 7.3.10	5, 6 and 7
g. Compliance with standards and policies/Operating Manual	7.3 and 9	8.2	8 and 11
h. Trademarks and proprietary information	8 and 10	1.4	13 and 14
i. Restrictions on products/services offered	7.2, 7.3, 7.4, and 7.5	Not Applicable	8 and 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable	11
k. Territorial development and sales quota	1.3	1	12
l. Ongoing product/service purchases	7.3	Not Applicable	8
m. Maintenance, appearance and remodeling requirements	2.2.2, 7.9 and 7.10	Not Applicable	11

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	SECTION IN DEVELOPMENT AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
n. Insurance	13	Not Applicable	6 and 7
o. Advertising	12	Not Applicable	6, 7 and 11
p. Indemnification	20.3	10.3	6
q. Owner's participation/management/staffing	7.11 and 7.12	8.1	11 and 15
r. Records/reports	11	Not Applicable	6
s. Inspections/audits	7.7 and 11.4	Not Applicable	6 and 11
t. Transfer	14	7	17
u. Renewal	2.2	Not Applicable	17
v. Post-termination obligations	16	6.3 and 8.5	17
w. Non-competition covenants	17.2 and 17.3	8.4 and 8.5	17
x. Dispute resolution	26	14	17

ITEM 10

FINANCING

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

ITEM 11

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

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

Pre-Opening Obligations

Development Agreement

For each Restaurant developed under the Development Agreement, we will provide you with the following:

1. Provide you with our site selection criteria and such additional site selection guidance and specifications as we deem advisable; we are not required to provide any site selection assistance to you if you currently own, or have previously owned, a PieZoni's restaurant (Development Agreement, Section 5.1.1);

2. Provide such on-site evaluations as we deem advisable as part of our evaluation of your request for site approval. However, we will not provide on-site evaluations for any proposed site before our receipt of the information or materials required by the Development Agreement. If an on-site evaluation is deemed necessary and appropriate by us, we will conduct one on-site evaluation at each proposed location at our expense. For each additional on-site evaluation conducted by us in our sole discretion, you must reimburse us for our reasonable expenses, including the costs of travel, lodging and meals (Development Agreement, Section 5.1.2); and

3. Provide such assistance for lease negotiation as we deem advisable in our sole discretion (Development Agreement, Section 5.1.3).

Franchise Agreement

Before the Restaurant opens, we are required by the Franchise Agreement to provide the following to you:

1. Provide you with our site selection criteria and such additional site selection guidance and specifications as we deem advisable; we are not required to provide any site selection assistance to you if you currently own, or have previously owned, a PieZoni's restaurant (Franchise Agreement, Site Selection Addendum, Paragraph 4.a.);

2. Provide such on-site evaluations as we deem advisable as part of our evaluation of your request for site approval. However, we will not provide on-site evaluations for any proposed site before our receipt of the information or materials required by the Franchise Agreement. If an on-site evaluation is deemed necessary and appropriate by us, we will conduct one on-site evaluation at each proposed location at our expense. For each additional on-site evaluation conducted by us in our sole discretion, you must reimburse us for our reasonable expenses, including the costs of travel, lodging and meals (Franchise Agreement, Site Selection Addendum, Paragraph 4.b.);

3. Provide such assistance for lease negotiation as we deem advisable in our sole discretion (Franchise Agreement, Site Selection Addendum, Paragraph 4.c.);

4. Make available to you our standard architectural plans and specifications for a prototypical PieZoni's restaurant (Franchise Agreement, Section 3.1);

5. Provide training for you or your Operating Principal and your Store Manager; however, we are not obligated to provide training to you or your employees if you currently own, or have previously owned, a PieZoni's restaurant. (Franchise Agreement, Sections 3.2 and 6);

6. Provide up to 7 days of on-site, pre-opening and opening supervision and assistance at such times and in such manner as we determine in our sole discretion; however, we are not obligated to provide any on-site supervision or assistance if you currently own, or have previously owned, two or more PieZoni's restaurants. You may request the services of a field consultant at your Restaurant. If we consent, you must pay us the then-current per diem fee for each consultant, which is currently \$250 per person per day, plus the costs and expenses of each consultant, including the costs of travel, lodging, and meals. (Franchise Agreement, Section 3.3);

7. Make available to you advertising and promotional materials at your expense (Franchise Agreement, Sections 3.4 and 12);

8. Loan you one copy of our Confidential Operating Manuals (Franchise Agreement, Sections 3.5 and 9);

9. Provide to you a list of initial equipment for the Restaurant for purchase from a supplier or suppliers designated by us (Franchise Agreement, Section 3.7); and

10. At our option, establish and administer a PieZoni's Brand Fund (Franchise Agreement, Sections 3.9 and 12).

Continuing Obligations

Development Agreement

Under the Development Agreement, we are not obligated to furnish any assistance to you after the opening of each Restaurant.

Franchise Agreement

After the Restaurant opens, we are required by the Franchise Agreement to provide the following to you:

1. Make available to you advertising and promotional materials at your expense (Franchise Agreement, Sections 3.4 and 12);

2. Conduct, as we deem advisable, inspections of the Restaurant premises and your operation of the Restaurant, at any time and with or without notice to you (Franchise Agreement, Section 3.6);

3. Provide to you periodically, in our sole discretion and at the time(s) and in the manner we determine, limited on-going support, advice, assistance, and written materials related to operations issues, service standards, business performance, sales and customer service, changes to the operation procedures, marketing and advertising, new recipes and products, and other aspects of the operation of the Franchised Business; this advice and assistance may be provided in person or by telephone, seminar, newsletter, bulletin, or Internet, in our sole discretion (Franchise Agreement, Section 3.8);

4. Designate or approve suppliers who will make available to you for sale, ingredients, supplies, materials, and other products and equipment used or offered for sale at the Franchised Business as we may designate in writing (Franchise Agreement, Section 7.5); and

5. Periodically provide you with updated lists of additional products and services that have been added to the PieZoni's offering, approved food ingredients and suppliers, products and services that have been eliminated from the PieZoni's offering, and food ingredients and suppliers whose approval has been revoked.

Advertising Programs

Advertising. All advertising and promotion by you must be in such media and of such type and format as we may approve, including print media, radio, and local promotional events; must be conducted in a dignified manner; and must conform to such standards and requirements as we may specify. We will make available to you periodically, at your expense, advertising and promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, menu boards, special promotions, signs, stationery, business cards, and similar materials. We can supply these materials to you in modular form through the Internet or intranet. Earnings on the sale of these materials will be contributed to the PieZoni's Brand Fund. (Franchise Agreement, Section 12.6.) You must submit to us for our prior approval samples of all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including the Internet) that you wish to use. You must not use such

plans or materials until they have been approved in writing by us. If you do not receive written notice of disapproval from us within 10 days of the date of our receipt of such samples or materials, we will be deemed to have not approved them. We can require you to discontinue the use of any advertising or marketing materials. (Franchise Agreement, Section 12.9.)

Brand Fund. We administer and control a PieZoni's Brand Fund, and under the franchise agreement, you must contribute a weekly fee of 3% of your Gross Sales for the preceding week. We have the right to increase this fee upon the approval of more than 50% of the PieZoni's restaurant locations then operating under a franchise agreement with us, with each location receiving one vote (Franchise Agreement, Section 12.3). PieZoni's restaurants owned and operated by us, must contribute to the PieZoni's Brand Fund at the rate required for franchised restaurants established at the time the company-owned restaurant is established. If we decrease the required PieZoni's Brand Fund fee at any time, we have the right to decrease the fee paid by our company-owned restaurants by the same amount. Contributions to the Brand Fund in 2021 were spent approximately as follows: 80% on media placement and 20% on production. No contributions were spent on administrative expenses in 2021.

We will direct all advertising, marketing, and promotional programs and have sole discretion over all aspects of those programs, including the concepts, materials, and media used and the placement and allocation of them. (Franchise Agreement, Section 12.3.1.) The PieZoni's Brand Fund, all contributions to it, and any of its earnings, will be used to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations materials, sales materials, and/or promotional programs and materials, including the costs of radio and television advertisements, production and media, review of locally produced advertisements, door hangers, mailers, inserts and coupons, brochures, promotional materials, market research, sponsorships, web site design and maintenance, public relations, related retainers, mystery shoppers for the System and competitors, celebrity endorsements, trade shows (including costs of travel and personnel expenses, trade booths, and specialty entertainment), association dues (including International Franchise Association, National Restaurant Association, and International Council of Shopping Centers), search engine optimization, establishing a third party facility for customizing local advertising, accounting costs, and other costs that we believe, in our sole discretion, are appropriate to enhance, promote, and protect the PieZoni's brand and System. (Franchise Agreement, Section 12.3.2.) The PieZoni's Brand Fund may also be used to develop programs for our franchisee conventions. Marketing, advertising, and promotions developed by the PieZoni's Brand Fund may be local, regional, or national in its nature and application. We may periodically assist franchisees to maintain high quality standards for the System through customer surveys, customer interviews, and other similar efforts, the costs of which will be borne by the PieZoni's Brand Fund.

You must contribute by separate payment to the PieZoni's Brand Fund. All sums paid by you to the PieZoni's Brand Fund will be maintained in an account separate from our other monies. (Franchise Agreement, Section 12.3.3.) Except as indicated above, we will not receive payment for providing goods or services to the PieZoni's Brand Fund. We are not obligated, in administering the PieZoni's Brand Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that you or any franchisee benefits directly or on a pro rata basis from expenditures or activities of the PieZoni's Brand Fund. (Franchise Agreement, Section 12.3.1.)

It is anticipated that all contributions to the PieZoni's Brand Fund will be expended for their intended purposes during the fiscal year in which contributions are made. To the extent any contributions are not expended by the end of the fiscal year, they will be expended no later than the end of the taxable year following the year of receipt. Although we intend that the PieZoni's Brand Fund will be of perpetual duration, we maintain the right to terminate the PieZoni's Brand Fund. The PieZoni's Brand Fund may not be terminated, however, until all monies in the PieZoni's Brand Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions. (Franchise Agreement, Section 12.3.5.) We have no obligation to have the PieZoni's Brand Fund

independently audited, but we will prepare annually a statement of contributions and expenditures for the Fund, which will be made available to you, upon your written request, within 60 days of the end of our fiscal year. The PieZoni's Brand Fund will not be used to directly promote the sale of franchises, although a portion of the funds may be used to support our Web site or to produce printed items, such as beverage cups or menus, that may include information on how to become a PieZoni's franchisee.

Advertising Cooperative. There is no advertising cooperative in existence at this time, although we reserve the right in the future to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative, as well as to determine whether such a cooperative is applicable to your Restaurant and specify the conditions under which you will become a member. Each Cooperative will have the right to require its members to make contributions to the Cooperative in amounts to be determined by the Cooperative. (Franchise Agreement, Section 12.4.)

Franchise Advisory Council. We have the right to require the establishment of an advisory council in your area. If an advisory council is established by us, you must participate actively in the advisory council and all of its programs that are approved by us. You must pay a fee or otherwise contribute to the advisory council in such amounts as determined by the Advisory Council, and as approved by us. (Franchise Agreement, Section 12.10.)

Web Site. We have the right to establish and maintain an internet site on the World Wide Web, which may promote the Proprietary Marks and/or the System. We have the sole right to control all aspects of the Web Site, including its design, content, functionality, links to other web sites, legal notices, and policies and terms of usage. You must provide us, upon our reasonable request, with updated photographs, news stories, and other information for inclusion in the Web site, in our sole discretion. You may not establish or maintain any web site, or otherwise maintain a presence on the Internet or any other public computer network, in connection with your Restaurant. (Franchise Agreement, Section 12.5.)

Computer System

We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by you, including: (a) back office and point-of-sale systems, data, audio, video, and voice storage, retrieval, and electronic transmission systems for use at the Restaurant; (b) printers and other peripheral hardware or devices; (c) archival back-up systems; (d) Internet access mode and speed; and (e) physical, electronic, and other security systems (the "Computer System"). (Franchise Agreement, Section 7.19.)

We also have the right, but not the obligation, to develop or have developed for it, or to designate: (a) computer software programs that you must use in connection with the Computer System (the "Required Software"), which you must install at your expense; (b) updates, supplements, modifications, or enhancements to the Required Software, which you must install at your expense; (c) the tangible media upon which you record data; and (d) the database file structure of the Computer System. You may not install any software on the point-of-sale or Computer System that has not been approved in advance by us. (Franchise Agreement, Section 7.19.)

At our request, you must purchase or lease, and maintain, the Computer System and, if applicable, the Required Software. We have the right at any time to remotely retrieve and use such data and information from your Computer System or Required Software that we deem necessary or desirable. You must provide us with all user names and passwords required to access files and other information contained on the Computer System. There are no limitations on our right to access this information. You must maintain all financial and other information as specified by us on the Computer System. You must keep your Computer System in good maintenance and repair and install all additions, changes, modifications, substitutions, and/or replacements to your Computer System or Required Software as we may direct in writing,

electronically, or by FTP (File Transfer Protocol), all at your own expense. The approximate cost of this maintenance is \$500 per year. Your Computer System must be operational before you open your Restaurant. (Franchise Agreement, Section 7.19.) There are no limitations on the frequency or cost of your obligation to upgrade or update your Computer System or Required Software.

Subject to the above requirements, you are currently required to purchase or lease the following: (a) four touch-screen monitors; (b) minimum 120 GB hard drive; (c) Windows 7 or higher operating system; (d) six station printers; (e) one office computer; (f) three cash register drawers; and (g) one printer/fax combination unit. The approximate cost of purchasing the Computer System is \$16,000 to \$20,000. In addition, you must also pay a monthly technology fee, which currently ranges from \$379 to \$603. The current technology fee covers the following required products and services: access to the required HungerRush point-of-sale system software and online ordering platform, and related HungerRush service and support; the required Enterprise license; and an optional rewards program.

The Computer System and Required Software will be used to maintain payouts, maintain customer records, track inventory, track sales, produce sales and inventory reports, and record employee schedules and payroll.

Site Selection

Development Agreement

Under the Development Agreement, before your acquisition by lease or purchase of any site for a Restaurant, you must submit to us, in the form specified by us, a description of the proposed site and such information or materials as we may reasonably require, including a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the proposed site. We will have 30 after receipt of the information and materials from you to approve or disapprove, in our sole discretion, the site as a location for the Restaurant. No proposed site will be deemed approved unless it has been expressly approved in writing by us.

Franchise Agreement

You must operate the Franchised Business only at the location approved by us (“Approved Location”). You may not relocate the Franchised Business without our prior written approval, which we may withhold in our sole discretion. (Franchise Agreement, Section 1.2.) If you have an Approved Location at the time you sign the Franchise Agreement, then you must open the Restaurant for operation within 150 days from the date of the Franchise Agreement, unless extended by us in our sole discretion. If you do not have an Approved Location at the time you sign the Franchise Agreement, then you must sign a Site Selection Addendum to your Franchise Agreement, which provides you with up to 60 days to lease or acquire a location approved by us within the Site Selection Area specified in the Site Selection Addendum. If you fail to meet any of these deadlines, we have the right to terminate the Franchise Agreement. (Franchise Agreement, Section 5.3.)

If you sign a Site Selection Addendum, you must submit your proposed site to us for approval within 30 days of signing the Franchise Agreement in the manner and form specified in the Franchise Agreement, and we will notify you in writing of its approval or disapproval of your proposed site within 30 days. When we review a proposed site, we will consider such factors as general location, neighborhood, traffic patterns, available parking, lot size, physical characteristics of any existing structures, lease terms, and the demographics and psychographics of the surrounding area. (Franchise Agreement, Exhibit B, ¶ 3.)

We will provide you with our site selection criteria and such additional site selection guidance and specifications as we deem advisable. We will conduct one on-site evaluation per one properly submitted

proposed site, as we deem necessary and appropriate, at our expense. For each additional on-site evaluation (if any), you must reimburse us for our expenses, including costs of travel, lodging and meals.

The typical length of time between signing the Franchise Agreement and opening a Restaurant is 150 to 180 days. The factors that affect this time are your ability to obtain a location of approximately 1,500 to 2,000 square feet of interior space with adequate parking; financing or building permits; zoning and local ordinances; your ability to complete the initial required training course to our satisfaction; delayed construction or installation of equipment, fixtures, and signage; delays by the leaseholder in delivering the property; weather and natural disasters; and unforeseen delays in the bid process.

You must obtain our written approval before opening the Restaurant, which will not be unreasonably withheld. Conditions of approval include: (a) you receive all required state and local government certifications, permits, and licenses, and provide us with copies of all certifications, permits, and licenses; (b) you provide evidence that you have obtained all required insurance policies and provide copies of all policies to us; (c) you or your Operating Principal, and your Store Manager successfully complete to our satisfaction all required initial training; (d) you sign all agreements required for opening of the Franchised Business, including the Franchise Agreement and a lease for the Approved Location, if applicable; (e) you are current on all fees due and owing to us; and (f) you are not in default of the Franchise Agreement or any other agreement with us or our affiliates or any principal supplier. If we and you cannot agree on a proposed site within 60 days of your signing the Franchise Agreement, then your Restaurant will not be opened and you will forfeit 50% of your initial franchise fee plus our reasonable costs and expenses incurred in assisting you, including our costs of evaluating proposed sites and providing training to you.

Manuals

You must operate the Restaurant in accordance with the standards, methods, policies, and procedures specified in the Manuals that we loan to you. We may revise the contents of the Manuals, and you must comply with each new or changed standard. You must insure that your copies of the Manuals are kept current at all times. We may, in our sole discretion, provide the Manuals to you by electronic means, including CD-ROM, Intranet, World Wide Web site, or electronic mail. The Table of Contents of the Manuals is attached to this Disclosure Document as Exhibit C, which reflects the total number of pages and the number of pages devoted to each topic in the Manuals.

Training Programs

Before the opening of the Restaurant, you, your Operating Principal, and a full-time manager of the Restaurant (“Store Manager”) must have attended and successfully completed to our satisfaction our initial training program (the “Initial Training Program”). The Initial Training Program will consist of approximately 15 days of training over a 3-week period. We have the right to approve those persons who attend the Initial Training Program and to require fewer or additional persons to attend the Initial Training Program as we determine in our sole discretion. If any individual required to attend the Initial Training Program fails to successfully complete the Initial Training Program, you must immediately replace the individual for the intended operations position, and have the replacement immediately attend the Initial Training Program. For each replacement, you must pay the then-current training fee designated by us in the Manuals or otherwise in writing. We are not obligated to offer the Initial Training Program to you or your employees if you currently own, or have previously owned, a PieZoni’s restaurant. If we do not offer training, you must train all of your employees. We may require you to hire and have certified a staff trainer for this purpose. (Franchise Agreement, Section 6.1.)

In addition to the Initial Training Program, approximately 90 days after the opening of the Restaurant, you or your Operating Principal and your Store Manager must attend and successfully complete to our satisfaction the advanced training program for franchisees offered by us at a location designated by

us (the “Advanced Training Program”). We have the right to approve those persons who attend the Advanced Training Program and to require fewer or additional persons to attend the Advanced Training Program as we determine in our sole discretion. If any Store Manager fails to successfully complete the Advanced Training Program, you must immediately replace the individual and have the replacement immediately attend the Advanced Training Program at your expense, as well as pay the then-current training fee designated by us in the Manuals or otherwise in writing. We are not obligated to offer the Advanced Training Program to you or your employees if you currently own, or have previously owned, a PieZoni’s restaurant. If we do not offer training, you must train all of your employees. We may require you to hire and have certified a staff trainer for this purpose. (Franchise Agreement, Section 6.2.) The Advanced Training Program will consist of approximately 3 days of training.

At our option, any persons subsequently employed by you in the position of Store Manager or other position as we determine in our sole discretion must, before the assumption of duties, attend and complete to our satisfaction the Initial Training Program. These persons may also be required, at our option, to attend and successfully complete to our satisfaction the Advanced Training Program within 90 days of their date of hire. (Franchise Agreement, Section 6.3.) You and all of your employees who attend the Initial Training Program, or who are designated by us, must attend additional courses, seminars and other training programs as we may reasonably require. Registration for attendance at these additional programs will be at no charge, but attendance is subject to availability, and we reserve the right to select participants in our reasonable discretion. We reserve the right to charge a fee for these programs and may increase these fees periodically. (Franchise Agreement, Section 6.6.)

In addition to the Initial Training Program, before opening the Restaurant, you or your Operating Principal, the Store Manager, and your other employees must attend any on-site training program offered by us at the Restaurant. (Franchise Agreement, Section 6.4.) Before opening the Restaurant, you or your Operating Principal and your Store Manager, and additional employees as necessary, must also attend and successfully complete a ServSafe® certification program, at your expense. (Franchise Agreement, Section 6.5.)

We can certify your employees for specific functions within the Restaurant. We can also de-certify any of your employees for specific functions in which they were certified by us. Any employee who is de-certified may be required to attend additional training to regain certification.

You will not be charged a training fee for you or your Operating Principal and your Store Manager to attend the Initial Training Program or Advanced Training Program. However, you must pay the then-current training fee designated in the Manuals or otherwise in writing by us for any additional person who attends the Initial Training Program or Advanced Training Program and for other courses, seminars and training programs we require. The current training fee is \$250 per day and is non-refundable. You will be responsible for all other expenses incurred by you and your employees in connection with attending all training programs, including the costs of transportation, lodging, meals, and wages. You must also pay a per diem fee of \$250 per day and will be responsible for our actual out-of-pocket costs and expenses incurred by us in connection with any on-site training program provided by us at your Restaurant, including the costs of transportation, lodging, and meals. (Franchise Agreement, Section 6.7.) You will also be required to register for and attend those conventions, regional meetings, and conferences developed by us periodically and pay us a registration fee as designated in the Manuals or otherwise in writing by us. (Franchise Agreement, Section 6.8.)

If any person required to complete the Initial Training Program or Advanced Training Program fails to successfully complete one of those programs to our satisfaction, we can terminate the Franchise Agreement or, in our sole discretion, require that person to attend and complete to our satisfaction additional remedial training as we determine in our sole discretion. If remedial training is provided, you must pay us an additional training fee of \$5,000 per person. (Franchise Agreement, Section 6.9.)

The Initial Training Program and Advanced Training Program will be held at the training facility in our corporate headquarters in East Providence, Rhode Island or at a company-owned PieZoni's restaurant. For all required training courses, seminars, and programs, we will provide instructors and training materials to you. Training materials will include the PieZoni's Confidential Operating Manuals and other materials. All training is provided under the supervision of either Victor Martinez or Joe Ferreira, whose experience is described in Item 2 of this Disclosure Document. The training programs include instruction as outlined in the following tables. Each day will consist of approximately 8 hours of instruction, as indicated.

INITIAL TRAINING PROGRAM

DAY	SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
1	Welcome, Overview, Financial Management	8	0	E. Providence, RI
2	Sanitation, Safety, Security, Emergencies	2	0	E. Providence, RI
2	Marketing	3	0	E. Providence, RI
2	Employee Management: Recruitment, Interviewing, Hiring	3	0	E. Providence, RI
3	Restaurant Operation Overview	0	1	Company-Owned Restaurant
3	Food Handling & Storage	0	2	Company-Owned Restaurant
3	Equipment, Troubleshooting, Maintenance	0	3	Company-Owned Restaurant
3	Sanitation Procedures	0	2	Company-Owned Restaurant
4	Back of House: Food Preparation, Grilling, Frying, Pizza Assembly & Baking	0	8	Company-Owned Restaurant
5	Back of House: Food Preparation, Grilling, Frying, Pizza Assembly & Baking	0	8	Company-Owned Restaurant
6	Back of House: Food Preparation, Grilling, Frying, Appetizer Prep & Assembly	0	8	Company-Owned Restaurant
7	Inventory, Ordering, Receiving	0	3	Company-Owned Restaurant
7	Pizza Dough Formulation	0	5	Company-Owned Restaurant
8	Sandwich Prep & Assembly, Salad Prep & Assembly, Drink Preparation	0	8	Company-Owned Restaurant
9	Hot Table Layout, Maintenance, Cleaning, Serving Techniques	0	8	Company-Owned Restaurant
10	Pizza Dough Formulation	0	4	Company-Owned Restaurant
10	Introduction to POS System Cash Register Procedures	0	4	Company-Owned Restaurant

DAY	SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
11	Taking & Serving Orders: Delivery & Take-Out	0	4	Company-Owned Restaurant
11	POS System Management Procedures	0	4	Company-Owned Restaurant
12	Serving Dining Customers: Menu, Order Taking, Billing	0	5	Company-Owned Restaurant
12	Opening & Closing Procedures	0	3	Company-Owned Restaurant
13	Opening Set Up, Shift Operation Leadership	0	8	Company-Owned Restaurant
14	Closing, Shift Operation Leadership	0	8	Company-Owned Restaurant
15	Employee Management: Scheduling, Orientation, Training, Managing Performance	8	0	E. Providence, RI
	TOTAL	24	96	

ADVANCED TRAINING PROGRAM

DAY	SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
1	Dough Formulation & Management	2	4	E. Providence, RI; Company-Owned Restaurant
1	Recipe Review	2	0	E. Providence, RI
2	POS Report Generation & Analysis	5	0	E. Providence, RI
2	Sales Tracking & Goal Setting	3	0	E. Providence, RI
3	Menu Item & Prep Recipe Preparation	0	5	Company-Owned Restaurant
3	Food Management & Food Cost Analysis	3	0	E. Providence, RI
	TOTAL	15	9	

ITEM 12

TERRITORY

Development Agreement

The Development Agreement assigns you a Development Area within which you must develop Restaurants under a Development Schedule. Each Restaurant developed under the Development Agreement must be located in the Development Area. The Development Area and the Development Schedule will be identified in an exhibit to the Development Agreement. We must approve the site for each Restaurant you propose to develop in the Development Area before you sign a lease for the site.

Except as otherwise described below, the Development Agreement prohibits us from establishing or operating, or licensing anyone other than you to establish or operate, a Restaurant under the System and Proprietary Marks at any location in the Development Area during the term of the Development Agreement. However, we retain the right, among others, to establish and operate, and license others to establish and operate, a PieZoni's restaurant under the System and the Proprietary Marks at any location outside the Development Area, notwithstanding the proximity to the Development Area or any Restaurant developed by you.

You will not receive an exclusive Territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. Specifically, we retain the right: (a) to sell to, solicit, or direct advertising or promotional materials to customers located in the Development Area; (b) to establish or acquire and operate any business or restaurant of any kind under different proprietary marks at any location, whether located within or outside the Development Area and notwithstanding the business's or restaurant's proximity to the Development Area or any Restaurant, or its actual or threatened impact on sales at any Restaurant; (c) to sell, distribute, or otherwise provide, directly or indirectly, or license to others to sell or distribute, directly or indirectly, any products from any location (other than a PieZoni's restaurant), including sales made at or through retail locations, supermarkets, gourmet shops, markets, grocery stores, convenience stores, temporary locations, carts or kiosks, catalogs, mail order, or electronic means (for example, the Internet); and (d) to establish and operate, and license other parties to establish and operate, retail food establishments, including PieZoni's restaurants under the System and Proprietary Marks, in the Development Area at any existing or future office buildings, indoor shopping malls, retail stores, airports, bus and train stations and other transportation terminals, entertainment facilities (including sports stadiums, theatres, and theme parks), rest stops, plazas, and similar locations accessible from limited access or toll highways, colleges, universities, and other educational institutions, and hospitals and other health care facilities.

Unless sooner terminated in accordance with the terms of the Development Agreement, the Development Agreement will expire on the earlier of the last date specified in the Development Schedule or the date when you have open and in operation all of the Restaurants required by the Development Schedule. We may establish or license someone other than you to establish a PieZoni's restaurant in the Development Area after your completion of the Development Schedule, subject to the territorial protections provided under the Franchise Agreements you sign during the term of the Development Agreement, as described in this Item, below. If you fail to develop the number of Restaurants in the time-frame established by the Development Schedule, we have the right to terminate the Development Agreement without an opportunity to cure, to terminate or limit the territorial protection granted under the Development Agreement, to reduce the number of Restaurants that you may develop, to terminate the credit granted to you under the Development Agreement, to withhold evaluation or approval of site proposal packages and refuse to approve the opening of any Restaurant, and to accelerate the Development Schedule.

Franchise Agreement

For a period of 3 years from the date of the Franchise Agreement, we will not establish or operate, or license any other person to establish or operate, a Restaurant under the System and the Proprietary Marks at any location within a specified geographic area that will be described in the Franchise Agreement ("Territory"). The size of your Territory could vary depending on the population density of the area surrounding the Approved Location. Your Territory will typically have a minimum population of approximately 15,000 marketable residential households and could vary in size based on various factors, such as whether the location is urban or suburban. Most territories will be based on zip codes.

You will not receive an exclusive Territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. After 3 years from the date of your Franchise Agreement, we will have the right to establish or operate, or license

any other person to establish or operate, a PieZoni's restaurant under the System and the Proprietary Marks at any location within your Territory. In addition, for the entire term of the Franchise Agreement, we retain the rights, among others: (a) to establish and operate, and license others to establish and operate, a Restaurant under the System and the Proprietary Marks at any location outside your Territory; (b) to sell to, solicit, or direct advertising or promotional materials to customers located in your Territory; (c) to establish or acquire and operate any business or restaurant of any kind under different proprietary marks at any location, whether located within or outside your Territory and notwithstanding the business's proximity to your Territory or the Approved Location, or its actual or threatened impact on sales at your Restaurant; (d) to sell, distribute, or otherwise provide, directly or indirectly, or license to others to sell or distribute, directly or indirectly, any products from any location, other than a PieZoni's restaurant, including sales made at or through retail locations, supermarkets, gourmet shops, markets, grocery stores, convenience stores, temporary locations, carts or kiosks, catalogs, mail order, or electronic means (for example, the Internet); and (e) to establish and operate, and license other parties to establish and operate, retail food establishments, including PieZoni's restaurants under the System and Proprietary Marks, in your Territory at any existing or future office buildings, indoor shopping malls, retail stores, grocery stores, supermarkets, airports, bus and train stations and other transportation terminals, entertainment facilities (including sports stadiums, theatres, and theme parks), rest stops, plazas, and similar locations accessible from limited access or toll highways, and colleges, universities, and other educational institutions.

As of the date of this Disclosure Document, neither we nor any affiliate has used other channels of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within any franchisee's territory using the Proprietary Marks or marks other than the Proprietary Marks; however, we reserve the right to do so. You are not restricted from soliciting or accepting orders from consumers outside of your Territory, but you may not make sales within or outside of your Territory using other channels of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing. Neither we nor other franchisees will have to compensate you for soliciting or accepting orders from inside your Territory.

Neither we nor any affiliate of ours currently operate or franchise, or have present plans to operate or franchise, a business under a different trademark that sells goods and services similar to those being offered at Boomerang carwashes, but we reserve the right to do so.

You may not establish more than one Restaurant in your Territory. You will not be granted any option, right of first refusal or similar right to acquire additional franchises within your Territory, or in a contiguous territory.

You must offer and sell products only from the Restaurant and only in accordance with the requirements of the Franchise Agreement and the procedures set forth in the Manuals. You must not offer or sell products through any other means or locations, including through satellite locations, sales or mail order catalogs, temporary locations, carts or kiosks, the Internet, or through any other electronic or print media.

ITEM 13

TRADEMARKS

Development Agreement

The Development Agreement does not grant you any right to use or license others to use the Proprietary Marks.

Franchise Agreement

You will be granted the right to establish and operate a Restaurant under the Proprietary Marks, including the mark “PieZoni’s.”

One of the principal trademarks that we license you to use under the Franchise Agreement is the “PieZoni’s” mark, which is registered on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”):

Trademark	Registration Number	Registration Date
PIEZONI’S (word)	3473869	July 22, 2008 (renewed)

PieZoni’s Licensing, LLC owns the Proprietary Marks, including the mark listed above, and has licensed to us the right to use the Proprietary Marks, and to sublicense them to our franchisees, under a license agreement between PieZoni’s Licensing, LLC and us, dated August 14, 2006. The term of the license agreement is indefinite, but either we or PieZoni’s Licensing, LLC may terminate the license agreement with or without cause on 30 days’ written notice. In the event of termination, PieZoni’s Licensing, LLC will assume all of our rights and obligations regarding the Proprietary Marks under any franchise agreements then in effect. Except for the license from PieZoni’s Licensing, LLC to us with respect to the Proprietary Marks, there are no agreements currently in effect that significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to the franchise.

Although our principal trademark is the PIEZONI’S word mark, we do not have a federal registration for the logo shown on the cover page. Therefore, the logo design mark does not have many legal benefits and rights as a registered trademark. If our right to use the logo is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state, or court nor any pending infringement, opposition, or cancellation proceeding nor any pending material litigation involving the “PieZoni’s” mark or name that may be relevant to its use in any or otherwise. In addition, there is no litigation of which we are aware that affects the ownership or use of the “PieZoni’s” mark or name.

We know of the existence of a store operating under the name “PieZon’s Pizzeria” at 15605 West Center Road, Omaha, NE 68130, and using the domain name PieZonspizzeria.com. We plan to take steps to investigate and address any infringing use of our Proprietary Marks.

Except as described above, we know of no superior prior rights or infringing use that could materially affect your use of the Proprietary Marks or our rights in the “PieZoni’s” mark or name in any state.

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, 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 any settlements. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will bear the cost of your defense, 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, you must bear the cost of your defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Proprietary Marks, you must sign any and all documents and do such acts as may, in the opinion of us, be necessary to carry out your defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that the litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

We reserve the right, at our sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks for use in identifying the System and the businesses operating under these marks. You must comply with any changes, revisions and/or substitutions. We will bear the reasonable costs to you of modifying your signs, advertising materials, interior graphics and any other items to conform to our new Proprietary Marks.

ITEM 14

PATENTS, COPYRIGHTS AND OTHER PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any right in, or to, any patents or registered copyrights that are material to the franchise. However, we claim common law copyrights on the Manuals, training materials, and other operating documents owned by us.

Confidential Operating Manuals

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your Restaurant in accordance with the standards, methods, policies, and procedures specified in the Manuals. Upon your completion of our initial training program to our satisfaction, we will loan you one copy of the Manuals for the term of your Franchise Agreement.

The Manuals may consist of multiple volumes of printed text, computer disks, other electronically stored data, DVDs, and videotapes, and may contain information related to ingredients, recipes, restaurant operations, and restaurant management. We may provide a portion or all of the Manuals (including updates and amendments), and other instructional information and materials, in or via electronic media, including through the Internet.

You must treat the Manuals, any other manuals created for or approved for use in the operation of the Restaurant, and the information contained in the Manuals, as confidential, and you must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any unauthorized person. The Manuals will remain our sole property and must be kept in a secure place at the Restaurant.

We may revise the contents of the Manuals at any time, and you must comply with each new or changed standard. You must ensure that the Manuals are kept current at all times. In the event of any dispute as to the contents of the Manuals, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

You must not, during and after the term of the Franchise Agreement, communicate, divulge, or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised under the Franchise Agreement, including, the Manuals, recipes, cooking methods, preparation of menu items, drawings, suppliers, equipment, product costs, accounting methods, including both paper and electronic spreadsheets, management tools, marketing methods, or advertising which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of the Franchise Agreement. You may divulge this confidential information only to those of your employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

During the term of your Franchise Agreement, you, your Operating Principal, or your Store Manager must devote full time, energy, and best efforts to the management and operation of the Restaurant. The foregoing individual must take an active role in the operation of the Restaurant and be on the premises operating the Restaurant during peak hours of operation. We reserve the right to approve your Store Manager.

The Restaurant must at all times be under the direct, on-premises supervision of you, your Operating Principal, or another individual who has satisfactorily completed the training required under the Franchise Agreement or as otherwise specified by us in writing, whom we reserve the right to approve in our sole discretion. You must maintain a competent, conscientious, trained staff, including a Store Manager who has successfully completed the initial training program and such additional training as we may specify in writing.

Under both the Franchise Agreement and the Development Agreement, if you are a corporation, limited liability company, partnership, or other business organization, you must designate an Operating Principal. The Operating Principal must have authority to make binding decisions on behalf of the organization. We will communicate solely with the Operating Principal regarding the operation of the Franchised Business and your obligations under the Franchise Agreement or Development Agreement.

At our request, you must obtain and furnish to us signed confidentiality and non-competition agreements (attached as Exhibit D to the Franchise Agreement and Exhibit E to the Development Agreement) from your Store Manager and other personnel having access to our confidential information by virtue of their relationship with you. All principals of the Franchisee will also be required to personally guarantee all of the obligations of the Franchisee under the Franchise Agreement and Development Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must (1) sell or offer for sale only those menu items, products, merchandise, and services as we have expressly approved for sale in writing; (2) sell or offer for sale all types of menu items, products,

services, and merchandise we specify (including beer and wine products as approved by us and to the extent permitted by local and state laws and regulations); (3) refrain from any deviation from our standards and specifications without our prior written consent; and (4) discontinue selling and offering for sale any menu items, products, merchandise, and services which we may, in our discretion, disapprove in writing at any time. You must sell all menu items and other products at retail and not sell menu items and products at wholesale or for resale. All products sold or offered for sale at the Franchised Business must meet our then-current standards and specifications, as established in the Manuals or otherwise in writing. (See Item 8.)

The Franchise Agreement does not limit our right to make changes in the types of authorized products, merchandise, and services. We reserve the right to require you to comply with reasonable restrictions on coupon sales and maximum prices of specific products, merchandise, or services you offer and sell as required in the Manuals or through the PieZoni's Brand Fund, or as we otherwise reasonably direct in writing.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The following tables list important provisions in the Franchise Agreement and Development Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

Franchise Agreement

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the Franchise Term	Section 2.1	10 Years from date Franchise Agreement is signed.
b. Renewal or Extension of the Term	Section 2.2	If you satisfy all requirements listed in (c) below, you can renew for up to two additional 5 year terms.
c. Requirements for Franchisee to Renew or Extend	Section 2.2	Give timely notice; renovate physical premises; not be in default (or have been in default); have satisfied all monetary obligations; have right to possess premises; sign then-current successor franchise agreement, which may contain materially different terms and conditions than your initial franchise agreement; sign a general release; comply with training requirements; be current on all obligations to your landlord, suppliers, and others with whom you do business.
d. Termination by Franchisee	None	Not applicable.
e. Termination by Franchisor Without Cause	None	Not applicable.
f. Termination by Franchisor With Cause	Section 15	We have the right to terminate with cause.
g. "Cause" Defined – Curable Defaults	Section 15.3	Non-compliance with the Franchise Agreement (except those defaults listed in (h) below); non-payment of monies; non-submission of reports; failure to maintain prescribed specifications, standards, or procedures; default under any agreement with us or a major supplier; failure to obtain our prior written approval or consent; actions inconsistent with or contrary to your lease; failure to maintain product and service quality; using confusingly similar names or marks; failure

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		to comply with all applicable laws, rules, and regulations; unauthorized use of our proprietary software; failure to maintain minimum insurance; and others.
h. “Cause” Defined – Non-Curable Defaults	Sections 15.1, 15.2	Non-curable defaults include: insolvency, bankruptcy, dissolution, foreclosure, or other similar filings or proceedings; final or unsatisfied judgments; failure to locate a site or to open for business; failure to complete training; abandonment; loss of premises; conviction of a crime; health or safety violations; unapproved transfers; approved transfer not timely effected; failure to comply with covenants; unauthorized disclosure of confidential information; maintain false books or submit false reports; trademark misuse; refusal to permit inspections; failure to timely cure a default; repeated defaults even if cured; and others.
i. Franchisee’s Obligations on Termination/Non-Renewal	Section 16	Obligations include: cease operations of the Restaurant; de-identification; assignment of right to possess premises; payment of amounts due to us and our affiliates and pay liquidated damages to us; return Manuals and all other confidential information; sell to us products, furnishings, equipment, signs, fixtures, stationery, forms, packaging, and advertising materials at our option; compliance with post-termination non-competition agreement; and others.
j. Assignment of Contract by Franchisor	Section 14.1	No restriction on our right to transfer or assign the Franchise Agreement.
k. “Transfer” by Franchisee – Defined	Section 14.2	Includes transfer of Franchise Agreement, any direct or indirect interest in the Franchisee (if a corporation or partnership), or all or substantially all of the assets of the Restaurant.
l. Franchisor Approval of Transfer by Franchisee	Sections 14.2, 14.3	All transfers require our prior written consent, which will not be unreasonably withheld.
m. Conditions for Franchisor Approval of Transfer	Section 14.3	Conditions of approval include: timely written notification to us of the proposed transfer; our prior written consent; your monetary and other obligations have been satisfied; you are not in default of any provision of any agreement with us or our affiliates; transferor signs a general release; transferee enters into a written assignment and guaranty, if applicable; transferee meets our qualifications; transferee signs our then-current form of franchise agreement; you remain liable for all of the obligations to us which arose before the transfer and which extend beyond the term of the Franchise Agreement, and you sign all instruments which we reasonably request to evidence this liability; transferee completes all required training programs; you pay a transfer fee; we have been offered right to assume controlling interest of transferor (see (n) below); transferee acquires all of your rights and obligations under any Development Agreement and Franchise Agreements to which you are a party; and others.
n. Franchisor’s Right of First Refusal to Acquire Franchisee’s Business	Section 14.5	We have a right of first refusal for any proposed transfer of interest, unless the transfer is to an immediate family member.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
o. Franchisor's Option to Purchase Franchisee's Business	Sections 16.4, 16.10	Upon termination or expiration of your Franchise Agreement, we have the option, but not the obligation, to purchase your equipment, signs, and fixtures at fair market value or at 60% of your original investment, exclusive of supplies and inventory, whichever is less; we also have the option to have you assign your lease to us.
p. Death or Disability of Franchisee	Section 14.6	Upon the death or mental incapacity of any person holding any interest in the Franchise Agreement, in Franchisee, or in all or substantially all of the assets of the Restaurant, an approved transfer must occur within 6 months.
q. Non-Competition Covenants During the Term of the Franchise	Section 17.2	During the term of the Franchise Agreement, you may not own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any retail business which is substantially similar to the Restaurant or sells substantially similar products as the Restaurant.
r. Non-Competition Covenants After the Franchise Is Terminated or Expires	Section 17.3	For 2 years after termination or expiration of the Franchise Agreement, you may not own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any retail business which (1) is substantially similar to the Restaurant or sells substantially similar products as the Restaurant, and (2) is located within your Territory, within 10 miles of the Approved Location, or within 10 miles of any PieZoni's restaurant.
s. Modification of the Agreement	Section 24	All amendments, changes, or variances from the Franchise Agreement must be in writing.
t. Integration / Merger Clause	Section 24	The Franchise Agreement and all referenced and attached documents constitute the entire, full, and complete agreement between the parties.
u. Dispute Resolution by Arbitration or Mediation	Section 26.2	Most disputes relating to the Franchise Agreement must be submitted to mediation in or around Providence, Rhode Island.
v. Choice of Forum	Section 26.3	Any judicial proceeding will be held in the judicial district in which we have our principal place of business at the time the action is commenced.
w. Choice of Law	Section 26.1	All disputes will be governed by the laws of Rhode Island.

Development Agreement

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
a. Length of the Term	Section 4.1	The earlier of (1) the last date specified in the Development Schedule; or (2) the date when you have open and in operation all of the Restaurants required by the Development Schedule.
b. Renewal or Extension of the Term	None	Not applicable.

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
c. Requirements for Developer to Renew or Extend	None	Not applicable.
d. Termination by Developer	None	Not applicable.
e. Termination by Franchisor Without Cause	None	Not applicable.
f. Termination by Franchisor With Cause	Section 6	We have the right to terminate with cause.
g. “Cause” Defined – Curable Defaults	None	Not applicable.
h. “Cause” Defined – Defaults Which Cannot Be Cured	Sections 6.1, 6.2	Non-curable defaults include: insolvency, bankruptcy, dissolution, foreclosure or other similar filings or proceedings; final or unsatisfied judgments; your non-compliance with the Development Agreement, Franchise Agreement or any other agreement with us or our affiliates; transfer or attempted transfer in violation of the Development Agreement; and others.
i. Developer’s Obligations on Termination/Non-Renewal	Section 6.3	Obligations include: loss of rights granted under the Development Agreement; and others.
j. Assignment of Contract by Franchisor	Section 7.1	No restriction on our right to transfer or assign Development Agreement.
k. “Transfer” by Developer – Defined	Section 7.2	Includes transfer of the Development Agreement, any direct or indirect interest in the Developer, or all or substantially all of the assets of the Restaurants developed under the Development Agreement.
l. Franchisor Approval of Transfer by Developer	Section 7.2	All transfers require our prior written consent, which will not be unreasonably withheld.
m. Conditions for Franchisor Approval of Transfer	Section 7.3	Conditions include: your monetary and other obligations have been satisfied; you are not in default of any material provisions of the Development Agreement; transferee enters into a written assignment assuming to discharge all of your obligations; transferee meets our qualifications; transferee signs a new Development Agreement; each Restaurant opened under the Development Agreement is in full compliance with the applicable Franchise Agreement; you remain liable for all obligations of your business before the date of transfer; transferor signs a general release; you pay a transfer fee; and you first offer to sell that interest to us.
n. Franchisor’s Right of First Refusal to Acquire Developer’s Business	Section 7.5	We have a right of first refusal for any proposed transfer of interest.
o. Franchisor’s Option to Purchase Developer’s Business	None	Not applicable.
p. Death or Disability of Developer	Section 7.6	Upon the death or mental incapacity of any person holding any interest in the Development Agreement, in Developer, or

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
		in all or substantially all of the assets of the Developer, an approved transfer must occur within 6 months.
q. Non-Competition Covenants During the Term of the Development Agreement	Section 8.3	During the term of the Development Agreement, you may not own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any retail business which is substantially similar to a PieZoni's restaurant or sells substantially similar products as a PieZoni's restaurant.
r. Non-Competition Covenants After the Development Agreement Is Terminated or Expires	Section 8.4	For 2 years after termination or expiration of the Development Agreement, you may not own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any retail business which (1) is substantially similar to a PieZoni's restaurant or sells substantially similar products as a PieZoni's restaurant, and (2) is located within your Territory, within 10 miles of your Territory, or within 10 miles of any PieZoni's restaurant.
s. Modification of the Agreement	Section 13	All amendments, changes, or variances from the Development Agreement must be in writing.
t. Integration / Merger Clause	Section 13	The Development Agreement and all referenced and attached documents constitute the entire, full, and complete agreement between the parties.
u. Dispute Resolution by Arbitration or Mediation	Section 14.2	Most disputes relating to the Development Agreement must be submitted to mediation in or around Providence, Rhode Island.
v. Choice of Forum	Section 14.3	Any judicial proceeding will be held in the judicial district in which we have our principal place of business at the time the action is commenced.
w. Choice of Law	Section 14.1	All disputes will be governed by the laws of Rhode Island.

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote our franchises.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Joe Ferreira at 969 Broadway, East Providence, Rhode Island 02914, (401) 431-1500, the Federal Trade Commission, and the appropriate state regulatory agencies listed in Exhibit A.

ITEM 20

OUTLETS AND FRANCHISE INFORMATION

Table 1
SYSTEM-WIDE OUTLET SUMMARY
FOR YEARS 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2019	14	16	+2
	2020	16	14	-2
	2021	14	14	0
Company-Owned	2019	4	4	0
	2020	4	3	-1
	2021	3	3	0
Total Outlets	2019	18	20	+2
	2020	20	17	-3
	2021	17	17	0

*Please note that three of the franchised locations are operated by officers and/or directors of the Franchisor.

Table 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2019 to 2021

State	Year	Number of Transfers
Massachusetts	2019	1
	2020	0
	2021	0
Total	2019	1
	2020	0
	2021	0

Table 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations—Other Reasons	Outlets at End of Year
Massachusetts	2019	5	2	0	0	0	0	7
	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
Rhode Island	2019	9	1	0	0	1	0	9
	2020	9	1	0	0	0	3	7
	2021	7	0	0	0	0	0	7
Total	2019	14	3	0	0	1	0	16
	2020	16	1	0	0	0	3	14
	2021	14	0	0	0	0	0	14

Table 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Massachusetts	2019	2	0	0	0	0	2
	2020	2	0	0	1	0	1
	2021	1	0	0	0	0	1
Rhode Island	2019	2	0	1	0	1	2
	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
Total	2019	4	0	1	0	1	4
	2020	4	0	0	1	0	3
	2021	3	0	0	0	0	3

The following table gives the projected number of new franchised and company-owned restaurants during the one-year period from January 1, 2022 through December 31, 2022.

Table 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2021

State	Franchise Agreement Signed But Unit Not Yet Open (As of 12/31/2021)	Projected New Franchised Units Opening in Fiscal Year 2022	Projected New Company- Owned Units in Fiscal Year 2022
Florida	0	5	0
Massachusetts	1	1	0
Total	1	6	0

A list of our current franchisees and their contact information is provided in Exhibit G. In addition, Exhibit G contains a list of all franchisees that had an outlet transferred, terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased doing business in our last fiscal year, or that had not communicated with us within 10 weeks of the date of this Disclosure Document.

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

No franchisees have signed confidentiality clauses during the last three fiscal years that restrict their ability to speak with you about their franchised business. There are currently no trademark-specific franchisee organizations that have been created, sponsored, or endorsed by us. No trademark-specific franchisee organizations associated with the PieZoni's system have asked us to include information about them in our current Franchise Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

Our fiscal year end is December 31. Attached as Exhibit D is a copy of our audited financial statements as of December 31, 2021, December 31, 2020, and December 31, 2019.

ITEM 22

CONTRACTS

The PieZoni's Restaurant Franchise Agreement (with exhibits) is attached as Exhibit E. The PieZoni's Restaurant Development Agreement (with exhibits) is attached as Exhibit F. Our standard form of Renewal Addendum is attached as Exhibit I.

ITEM 23

RECEIPTS

A receipt in duplicate is attached to this Disclosure Document as Exhibit K. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to PieZoni's Franchising, LLC, 969 Broadway, East Providence, Rhode Island 02914.

**EXHIBIT A
TO FRANCHISE DISCLOSURE DOCUMENT**

LIST OF STATE ADMINISTRATORS

(See attached.)

California

Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
1-866-275-2677

Florida

Florida Department of Agriculture
and Consumer Services
Division of Consumer Affairs
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800

Hawaii

Business Registration Division
Securities Compliance Branch
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois

Office of Attorney General
Franchise Division
500 South Second Street
Springfield, Illinois 62706

Indiana

Secretary of State
Franchise Section
Indiana Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204

Kentucky

Commonwealth of Kentucky
Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive
P.O. Box 2000
Frankfort, Kentucky 40602

Maryland

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913

Minnesota

Department of Commerce
85 7th Place East
Suite 500
St. Paul, Minnesota 55101-2198

Nebraska

Department of Banking and Finance
1200 N Street
Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st Floor
New York, New York 10005
212-416-8222

North Dakota

Office of Securities Commissioner
Fifth Floor
600 East Boulevard
Bismarck, North Dakota 58505

Rhode Island

Division of Securities
Building 69-1
John O. Pastore Complex
1511 Pontiac Avenue
Cranston, Rhode Island 02910

South Dakota

Department of Labor & Regulation
Division of Insurance - Securities Regulation
124 S. Euclid Ave., Suite 104, 2nd Floor
Pierre, South Dakota 57501

Texas

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
Ninth Floor
1300 East Main Street
Richmond, Virginia 23219

Washington

Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

Wisconsin

Franchise Registration Division
Office of the Wisconsin
Commissioner of Securities
101 East Wilson Street
Madison, Wisconsin 53702

EXHIBIT B
TO FRANCHISE DISCLOSURE DOCUMENT
LIST OF AGENTS FOR SERVICE OF PROCESS

(See attached.)

California

Commissioner of Financial Protection
and Innovation
Department of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
1-866-275-2677

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

Illinois

Attorney General of the State of Illinois
500 South Second Street
Springfield, Illinois 62706

Indiana

Secretary of State
201 State House
Indianapolis, Indiana 46204

Kentucky

Commonwealth of Kentucky
Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive
P.O. Box 2000
Frankfort, Kentucky 40602

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913

Minnesota

Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

Nebraska

Department of Banking and Finance
1200 N Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509

New York

Secretary of State
99 Washington Avenue
Albany, New York 12231

North Dakota

Office of Securities Commissioner
Fifth Floor
600 East Boulevard
Bismarck, North Dakota 58505

Rhode Island

Director of Business Regulation
Division of Securities
Building 69-1
John O. Pastore Complex
1511 Pontiac Avenue
Cranston, Rhode Island 02910

South Dakota

Director of Division of Securities
Department of Labor & Regulation
Division of Insurance - Securities Regulation
124 S. Euclid Ave., Suite 104, 2nd Floor
Pierre, South Dakota 57501

Texas

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711

Virginia

Clerk of the State Corporation Commission
1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington

Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

Wisconsin

Department of Financial Institutions
Division of Securities
P.O. Box 1768
Madison, Wisconsin 53701

**EXHIBIT C
TO FRANCHISE DISCLOSURE DOCUMENT**

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Guide to the Manual; Confidentiality Agreement, Index	10
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Financial Management	34
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Inventory Management	11
Managing Operations	8
Safety & Security	41
Labor Management	23
Marketing	27
Leveraging Advantages of the Franchise System	2
Sub-total Pages	203
Appendix	88
New Employee Packet	12
Recipe Manual	92
Total Pages	395

**EXHIBIT D
TO FRANCHISE DISCLOSURE DOCUMENT**

FINANCIAL STATEMENTS

(See attached.)



C e r t i f i e d P u b l i c A c c o u n t a n t s

PIEZONI'S FRANCHISING, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

PIEZONI'S FRANCHISING, LLC
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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B	STATEMENTS OF INCOME AND MEMBERS' EQUITY	6
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	NOTES TO FINANCIAL STATEMENTS	8 - 14
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A - 1	SCHEDULES OF OPERATING EXPENSES	16
A - 2	SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES	17

INDEPENDENT AUDITORS' REPORT

To the Members of

PieZoni's Franchising, LLC:

OPINION

We have audited the accompanying financial statements of PieZoni's Franchising, LLC a Rhode Island Limited Liability Company, which comprise the Balance Sheets as of December 31, 2021 and 2020, and the related Statements of Income and Members' Equity and Cash Flows for the years then ended, 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 PieZoni's Franchising, LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years 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 PieZoni's Franchising, LLC 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS (CONTINUED)

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 PieZoni's Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
(CONTINUED)

- . 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 PieZoni's Franchising, LLC'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 PieZoni's Franchising, LLC'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.

Taunton, Massachusetts

February 7, 2022

PIEZONI'S FRANCHISING, LLC

BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$333,849	\$292,209
Accounts receivable	1,693	2,060
Royalty fees receivable	12,725	8,884
Note receivable - current	-	27,802
Prepaid expenses	<u>793</u>	<u>4,273</u>
TOTAL CURRENT ASSETS	<u>349,060</u>	<u>335,228</u>
FIXED ASSETS		
Equipment	17,296	17,296
Less: accumulated depreciation	<u>17,296</u>	<u>17,296</u>
NET FIXED ASSETS	<u>-</u>	<u>-</u>
OTHER ASSETS		
Intangible assets (net of amortization)	2,092	8,542
Note receivable - non-current	<u>-</u>	<u>116,777</u>
TOTAL OTHER ASSETS	<u>2,092</u>	<u>125,319</u>
TOTAL ASSETS	<u>\$351,152</u>	<u>\$460,547</u>

See Notes to Financial Statements

PIEZONI'S FRANCHISING, LLC

BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

LIABILITIES AND MEMBERS' EQUITY

	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES		
Line of credit	\$ -	\$158,436
Accounts payable	19,494	848
Current portion - long-term debt	-	11,127
Accrued expenses	32,561	23,522
Accrued payroll and taxes	9,119	4,882
Accrued pension	1,252	2,534
Accrued state corporate taxes	<u>856</u>	<u>856</u>
TOTAL CURRENT LIABILITIES	<u>63,282</u>	<u>202,205</u>
LONG-TERM LIABILITIES		
Notes payable	<u>180,000</u>	<u>183,379</u>
MEMBERS' EQUITY (EXHIBIT B)	<u>107,870</u>	<u>74,963</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$351,152</u>	<u>\$460,547</u>

See Notes to Financial Statements

PIEZONI'S FRANCHISING, LLC
 STATEMENTS OF INCOME AND MEMBERS' EQUITY
 DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUE	\$1,044,938	\$ 888,493
OPERATING EXPENSES (EXHIBIT A - 1)	<u>356,530</u>	<u>214,563</u>
OPERATING INCOME	688,408	673,930
GENERAL AND ADMINISTRATIVE EXPENSES (EXHIBIT A - 2)	<u>683,070</u>	<u>650,000</u>
INCOME BEFORE OTHER INCOME	5,338	23,930
OTHER INCOME (EXPENSE)		
Interest expense	(18,827)	(22,163)
Interest income	2,303	3,616
PPP/SBA forgiveness	<u>111,093</u>	<u>107,998</u>
TOTAL OTHER INCOME (EXPENSE)	<u>94,569</u>	<u>89,451</u>
NET INCOME	99,907	113,381
MEMBERS' EQUITY - BEGINNING	74,963	2,325
LESS: DISTRIBUTIONS	<u>67,000</u>	<u>40,743</u>
MEMBERS' EQUITY - ENDING	\$ <u><u>107,870</u></u>	\$ <u><u>74,963</u></u>

See Notes to Financial Statements

PIEZONI'S FRANCHISING, LLC

STATEMENTS OF CASH FLOWS

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES:		
Net income	\$ 99,907	\$ 113,381
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	6,449	11,696
Bad debt	66,882	93,992
PPP/SBA forgiveness	(110,057)	(78,613)
Change in current assets and liabilities		
(Increase) Decrease in accounts receivable	367	(994)
(Increase) Decrease in royalty fees receivable	(3,841)	11,244
(Increase) Decrease in prepaid expenses	3,480	(4,150)
Increase (Decrease) in accounts payable	18,646	(15,862)
Increase in accrued expenses	4,527	205
Increase (Decrease) in accrued payroll	4,237	(4,709)
(Decrease) in accrued pension	(1,282)	(10,654)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>89,315</u>	<u>115,536</u>
FINANCING ACTIVITIES:		
Member distributions	(67,000)	(40,743)
Decrease in notes receivable	77,697	5,109
Principal payments on long-term debt	(9,993)	(61,969)
(Increase) Decrease in due from members	-	21,416
Proceeds from new financing	-	184,512
Line of credit payments	(158,436)	(21,564)
Cash received from PPP/SBA forgiveness	<u>110,057</u>	<u>78,613</u>
NET CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES	<u>(47,675)</u>	<u>165,374</u>
NET INCREASE (DECREASE) IN CASH	41,640	280,910
CASH - BEGINNING	<u>292,209</u>	<u>11,299</u>
CASH - ENDING	\$ <u>333,849</u>	\$ <u>292,209</u>

See Notes to Financial Statements

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 - DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

PieZoni's Franchising, LLC was organized as a Limited Liability Company under the laws of the State of Rhode Island on February 17, 2006. Under the Rhode Island statutes, members of an LLC are protected from liability for acts and debts of the LLC. The Company is engaged in the sale and support of restaurant franchises throughout New England.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE RECOGNITION

The Company's revenues consist of fees from franchised restaurants. Fees from franchised restaurants include royalties based on a percent of sales.

The Company adopted ASC 606, Revenues from Contracts with Customers, effective for 2019.

When a new franchise is acquired, and according to ASU 2021-02, the franchise fee includes pre-opening services that are distinct from the franchise license. The Company considers revenue has been earned when the Company gains full control of the transfer. This happens once a restaurant is opened, after the completion of training.

All revenues earned from the sale of franchises is recorded when all material services or conditions relating to the sales have been substantially performed or satisfied by the Franchisor. There were no sales of franchises during 2021 and 2020.

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 1 - DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Other revenues include vendor rebates, which are derived from a percentage of franchise purchases. The Company's policy is to record rebates when received.

INTANGIBLE ASSETS

Start up costs of \$134,931 are being amortized on a straight-line basis over 15 years. At December 31, 2021 and 2020, accumulated amortization was \$134,931 and \$131,182, respectively.

Organizational costs of \$40,515 are being amortized on a straight-line basis over 15 years. At December 31, 2021 and 2020, accumulated amortization was \$38,423 and \$35,722, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, including improvements that significantly add to the productive capacity or extend the useful life of the related asset. For financial statement purposes, property and equipment are being depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 5 years. When property or equipment is sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

COMPENSATED ABSENCES

Employees of the Company are entitled to paid vacations, paid sick days, and personal days off, depending on job classification, length of service, and other factors. Employees and management have contracts or agreements with the Company that provide for compensated absences. It is impracticable to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when actually paid to employees.

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 1 - DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

The Company, with the consent of its members, has elected to be taxed under the Internal Revenue Code as an S Corporation. In lieu of corporate income taxes, the members of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements. At December 31, 2021, the Company had available undistributed taxable income of \$124,611.

When material, a provision for state income taxes is recorded in accordance with regulations of the various Departments of Revenue for which the Company files.

Management has evaluated significant tax positions against criteria established by professional standards and believes there are no such tax positions requiring accounting recognition. The Company's tax returns are subject to examination by taxing authorities for the years ended 2019, 2020 and 2021.

CREDIT RISK

The Company maintains cash balances at Santander Bank. Accounts are insured by the Federal Deposit Insurance Corporation. At December 31, 2021 and 2020, the Company's uninsured cash balances total was \$87,299 and \$42,210, respectively.

NOTE 2 - ADVERTISING

The Company expenses advertising as incurred. Advertising expense was \$256,624 and \$101,674 for the years ended December 31, 2021 and 2020, respectively.

NOTE 3 - SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest expense	\$ <u>18,827</u>	\$ <u>17,651</u>

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 - NOTE RECEIVABLE

Notes receivable are measured annually under the net present value of expected future cash flow method.

In 2016-2017, the Company loaned \$90,000 to one franchisee with no formal repayment terms and no interest was being charged. The Company did not believe it was exposed to significant credit risk in connection with the notes receivable. At December 31, 2020, it was determined that one of the Company's note receivable had been permanently impaired, and, as a result, the Company recognized bad debt expense of \$93,992 as a result.

In 2016-2017, the Company loaned \$156,362 to a franchisee for an equipment purchase. There were no formal repayment terms and no interest was being charged. The Company did not believe it was exposed to significant credit risk in connection with the note receivable. At November 2, 2021, the Company negotiated the disposition of this note. The Company received \$80,000 in satisfaction of the balance, and recognized \$66,882 in bad debt expense.

As of December 31, 2021, there are no remaining notes receivable.

NOTE 5 - LONG-TERM LIABILITIES

As of December 31, 2021, the Company was liable for the following debts:

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CURRENT</u>	<u>LONG-TERM</u>
SBA EIDL	Payable in monthly installments of \$925, beginning April 2022, including accrued interest at 3.75%, secured by tangible personal property, maturing March 2050.	\$ <u>-</u>	\$ <u>180,000</u>

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 - LONG-TERM LIABILITIES (CONTINUED)

Maturities of long-term debt for each of the five years succeeding December 31, 2021 are as follows:

<u>YEAR</u>	<u>LONG-TERM DEBT REQUIREMENTS</u>
2022	\$ -
2023	-
2024	-
2025	3,396
2026	4,558

NOTE 6 - OPERATING LINE OF CREDIT

The Company had available a \$180,000 line of credit with Santander Bank. At December 31, 2019, the rate was Libor plus 4.50% and borrowings under the line of credit totaled \$180,000. The loan was secured by assets of the Company.

This loan was refinanced as a term note in 2020 and bore interest at 7.25%. This note has been paid in full as of December 31, 2021.

NOTE 7 - RELATED PARTY TRANSACTIONS

The franchise received royalty income from related parties; franchises owned 100% by the members of PieZoni's Franchising, LLC and/or their children. At December 31, 2021 and 2020, the amounts received for royalty income were \$443,452 and \$396,901, respectively.

The franchise paid rent of \$9,200 and \$-0- for the years ended December 31, 2021 and 2020, respectively, to an affiliated franchisee for building rental.

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8 - FRANCHISE ARRANGEMENTS

Franchise arrangements generally include a license and provide for payment of pre-opening services, as well as continuing royalties to the Company based upon a percent of sales. Under this arrangement, franchises are granted the right to operate a restaurant using the PieZoni's system.

Revenue consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Brand Fund	\$ 147,602	\$119,701
Royalties	738,009	631,946
Other - rebates	<u>159,327</u>	<u>136,846</u>
TOTALS	<u>\$1,044,938</u>	<u>\$888,493</u>

As of December 31, 2021 and 2020, there were seventeen and eighteen franchises in operation. Out of those franchises, ten were owned by related parties, for both years.

NOTE 9 - PENSION PLAN

The Company provides a Simple IRA pension plan covering substantially all employees. Employees determine their own contribution under the maximum allowable as determined by the Internal Revenue Service code. The Company matches employee contributions up to the lesser of three percent of the salary or the actual contribution. Employer matching contributions for the years ended December 31, 2021 and 2020 were \$11,219 and \$10,566, respectively.

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 - PAYCHECK PROTECTION PROGRAM FUNDS ACCOUNTING

On May 3, 2020, the Company received an advance in the amount of \$78,613 pursuant to the Paycheck Protection Program (PPP) initiated under the CARES act. The Company expected to meet the PPP's eligibility criteria of payroll costs paid during the covered period and concluded that the PPP loan represents, in substance, a grant that was expected to be forgiven. Accordingly, for the year ended December 31, 2020, the loan proceeds were included in other income.

On February 26, 2021, the Company was notified that the Small Business Administration had approved the request for PPP forgiveness.

On February 1, 2021, the Company received an advance in the amount of \$110,057 pursuant to the Paycheck Protection Program (PPP) initiated under the CARES act. The Company met the PPP's eligibility criteria of payroll and other applicable costs paid during the covered period and filed an application for forgiveness. On June 14, 2021, the Company was notified that the Small Business Administration had approved the request for PPP forgiveness and accordingly, for the year ended December 31, 2021, the loan proceeds have been included in other income.

NOTE 11 - IMPACT OF COVID-19

In response to orders by the U.S. Health and Human Services Secretary and by the Governor of the Commonwealth of Massachusetts related to the coronavirus (COVID-19) pandemic, most local businesses were required to close or significantly restrict segments of their operations during 2020 and the first half of 2021.

Even though the franchisees were closed or partially operating during the pandemic, this franchisor was able to remain open.

NOTE 12 - FINANCIAL STATEMENT PRESENTATION

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation.

NOTE 13 - SUBSEQUENT EVENTS

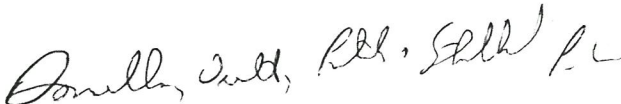
Subsequent events have been evaluated through January 26, 2022, the date the financial statements were available to be issued.

INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION

To the Members of

PieZoni's Franchising, LLC:

We have audited the financial statements of PieZoni's Franchising, LLC as of and for the years ended December 31, 2021 and 2020, and our report thereon dated February 7, 2022, which expressed an unmodified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying exhibits A-1 and A-2 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Taunton, Massachusetts

February 7, 2022

PIEZONI'S FRANCHISING, LLC
SCHEDULES OF OPERATING EXPENSES
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Advertising	\$256,624	\$101,674
Franchise expense	20,229	35,694
Miscellaneous	2,015	1,341
Photography and design	16,336	15,593
Professional fees	48,401	46,342
Social media	6,228	8,645
Travel expenses	<u>6,697</u>	<u>5,274</u>
TOTAL OPERATING EXPENSES	<u>\$356,530</u>	<u>\$214,563</u>

PIEZONI'S FRANCHISING, LLC

SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Amortization expense	\$ 6,449	\$ 11,696
Bad debt expense	66,882	93,992
Health insurance	56,533	49,252
Insurance expense	27,363	26,274
Meals and entertainment	5,013	-
Officers' salaries	174,743	186,543
Office salaries	247,000	192,171
Office supplies	18,514	6,739
Payroll service fees	3,222	2,212
Payroll taxes	37,533	32,200
Rent	11,800	16,165
Repairs and maintenance	387	2,683
Retirement plan expense	11,219	10,566
Taxes - other	3,113	5,575
Utilities	<u>13,299</u>	<u>13,932</u>
TOTAL GENERAL AND ADMINISRATIVE EXPENSES	<u>\$683,070</u>	<u>\$650,000</u>



Certified Public Accountants

PIEZONI'S FRANCHISING, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

PIEZONI'S FRANCHISING, LLC
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

EXHIBIT	DESCRIPTION	PAGE(S)
	INDEPENDENT AUDITORS' REPORT	1 - 3
A	BALANCE SHEETS	4 & 5
B	STATEMENTS OF INCOME AND MEMBERS' EQUITY	6
C	STATEMENTS OF CASH FLOWS	7
	NOTES TO FINANCIAL STATEMENTS	8 - 14
	INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	15
A - 1	SCHEDULES OF OPERATING EXPENSES	16
A - 2	SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES	17

INDEPENDENT AUDITORS' REPORT

To the Members of

PieZoni's Franchising, LLC:

OPINION

We have audited the accompanying financial statements of PieZoni's Franchising, LLC a Rhode Island Limited Liability Company, which comprise the Balance Sheets as of December 31, 2020 and 2019, and the related Statements of Income and Members' Equity and Cash Flows for the years then ended, 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 PieZoni's Franchising, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years 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 PieZoni's Franchising, LLC 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS (CONTINUED)

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 PieZoni's Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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:

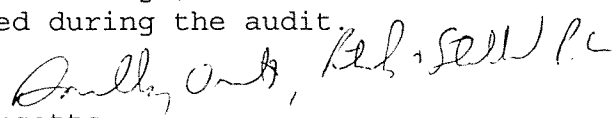
- . Exercise professional judgment and maintain professional skepticism throughout the audit.
- . Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
(CONTINUED)

- . 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 PieZoni's Franchising, LLC'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 PieZoni's Franchising, LLC'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.


Taunton, Massachusetts

March 3, 2021

PIEZONI'S FRANCHISING, LLC

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash	\$292,209	\$ 11,299
Accounts receivable	2,060	1,066
Royalty fees receivable	8,884	20,128
Note receivable - current	27,802	56,361
Prepaid expenses	<u>4,273</u>	<u>123</u>
TOTAL CURRENT ASSETS	<u>335,228</u>	<u>88,977</u>
FIXED ASSETS		
Equipment	17,296	17,296
Less: accumulated depreciation	<u>17,296</u>	<u>17,296</u>
NET FIXED ASSETS	<u>-</u>	<u>-</u>
OTHER ASSETS		
Intangible assets (net of amortization)	8,542	20,238
Note receivable - non-current	116,777	187,319
Due from members	<u>-</u>	<u>21,416</u>
TOTAL OTHER ASSETS	<u>125,319</u>	<u>228,973</u>
TOTAL ASSETS	<u>\$460,547</u>	<u>\$317,950</u>

See Notes to Financial Statements

PIEZONI'S FRANCHISING, LLC

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

LIABILITIES AND MEMBERS' EQUITY

	<u>2020</u>	<u>2019</u>
CURRENT LIABILITIES		
Line of credit	\$158,436	\$180,000
Accounts payable	848	16,710
Current portion - long-term debt	11,127	62,022
Accrued expenses	23,522	23,317
Accrued payroll and taxes	4,882	9,591
Accrued pension	2,534	13,188
Accrued state corporate taxes	<u>856</u>	<u>856</u>
TOTAL CURRENT LIABILITIES	<u>202,205</u>	<u>305,684</u>
LONG-TERM LIABILITIES		
Notes payable	<u>183,379</u>	<u>9,941</u>
MEMBERS' EQUITY (EXHIBIT B)	<u>74,963</u>	<u>2,325</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$460,547</u>	<u>\$317,950</u>

See Notes to Financial Statements

PIEZONI'S FRANCHISING, LLC
 STATEMENTS OF INCOME AND MEMBERS' EQUITY
 DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUE	\$ 888,493	\$ 1,030,377
OPERATING EXPENSES (EXHIBIT A - 1)	<u>214,563</u>	<u>423,888</u>
OPERATING INCOME	673,930	606,489
GENERAL AND ADMINISTRATIVE EXPENSES (EXHIBIT A - 2)	<u>650,000</u>	<u>544,861</u>
INCOME BEFORE OTHER INCOME	23,930	61,628
OTHER INCOME (EXPENSE)		
Interest expense	(22,163)	(29,760)
Interest income	3,616	4,003
PPP/SBA forgiveness	<u>107,998</u>	<u>-</u>
TOTAL OTHER INCOME (EXPENSE)	<u>89,451</u>	(<u>25,757</u>)
NET INCOME	113,381	35,871
MEMBERS' EQUITY - BEGINNING	2,325	14,454
LESS: DISTRIBUTIONS	<u>40,743</u>	<u>48,000</u>
MEMBERS' EQUITY - ENDING	\$ <u><u>74,963</u></u>	\$ <u><u>2,325</u></u>

See Notes to Financial Statements

PIEZONI'S FRANCHISING, LLC

STATEMENTS OF CASH FLOWS

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES:		
Net income	\$ 113,381	\$ 35,871
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	11,696	11,696
Bad debt	93,992	-
Change in current assets and liabilities		
(Increase) Decrease in accounts receivable	(994)	23,934
(Increase) Decrease in royalty fees receivable	11,244	(3,619)
(Increase) Decrease in prepaid expenses	(4,150)	1,259
(Decrease) in accounts payable	(15,862)	(53,985)
Increase (Decrease) in accrued expenses	205	(26,842)
Increase (Decrease) in accrued payroll	(4,709)	2,677
Increase (Decrease) in accrued pension	(10,654)	13,014
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>194,149</u>	<u>4,005</u>
FINANCING ACTIVITIES:		
Member distributions	(40,743)	(48,000)
Decrease (Increase) in notes receivable	5,109	(34,140)
Principal payments on long-term debt	(61,969)	(56,683)
Increase (Decrease) in due from members	21,416	(21,416)
Proceeds from new financing	184,512	50,000
Line of credit payments	(21,564)	-
NET CASH APPLIED TO FINANCING ACTIVITIES	<u>86,761</u>	<u>(110,239)</u>
NET INCREASE (DECREASE) IN CASH	280,910	(106,234)
CASH - BEGINNING	<u>11,299</u>	<u>117,533</u>
CASH - ENDING	\$ <u>292,209</u>	\$ <u>11,299</u>

See Notes to Financial Statements

PIEZONI'S FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

PieZoni's Franchising, LLC was organized as a Limited Liability Company under the laws of the State of Rhode Island on February 17, 2006. Under the Rhode Island statutes, members of an LLC are protected from liability for acts and debts of the LLC. The Company is engaged in the sale and support of restaurant franchises throughout New England.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE RECOGNITION

The Company's revenues consist of fees from franchised restaurants. Fees from franchised restaurants include royalties based on a percent of sales.

The Company adopted ASC 606, Revenues from Contracts with Customers, effective for 2019.

When a new franchise is acquired, the Company considers revenue has been earned when the Company gains full control of the transfer. This happens once a restaurant is opened, after the completion of training.

Other revenues include vendor rebates, which are derived from a percentage of franchise purchases. The Company's policy is to record rebates when received.

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

All revenues earned from the sale of franchises is recorded when all material services or conditions relating to the sales have been substantially performed or satisfied by the Franchisor. There were no sales of franchises during 2019.

INTANGIBLE ASSETS

Start up costs of \$134,931 are being amortized on a straight-line basis over 15 years. At December 31, 2020 and 2019, accumulated amortization was \$131,182 and \$122,187, respectively.

Organizational costs of \$40,515 are being amortized on a straight-line basis over 15 years. At December 31, 2020 and 2019, accumulated amortization was \$35,722 and \$33,021, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, including improvements that significantly add to the productive capacity or extend the useful life of the related asset. For financial statement purposes, property and equipment are being depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 5 years. When property or equipment is sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

COMPENSATED ABSENCES

Employees of the Company are entitled to paid vacations, paid sick days, and personal days off, depending on job classification, length of service, and other factors. Employees and management have contracts or agreements with the Company that provide for compensated absences. It is impracticable to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when actually paid to employees.

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

The Company, with the consent of its members, has elected to be taxed under the Internal Revenue Code as an S Corporation. In lieu of corporate income taxes, the members of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements. At December 31, 2020, the Company had no available undistributed taxable income.

When material, a provision for state income taxes is recorded in accordance with regulations of the various Departments of Revenue for which the Company files.

Management has evaluated significant tax positions against criteria established by professional standards and believes there are no such tax positions requiring accounting recognition. The Company's tax returns are subject to examination by taxing authorities for the years ended 2018, 2019 and 2020.

CREDIT RISK

The Company maintains cash balances at Santander Bank. Accounts are insured by the Federal Deposit Insurance Corporation. At December 31, 2020 and 2019, the Company's uninsured cash balances total was \$42,210 and \$-0-, respectively.

NOTE 2 - ADVERTISING

The Company expenses advertising as incurred. Advertising expense was \$101,674 and \$181,254 for the years ended December 31, 2020 and 2019, respectively.

NOTE 3 - SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest expense	\$ <u>17,651</u>	\$ <u>29,760</u>

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 4 - NOTE RECEIVABLE

During 2020 and 2019, the Company loaned \$-0- and \$34,140 to two franchises. The 2020 notes receivable consists of the following:

<u>PAYOR</u>	<u>DESCRIPTION</u>	<u>CURRENT</u>	<u>LONG-TERM</u>
Franklin Franchisee (related party)	Receivable within 62 months, including interest at a rate of 1.67%. The note is secured by assets of the franchise and guaranteed by owner.	\$27,802	\$116,777

Maturities of long-term note requirements for each of the five years succeeding December 31, 2020 are as follows:

<u>YEAR</u>	<u>LONG-TERM DEBT REQUIREMENTS</u>
2021	\$27,802
2022	28,267
2023	28,742
2024	29,223
2025	29,718

Notes receivable are measured annually under the net present value of expected future cash flow method. At December 31, 2020, it was determined that one of the Company's notes receivable had been permanently impaired, and, as a result, the Company recognized bad debt expense of \$93,992 as a result.

NOTE 5 - CONCENTRATION OF RISK

In 2016-2017, the Company loaned \$90,000 to one franchisee with no formal repayment terms and no interest was being charged. The Company did not believe it was exposed to significant credit risk in connection with the notes receivable. The note was subsequently uncollectible and written off.

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 - LONG-TERM LIABILITIES

As of December 31, 2020, the Company was liable for the following debts:

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CURRENT</u>	<u>LONG-TERM</u>
SBA EIDL	Payable in monthly installments of \$878, beginning April 2021, including interest at 3.75%, secured by tangible personal property, maturing March 2050.	\$ 1,134	\$183,379
American Express National Bank	Payable in monthly installments of \$2,377, including interest at 12.95%, unsecured, and personally guaranteed.	<u>9,993</u>	<u>-</u>
TOTALS		<u>\$11,127</u>	<u>\$183,379</u>

Maturities of long-term debt for each of the five years succeeding December 31, 2020 are as follows:

<u>YEAR</u>	<u>LONG-TERM DEBT REQUIREMENTS</u>
2021	\$ 1,134
2022	3,786
2023	3,868
2024	3,997
2025	4,168

PIEZONI'S FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 7 - OPERATING LINE OF CREDIT

The Company has available a \$180,000 line of credit with Santander Bank. At December 31, 2020, the rate was Libor plus 4.50% and borrowings under the line of credit totaled \$180,000. The loan is secured by assets of the Company. As of December 31, 2020 and 2019, the balances due were \$158,436 and \$180,000, respectively.

NOTE 8 - RELATED PARTY TRANSACTIONS

The franchise received royalty income from related parties; franchises owned 100% by the members of PieZoni's Franchising, LLC and/or their children. At December 31, 2020 and 2019, the amounts received for royalty income were \$396,901 and \$409,420, respectively.

NOTE 9 - FRANCHISE ARRANGEMENTS

Franchise arrangements generally include a license and provide for payment of initial fees, as well as continuing royalties to the Company based upon a percent of sales. Under this arrangement, franchises are granted the right to operate a restaurant using the PieZoni's system.

Revenue consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Brand Fund	\$119,701	\$ 138,467
Royalties	631,946	724,803
Other - rebates	<u>136,846</u>	<u>167,107</u>
TOTALS	<u>\$888,493</u>	<u>\$1,030,377</u>

As of December 31, 2020 and 2019, there were eighteen and twenty franchises in operation. Out of those franchises, ten and twelve were owned by related parties.

PIEZONI'S FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 10 - PENSION PLAN

The Company provides a Simple IRA pension plan covering substantially all employees. Employees determine their own contribution under the maximum allowable as determined by the Internal Revenue Service code. The Company matches employee contributions up to the lesser of three percent of the salary or the actual contribution. Employer matching contributions for the years ended December 31, 2020 and 2019 were \$10,566 and \$9,098, respectively.

NOTE 11 - PAYCHECK PROTECTION PROGRAM FUNDS ACCOUNTING

On May 3, 2020, the Company received an advance in the amount of \$78,613 pursuant to the Paycheck Protection Program (PPP) initiated under the CARES act. The Company expects to meet the PPP's eligibility criteria of payroll costs paid during the covered period and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven. Accordingly, for the year ended December 31, 2020, the loan proceeds have been included in other income.

On February 26, 2021, the Company was notified that the Small Business Administration had approved the request for PPP forgiveness.

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 3, 2021, the date the financial statements were available to be issued.

INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION

To the Members of
PieZoni's Franchising, LLC:

We have audited the financial statements of PieZoni's Franchising, LLC as of and for the years ended December 31, 2020 and 2019, and our report thereon dated March 3, 2021, which expressed an unmodified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying exhibits A-1 and A-2 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Taunton, Massachusetts

March 3, 2021

PIEZONI'S FRANCHISING, LLC
SCHEDULES OF OPERATING EXPENSES

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Advertising	\$101,674	\$181,254
Franchise expense	35,694	127,950
Miscellaneous	1,341	2,737
Photography and design	15,593	11,692
Professional fees	46,342	62,257
Social media	8,645	15,895
Travel expenses	<u>5,274</u>	<u>22,103</u>
TOTAL OPERATING EXPENSES	<u>\$214,563</u>	<u>\$423,888</u>

PIEZONI'S FRANCHISING, LLC

SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Amortization expense	\$ 11,696	\$ 11,696
Bad debt expense	93,992	-
Health insurance	49,252	45,062
Insurance expense	26,274	12,256
Officers' salaries	186,543	167,314
Office salaries	192,171	164,967
Office supplies	6,739	7,057
Payroll service fees	2,212	3,482
Payroll taxes	32,200	31,470
Rent	16,165	57,805
Repairs and maintenance	2,683	1,345
Retirement plan expense	10,566	9,098
Taxes - other	5,575	8,190
Training	-	6,095
Utilities	<u>13,932</u>	<u>19,024</u>
TOTAL GENERAL AND ADMINISRATIVE EXPENSES	<u>\$650,000</u>	<u>\$544,861</u>

EXHIBIT E
TO FRANCHISE DISCLOSURE DOCUMENT
PIEZONI'S RESTAURANT FRANCHISE AGREEMENT

(See attached.)

PIEZONI'S RESTAURANT

FRANCHISE AGREEMENT

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EXHIBIT A – FRANCHISEE INFORMATION

EXHIBIT B – SITE SELECTION ADDENDUM

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EXHIBIT D – CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

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EXHIBIT F – CONSENT AND AGREEMENT OF LESSOR; CONDITIONAL ASSIGNMENT
OF LEASE

EXHIBIT G – PRODUCTION FACILITY AMENDMENT

EXHIBIT H – STATE ADDENDA

PIEZONI'S RESTAURANT FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is made and entered into on _____ 20__, by and between PieZoni's Franchising, LLC, a Rhode Island limited liability company with its principal place of business at 969 Broadway, East Providence, Rhode Island 02914 ("Franchisor"); and _____, a _____ with its principal place of business at _____ ("Franchisee").

RECITALS:

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive format and system (the "System") relating to the establishment and operation of PieZoni's restaurants, which are casual dining restaurants that feature fresh made-to-order pizzas made from our proprietary pizza sauce and dough and include our distinct "bar pie" and rectangular sheet pan pizzas, as well as calzones, Italian pasta classics, salads, submarine sandwiches, and various appetizers and side orders; feature dine-in, take-out, and optional delivery formats; and offer for sale a variety of additional menu items and beverages to the public, including beer and wine (upon Franchisor's consent, and where permitted by local and state law), and such other menu items as Franchisor may designate from time to time, under the trade name "PieZoni's," all of which Franchisor may change from time to time;

WHEREAS, the distinguishing characteristics of the System include, without limitation: distinctive exterior and interior designs, décor, graphics displays, fixtures, and furnishings; standards and specifications for the preparation of food products; uniform standards; specifications and procedures for operations and dine-in, take-out, and delivery food services; training and assistance; and advertising and promotional programs, all of which may be changed, improved and further developed by Franchisor from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin, including, but not limited to, "PieZoni's", as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (collectively, the "Proprietary Marks");

WHEREAS, Franchisor continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance, and service;

WHEREAS, Franchisee desires to enter into the business of operating a PieZoni's restaurant under Franchisor's System and Proprietary Marks, and wishes to enter into an

agreement with Franchisor for that purpose, and to receive the training and other assistance provided by Franchisor in connection therewith; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearances, and service and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, agree as follows:

1. GRANT

1.1 Grant of Franchise. Franchisor grants to Franchisee the right, and Franchisee undertakes the obligation, upon the express terms and conditions set forth in this Agreement, to establish and operate a PieZoni's restaurant under the Proprietary Marks and the System (the "Restaurant" or "Franchised Business"), and to use the Proprietary Marks and the System, as they may be changed and improved from time to time at Franchisor's sole discretion, solely in connection therewith and only at the location set forth in Section 1.2 hereof.

1.2 Approved Location. Franchisee shall operate the Restaurant only at a location approved by Franchisor (the "Approved Location"). If, at the time of execution of this Agreement, the parties hereto have agreed on an Approved Location, the exact street address of the Approved Location shall be set forth in Exhibit A attached hereto. If, at the time of execution of this Agreement, a location for the Restaurant has not been both obtained by Franchisee and approved by Franchisor, Franchisee shall lease or acquire a location within sixty (60) days after the date of this Agreement, subject to Franchisor's approval, as provided for in the Site Selection Addendum attached hereto as Exhibit B. Franchisee shall not relocate the Restaurant without the prior written approval of Franchisor. Franchisor shall have the right, in its sole discretion, to withhold approval of relocation. If Franchisor consents to relocation, Franchisee shall reimburse Franchisor its reasonable costs and expenses, including, but not limited to, attorneys' fees, incurred by Franchisor.

1.3 Franchisee's Territory. Except as otherwise provided in this Agreement, for a period of three (3) years from the date of this Agreement, Franchisor shall not establish or operate, nor license any other person to establish or operate, a PieZoni's restaurant under the System and the Proprietary Marks at any location within the territory described in Exhibit A attached hereto ("Franchisee's Territory"). After such three (3) year period, Franchisor shall have the right to establish or operate, or license any other person to establish or operate, a PieZoni's restaurant under the System and the Proprietary Marks at any location within Franchisee's Territory, in addition to all other rights retained by Franchisor as set forth herein. For the entire term of this Agreement, Franchisor retains the rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein:

1.3.1 To establish and operate, and license others to establish and operate, a PieZoni's restaurant under the System and the Proprietary Marks at any location outside

Franchisee's Territory, notwithstanding the proximity to Franchisee's Territory or the Approved Location;

1.3.2 To sell to, solicit, or direct advertising or promotional materials to customers located in Franchisee's Territory;

1.3.3 To establish or acquire and operate any business or restaurant of any kind under different proprietary marks, at any location whether located within or outside Franchisee's Territory and notwithstanding such business's proximity to Franchisee's Territory or Approved Location, or its actual or threatened impact on sales at Franchisee's Restaurant;

1.3.4 To offer, sell, distribute, or otherwise provide, directly or indirectly, or license to others to sell or distribute, directly or indirectly, any products from any location other than a PieZoni's restaurant, including, but not limited to, sales made at or through retail locations, supermarkets, markets, grocery stores, convenience stores, temporary locations, carts or kiosks, catalogs, mail order, or electronic means (for example, the Internet); and

1.3.5 To establish and operate, and license other parties to establish and operate, retail food establishments, including, but not limited to, PieZoni's restaurants under the System and Proprietary Marks, in Franchisee's Territory at any existing or future (1) office buildings, (2) indoor shopping malls and retail stores, (3) airports, (4) bus and train stations and other transportation terminals, (5) entertainment facilities (including, without limitation, sports stadiums, theatres, and theme parks), (6) rest stops, plazas and similar locations accessible from limited access or toll highways; (7) colleges, universities, and other educational institutions; and (8) hospitals and other health care facilities.

1.4 Supplementing the System. Franchisee acknowledges that the System may be supplemented, improved, and otherwise modified from time to time by Franchisor; and Franchisee agrees to comply with all reasonable requirements of Franchisor in that regard, including, without limitation, offering and selling new or different products, services, or merchandise as specified by Franchisor.

2. TERM AND SUCCESSOR AGREEMENTS

2.1 Term. This Agreement shall be in effect upon its acceptance and execution by Franchisor and, except as otherwise provided herein, the term of this Agreement shall be ten (10) years from the date first above written, unless this Agreement is sooner terminated pursuant to its terms.

2.2 Successor Agreement. Upon the expiration of the term of this Agreement, provided that Franchisor is offering franchises in the geographic area in which the Franchised Business is located, Franchisee may, subject to the following conditions, enter into a successor franchise agreement for two (2) for consecutive terms of five (5) years each. Franchisor may require, in its sole discretion, that any or all of the following conditions be met prior to entering into such successor agreement:

2.2.1 Franchisee shall give Franchisor written notice of Franchisee's election to enter into a successor agreement neither fewer than six (6) months nor more than nine (9) months prior to the end of the then-current term;

2.2.2 Franchisee shall make or provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the premises of the Restaurant (the "Premises") as Franchisor may reasonably require, including, without limitation, installation of new equipment and renovation of signs, furnishings, fixtures, and décor to reflect the then-current standards and image of the System;

2.2.3 Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its subsidiaries or affiliates; and, in the reasonable judgment of Franchisor, Franchisee shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.2.4 Franchisee shall have satisfied all monetary obligations due and owed by Franchisee to Franchisor and its subsidiaries and affiliates, to the PieZoni's Brand Fund (defined in Section 12 below), and to Franchisee's principal suppliers, and shall have timely met those obligations throughout the term of this Agreement;

2.2.5 Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises for the duration of the successor agreement term or shall obtain Franchisor's approval, which may be withheld in Franchisor's sole discretion, of a new location for the Restaurant for the duration of the successor agreement term;

2.2.6 Franchisee shall, at Franchisor's option, execute Franchisor's then-current form of successor franchise agreement (but only for such successor terms as are provided by this Agreement), which shall supersede this Agreement in all respects, and the terms of which may differ materially from the terms of this Agreement, including, without limitation, redefining Franchisee's Territory and increasing Franchisee's required royalty fees, advertising contributions, and other fees, as determined by Franchisor, except that Franchisee shall not be required to pay an initial franchise fee;

2.2.7 Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims, known or unknown, that Franchisee might have against Franchisor or its subsidiaries or affiliates, or their respective officers, directors, agents, or employees;

2.2.8 Franchisee shall comply with Franchisor's then-current qualification and training requirements; and

2.2.9 Franchisee shall be current with respect to its obligations to lessor, suppliers, and any others with whom Franchisee does business.

3. DUTIES OF FRANCHISOR

3.1 Plans and Specifications. Franchisor shall make available, at no charge to Franchisee, its standard architectural plans and specifications for a prototypical PieZoni's restaurant, including exterior and interior design and layout, fixtures, furnishings and signs. Franchisee acknowledges that such specifications shall not contain the requirements of any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific restaurant, compliance with all of which shall be Franchisee's responsibility and at Franchisee's expense.

3.2 Training. Franchisor shall provide the training as set forth in Section 6 hereof.

3.3 On-Site Assistance. Franchisor shall provide up to seven (7) days of on-site, pre-opening and opening supervision and assistance at such times and in such manner as it determines in its sole discretion. Franchisor shall not be obligated to provide any such supervision or assistance if Franchisee currently owns, or has previously owned, two or more PieZoni's restaurants. After the opening of the Restaurant, Franchisee may request the services of a field consultant to provide on-site assistance. If Franchisor consents, Franchisee shall pay Franchisor the then-current per diem fee for each consultant, plus the costs and expenses of each consultant, including the costs of travel, lodging, and meals

3.4 Advertising and Promotional Materials and Programs. Franchisor shall make available to Franchisee advertising and promotional materials and programs at Franchisee's expense as provided in Section 12 hereof.

3.5 Manuals. Franchisor shall provide Franchisee, on loan, one copy of Franchisor's confidential operating manuals (the "Manuals"), as more fully described in Section 9 hereof. Franchisor may, in its sole discretion, provide the Manuals by electronic means, including, but not limited to, CD-ROM, Intranet, World Wide Web site, or electronic mail.

3.6 Inspections. Franchisor shall conduct, as it deems advisable in its sole discretion, inspections of the Premises and Franchisee's operation of the Restaurant at any time with or without notice to Franchisee.

3.7 Equipment. Franchisor shall provide to Franchisee a list of initial equipment for the Restaurant for purchase from a supplier designated by Franchisor.

3.8 Ongoing Advice. After the Franchised Business opens, Franchisor shall provide to Franchisee from time to time, in Franchisor's sole discretion and at the time(s) and in the manner determined by Franchisor, limited on-going support, advice, assistance, and written materials related to operations issues, service standards, business performance, sales and customer service, changes to the operation procedures, marketing and advertising, new recipes and products, and other aspects of the operation of the Franchised Business. Such advice and

assistance may be provided in person or by telephone, seminar, newsletter, bulletin, or Internet, in Franchisor's sole discretion.

3.9 PieZoni's Brand Fund. Franchisor shall have the right, without the obligation, to establish and administer a brand promotion fund in the manner set forth in Section 12 hereof.

3.10 Lists of Approved Products and Suppliers. Franchisor shall periodically provide Franchisee with updated lists of additional products and services that have been added to the PieZoni's offering, approved food ingredients and suppliers, products and services that have been eliminated from the PieZoni's offering, and food ingredients and suppliers whose approval has been revoked.

3.11 Performance by Designee. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any designee, employee, or agent of Franchisor, as Franchisor may direct.

4. FEES

4.1 Initial Franchise Fee. Franchisee shall pay to Franchisor, on execution of this Agreement, an initial franchise fee of twenty-five thousand dollars (\$25,000) (the "Initial Franchise Fee"). The entire Initial Franchise Fee is fully earned in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to enter into this Agreement with others. The Initial Franchise Fee is non-refundable; provided, however, Franchisor shall refund to Franchisee fifty percent (50%) of the Initial Franchise Fee, less Franchisor's reasonable costs and expenses incurred by Franchisor in assisting Franchisee, evaluating proposed sites, training, or otherwise, if Franchisor terminates this Agreement prior to the opening of the Restaurant because: (a) Franchisor determines that Franchisee or Franchisee's Operating Principal (as defined in Section 6.1) fails to complete Franchisor's initial training program to Franchisor's satisfaction; or (b) Franchisee fails to find an approved location for the Restaurant or fails to execute a lease for the Restaurant within the time periods required under Section 1.2 hereof and the Site Selection Addendum attached hereto as Exhibit B. If terminated, Franchisee shall execute Franchisor's then-current form of general release.

4.2 Royalty Fee. Except as otherwise provided in this Section 4.2, for each month during the term of this Agreement, Franchisee shall pay to Franchisor a continuing royalty fee in an amount equal to five percent (5%) of Gross Sales (as defined herein), which shall be paid to Franchisor in accordance with Section 4.4 below.

4.2.1 Franchisor shall have the right to increase any royalty fee payable by Franchisee hereunder upon the approval of more than fifty percent (50%) of the PieZoni's restaurant locations then operating under a franchise agreement with Franchisor, with each location receiving one vote.

4.2.2 "Gross Sales" shall mean all revenues generated by Franchisee's Restaurant conducted upon, from or with respect to the Restaurant, whether such sales are

evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales shall include, without limitation, monies or credit received from the sale of products, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Restaurant, including without limitation such off-premises services as catering and delivery. Gross Sales shall not include the sale of all food and beverage products for which refunds have been made in good faith to customers, the sale of equipment used in the operation of the Restaurant, any sales taxes or other taxes collected from customers by Franchisee and paid directly to the appropriate taxing authority, or any reduction in revenue due to coupon sales.

4.3 Brand Promotion and Technology Expenditures. Franchisee shall make monthly expenditures and contributions for advertising, brand promotion, and technology as specified in Sections 8 and 12 hereof.

4.4 Payments; Interest. All payments to Franchisor required by Sections 4.2 and 12 hereof shall be paid weekly by Wednesday of each week based on the Gross Sales from Monday through Sunday of the preceding week. All payments required to be made by Franchisee to Franchisor hereunder shall be made by electronic fund transfer. Franchisee shall reimburse Franchisor for any fees incurred by Franchisor as a result of such electronic fund transfers. Any payment not actually received by Franchisor on or before Wednesday of each week shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor immediately upon demand, in addition to the overdue amount, interest on such amount from the date it was due until received by Franchisor, at the rate of one and a half percent (1.5%) per month, or the maximum rate permitted by applicable law, whichever is less, plus a late fee of Ten Dollars (\$10.00) per occurrence. Entitlement to interest and late fees shall be in addition to any other remedies Franchisor may have. Franchisee shall not be entitled to set off any payments required to be made under this Section 4 against any monetary claim it may have against Franchisor.

4.5 Bank Account. Franchisee shall deposit all revenues from operation of the Restaurant into one bank account within two (2) days of receipt, including cash, checks, credit card receipts or the value of other forms of payment. Franchisee shall furnish to Franchisor, upon Franchisor's request, such bank and account number, a voided check from such bank account, and written authorization for Franchisor to withdraw funds from such bank account via electronic funds transfer without further consent or authorization for all payments payable by Franchisee to Franchisor hereunder. Franchisee agrees to execute any and all documents as may be necessary to effectuate and maintain the electronic funds transfer arrangement, as required by Franchisor. Franchisee agrees to pay all costs associated with any such transfer. In the event Franchisee changes banks or accounts for the bank account required by this Section 4.5, Franchisee shall, prior to such change, provide such information concerning the new account and an authorization to make withdrawals therefrom. Franchisee's failure to provide such information concerning the bank account required by this Section 4.5 or any new account, or Franchisee's withdrawal of consent to withdrawals for whatever reason and by whatever method shall be a breach of this Agreement.

5. OPENING OF FRANCHISED BUSINESS

5.1 **Construction.** Franchisee shall renovate or construct, and equip, the Restaurant at Franchisee's own expense. Before commencing any renovation or construction of the Restaurant, Franchisee, at its expense, shall employ a qualified, licensed architect or engineer, who is reasonably acceptable to Franchisor, to prepare preliminary and final architectural drawings and specifications of the Premises in accordance with Franchisor's standard plans and specifications for a PieZoni's restaurant, which shall be supplied to Franchisee. Such preliminary and final drawings and specifications shall be submitted to Franchisor for its written approval, which will not be unreasonably withheld, prior to Franchisee's submission of such drawings and specifications to city or local governments. The drawings and specifications shall not thereafter be changed or modified without the prior written approval of Franchisor. Franchisee or its contractor, at Franchisee's or its contractor's expense, shall obtain such insurance, as described in Section 13.1, prior to commencement of construction of the Restaurant. Franchisor has the right to oversee any renovation or construction and visit the site at any time to ensure compliance with Franchisor's standard plans. Franchisor also has the right to require Franchisee to submit periodic progress reports in such form and at such times as Franchisor determines in its sole discretion.

5.2 **Permits.** Franchisor's approval of architectural plans and specifications submitted by Franchisee shall be limited to conformance with Franchisor's standard plans and specifications and shall not relate to Franchisee's obligations with respect to any federal, state, or local laws, codes, or regulations, including without limitation the applicable provisions of the ADA regarding the construction, design and operation of the Restaurant, which shall be Franchisee's sole responsibility. Franchisee shall be responsible, at Franchisee's expense, for obtaining all zoning classifications, permits, certifications, and clearances required for the lawful construction and operation of the Restaurant, including, but not limited to, certificates of occupancy and certificates of health, which may be required by federal, state or local laws, ordinances, or regulations, or which may be necessary or advisable owing to any restrictive covenants relating to the Premises or required by the lessor.

5.3 **Opening Deadline.** If, at the time of execution of this Agreement, the parties hereto have agreed on an Approved Location, Franchisee shall commence operation of the Restaurant no later than one hundred fifty (150) days after the date of execution of this Agreement. If Franchisee has not previously obtained or secured an Approved Location for lease or purchase prior to the date of execution of this Agreement, Franchisee shall then execute the Site Selection Addendum, which is attached as Exhibit B to this Franchise Agreement, and Franchisee shall have up to two hundred ten (210) days in which to commence operation of the Restaurant. The parties agree that time is of the essence in the opening of the Restaurant and that Franchisee's failure to open the Restaurant within the time periods described in this Section 5.3 shall be considered a material breach and default under this Agreement and will entitle Franchisor to terminate this Agreement pursuant to Section 15 hereof.

5.4 **ADA Certification.** Prior to opening the Restaurant, and after any renovation, as described in Section 5.1 above, Franchisee shall execute and deliver to Franchisor an ADA

Certification in the form attached to this Agreement as Exhibit C, to certify to Franchisor that the Restaurant and any proposed renovations comply with the ADA.

5.5 Opening Approval. Franchisor shall inspect the Restaurant prior to the opening of the Restaurant to determine whether all construction has been substantially completed, and that such construction conforms to Franchisor's standards and specifications, including, but not limited to, materials, quality of work, signage, décor, paint, and equipment. Franchisee shall obtain Franchisor's written approval prior to first opening the Restaurant, which approval shall not be unreasonably withheld. Conditions of approval include, but are not limited to: (a) Franchisee receives all required state and local government certifications, permits, and licenses, and provides Franchisor copies of all such certifications, permits, and licenses; (b) Franchisee provides evidence that Franchisee has obtained all required insurance policies and provides copies of all such policies to Franchisor; (c) Franchisee, or Franchisee's Operating Principal, and Franchisee's Store Manager successfully completes to Franchisor's satisfaction all required initial training; (d) Franchisee executes all agreements required for opening of the Franchised Business, including this Agreement and a lease for the Approved Location, if applicable; (e) Franchisee is current on all fees due and owing to Franchisor; and (f) Franchisee is not in default of this Agreement or any other agreement with Franchisor or its affiliates or any principal supplier. Franchisee shall provide at least thirty (30) days prior notice to Franchisor of the date on which Franchisee proposes to first open the Restaurant for business. Unless Franchisor waives in writing the foregoing requirement, Franchisee shall not open the Restaurant without the on-site presence of a representative of Franchisor, provided that Franchisor will not unreasonably delay the opening of the Restaurant. In the event there is a change in the opening date of the Restaurant, not caused by Franchisor, Franchisee shall reimburse Franchisor the actual out-of-pocket costs and expenses incurred by Franchisor due to such delay, including travel costs and expenses for Franchisor's representative(s).

6. TRAINING

6.1 Initial Training Program. Prior to the opening of the Restaurant, the following individuals shall attend and successfully complete to Franchisor's satisfaction the initial training program for franchisees offered by Franchisor at a location designated by Franchisor (the "Initial Training Program"): (a) Franchisee or, if Franchisee is a corporation, partnership or limited liability company, a principal of Franchisee designated by Franchisee and approved by Franchisor ("Operating Principal"); and (b) a full-time manager of the Restaurant ("Store Manager"). Franchisor shall have the right to approve those persons who attend the Initial Training Program and to require fewer or additional persons to attend the Initial Training Program as Franchisor determines in its sole discretion. In the event any Store Manager fails to successfully complete the Initial Training Program, Franchisee shall immediately replace the individual and have the replacement immediately attend the Initial Training Program at Franchisee's expense. Franchisor shall not be obligated to offer the Initial Training Program to Franchisee or its employees if Franchisee currently owns, or has previously owned, a PieZoni's restaurant. If Franchisor does not offer such training, Franchisee shall be responsible for training all its employees. Franchisor may require Franchisee to hire and have certified a staff trainer for this purpose.

6.2 Advanced Training Program. Approximately ninety (90) days after the opening of the Restaurant, Franchisee or Franchisee's Operating Principal and Franchisee's Store Manager shall attend and successfully complete to Franchisor's satisfaction the advanced training program for franchisees offered by Franchisor at a location designated by Franchisor (the "Advanced Training Program"). Franchisor shall have the right to approve those persons who attend the Advanced Training Program and to require fewer or additional persons to attend the Advanced Training Program as Franchisor determines in its sole discretion. In the event any Store Manager fails to successfully complete the Advanced Training Program, Franchisee shall immediately replace the individual and have the replacement immediately attend the Advanced Training Program. For each such replacement, Franchisee shall pay the then-current training fee designated in the Manuals or otherwise in writing from time to time by Franchisor. Franchisor shall not be obligated to offer the Advanced Training Program to Franchisee or its employees if Franchisee currently owns, or has previously owned, a PieZoni's restaurant. If Franchisor does not offer such training, Franchisee shall be responsible for training all employees. Franchisor may require Franchisee to hire and have certified a staff trainer for this purpose.

6.3 Subsequent Employees. Franchisee shall provide training to any person subsequently employed by Franchisee in the position of Store Manager or other position, as Franchisor determines in its sole discretion, using programs and materials provided by Franchisor. Such subsequent employees shall be trained within the time period designated by Franchisor in the Manuals or otherwise in writing. At Franchisor's option, any subsequent employee shall attend Franchisor's Initial Training Program and/or Advanced Training Program.

6.4 On-Site Training Program. In addition to the training requirements in Sections 6.1 and 6.2 hereof, prior to opening the Restaurant, Franchisee or Franchisee's Operating Principal and Franchisee's employees shall attend any on-site training program offered by Franchisor at the Restaurant.

6.5 ServSafe® Certification. Prior to the opening of the Restaurant, Franchisee or Franchisee's Operating Principal and the Store Manager must attend and successfully complete a ServSafe® certification program, at Franchisee's sole expense. Any persons subsequently employed by Franchisee in the position of Store Manager or other position as Franchisor determines in its sole discretion, shall, prior to the assumption of duties, also attend and successfully complete a ServSafe® certification program, at Franchisee's sole expense.

6.6 Additional Programs. Franchisee or Franchisee's Operating Principal, Franchisee's Store Manager, and other employees who attend the Initial Training Program or are designated by Franchisor shall attend such additional courses, seminars and other training programs as Franchisor may reasonably require from time to time. Registration for attendance at such programs shall be at no charge to Franchisee, but attendance is subject to availability, and Franchisor reserves the right to select participants in its reasonable discretion. Franchisor reserves the right to charge its then-current fee for such programs.

6.7 Training Fee and Expenses. All training programs required by this Agreement shall be at such times and places as may be designated by Franchisor. Franchisee shall not be charged a training fee for Franchisee or Franchisee's Operating Principal and Franchisee's Store

Manager to attend the Initial Training Program or Advanced Training Program. However, Franchisee shall pay the then-current training fee designated in the Manuals or otherwise in writing from time to time by Franchisor for any additional person who attends the Initial Training Program or Advanced Training Program and for such additional courses, seminars and training programs as described in this Section 6. Franchisee shall be responsible for any and all other expenses incurred by Franchisee and Franchisee's employees in connection with attending all such programs, including, without limitation, the costs of transportation, lodging, meals, and wages. Franchisee shall also pay a per diem fee and shall be responsible for Franchisor's actual out-of-pocket costs and expenses incurred by Franchisor in connection with any on-site training program as described in Section 6.4, including, without limitation, the costs of transportation, lodging, and meals.

6.8 Franchisor Conventions. Franchisee shall be required to register for and attend such conventions, regional meetings, and conferences developed by Franchisor from time to time and pay Franchisor a registration fee as designated in the Manuals or otherwise in writing from time to time by Franchisor.

6.9 Failure to Successfully Complete Training. If Franchisee or, if Franchisee is a corporation, partnership or limited liability company, Franchisee's Operating Principal, who is required to complete the Initial Training Program, fails to successfully complete such program to Franchisor's satisfaction, Franchisor shall have the right to terminate this Agreement or, in Franchisor's sole discretion, require such person to attend and complete to Franchisor's satisfaction such additional remedial training as Franchisor determines in its sole discretion. In the event such remedial training is provided, Franchisee shall pay Franchisor an additional training fee of five thousand dollars (\$5,000) per person.

7. DUTIES OF FRANCHISEE

7.1 Operating Standards. Franchisee understands and acknowledges that every detail of the System and the Franchised Business is important to Franchisee, Franchisor and other PieZoni's franchisees in order to develop and maintain high operating standards, to increase the demand for the products sold by all franchised businesses operating under the System, to protect and enhance Franchisor's reputation and goodwill, to promote and protect the value of the Proprietary Marks, and other reasons.

7.2 Restaurant Operations. Franchisee shall use the Premises solely for the operation of the business franchised hereunder; shall keep the Restaurant open and in normal operation for such minimum hours and days as Franchisor may specify in the Manuals or otherwise directs from time to time; shall refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor; and shall operate the Restaurant in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing. Franchisee shall refrain from deviating from such standards, specifications, and procedures without Franchisor's prior written consent. Franchisee shall prepare all food items as are designated by Franchisor in the Manuals or otherwise in writing from time to time at the Restaurant, unless Franchisee operates a separate Production Facility pursuant to a Production Facility Amendment.

If Franchisee operates a separate Production Facility, Franchisee shall obtain all food products for use by the Restaurant from such Production Facility.

7.3 Adherence to Standards and Specifications. To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Restaurant in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing. Franchisee agrees:

7.3.1 To maintain in sufficient supply, as Franchisor may prescribe in the Manuals or otherwise in writing, and to use at all times, only such products and ingredients acquired from a supplier or suppliers designated or approved by Franchisor that conform to Franchisor's written standards and specifications, and such other ingredients, products, materials, supplies, paper goods, cleaning products, fixtures, furnishings, equipment, signs and menu items, as conform with Franchisor's written standards and specifications, and to refrain from deviating therefrom by the use of nonconforming items, without Franchisor's prior written consent; Franchisor may designate itself or an affiliate to be an approved supplier, or the only approved supplier, of any products and other items;

7.3.2 To sell or offer for sale only such menu items, products, merchandise, and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all types of menu items, products, merchandise, and services specified by Franchisor (including beer and wine products upon Franchisor's prior, written consent and to the extent permitted by local and state laws and regulations); to refrain from any deviation from Franchisor's standards and specifications without Franchisor's prior written consent; and to discontinue selling and offering for sale any menu items, products, merchandise, and services which Franchisor may, in its discretion, disapprove in writing at any time within fifteen (15) days of receipt of written notice from Franchisor of such disapproval (or immediately if Franchisor reasonably believes any disapproved product poses a health threat);

7.3.3 To purchase all food and beverage products and other products from suppliers as Franchisor approves and designates in the Manuals or otherwise in writing from time to time;

7.3.4 To use and display only the standard menu format required by Franchisor, as the same may be revised by Franchisor from time to time; any change in the menu format must be approved in writing by Franchisor prior to use; Franchisee shall have sole discretion as to the prices to be charged to customers, except as otherwise provided in Section 7.17 hereof;

7.3.5 To sell all menu items and other products hereunder at retail and not sell such menu items and products at wholesale or for resale, and to refrain from selling any menu items and products at any location other than the Approved Location; provided, however, nothing in this Section 7.3.5 shall prohibit Franchisee from performing catering or delivery services under this Agreement as required by Franchisor;

7.3.6 To use, in the operation of the Franchised Business, such standards, specifications, and procedures as prescribed by Franchisor;

7.3.7 To refrain from selling or advertising any menu items, other products, merchandise, or services hereunder on the Internet without Franchisor's prior, written approval;

7.3.8 To refrain from installing or permitting to be installed any vending machine, game, or coin-operated device, unless specifically approved in writing, in advance, by Franchisor;

7.3.9 To offer catering and delivery services from the Approved Location upon Franchisor's request or upon Franchisor's prior written consent, which may be withheld or rescinded at any time in Franchisor's discretion; such catering and delivery services shall only be offered to customers located in Franchisee's Territory; and

7.3.10 To refrain from selling or disclosing any customer lists or information, which shall be the sole property of Franchisor.

7.4 Fixtures, Furnishings, and Equipment. Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment (including, without limitation, a facsimile machine, telephone(s), computer, printer, and cash register or point-of-sale recording system), décor, and signs, as Franchisor may reasonably direct from time to time, and shall refrain from installing or permitting to be installed on or about the Premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, décor, signs or other items not previously approved by Franchisor.

7.5 Sources of Products. All products sold or offered for sale at the Restaurant, and other products, materials, supplies, paper goods, fixtures, furnishings and equipment used at the Restaurant, shall meet Franchisor's then-current standards and specifications, as established in the Manuals or otherwise in writing. Franchisee shall purchase all food items, ingredients, supplies, materials, and other products and equipment used or offered for sale at the Restaurant for which Franchisor has established standards or specifications solely from Franchisor, an affiliate of Franchisor, or suppliers (including distributors and other sources) designated by Franchisor which demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's standards and specifications, who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably, and who have been approved by Franchisor in the Manuals or otherwise in writing. Franchisor reserves the right to require Franchisee to purchase any or all approved products, equipment, or merchandise solely from Franchisor or an affiliate of Franchisor. If Franchisee desires to purchase products from a party other than an approved supplier, Franchisee shall submit to Franchisor a written request to approve the proposed supplier, together with such evidence of conformity with Franchisor's specifications as Franchisor may reasonably require. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor. A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee. Franchisor shall use its best efforts, within thirty (30)

days after its receipt of such completed request and completion of such evaluation and testing (if required by Franchisor), to notify Franchisee in writing of its approval or disapproval of the proposed supplier. Franchisee shall not sell or offer for sale any products of the proposed supplier until Franchisor's written approval of the proposed supplier is received. Franchisor may from time to time revoke its approval of particular products or suppliers when Franchisor determines, in its sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee shall cease to sell any disapproved products and cease to purchase from any disapproved supplier. Franchisee agrees that it shall use products purchased from approved suppliers solely for the purpose of operating the Restaurant and not for any other purpose, including, without limitation, resale. Nothing in the foregoing shall be construed to require Franchisor to make available to prospective suppliers standards and specifications, including formulas and recipes, that Franchisor, in its sole discretion, deems confidential. Notwithstanding the above, Franchisor reserves the right, in its business judgment, to require Franchisee to purchase any or all approved products, equipment, merchandise, or services used in the Franchised Business solely from Franchisor or an affiliate of Franchisor.

7.6 Inventory. At the time the Restaurant opens, Franchisee shall stock the initial inventory of menu items, products, accessories, equipment, and supplies as prescribed by Franchisor in the Manuals or otherwise in writing. Thereafter, Franchisee shall stock and maintain all types of menu items and approved products in quantities sufficient to meet reasonably anticipated customer demand. Franchisee agrees to immediately notify Franchisor if an approved supplier substitutes an unapproved product in place of an approved product.

7.7 Inspections. Franchisee shall permit Franchisor and its agents to enter upon the Premises at any time, with or without notice, for the purpose of conducting inspections. In connection with such inspections, Franchisor shall have the right to speak with Franchisee or any employee of Franchisee; take food samples; take audio or video recordings; and conduct such other activities as it deems appropriate in its sole discretion. Franchisee shall cooperate with representatives of Franchisor in such inspections by rendering such assistance as they may reasonably request, and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. If deficiencies are detected during any inspection, and Franchisor subsequently conducts a re-inspection in its sole discretion, Franchisee shall be responsible for Franchisor's costs and expenses of such re-inspection. Should Franchisee, for any reason, fail to correct any deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable to Franchisor upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

7.8 Advertising and Promotional Materials. Franchisee shall ensure that all graphics, signs, advertising and promotional materials, decorations and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor.

7.9 Maintenance of Premises. Franchisee shall maintain the Premises (including the adjacent public areas) in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such additions, alterations, repairs and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment and décor as Franchisor may reasonably direct.

7.10 Refurbishment. Franchisor reserves the right to require Franchisee to refurbish the Premises up to two (2) times during the term of this Agreement, at Franchisee's expense, to conform to the building design, trade dress, color schemes and presentation of the Proprietary Marks in a manner consistent with the then-current image for new PieZoni's restaurants. Such refurbishment may include, without limitation, structural changes, installation of new equipment, remodeling, redecoration and modifications to existing improvements. If the cost of any single refurbishment exceeds twelve thousand dollars (\$12,000), then Franchisee shall have six (6) months after receipt of written notice from Franchisor to refurbish the Premises in accordance with Franchisor's standards.

7.11 On-Premises Supervision. The Restaurant shall at all times be under the direct, on-premises supervision of Franchisee, Franchisee's Operating Principal, or Franchisee's Store Manager, who has satisfactorily completed the Initial Training Program and Advanced Training Program, which Franchisor reserves the right to approve in its sole discretion. Franchisee shall maintain a competent, conscientious, trained staff, including a Store Manager who has completed the Initial Training Program and Advanced Training Program. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous and knowledgeable service; and meet such minimum standards, including, without limitation, such attire as Franchisor reasonably requires, as Franchisor may establish from time to time in the Manuals. Franchisee and its employees shall handle all customer complaints, refunds, returns and other adjustments in a manner that will not detract from the name and goodwill of Franchisor. Franchisee shall take such steps as are necessary to ensure that its employees do not violate Franchisor's policies relating to the use of Networking Media Sites (as defined in Section 8.8 below), including, but not limited to, prohibiting employees from posting any information relating to Franchisor, the System, the Proprietary Marks, or the Franchised Business on any Networking Media Site that is inconsistent with such policies. Franchisee shall be solely responsible for all employment decisions and functions of the Restaurant, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

7.12 Active Participation. Franchisee or Franchisee's Operating Principal or Franchisee's Store Manager, who has received training and whom Franchisor reserves the right to approve, shall actively manage the operation of the Restaurant. At least one individual who has completed Franchisor's Initial Training Program and Advanced Training Program shall be on the Premises operating the Restaurant during all hours of operation specified by Franchisor in writing in the Manuals or otherwise in writing from time to time.

7.13 Alternate Channels of Distribution. Franchisee shall offer and sell products only from the Restaurant and only in accordance with the requirements of this Agreement and the

procedures set forth in the Manuals, as defined in Section 3.5 herein. Franchisee shall not offer or sell products through any other means or locations, including, without limitation, those means and locations described in Section 1.3.4 herein. Franchisee shall only offer or sell products to retail customers for their use and consumption and not for resale.

7.14 Changes to the System. Franchisee shall not implement any change, amendment or improvement to the System without the express prior written consent of Franchisor. Franchisee shall notify Franchisor in writing of any change, amendment or improvement in the System which Franchisee proposes to make, and shall provide to Franchisor such information as Franchisor requests regarding the proposed change, amendment or improvement. Franchisee acknowledges and agrees that Franchisor shall have the right to incorporate the proposed change, amendment or improvement into the System and shall thereupon obtain all right, title and interest therein without compensation to Franchisee.

7.15 Compliance With Lease. Franchisee shall comply with all the terms of its lease or sublease and all other agreements affecting the operation of the Restaurant; shall promptly furnish Franchisor a copy of its lease, upon request; shall undertake best efforts to maintain a good and positive working relationship with its landlord and/or lessor; and shall refrain from any activity which may jeopardize Franchisee's right to remain in possession of, or to renew the lease or sublease for, the Premises.

7.16 Execution of Lease and Sublease. In the event Franchisee owns or purchases the Premises, Franchisee shall lease the Premises to Franchisor at a fair market rental price for the term of this Agreement, and, simultaneously therewith, Franchisee shall execute a sublease with Franchisor for the Premises at the same fair market rental price and for the same term. The lease and sublease shall be Franchisor's then-current form of lease and sublease.

7.17 Health and Safety Standards. Franchisee shall meet and maintain the highest health and safety standards and ratings applicable to the operation of the Restaurant. Franchisee shall furnish to Franchisor immediately upon the receipt thereof, a copy of all health inspection reports and any violation or citation which indicates Franchisee's failure to maintain federal, state, or local health or safety standards in the operation of the Restaurant. Franchisee's failure to cure such violations within twenty-four (24) hours shall constitute grounds for immediate termination pursuant to Section 15.3.5 herein. Franchisor shall also have the right, but not the obligation, to enter the Premises, without notice, to cure any health or safety violation at the Restaurant and require Franchisee to reimburse Franchisor for all out-of-pocket costs and expenses incurred by Franchisor to effect such cure.

7.18 Coupon Sales and Maximum Prices. Franchisor reserves the right to require Franchisee to comply with reasonable restrictions on coupon sales and maximum prices of specific products, merchandise, or services offered and sold by Franchisee as required in the Manuals or through the PieZoni's Brand Fund, or as otherwise reasonably directed by Franchisor in writing from time to time.

7.19 Advisory Council. Franchisor shall have the right, in its discretion, to require the establishment of an advisory council (“Advisory Council”) in Franchisee’s area. In the event such Advisory Council is established, Franchisee shall participate actively in the Advisory Council as Franchisor designates and participate in all Advisory Council meetings approved by Franchisor. Franchisee shall meet Franchisor’s minimum standards for appointment or eligibility for election to the Advisory Council. Franchisor reserves the right to prepare and amend the governing documents for the Council from time to time, in its sole discretion, at any time. Franchisor, in its sole discretion, will determine the topic areas to be considered by the Advisory Council. The purposes of the Advisory Council shall include, but are not limited to, exchanging ideas and problem-solving methods, advising Franchisor on expenditures for system-wide advertising, and coordinating franchisee efforts. Franchisee shall pay a fee or otherwise contribute to the Advisory Council in such amounts as determined by the Advisory Council, and as approved by Franchisor. Franchisor shall have the right to form, change, or dissolve an Advisory Council at any time in its sole discretion.

7.20 Product Testing. Franchisor may require Franchisee, from time to time, to participate in the testing of new services or products. Franchisee shall participate in such testing at its sole expense, maintain appropriate records, and report test results to Franchisor in such manner as Franchisor requires.

7.21 Customer Surveys. Franchisor reserves the right to establish reasonable customer satisfaction standards and a scoring system for customer satisfaction ratings as prescribed from time to time in the Manual or otherwise in writing, based on customer surveys conducted by Franchisor or its designee. Franchisee shall continuously maintain acceptable customer satisfaction ratings (as reasonably determined by Franchisor and described in the Manuals or otherwise in writing) throughout the term hereof. Franchisee acknowledges and agrees that its maintenance of such customer satisfaction ratings throughout the term hereof is a material obligation of Franchisee hereunder.

7.22 Mobile Applications. Franchisor may establish or use, and require Franchisee to use, one or more mobile applications (a “Mobile App”) for online ordering or electronic payments, or any similar or related application for use in connection with the System. The term “Mobile App” shall include any application for use on smart phones, tablets, or other mobile devices, and may include a loyalty or reward program or other features. If Franchisor requires Franchisee to use a Mobile App, then Franchisee shall comply with Franchisor’s requirements (as set forth in the Manuals or otherwise in writing) for connecting to, and utilizing, such technology in connection with Franchisee’s operation of the Franchised Business.

8. PROPRIETARY MARKS AND TECHNOLOGY

8.1 Franchisor Representations. Franchisor represents with respect to the Proprietary Marks:

8.1.1 Franchisor’s affiliate, PieZoni’s Licensing, LLC (the “Trademark Owner”), is the owner of all right, title, and interest in and to the Proprietary Marks;

8.1.2 Franchisor has the right to use, and to license others to use, the Proprietary Marks; and

8.1.3 The Trademark Owner has taken and will take all steps reasonably necessary to preserve and protect the ownership and validity of the Proprietary Marks.

8.2 Franchisee's Use of Marks. With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

8.2.1 Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

8.2.2 Franchisee shall use the Proprietary Marks only for the operation of the Restaurant and only at the Approved Location, or in advertising or promotional materials for the Restaurant used at or conducted from the Approved Location;

8.2.3 Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Restaurant only under the name "PieZoni's" and shall use all Proprietary Marks without prefix or suffix. Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name;

8.2.4 During the term of this Agreement, and any successor agreements, Franchisee shall identify itself as the owner of the Restaurant (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, and contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as Franchisor may designate in writing;

8.2.5 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of the Trademark Owner's rights and will entitle Franchisor to exercise all of its rights under this Agreement in addition to all rights available at law or in equity;

8.2.6 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

8.2.7 Franchisee shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability;

8.2.8 Franchisee shall promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks. Franchisee acknowledges that Franchisor has the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor has the right, but

not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Franchisor shall defend Franchisee against any third party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. If Franchisor, in its sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisor. If Franchisor, in its sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisee. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as, in the opinion of Franchisor, may be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs in doing such acts; and

8.2.9 Franchisee shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Proprietary Marks, or any portion thereof, or any other word, name, symbol or device which is likely to cause confusion with any of the Proprietary Marks.

8.3 Acknowledgments. Franchisee expressly understands and acknowledges that:

8.3.1 The Trademark Owner is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;

8.3.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

8.3.3 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of the Trademark Owner's ownership of, or Franchisor's right to use and to license others to use, the Proprietary Marks;

8.3.4 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

8.3.5 Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to the benefit of the Trademark Owner, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be assigned to Franchisee or any of its principals, affiliates, subsidiaries, successors, licensees or assigns as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

8.3.6 Except as specified in Section 1.3 hereof, the license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the

rights, among others: (a) to use the Proprietary Marks itself in connection with selling products, merchandise, and services; (b) to grant other licenses for the Proprietary Marks; (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks; and (d) to grant licenses thereto without providing any rights therein to Franchisee.

8.3.7 Franchisor reserves the right, in Franchisor's sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks, for use in identifying the System and the businesses operating thereunder. Franchisee agrees promptly to comply with such changes, revisions and/or substitutions, and to bear all the costs of modifying Franchisee's signs, advertising materials, interior graphics and any other items which bear the Proprietary Marks to conform therewith. Franchisee's use of any such modified or substituted proprietary marks shall be governed by the terms of this Agreement to the same extent as the Proprietary Marks.

8.4 Computer System and Required Software.

8.4.1 Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by Franchisee, including without limitation: (a) back office and point of sale systems, data, audio, and video, systems for use at the Restaurant; (b) printers and other peripheral hardware or devices; (c) archival back-up systems; (d) Internet access mode and speed; and (e) physical, electronic, and other security systems (collectively, the "Computer System").

8.4.2 Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (a) computer software programs that Franchisee must use in connection with the Computer System (the "Required Software"), which Franchisee shall install at its expense; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install at its expense; (c) the tangible media upon which Franchisee shall record data; and (d) the database file structure of the Computer System. Franchisee shall not use, introduce or load any software that has not been approved by Franchisor in writing prior to use.

8.4.3 At Franchisor's request, Franchisee shall purchase or lease, and thereafter maintain, the Computer System and, if applicable, the Required Software. Franchisor shall have the right at any time to remotely retrieve and use such data and information from Franchisee's Computer System or Required Software that Franchisor deems necessary or desirable. Franchisee shall provide Franchisor with all user names and passwords required to access files and other information contained on the Computer System. Franchisee shall maintain all financial and other information as specified by Franchisor on the Computer System. Franchisee expressly agrees to strictly comply with Franchisor's standards and specifications for all items associated with Franchisee's Computer System and any Required Software in accordance with Franchisor's standards and specifications. Franchisee agrees, at its own expense, to keep the Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as Franchisor directs from time to time in writing.

8.4.4 Franchisee agrees that its compliance with this Section 8.4 shall be at its sole cost and expense. Franchisor reserves the right to require Franchisee to pay Franchisor third party licensing or usage fees for any component of the Computer System or Required Software, including management systems, billing and accounting systems, online ordering platforms, loyalty program providers, and help and support services. Franchisor will pay such licensing or usage fees collected from Franchisees directly to the third party suppliers. Franchisor also has the right to require Franchisee to pay these third party suppliers directly.

8.5 Data. All data provided by Franchisee, uploaded to Franchisor's system from Franchisee's system, and/or downloaded from Franchisee's system to Franchisor's system, is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the Franchised Business (including but not limited to consumer and transaction data), is and will be owned exclusively by Franchisor during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the establishment and operation of the Franchised Business pursuant to this Agreement.

8.6 Privacy. Subject to commercial standards of reasonableness based upon local business practices in the Territory, Franchisor may, from time-to-time, specify in the Manual (or otherwise in writing) the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Business, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to or derived from the Franchised Business (including, without limitation, data pertaining to or otherwise about customers) is and shall be the exclusive property of Franchisor, and Franchisor hereby grants a royalty-free nonexclusive license to Franchisee to use said data during the term of this Agreement. Franchisee shall abide by all applicable laws and standards pertaining to the privacy of consumer, employee, transactional, and other electronic information (including the Payment Card Industry Data Security Standards and relevant provisions of the Health Insurance Portability and Accountability Act). Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

8.7 Extranet. Franchisor may, but is not obligated to, establish an Extranet. The term "Extranet" means a private network based upon Internet protocols that will allow users inside and outside of Franchisor's headquarters to access certain parts of Franchisor's computer network via the Internet. If Franchisor does establish an Extranet, then Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Extranet and utilizing the Extranet in connection with the operation of the Franchised Business. The Extranet may include, without limitation, the Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as Franchisor may direct). Franchisee shall purchase and maintain such computer software and hardware (including, but not limited to, telecommunications capacity) as may be required to

connect to and utilize the Extranet. Franchisor shall have the right to require Franchisee to install a video, voice and data system that is accessible by both Franchisor and Franchisee on a secure Internet website, in real-time, all in accordance with Franchisor's then-current written standards as set forth in the Manual or otherwise in writing. Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee's Computer System and Franchisor's Extranet and/or such other computer systems as Franchisor may reasonably require.

8.8 Websites. Unless otherwise approved in writing by Franchisor, Franchisee shall not establish a separate Website. However, Franchisor shall have the right to require that Franchisee have one or more references or webpage(s), as designated and approved in advance by Franchisor, within Franchisor's Website. The term "Website" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including, but not limited to, any account, page, or other presence on a social or business networking media site such as Facebook, Twitter, LinkedIn, and on-line blogs and forums ("Networking Media Site"). Franchisor shall have the right to require that Franchisee not have any Website other than the webpage(s), if any, made available on Franchisor's Website. However, if Franchisor approves a separate Website for Franchisee (which Franchisor is not obligated to approve; and, which approval, if granted, may later be revoked by Franchisor), then each of the following provisions shall apply:

8.8.1 Franchisee specifically acknowledges and agrees that any Website owned, established, or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement and will be subject to, among other things, Franchisor's prior review and approval;

8.8.2 Before establishing any Website, Franchisee shall submit to Franchisor, for Franchisor's prior written approval, a sample of the proposed Website domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including, without limitation, meta tags) in the form and manner Franchisor may reasonably require;

8.8.3 If approved, Franchisee shall not materially modify such Website without Franchisor's prior written approval as to such proposed modification;

8.8.4 Franchisee shall comply with the standards and specifications for Websites that Franchisor may periodically prescribe in the Manual or otherwise in writing;

8.8.5 If required by Franchisor, Franchisee shall establish such hyperlinks to Franchisor's Website and other Websites as Franchisor may request in writing; and

8.8.6 Franchisee shall not make any posting or other contribution to a Networking Media Site relating to Franchisor, the System, the Proprietary Marks, or the Franchised Business that (a) is derogatory, disparaging, or critical of Franchisor, (b) is offensive, inflammatory, or indecent, (c) harms the goodwill and public image of the System and/or the

Proprietary Marks, or (d) violates Franchisor's policies relating to the use of Networking Media Sites.

8.9 Domain Names. Franchisee acknowledges and agrees that if Franchisor grants its approval for Franchisee's use of a generic, national, and/or regionalized domain name, Franchisor shall have the right to own and control said domain name at all times and may license it to Franchisee for the term of this Agreement on such terms and conditions as Franchisor may reasonably require (including, but not limited to, the requirement that Franchisee reimburse Franchisor's costs for doing so). If Franchisee already owns any domain names, or hereafter registers any domain names, then Franchisee agrees that it shall notify Franchisor in writing and assign said domain names to Franchisor and/or a designee that Franchisor specifies in writing.

8.10 Online Use of Proprietary Marks and E-mail Solicitations. Franchisee shall not use the Proprietary Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any e-mail address, domain name, and/or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Franchisor's written consent as to: (a) the content of such e-mail advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements. In addition to any other provision of this Agreement, Franchisee shall be solely responsible for compliance with all laws pertaining to e-mails, including, but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003").

8.11 No Outsourcing without Prior Written Approval. Franchisee shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee's obligations without Franchisor's prior written approval. Franchisor's consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with Franchisor and Franchisee in a form that is provided by Franchisor. The provisions of this Section 8.11 are in addition to and not instead of any other provision of this Agreement.

8.12 Changes to Technology. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Agreement were periodically revised by Franchisor for that purpose.

9. CONFIDENTIAL OPERATING MANUALS

9.1 Standards of Operation. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the Restaurant in accordance with the standards, methods, policies, and procedures specified in the Manuals, one copy of which Franchisee shall receive on loan from Franchisor for

the term of this Agreement upon completion by Franchisee of the Initial Training Program to Franchisor's satisfaction. The Manuals may consist of multiple volumes of printed text, computer disks, other electronically stored data, DVDs, and videotapes, and may contain information related to ingredients, recipes, restaurant operations, and restaurant management. Franchisee acknowledges and agrees that Franchisor may provide a portion or all of the Manuals (including updates and amendments), and other instructional information and materials, in or via electronic media, including, without limitation, through the Internet.

9.2 Confidentiality. Franchisee shall treat the Manuals, any other manuals created for or approved for use in the operation of the Restaurant, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential pursuant to Section 10 below. Franchisee shall not copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.

9.3 Exclusive Property. The Manuals shall remain the sole property of Franchisor and shall be kept in a secure place on the Premises.

9.4 Revisions to Manuals. Franchisor may from time to time revise the contents of the Manuals, and Franchisee expressly agrees to comply with each new or changed standard. Franchisee shall ensure that the Manuals are kept current at all times. In the event of any dispute as to the contents of the Manuals, the terms of the master copy maintained by Franchisor at Franchisor's home office shall be controlling.

10. CONFIDENTIAL INFORMATION

10.1 Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge or know-how concerning the methods of operation of the business franchised hereunder, including, without limitation, the Manuals, recipes, cooking methods, preparation of menu items, drawings, suppliers, equipment, product costs, customer lists and information, accounting methods, including both paper and electronic spreadsheets, management tools, marketing methods, or advertising which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement ("Confidential Information"). Franchisee shall divulge such Confidential Information only to such of its employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know-how, techniques and other data which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement.

10.2 Confidentiality Agreements. At Franchisor's request, Franchisee shall require Franchisee's Store Manager to execute non-competition covenants and covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Restaurant. Such covenants shall be in the form attached hereto as Exhibit D.

10.3 Irreparable Injury. Franchisee acknowledges that any failure to comply with the requirements of this Section 10 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10, or such other relief sought by Franchisor.

11. ACCOUNTING AND RECORDS

11.1 Weekly Gross Sales. Franchisee shall record all sales on a point-of-sale recordkeeping and control system designated by Franchisor, or on any other equipment specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall maintain a weekly record of all Gross Sales on a spreadsheet provided by Franchisor, or by such other means designated by Franchisor at its sole discretion. Franchisee shall provide Franchisor with such weekly record at the same time and for the same period as Franchisee's royalty payments pursuant to Section 4.4 hereof, by such means as designated by Franchisor in the Manuals or otherwise in writing, including, but not limited, to an internet or intranet website or other system that allows Franchisor unrestricted access to Franchisee's sales information. Franchisor shall have the right to access any business information or data collected and generated on Franchisee's point-of-sale (POS) system.

11.2 Other Reports. Franchisee shall, at Franchisee's expense, submit to Franchisor in the form prescribed by Franchisor, the following reports, financial statements, and other data:

11.2.1 By the second Friday of each fiscal month, an accurate profit and loss statement and a report accurately reflecting all Gross Sales during the preceding calendar month;

11.2.2 On a quarterly basis, within ten (10) days after the end of each fiscal year quarter, Franchisee's financial statements for the preceding quarter, including, without limitation, a complete and accurate profit and loss statement and balance sheet;

11.2.3 Within seventy-five (75) days after the end of each fiscal year, Franchisee's financial statements for its preceding fiscal year, including, without limitation, a complete and accurate profit and loss statement and balance sheet, which may be unaudited but, upon Franchisor's request, shall be reviewed in accordance with generally accepted accounting principles;

11.2.4 Upon Franchisor's request, within ten (10) days after their timely completion, all federal, state and local sales, income or other tax returns filed by Franchisee; and

11.2.5 Such other forms, reports, records, information, and data as Franchisor may reasonably designate from time to time or as may be described in the Manuals.

11.3 Recordkeeping. Franchisee shall prepare, and shall preserve for at least seven (7) years from the dates of their preparation complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor in the Manuals or otherwise from time to time in writing, including but not limited

to: (a) daily cash reports; (b) cash receipts journals; (c) cash disbursements and weekly payroll journals and schedules; (d) general ledgers; (e) monthly bank statements, daily deposit slips, and cancelled checks; (f) all personal and business tax returns; (g) suppliers' invoices (paid and unpaid); (h) dated daily and weekly cash register journals; (i) monthly fiscal period balance sheets and fiscal period profit and loss statements; and (j) such other records as Franchisor may from time to time require.

11.4 Inspection and Audit. Franchisor and its designated agents shall have the right at all reasonable times to examine, copy, and/or personally review at Franchisor's expense, the books, records, accounts, and tax returns of Franchisee. Franchisor shall have the right at all reasonable times to remove such books, records, accounts and tax returns for copying. Franchisor shall also have the right, at any time, to have an independent audit made of the books and records of Franchisee. If an inspection or audit should reveal that any income or sales have not been reported or have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount underpaid upon demand, in addition to interest from the date such amount was due until paid, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less, plus all of Franchisor's costs and expenses in connection with the inspection or audit, including, without limitation, travel costs, lodging and wage expenses, and reasonable accounting and legal fees and costs. In addition to the foregoing, if Franchisee understates Gross Sales by two percent (2%) or more, Franchisor shall have the right to require Franchisee to provide audited financial statements under Section 11.2 hereof. If Franchisee understates Gross Sales by five percent (5%) or more on any one occasion, or if Franchisee understates Gross Sales by two percent (2%) or more on three or more occasions during any consecutive thirty-six (36) month period, then Franchisor shall have the right to terminate this Agreement without providing Franchisee an opportunity to cure. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or otherwise at law or in equity.

12. ADVERTISING AND PROMOTION

Recognizing the value of advertising, marketing, and promotion, and the importance of the standardization of advertising, marketing, and promotion programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

12.1 Market Introduction Program. Commencing thirty (30) days prior to the opening of the Restaurant until one hundred twenty (120) days after the opening of the Restaurant, or for such other time periods as determined by Franchisor in its sole discretion, Franchisee shall conduct marketing, advertising, and promotion in the form and manner prescribed by Franchisor in writing, including, but not limited to, brand awareness programs, marketing programs, public relations, community programs, print and electronic media advertising, direct mail advertising, distribution of door hangers, promotional giveaways, and/or product sampling ("Market Introduction Program"). Franchisee shall expend between five thousand dollars (\$5,000) and ten thousand dollars (\$10,000) on Franchisee's Market Introduction Program. Franchisor may, in its sole discretion, specify the form, manner, and timing of the marketing, advertising, and promotion for the Market Introduction Program.

12.2 Local Marketing, Advertising, and Promotion. In addition to the amounts expended on the Market Introduction Program, Franchisee shall expend, at a minimum, an amount equal to two percent (2%) of Gross Sales on local marketing, advertising, and promotion during Franchisee's first full year of operation, commencing on the date the Franchised Business opens and ending on the first anniversary of that date. Expenditures during that first full year shall be based upon Gross Sales within that period, as they occur on a monthly basis. During each subsequent year, Franchisee's minimum local advertising expenditure shall be an amount equal to two percent (2%) of the Gross Sales from the preceding year, expended on a monthly basis, if Franchisee's Gross Sales for that year are \$600,000 or less. If the Gross Sales from the preceding year exceed \$600,000, Franchisee's minimum local advertising expenditure shall be an amount equal to one and one-half percent (1.5%) of the Gross Sales from the preceding year, expended on a monthly basis. Franchisee shall provide satisfactory evidence of all local marketing, advertising, and promotion expenditures in such manner as Franchisor shall direct in the Manuals or otherwise in writing from time to time. If Franchisee fails to comply with these minimum expenditure requirements, Franchisor shall have the right to require Franchisee to contribute the unexpended balance to the PieZoni's Brand Fund. Franchisor shall have the right to increase the minimum expenditure required by this Section 12.2 upon the approval of more than fifty percent (50%) of the PieZoni's restaurant locations then operating under a franchise agreement with Franchisor, with each location receiving one vote. Franchisee shall submit to Franchisor within thirty (30) days prior to each anniversary of the opening of the Restaurant an annual marketing plan for Franchisee's local advertising budget.

12.3 PieZoni's Brand Fund. Franchisee shall contribute an amount equal to three percent (3%) of Franchisee's Gross Sales from the preceding week to the PieZoni's Brand Fund, which shall be paid in accordance with Sections 4.4 and 12.3.3 hereof. Franchisor shall have the right to increase the PieZoni's Brand Fund fee required by this Section 12.3 upon the approval of more than fifty percent (50%) of the PieZoni's restaurant locations then operating under a franchise agreement with Franchisor, with each location receiving one vote. Franchisor reserves the right at any time to reallocate the percentages of Gross Sales payable under Sections 12.2 and 12.3 as it determines in its sole discretion, provided that the sum of Franchisee's total expenditures under Sections 12.2 and 12.3 shall not increase. Franchisee understands and acknowledges that the required expenditure under this Section 12.3 is a minimum requirement only. The PieZoni's Brand Fund shall be maintained and administered by Franchisor as follows:

12.3.1 Franchisor shall direct all advertising, marketing, and promotional programs, and have sole discretion over all aspects of such programs, including but not limited to concepts, materials, and media used in such programs, and the placement and allocation thereof. Franchisee agrees and acknowledges that the PieZoni's Brand Fund is intended to promote the PieZoni's brand and maximize general public recognition, acceptance, and use of the System; and that Franchisor is not obligated, in administering the PieZoni's Brand Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, to make expenditures in Franchisee's geographical area, or to ensure that Franchisee benefits directly or on a pro rata basis from expenditures or activities of the PieZoni's Brand Fund;

12.3.2 The PieZoni's Brand Fund, all contributions thereto, and any earnings thereon, shall be used to meet any and all costs of promoting and supporting the PieZoni's brand

and System and maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations materials, sales materials, and/or promotional programs and materials, including the costs of radio and television advertisements, production and media, review of locally produced advertisements, door hangers, mailers, inserts and coupons, brochures, promotional materials, market research, market surveys, sponsorships, web site design and maintenance, public relations, related retainers, mystery shoppers for the System and competitors, celebrity endorsements, trade shows (including costs of travel and personnel expenses, trade booths, and specialty entertainment), association dues (including, without limitation, International Franchise Association, National Restaurant Association, and International Council of Shopping Centers), search engine optimization; utilizing Networking Media Sites (as described in Section 8.8 above) and other emerging media or promotional tactics; establishing a third party facility for customizing local advertising, accounting costs, and other costs that Franchisor believes, in its sole discretion, are appropriate to enhance, promote, and protect the PieZoni's brand and System. The PieZoni's Brand Fund may be used to reimburse Franchisor any and all costs and expenses incurred by Franchisor relating to the PieZoni's Brand Fund. The PieZoni's Brand Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by Franchisor, which products, services, or improvements Franchisor shall have the right to determine will promote general public awareness of and favorable support for the System;

12.3.3 Franchisee shall contribute by separate payment to the PieZoni's Brand Fund, in accordance with Section 4.4 hereof. All sums paid by Franchisee to the PieZoni's Brand Fund shall be accounted for separate from the other monies of Franchisor. The PieZoni's Brand Fund and any earnings thereon shall not otherwise inure to the benefit of Franchisor. Franchisor shall maintain separate bookkeeping accounts for the PieZoni's Brand Fund.

12.3.4 Franchisee acknowledges that the PieZoni's Brand Fund is not a trust or an asset of Franchisor and that Franchisor is not a fiduciary to Franchisee with respect to, or a trustee of, the PieZoni's Brand Fund or the monies therein; and

12.3.5 The PieZoni's Brand Fund is intended to be of perpetual duration. However, Franchisor maintains the right to terminate the PieZoni's Brand Fund. The PieZoni's Brand Fund may not be terminated, however, until all monies in the PieZoni's Brand Fund have been expended for advertising and/or promotional purposes or returned to its contributors on the basis of their respective contributions.

12.4 Advertising Cooperative. Franchisor shall have the right, in its discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Restaurant. If a Cooperative has been established in Franchisee's area prior to opening the Restaurant, Franchisee shall become a member of the Cooperative at the time and in the manner as Franchisor requires. Each Cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as determined by the Cooperative.

12.5 Advertising Programs and Materials. All advertising and promotion by Franchisee shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner and shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor. Franchisor shall make available to Franchisee from time to time, at Franchisee's expense, advertising and promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, menu boards, special promotions, signs, stationery, business cards, and similar materials. Franchisor has the right to supply such materials in modular form through the Internet or intranet. Franchisee shall have the right and obligation to use Franchisor's marketing programs and materials. Earnings on the sale of such materials, if any, will be contributed to the PieZoni's Brand Fund.

12.6 Promotions. Franchisee acknowledges that periodic rebates, give-aways, and other promotions and programs are an integral part of the System. Accordingly, Franchisee, at its sole cost and expense, from time to time shall issue and offer such rebates, give-aways, and promotions in accordance with any reasonable advertising programs established by Franchisor, and further shall honor rebates, giveaways, and other promotions issued by other franchisees, as long as all of the above do not contravene regulations and laws of appropriate governmental authorities.

12.7 Telephone Directories. Franchisee shall, at its expense, obtain listings in the white and yellow pages of local telephone directories. Franchisee shall comply with Franchisor's specifications concerning the form and size of such listings, and the number of directories in which such listings shall be placed. Additionally, Franchisee shall be required to obtain listings and/or advertise with Franchisor and other franchisees of the System on electronic yellow pages directories and other on-line directories as Franchisor may designate. Franchisor reserves the right to place, and subsequently modify or remove, such on-line listings and advertisements on behalf of Franchisee. For any listings or advertisements posted by or on behalf of Franchisee, Franchisee shall promptly pay, upon demand by Franchisor, its pro rata share of the costs of such listings or advertisements.

12.8 Approval of Advertising Materials. Franchisee shall submit to Franchisor samples of all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including, without limitation, the Internet) that Franchisee desires to use for Franchisor's prior written approval. Franchisee shall not use such plans or materials until they have been approved in writing by Franchisor. If written notice of approval is not received by Franchisee from Franchisor within ten (10) days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have not approved them. Franchisor reserves the right to require Franchisee to discontinue the use of any advertising or marketing materials.

12.9 Marketing in Franchisee's Territory Only. Franchisee shall not market in the territory of any other PieZoni's restaurant operating under the System and Proprietary Marks or advertise in any media that is reasonably expected to reach customers in the territory of another PieZoni's restaurant, unless such marketing or advertising includes the address and telephone

number of such PieZoni's restaurant. Such advertisements shall not include any references to menu pricing and shall be subject to Franchisor's approval pursuant to Section 12.8. Franchisee agrees and acknowledges that it shall not have any right to retain customers located in an unassigned area outside of Franchisee's Territory and shall cease any marketing efforts in an unassigned area in the event it is subsequently assigned to a franchised or company-owned PieZoni's restaurant.

13. INSURANCE

13.1 Minimum Insurance Requirements. Franchisee shall procure, prior to the commencement of any activities or operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement), at Franchisee's expense, an insurance policy or policies protecting Franchisee, Franchisor, and their respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, business interruption, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Restaurant, including, but not limited to, comprehensive general liability insurance, property insurance (including, but not limited to, fire, vandalism, and malicious mischief insurance for the replacement value of the Restaurant and its contents), casualty insurance, business interruption insurance, statutory workers' compensation insurance, employer's liability insurance, product liability insurance, and automobile collision and liability insurance for all vehicles used in connection with the operation of the Restaurant. Such policy or policies shall be written by a responsible carrier or carriers acceptable to Franchisor, shall name Franchisor and its subsidiaries and affiliates as additional insured, and shall provide at least the types and minimum amounts of coverage specified in the Manuals. Franchisor shall have the right, from time to time, to make such changes in minimum policy limits and endorsements in the Manuals or otherwise in writing as it may determine in its reasonable discretion.

13.2 Non-waiver. Franchisee's obligation to obtain and maintain the policy or policies in the amounts specified in the Manuals shall not be limited in any way by reason of any insurance that 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 20.3 of this Agreement.

13.3 Franchisor Entitled to Recover. All public liability and property damage policies shall contain a provision that Franchisor, although named as an insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor or its servants, agents or employees by reason of the negligence of Franchisee or its servants, agents or employees.

13.4 Certificates of Insurance. Prior to the commencement of any operations under this Agreement, and thereafter at least thirty (30) days prior to the expiration of any policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper types and minimum amounts of coverage. All Certificates shall expressly provide that no less than thirty

(30) days' prior written notice shall be given Franchisor in the event of material alteration to or cancellation of the coverage evidenced by such Certificates.

13.5 Franchisor's Right to Procure Insurance. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Manuals or otherwise in writing, Franchisor shall have the right and authority (but not the obligation) to procure and maintain such insurance in Franchisee's name and to charge same to Franchisee, which charges, together with Franchisor's reasonable expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or at law or in equity.

14. TRANSFER OF INTEREST

14.1 Franchisor's Right to Transfer. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, including a competitor, and any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisee shall execute such documents of attornment or other documents as Franchisor may request.

14.2 Franchisee's Conditional Right to Transfer. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance on Franchisee's (or, if Franchisee is a corporation, partnership, or limited liability company, its principals') business skill, financial capacity and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, limited liability company, corporation or other legal entity which directly or indirectly owns any interest in Franchisee or in the Franchised Business shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "transfer") this Agreement, any direct or indirect interest in Franchisee, or in all or substantially all of the assets of the Franchised Business without the prior written consent of Franchisor. Any purported assignment or transfer not having the written consent of Franchisor required by this Section 14.2 shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate without opportunity to cure pursuant to Section 15.2.6 of this Agreement. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or at law or in equity.

14.3 Conditions of Transfer. Franchisee shall notify Franchisor in writing of any proposed transfer of this Agreement, any direct or indirect interest in Franchisee, or in all or substantially all of the assets of the Franchised Business, at least thirty (30) days before such transfer is proposed to take place. Franchisor shall not unreasonably withhold its consent to any transfer. Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval:

14.3.1 That all of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates have been satisfied;

14.3.2 That Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates;

14.3.3 That the transferor shall have executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, shareholders, and employees;

14.3.4 That the transferor and transferee have executed a mutual general release, relieving all claims against each other, excluding only such claims relating to any provision or covenant of this Agreement which imposes obligations beyond the expiration of this Agreement;

14.3.5 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

14.3.6 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; has adequate financial resources and capital to operate the Franchised Business; and has not operated a business in competition with Franchisor;

14.3.7 That the purchase price and terms will not, in Franchisor's opinion, negatively impact the ability of the transferee's franchised business to operate;

14.3.8 That the transferee execute Franchisor's then-current form of franchise agreement and other ancillary agreements as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty fee, brand fund contribution and other fees, as determined by Franchisor, except that the transferee shall receive the full initial term then being offered to new franchisees and transferee shall not be required to pay any initial franchise fee; and that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

14.3.9 That Franchisee remain liable for all of the obligations to Franchisor in connection with the Franchised Business which arose prior to the effective date of the transfer and execute any and all instruments reasonably requested by Franchisor to evidence such liability;

14.3.10 That the transferee (or, if the transferee is a corporation, partnership or limited liability company, a principal of the transferee acceptable to Franchisor) and the transferee's store manager at the transferee's expense, have successfully completed any training programs then in effect upon such terms and conditions as Franchisor may reasonably require and pay Franchisor the then-current training fee;

14.3.11 If Franchisee executed this Agreement pursuant to a Restaurant Development Agreement, that transferee acquires all of Franchisee's rights and obligations under such Development Agreement and all other franchise agreements executed pursuant thereto.

14.3.12 That Franchisor approves the terms and conditions of the transfer agreement between Franchisee and transferee;

14.3.13 That transferee does not finance more than seventy-five percent (75%) of the total purchase price, and that transferee expressly, in writing, subordinates all third-party interests in the Franchised Business to the interests of Franchisor; and

14.3.14 That Franchisee pay to Franchisor a transfer fee of seven thousand five hundred dollars (\$7,500) or such greater amount as is required to reimburse Franchisor for its reasonable costs and expenses, including attorneys' fees, associated with its review and approval of the proposed transfer; provided, however, the transfer fee shall be one thousand dollars (\$1,000), plus Franchisor's out-of-pocket costs and expenses, if: (a) transferee has been a PieZoni's franchisee for at least five (5) years; (b) transferee has held a managerial position at a franchised or company-owned PieZoni's restaurant; or (c) transferee has obtained the business as a result of Franchisee's death or incapacity pursuant to Section 14.6 hereof. The transfer fee shall be waived if the transfer is for Franchisee's convenience of ownership and the transferee is an entity controlled by Franchisee.

14.4 No Security Interest. Franchisee shall not grant a security interest in the Restaurant or in any of the assets of the Restaurant without the express written consent of Franchisor. If Franchisor consents to such security interest, such consent shall be conditioned on, among other things, the secured party's agreement that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and, in the event Franchisor exercises such option, any acceleration of indebtedness due to Franchisee's default shall be void. In the event Franchisor cures any such default of Franchisee, Franchisee shall reimburse Franchisor all amounts paid by Franchisor to cure the default, plus all costs and expenses incurred by Franchisor to cure such default, and Franchisee shall be deemed in default of this Agreement.

14.5 Franchisor's Right of First Refusal. If any party holding any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business desires to accept any bona fide offer from a third party to purchase such interest, Franchisee shall notify Franchisor as provided in Section 14.3 hereof, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written

notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 14.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 14, with respect to a proposed transfer. In the event the consideration, terms and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by Franchisor at Franchisor's expense, and the appraiser's determination shall be binding. This Section 14.5 shall not apply to transfers made to immediate family members of Franchisee or Franchisee's principals, as determined by Franchisor in its sole discretion.

14.6 Death or Incapacity. Upon the death, physical or mental incapacity of any person with an interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six (6) months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 14, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement, pursuant to Section 15.2.7 hereof.

14.7 Non-waiver. Franchisor's consent to a transfer of any interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

15. DEFAULT AND TERMINATION

15.1 Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee or opportunity to cure, if: Franchisee becomes insolvent or makes a general assignment for the benefit of creditors; a petition in bankruptcy is filed by Franchisee or such a petition is filed against Franchisee and is not extinguished within sixty (60) calendar days; Franchisee is adjudicated bankrupt or insolvent; a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is

filed and consented to by Franchisee; a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); Franchisee is dissolved; execution is levied against Franchisee's business or property; suit to foreclose any lien or mortgage against the Premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

15.2 Notice Without Opportunity to Cure. In addition to the foregoing, upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the provision of notice to Franchisee (in the manner provided under Section 23 hereof):

15.2.1 If Franchisee fails to locate an approved site or execute a lease, or to construct and open the Restaurant, within the time limits provided in the Site Selection Addendum or Section 5.3 hereof;

15.2.2 If Franchisee or the other individuals identified in Section 6.1(a) fail to complete the Initial Training Program or Advanced Training Program to Franchisor's satisfaction, or fail to attend additional training as described in Section 6.6 hereof;

15.2.3 If Franchisee at any time ceases to operate or otherwise abandons the Franchised Business for three (3) consecutive business days or for five (5) calendar days, which are not approved holidays, during any twelve (12) month period, or loses the right to possession of the Premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located; however, if, through no fault of Franchisee, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then Franchisee shall have thirty (30) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the Premises, which approval shall not be unreasonably withheld;

15.2.4 If Franchisee, or any principal, officer, or director of Franchisee, is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Franchisor's interest therein; or if Franchisee or any principal, officer, or director of Franchisee commits any acts or engages in any behavior that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein, including but not limited to conduct that is fraudulent, unfair, unethical, or deceptive;

15.2.5 If, in Franchisor's sole belief, the construction, maintenance, or operation of the Franchised Business causes any threat or danger to public health or safety;

15.2.6 If any purported assignment or transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business is made to any third party without Franchisor's prior written consent, or otherwise contrary to the terms of Section 14 hereof;

15.2.7 If an approved transfer is not effected within the time provided following death or mental incapacity, as required by Section 14.6 hereof;

15.2.8 If Franchisee fails to comply with the covenants in Section 17.2 hereof or fails to obtain execution of the covenants required under Section 10.2 hereof;

15.2.9 If, contrary to the terms of Sections 9 or 10 hereof, Franchisee discloses or divulges the contents of the Manuals or other confidential information provided to Franchisee by Franchisor;

15.2.10 If Franchisee conceals revenue or intentionally understates Gross Sales; or if Franchisee takes for its own use any employee taxes, Social Security payments, insurance payments or benefits, or any property of Franchisor; or if Franchisee understates Gross Sales by five percent (5%) or more on any one occasion, or if Franchisee understates Gross Sales by two percent (2%) or more on three or more occasions during any consecutive thirty-six (36) month period;

15.2.11 If Franchisee knowingly makes any false or misleading statement, maintains false or misleading books or records, or submits any false or misleading reports or other documentation (including Franchisee's application for this franchise) to Franchisor;

15.2.12 If Franchisee misuses or makes any unauthorized or improper use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein; or if Franchisee fails to utilize the Proprietary Marks solely in the manner and for the purposes directed by Franchisor; or if Franchisee uses the Proprietary Marks at any location other than the Approved Location;

15.2.13 If Franchisee refuses to permit Franchisor to inspect the Premises, or the books, records or accounts of Franchisee upon demand as provided for herein;

15.2.14 If Franchisee, after curing any default pursuant to Section 15.3 hereof, commits the same default again within thirty-six (36) months, whether or not cured after notice; or if Franchisee repeatedly fails to comply with one or more requirements of this Agreement, whether or not cured after notice;

15.2.15 If Franchisee sells products not previously approved by Franchisor, or purchases any product from a supplier not previously approved by Franchisor;

15.2.16 If Franchisee sell any products to any person or business that is not a retail customer of the Restaurant;

15.2.17 If Franchisor cures any default of Franchisee pursuant to Section 14.4 hereof; or

15.2.18 If Franchisee interferes with Franchisor's business relationship with any third party, including another franchisee of the system, or otherwise interferes with Franchisor's ability to franchise its System, license the Proprietary Marks or any other marks to a third party, or operate the System or any other system.

15.3 Notice With Opportunity to Cure. Except as otherwise provided in Sections 15.1 and 15.2 of this Agreement, upon any other default by Franchisee, Franchisor shall give Franchisee written notice of such default (in the manner set forth under Section 23 hereof) and an opportunity to cure such default within thirty (30) days (or such shorter period specified below) of Franchisee's receipt of such notice. Franchisor shall have the right to terminate this Agreement immediately upon notice to Franchisee if Franchisee fails to cure any default to Franchisor's satisfaction, and provide proof thereof, within the thirty (30) day period (or such shorter period specified below). If applicable law requires a longer cure period, such period shall apply to Franchisor's notice. Defaults which are susceptible of cure hereunder include the following illustrative events:

15.3.1 If Franchisee fails to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by the Manuals, fails to operate the Franchised Business in conformity with the Manuals, or fails to carry out the terms of this Agreement in good faith;

15.3.2 If Franchisee fails, refuses or neglects promptly to pay when due any monies owing to Franchisor or its affiliates or any lender that has provided financing to Franchisee under an arrangement with Franchisor, or to submit the financial or other information required by Franchisor under this Agreement (Franchisee shall have five (5) days from Franchisee's receipt of written notice to cure such default);

15.3.3 If Franchisee fails to maintain or observe any of the standards or procedures prescribed by Franchisor in this Agreement, the Manuals, or otherwise in writing;

15.3.4 Except as provided in Section 15.2.6 hereof, if Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

15.3.5 If, upon inspection by Franchisor or a government health inspector, Franchisee's Restaurant is in violation of the health, safety, or sanitation standards prescribed by Franchisor in this Agreement, the Manuals, or otherwise in writing, or is in violation of any health or safety law, codes, or regulation (Franchisee shall have twenty-four (24) hours from Franchisee's receipt of written notice to cure such default);

15.3.6 If Franchisee acts, or fails to act, in any manner which is inconsistent with or contrary to its lease or sublease for the Premises, or in any way jeopardizes its right to

renewal of such lease or sublease (Franchisee shall have fifteen (15) days from Franchisee's receipt of written notice to cure such default);

15.3.7 If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks for more than fifteen (15) days from Franchisee's receipt of written notice to cure such default;

15.3.8 If Franchisee fails to comply with any applicable law, rule or regulation related to the operation of the Restaurant (including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Restaurant); or if Franchisee fails to procure or maintain any required licenses, permits, or certifications (Franchisee shall have fifteen (15) days from Franchisee's receipt of written notice from Franchisor or the applicable government authority or agency to cure such default; if cure cannot be effected within fifteen (15) days, Franchisee shall commence to cure and diligently work to achieve cure and provide Franchisor with continual evidence of Franchisee's efforts to cure);

15.3.9 If Franchisee fails to immediately endorse and deliver to Franchisor any payment due to Franchisor but paid to Franchisee, or if Franchisee fails to immediately repay Franchisor or its affiliates any amounts paid by Franchisor to any supplier or other trade account on behalf of Franchisee;

15.3.10 If Franchisee defaults under any agreement with Franchisor or its affiliates, with a major supplier to the System, or with a guarantor of this Agreement for more than fifteen (15) days from Franchisee's receipt of written notice from Franchisor to cure such default;

15.3.11 If Franchisee fails to pay promptly any undisputed amounts owed to suppliers, including Franchisor and its affiliates for more than fifteen (15) days from Franchisee's receipt of written notice from Franchisor to cure such default;

15.3.12 If Franchisee materially misuses or makes unauthorized use of the Required Software;

15.3.13 If Franchisee hires or retains any employee who does not meet all federal, state and local requirements necessary for employment in the United States; or

15.3.14 If Franchisee fails to procure or maintain the minimum insurance required by Section 13.1 or to repay Franchisor for any insurance premium paid by Franchisor on behalf of Franchisee.

15.3.15 If Franchisee fails to maintain acceptable customer satisfaction scores as prescribed by Franchisor from time to time in the Manual or otherwise in writing, based on customer surveys conducted by Franchisor or its designee.

15.4 Limitation of Services or Benefits. If Franchisee receives a notice of default issued pursuant to either (a) Section 15.2, or (b) Section 15.3 and fails to cure such default within the time period permitted in such notice, Franchisor shall have the right, in its sole discretion, to temporarily or permanently limit, curtail, or remove certain services or benefits provided or required to be provided to Franchisee hereunder in lieu of exercising its right to terminate this Agreement pursuant to its terms, including, without limitation:

15.4.1 To restrict Franchisee or any of Franchisee's staff attendance at any initial training, continuing training, meetings, workshops, or conventions;

15.4.2 To refuse to sell or furnish to Franchisee any supplies, products, or advertising and promotional materials;

15.4.3 To refuse to provide Franchisee ongoing advice about the operation of the Restaurant;

15.4.4 To refuse any request by Franchisee to approve a new supplier;

15.4.5 To refuse any request by Franchisee to approve the use of any advertising or promotional materials;

15.4.6 To prohibit Franchisee from participating in rebates, giveaways, or other promotions; and

15.4.7 To terminate Franchisee's right to use the Required Software.

Franchisee agrees to hold Franchisor harmless with respect to any action taken by Franchisor pursuant to this Section 15.4; and Franchisee further agrees that Franchisor shall not be liable for any loss, expense, or damage incurred by Franchisee or the Restaurant because of any action Franchisor takes pursuant to this Section 15.4. Nothing in this Section 15.4 constitutes a waiver of any right or remedy of the Franchisor under this Agreement or any other agreement between Franchisee and Franchisor, including, without limitation, the right to terminate this Agreement under Sections 15.1, 15.2, and 15.3 hereof. Franchisee acknowledges and agrees that Franchisor's exercise of its rights pursuant to this Section 15.4 shall not be deemed a constructive termination of this Agreement or of any other agreement between Franchisee and Franchisor, and shall not be deemed a breach of any provision of this Agreement by Franchisor. Any services or benefits removed, curtailed, or limited pursuant to this Section 15.4 may be reinstated at any time by Franchisor in its sole discretion and Franchisee hereby agrees to accept immediately any such reinstatement of services or benefits so removed, curtailed, or limited. Franchisee acknowledges and agrees that, if Franchisor limits any services or benefits under this Section 15.4, Franchisee shall continue to pay timely all fees and payments required under this Agreement and any other agreement between Franchisee and Franchisor, including, without limitation, any fees associated with services or benefits limited by Franchisor. Franchisee shall have no right to a refund of any fees paid in advance for such services or benefits.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement for any reason, all rights granted hereunder to Franchisee shall forthwith terminate, and:

16.1 Cease Operations. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor. Immediately upon the expiration or termination hereof, Franchisee shall dispose of, and not sell, any menu items or other products sold hereunder.

16.2 Cease Use of Confidential Information and Proprietary Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System, and all Proprietary Marks and distinctive forms, slogans, signs, symbols, colors, and devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, products and any other articles that display the Proprietary Marks.

16.3 Cancellation of Registrations. Franchisee shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the mark “PieZoni’s”, or any other Proprietary Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

16.4 Assignment of Lease. Franchisee shall, at Franchisor’s option, assign to Franchisor any interest which Franchisee has in any lease or sublease for the Premises. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Premises, Franchisee shall make such modifications or alterations to the Premises (including, without limitation, the changing of, and the assigning to Franchisor of, the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of the Restaurant under the System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 16.4, Franchisor shall have the right to enter upon the Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

16.5 Subsequent Use of Proprietary Marks Prohibited. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in Franchisor’s sole discretion, is likely to cause confusion, mistake or deception, or which, in Franchisor’s sole discretion, is likely to dilute Franchisor’s rights in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin, description or representation (including but not limited to reference to Franchisor, the System or the Proprietary Marks) which, in

Franchisor's sole discretion, suggests or represents a present or former association or connection with Franchisor, the System or the Proprietary Marks.

16.6 Payment. Franchisee shall promptly pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the Premises operated hereunder at the time of default.

16.7 Liquidated Damages Upon Termination. In the event this Agreement is terminated prior to the end of its term due to Franchisee's default hereunder, in addition to the amounts set forth in Section 16.6 above, Franchisee shall promptly pay to Franchisor a lump sum payment (as damages and not as a penalty) for breaching this Agreement in an amount equal to: (a) the average monthly royalty fees and PieZoni's Brand Fund fees payable by Franchisee under Sections 4.2 and 12.3 hereof over the twelve (12) month period immediately preceding the date of termination (or such shorter time period if the Restaurant has been open less than twelve (12) months); (b) multiplied by the lesser of 36 or the number of months then remaining in the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light of the damages for premature termination which Franchisor will incur. This lump sum payment will be in lieu of any damages Franchisor may incur as a result of Franchisee's default, but it shall be in addition to all amounts provided above in Section 16.6 and any attorneys' fees and other costs and expenses to which Franchisor is entitled under the terms of this Agreement. Franchisee's payment of this lump sum shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies to enforce this Section 16 and the covenants set forth in Sections 10 and 17.

16.8 Return Manuals. Franchisee shall immediately deliver to Franchisor the Manuals, paper and electronic spreadsheets and checklists and all other records, correspondence and instructions containing confidential information relating to the operation of the Restaurant (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor, and shall retain no copy or record of any of the foregoing, with the exception of Franchisee's copy of this Agreement, any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

16.9 Websites. Franchisee shall cease use of any PieZoni's domain name, URL, or home page address, and shall not establish any Website using any similar or confusing domain name, URL, and/or home page address.

16.10 Franchisor's Option to Purchase Equipment. Franchisor shall have the option, to be exercised within thirty (30) days after termination, to purchase from Franchisee any or all of the equipment, signs, and fixtures related to the operation of the Restaurant at fair market value

or at sixty percent (60%) of Franchisee's original investment, exclusive of supplies and inventory, whichever is less, and to purchase any or all supplies and inventory of the Franchised Business at Franchisee's cost or fair market value, whichever is less. If the parties cannot agree on the price of any such items within a reasonable time, an independent appraisal shall be conducted at Franchisor's expense, and the appraiser's determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefor.

16.11 Compliance With Covenants. Franchisee shall comply with the covenants contained in Sections 10.1 and 17.3 of this Agreement.

16.12 Execution of Agreements. Franchisee shall execute all agreements as Franchisor reasonably requests related to the termination of this Agreement, which may include releases by Franchisee and its principals of any and all claims they might have against Franchisor or its subsidiaries, affiliates, officers, directors, agents, or employees.

17. COVENANTS

17.1 Best Efforts. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee's Operating Principal or Store Manager shall devote full time, energy, and best efforts to the management and operation of the Restaurant.

17.2 In-Term Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

17.2.1 Divert or attempt to divert any present or prospective business or customer of any Franchisor restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

17.2.2 Own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any retail business which: (a) is the same as, or substantially similar to, a PieZoni's restaurant; or (b) offers to sell or sells any menu items or food products which are the same as, or substantially similar to, any of the menu items or food products offered by a PieZoni's restaurant where the sale of such menu items or food products constitutes twenty percent (20%) or more of the gross sales of such retail business. The prohibitions in this Section 17.2 shall not apply to interests in or activities performed in connection with the Restaurant.

17.3 Post-Term Covenants. Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, for a continuous, uninterrupted period of two (2) years commencing upon the date of (a) a transfer permitted under Section 14 of this Agreement, (b) expiration of this Agreement, (c) termination of this Agreement (regardless of the cause for termination), or (d) a final order of a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 17.3, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any retail business that: (a)(i) is the same as, or substantially similar to, a PieZoni's restaurant; or (ii) offers to sell or sells any menu items or food products which are the same as, or substantially similar to, any of the menu items or food products offered by a PieZoni's restaurant where the sale of such menu items or food products constitutes twenty percent (20%) or more of the gross sales of such retail business; and (b) is, or is intended to be, located at or within:

17.3.1 Franchisee's Territory;

17.3.2 Ten (10) miles of the Approved Location; or

17.3.3 Ten (10) miles of any business operating under the System and the Proprietary Marks.

The prohibitions of Sections 17.2.2 and 17.3 shall not apply to Franchisee's interests in or operation of a PieZoni's restaurant under a written Franchise Agreement.

17.4 No Application to Equity Securities. Sections 17.2.2 and 17.3 shall not apply to ownership by Franchisee of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

17.5 Reduction of Scope of Covenants. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 17.2 and 17.3, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

17.6 No Defense. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 17.

17.7 Independent Covenants. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 17 is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which Franchisor is a party,

Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty on Franchisee permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 17.

17.8 Irreparable Injury. Franchisee acknowledges that Franchisee's violation of any of the terms of this Section 17 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section 17.

17.9 Franchisor's Costs and Expenses. Franchisee shall pay Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in obtaining injunctive or other relief for the enforcement of any provision of this Section 17.

18. CORPORATE, PARTNERSHIP OR LIMITED LIABILITY COMPANY FRANCHISEE

18.1 Franchisee Corporation. If Franchisee is a corporation, Franchisee shall comply with the following requirements:

18.1.1 Franchisee shall be newly organized and its charter shall at all times provide that its activities are confined exclusively to operating the Franchised Business;

18.1.2 Copies of Franchisee's Articles of Incorporation, Bylaws and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to Franchisor upon request;

18.1.3 Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and shall issue no certificates for voting securities upon the face of which the following printed legend does not legibly and conspicuously appear:

The transfer of this stock is subject to the terms and conditions of a Franchise Agreement with PieZoni's Franchising, LLC dated _____. Reference is made to the provisions of the said Franchise Agreement and to the Articles and Bylaws of this Corporation.

Notwithstanding the above, the requirements of this Section 18.1.3 shall not apply to a "publicly-held corporation." A "publicly-held corporation" for purposes of this Agreement shall mean a corporation registered pursuant to the Securities and Exchange Act of 1934; and

18.1.4 Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities or securities convertible into voting securities of Franchisee and shall furnish the list to Franchisor upon request.

18.1.5 No shares of Franchisee may be issued or transferred, and no changes may be made to Franchisee's governing documents, without Franchisor's prior written consent.

18.1.6 Stock in Franchisee shall not be pledged as collateral for any corporate obligations of Franchisee without Franchisor's prior written consent.

18.2 Franchisee Partnership. If Franchisee or any successor to or assignee of Franchisee is a partnership, it shall comply with the following requirements:

18.2.1 Franchisee shall be newly organized and shall furnish Franchisor, upon its request, a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto;

18.2.2 The partnership agreement shall at all times note conspicuously that partnership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the Franchise Agreement; and

18.2.3 Franchisee shall prepare and furnish to Franchisor, upon request, a list of all general and limited partners in Franchisee.

18.3 Franchisee Limited Liability Company. If Franchisee or any successor to or assignee of Franchisee is a limited liability company, it shall comply with the following requirements:

18.3.1 Franchisee must be newly organized and the articles of incorporation must at all times provide that Franchisee's activities are confined exclusively to operating the Franchised Business;

18.3.2 Franchisee shall furnish Franchisor with a copy of its articles of organization and operating agreement as well as such other governing documents as Franchisor may reasonably request, and any amendments thereto;

18.3.3 The articles of organization or operating agreement shall at all times note conspicuously that membership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the Franchise Agreement; and

18.3.4 Franchisee shall prepare and furnish to Franchisor, upon request, a list of all members in Franchisee or parties that hold any ownership interest in Franchisee.

18.4 Guaranty and Indemnification. If Franchisee is a corporation, partnership or limited liability corporation, or if any successor to or assignee of Franchisee is a partnership or limited liability corporation, then all of the principals thereto with an interest in Franchisee of at least five percent (5%) shall execute a Guarantee, Indemnification, and Acknowledgment in the form attached hereto as Exhibit E.

18.5 Operating Principal. If Franchisee is a corporation, limited liability company, partnership, or other business organization, Franchisee shall designate in Exhibit A hereof an

Operating Principal. The Operating Principal shall have authority to make binding decisions on behalf of Franchisee. Franchisor will communicate solely with the Operating Principal regarding the operation of the Franchised Business. Franchisee shall not designate a different Operating Principal without Franchisor's prior written consent, unless the designated Operating Principal is incapable of performing its duties hereunder.

19. TAXES, PERMITS, AND INDEBTEDNESS

19.1 Payment of Taxes. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, employer's portion of employment-related taxes (FICA, Medicare and unemployment taxes) and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax (other than income tax) imposed on Franchisor with respect to any payments to Franchisor required under this Agreement.

19.2 Contesting Taxes. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises, or any improvements thereon.

19.3 Permits and Licenses. Franchisee shall comply with all federal, state, and local laws, rules, and regulations, including without limitation, the applicable provisions of the ADA regarding the construction, design, and operation of the Franchised Business and applicable provisions of Section 4205 of the Patient Protection and Affordable Care Act of 2010 and related regulations regarding disclosure of nutritional information on menus and menu boards, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, occupancy licenses, sales tax permits, construction permits, health permits, food service permits, building permits, alcoholic beverage licenses, handicap permits and fire clearances. Franchisee shall comply with all federal and state laws requiring disclosure of nutritional information on menus and menu boards, including, but not limited to, the requirements of Section 4205 of the Patient Protection and Affordable Care Act of 2010.

19.4 Notification of Adverse Action. Franchisee shall immediately notify Franchisor in writing of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

20.1 Independent Contractor. Franchisor and Franchisee agree that this Agreement does not create a fiduciary relationship between them for any purpose, and acknowledge that

Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, or servant of the other for any purpose whatsoever. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise agreement with Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place at the Premises, the content of which Franchisor reserves the right to specify or approve. Franchisee acknowledges and agrees that Franchisor's usual business is offering and selling the rights to operate PieZoni's restaurants using the Proprietary Marks and System, developing enhancements to the System, and providing assistance to PieZoni's franchisees, and, accordingly, Franchisor's usual business is different from Franchisee's usual business of operating a PieZoni's restaurant. Notwithstanding any other provision of this Agreement, Franchisor and Franchisee acknowledge and agree that Franchisee is solely responsible for all personnel and employment decisions relating to the Franchised Business.

20.2 No Authority to Contract. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its operation of the business franchised hereunder or for any claim or judgment arising therefrom against Franchisee or Franchisor.

20.3 Indemnification. Franchisee shall indemnify and hold harmless Franchisor and its affiliates, and their respective officers, directors and employees against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchised Business, the business conducted under this Agreement, any closing of the Restaurant by Franchisor or cure of any Franchisee default by Franchisor due to health or safety concerns, Franchisee's breach of this Agreement, including, but not limited to, those alleged to be caused by Franchisor's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court with competent jurisdiction, as well as the costs, including reasonable attorneys' fees, of defending against them. In the event Franchisor incurs any costs or expenses, including, without limitation, legal fees, travel expenses, and other charges, in connection with any proceeding involving Franchisee in which Franchisor is not a party, Franchisee shall reimburse Franchisor for all such costs and expenses promptly upon presentation of invoices. Franchisee acknowledges and agrees that Franchisee's indemnification and hold harmless obligations under this Section shall survive the termination or expiration of this Agreement. Nothing herein shall preclude Franchisor from choosing its own legal counsel to represent it in any lawsuit, arbitration, or other dispute resolution.

21. APPROVALS AND WAIVERS

21.1 Approval and Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

21.2 No Warranties or Guarantees. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

21.3 No Waiver. No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms hereof. Waiver by Franchisor of any particular default of Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, force, or omission of Franchisor to exercise any power or right arising out of any breach of default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder 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.

22. GRANT OF SECURITY INTEREST

As security for the payment of all amounts from time to time owing by Franchisee to Franchisor under this Agreement and all other agreements between the parties, and performance of all obligations to be performed by Franchisee, Franchisee hereby grants to Franchisor a security interest in all of the assets of Franchisee, including, without limitation, all equipment, furniture, fixtures, and building and road signs, as well as all proceeds of the foregoing (the "Collateral"). Franchisee warrants and represents that the security interest granted hereby is prior to all other security interests in the Collateral, except bona fide purchase money security interests or security interests held by financial institutions, if any. Franchisee agrees not to remove the Collateral, or any portion thereof, from the Premises without the prior written consent of Franchisor. Upon the occurrence of any event entitling Franchisor to terminate this Agreement or any other agreement between the parties, Franchisor shall have all the rights and remedies of a secured party under the Uniform Commercial Code of the State in which the Franchised Business is located, including, without limitation, the right to take possession of the Collateral. Franchisee agrees to execute and deliver to Franchisor financing statements or such other documents as Franchisor reasonably deems necessary to perfect Franchisor's interest in the Collateral within ten (10) days of receipt by Franchisee of such documents from Franchisor. Any notices delivered or mailed in accordance with Section 23 hereof at least fifteen (15) days prior to disposition of the Collateral, or any portion thereof, and, in reference to a private sale, need state only that Franchisee intends to negotiate such a sale.

23. **NOTICES**

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including, without limitation, private delivery or courier service), which shall not include electronic communication, such as e-mail, to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: PieZoni's Franchising, LLC
969 Broadway
East Providence, Rhode Island 02914
Attn: Mr. Victor Martinez or Mr. Joe Ferreira
Fax: (401) 270-8882

Notices to Franchisee: _____

Attn: _____
Fax: () _____

Any notice by a means which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

24. **ENTIRE AGREEMENT**

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Franchisee to execute this Agreement. 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. Nothing in this Agreement or in any related agreement between Franchisor and Franchisee is intended to disclaim the representations in Franchisor's Franchise Disclosure Document.

25. **SEVERABILITY AND CONSTRUCTION**

25.1 **Severability.** If, for any reason, any section, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid

portions, sections, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement.

25.2 Survival. Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), shall survive such expiration, termination or assignment, including but not limited to Sections 10, 17, and 26.

25.3 No Rights or Remedies Conferred. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, shareholders, agents, and employees, and such of Franchisor's successors and assigns as may be contemplated by Section 14 hereof, any rights or remedies under or by reason of this Agreement.

25.4 Promises and Covenants. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

25.5 Captions and Headings. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

26. APPLICABLE LAW AND DISPUTE RESOLUTION

26.1 Applicable Law. This Agreement shall be interpreted and construed exclusively under the laws of the State of Rhode Island. In the event of any conflict of law, the laws of Rhode Island shall prevail, without regard to the application of Rhode Island conflict-of-law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Rhode Island and if Franchisee is located outside of Rhode Island and such provision would be enforceable under the laws of the state in which Franchisee is located, then such provision shall be interpreted and construed under the laws of that state.

26.2 Mediation. Except as otherwise provided herein, if a dispute arises out of or relates to this Agreement, the breach hereof, the rights and obligations of the parties hereto, or the making, interpretation, or performance of either party under this Agreement, the parties agree first to try in good faith to settle the dispute by mediation administered by JAMS before resorting to litigation or some other dispute resolution procedure. Such mediation shall take place before a sole mediator in or around Providence, Rhode Island at a location to be determined by Franchisor in its sole discretion. The parties shall each bear all of their own costs of mediation; provided, however, the fees of the mediator shall be divided equally between Franchisor and Franchisee. The parties hereto agree that mediation shall not be required with respect to: (a) any claim or dispute involving any payment obligation of Franchisee that is more than forty five (45) days

past due; (b) any claim or dispute involving actual or threatened disclosure or misuse of Franchisor's confidential information; (c) any claim or dispute involving the ownership, validity, or use of the Proprietary Marks; (d) any claim or dispute involving the insurance or indemnification provisions of this Agreement; or (e) any action by Franchisor to enforce the covenants set forth in Section 17 of this Agreement.

26.3 Jurisdiction and Venue. Any action that is not submitted to or resolved through mediation under Section 26.2, whether or not arising out of, or relating to, this Agreement, brought by Franchisee (or any principal thereof) against Franchisor shall be brought in the judicial district in which Franchisor has, at the time of commencement of such action, its principal place of business. Franchisor shall have the right to commence an action against Franchisee in any court of competent jurisdiction. Franchisee hereby waives all objections to personal jurisdiction or venue for purposes of this Section 26.3 and agrees that nothing in this Section 26.3 shall be deemed to prevent Franchisor from removing an action from state court to federal court.

26.4 No Exclusivity. 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.

26.5 Injunctive Relief. Nothing herein contained (including, without limitation, Sections 26.2 and 26.3 above) shall bar Franchisor's right to obtain injunctive relief from any court of competent jurisdiction against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

26.6 Limitation of Claims. Franchisee agrees that any and all claims by Franchisee against Franchisor arising out of, or relating to, this Agreement may not be commenced by Franchisee unless brought before the earlier of (a) the expiration of one year after the act, transaction, or occurrence upon which such claim is based; or (b) one year after this Agreement expires or is terminated for any reason. Franchisee agrees that any claim or action not brought within the periods required under this Section 26.6 shall forever be barred as a claim, counterclaim, defense, or set off.

26.7 Franchisor's Costs and Expenses. Except as expressly provided by Section 26.2 hereof, Franchisee shall pay all expenses, including attorneys' fees and costs, incurred by Franchisor, its affiliates, and its successors and assigns (a) to remedy any defaults of, or enforce any rights under, this Agreement; (b) to effect termination of this Agreement; and (c) to collect any amounts due under this Agreement.

26.8 WAIVER OF RIGHT TO A JURY AND PUNITIVE DAMAGES. FRANCHISOR AND FRANCHISEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS:

26.8.1 FRANCHISOR AND FRANCHISEE BOTH EXPRESSLY WAIVE

THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY OR AGAINST EITHER PARTY; AND

26.8.2 FRANCHISOR AND FRANCHISEE BOTH EXPRESSLY WAIVE ANY CLAIM FOR PUNITIVE, MULTIPLE, AND/OR EXEMPLARY DAMAGES, EXCEPT THAT FRANCHISOR SHALL BE FREE AT ANY TIME HEREUNDER TO BRING AN ACTION FOR WILLFUL TRADEMARK INFRINGEMENT AND, IF SUCCESSFUL, TO RECEIVE AN AWARD OF MULTIPLE DAMAGES AS PROVIDED BY LAW.

27. FORCE MAJEURE

27.1 Non-Performance or Delay. Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including without limiting the generality of the foregoing: (a) acts of God; (b) acts of war, terrorism, or insurrection; (c) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, and/or other casualties; and/or (d) the inability of Franchisor and/or its affiliates or suppliers to manufacture, purchase, and/or cause delivery of any products used in the operation of the Restaurant.

27.2 Delay in Making Payments. The inability of either party to obtain and/or remit funds shall be considered within control of such party for the purpose of this Section. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost; provided, however, that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay; and further provided, however, that Franchisee shall remain obligated to promptly pay all fees due and owing to Franchisor hereunder, without any such delay or extension.

28. ACKNOWLEDGMENTS

28.1 Independent Investigation. Franchisee acknowledges that it has conducted an independent investigation of the business franchised hereunder, and recognizes that the business venture contemplated by this Agreement is speculative and involves business risks, and that its success depends to a material extent upon the ability of Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, the ability of its principals) as an independent businessperson, as well as other factors. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement, and Franchisee represents and warrants that Franchisee has not entered into this Agreement in reliance upon any representation, oral or written, by Franchisor as to potential or expected sales or profits.

28.2 Site Approval. Franchisee hereby acknowledges and agrees that Franchisor's approval of the site for the Restaurant does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the Restaurant's site, the Restaurant's profitability or success, or for any other purpose, or of its compliance with any

applicable zoning or land-use regulations or ordinances and any federal, state and local laws, codes and regulations including, without limitation, the applicable provisions of the Americans with Disabilities Act regarding the construction, design and operation of the Restaurant. Franchisee acknowledges and agrees that Franchisee, and not Franchisor, has the duty and obligation to locate and lease a site for the Restaurant, that Franchisor makes no representation, warranty, or guarantee that a suitable and acceptable site will be located, and that Franchisor's approval of a site is not a guarantee or warranty that an acceptable lease can be negotiated or executed.

28.3 Compliance with Anti-Terrorism Laws. Franchisee acknowledges that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the "Executive Order"), Franchisor is prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Executive Order. Accordingly, Franchisee represents and warrants to Franchisor that as of the date of this Agreement, neither Franchisee nor any person holding any ownership interest in Franchisee, controlled by Franchisee, or under common control with Franchisee, is designated under the Executive Order as a person with whom business may not be transacted by Franchisor, and that Franchisee (a) does not, and hereafter shall not, engage in any terrorist activity; (b) is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (c) is not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

28.4 Acknowledgment of Receipt. Franchisee acknowledges that it received a complete copy of this Agreement, the attachments hereto, and agreements relating thereto, if any, at least five (5) business days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it received Franchisor's disclosure document (also known as the franchise offering circular), which is required by the Federal Trade Commission, at least ten (10) business days prior to the date on which this Agreement was executed.

28.5 Acknowledgment of Understanding; Opportunity to Consult. Franchisee acknowledges that it has read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with an attorney or other advisor of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

[Signature page follows]

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

WITNESS/ATTEST:

Name: _____

PIEZONI'S FRANCHISING, LLC:

By: _____

Name: _____

Title: _____

WITNESS/ATTEST:

Name: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

**EXHIBIT A TO
PIEZONI'S RESTAURANT
FRANCHISE AGREEMENT**

FRANCHISEE INFORMATION

Date: _____

1. Approved Location: _____

2. Franchisee's Territory: _____

3. Operating Principal. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: _____

Address: _____

Daytime Telephone No.: _____

Evening Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

4. Franchisee Owners. If Franchisee is a corporation, limited liability company, or partnership, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

<u>Name</u>	<u>Position</u>	<u>Interest (%)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, the undersigned has duly executed this Disclosure of Principals on the date first above written.

FRANCHISEE:

WITNESS/ATTEST:

Name: _____

By: _____

Name: _____

Title: _____

WITNESS/ATTEST:

Name: _____

OWNERS:

By: _____

Name: _____

WITNESS/ATTEST:

Name: _____

By: _____

Name: _____

WITNESS/ATTEST:

Name: _____

By: _____

Name: _____

**EXHIBIT B TO
PIEZONI'S RESTAURANT
FRANCHISE AGREEMENT**

SITE SELECTION ADDENDUM

PieZoni's Franchising, LLC (hereinafter the "Franchisor") and _____

(hereinafter "Franchisee"), have this date, _____, 20____, entered into a certain Franchise Agreement (the "Franchise Agreement") and desire to supplement its terms, as set forth below. The parties hereto therefore agree as follows:

1. Within sixty (60) days after Franchisee's execution of the Franchise Agreement, Franchisee shall obtain a site, at Franchisee's expense, for the Restaurant (the "Restaurant") franchised under the Franchise Agreement, which premises shall be approved by Franchisor as hereinafter provided. The premises shall be within the following area ("Site Selection Area"):

Franchisee acknowledges and agrees that the Franchisee's Territory described in Section 1.3 of the Franchise Agreement will not be the same as the Site Selection Area and the Franchisee's Territory may be significantly smaller than the Site Selection Area. Franchisor may establish, and license another to establish, a PieZoni's restaurant within the Site Selection Area at any time, subject to Section 1.3 of the Franchise Agreement.

2. Failure by Franchisee to obtain premises for the Restaurant within the time required in Section 1 hereof shall constitute a default under the Franchise Agreement and this Site Selection Addendum. Time is of the essence.

3. Prior to Franchisee's acquisition by lease or purchase of a site for the Restaurant, Franchisee shall submit to Franchisor such information or materials as Franchisor may reasonably require for Franchisor's approval of the site, including a letter of intent or other evidence satisfactory to Franchisor that confirms Franchisee's favorable prospects for obtaining the proposed site. Recognizing that time is of the essence, Franchisee agrees that Franchisee must submit a proposed site, together with the information and materials required by this Section 3, to Franchisor for its approval within thirty (30) days after execution of this Site Selection Addendum. Franchisor shall have thirty (30) days after receipt of such information and materials from Franchisee to approve or disapprove, in Franchisor's sole discretion, the site as a location for the Restaurant. No proposed site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

4. Franchisor shall furnish to Franchisee the following:

a. Franchisor's site selection criteria and such additional site selection guidance and specifications as Franchisor deems advisable; Franchisor is not required to provide

any site selection assistance to Franchisee if Franchisee currently owns, or has previously owned, a PieZoni's restaurant;

b. Such on-site evaluations as Franchisor deems advisable as part of its evaluation of Franchisee's request for site approval; provided, however, that Franchisor shall not provide an on-site evaluation for any proposed site prior to Franchisor's receipt of the information or materials required by Section 3 hereof. If an on-site evaluation is deemed necessary and appropriate by Franchisor, Franchisor shall conduct one on-site evaluation for one properly submitted proposed site at Franchisor's expense. For each additional on-site evaluation (if any), Franchisee shall reimburse Franchisor for Franchisor's reasonable expenses, including, without limitation, the costs of travel, lodging and meals; and

c. Such assistance for lease negotiation as Franchisor deems advisable in its sole discretion.

5. If Franchisee will occupy the premises of the Restaurant under a lease, Franchisee, shall, prior to the execution thereof, (1) execute the Conditional Assignment of Lease and obtain the Lessor's execution of the Consent and Agreement of Lessor, in the forms attached as Exhibit F to the Franchise Agreement, and (2) submit the lease to Franchisor for its prior written approval. Franchisor's approval of the lease may be conditioned upon the inclusion in the lease such terms and conditions as Franchisor may reasonably require, including, without limitation:

a. That the initial term of the lease, or the initial term together with renewal terms, shall be for not less than ten (10) years;

b. That the lessor consents to Franchisee's use of such Proprietary Marks and initial signage as Franchisor may prescribe for the Restaurant;

c. That the use of the premises be restricted solely to the operation of the Restaurant;

d. That Franchisee be prohibited from subleasing or assigning all or any part of its occupancy rights or extending the term of or renewing the lease without Franchisor's prior written consent;

e. That lessor provide to Franchisor copies of any and all letters or notices sent to Franchisee under the lease at the same time as such letters or notices are sent to Franchisee;

f. That Franchisor has the right to enter the premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under the Franchise Agreement or under the lease without being guilty of trespass or any other crime or tort;

g. That Franchisor has the option, upon default, expiration or termination of the Franchise Agreement, and upon notice to the lessor, to assume all of Franchisee's rights under the lease terms, including the right to assign or sublease;

h. That lessor will not impose or assess any assignment fee or similar charge nor accelerate rent under the lease in connection with any assignment; and

i. That neither lessor nor Franchisee may amend or otherwise modify the terms of the lease in any manner that could materially affect any of the foregoing requirements without Franchisor's prior written consent.

6. Franchisee shall furnish Franchisor with a copy of any executed lease within five (5) days after execution thereof.

7. After a site for the Restaurant has been approved in writing by Franchisor and obtained by Franchisee pursuant to Section 3 hereof, the site shall constitute the Approved Location referred to in Section 1.2 of the Franchise Agreement.

8. Franchisee hereby acknowledges and agrees that Franchisor's approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Restaurant or for any other purpose or the site's compliance with any federal, state and local laws, codes and regulations, including, without limitation, the applicable provisions of the Americans with Disabilities Act regarding the construction, design, and operation of the Restaurant. Franchisor's approval of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Franchisor's approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site approved by Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Restaurant at the site is based on its own independent investigation of the suitability of the site.

9. This Site Selection Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Site Selection Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Site Selection Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

[Signature page follows]

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

PIEZONI'S FRANCHISING, LLC

WITNESS/ATTEST:

Name: _____

By: _____

Name: _____

Title: _____

WITNESS/ATTEST:

Name: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

WITNESS/ATTEST:

Name: _____

By: _____

Name: _____

Title: _____

**EXHIBIT C TO
PIEZONI'S RESTAURANT
FRANCHISE AGREEMENT**

ADA CERTIFICATION

PieZoni's Franchising, LLC ("Franchisor") and _____
_____ ("Franchisee") are parties to a franchise agreement dated
_____, 20___ (the "Franchise Agreement") for the operation of a PieZoni's
restaurant at _____ (the "Restaurant").
In accordance with Section 5.4 of the Franchise Agreement, Franchisee certifies to Franchisor
that, to the best of Franchisee's knowledge, the Restaurant and its adjacent areas comply with all
applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and
standards, including but not limited to the Americans with Disabilities Act. Franchisee
acknowledges that Franchisor has relied on the information contained in this certification.
Furthermore, Franchisee agrees to indemnify Franchisor and the officers, directors, and
employees of Franchisor in connection with any and all claims, losses, costs, expenses,
liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of
any matters associated with Franchisee's compliance with the Americans with Disabilities Act,
as well as the costs, including attorneys' fees, related to the same.

IN WITNESS WHEREOF, the undersigned has duly executed this ADA Certification on the
date first above written.

WITNESS/ATTEST:

Name: _____

WITNESS/ATTEST:

Name: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

**EXHIBIT D TO
PIEZONI'S RESTAURANT
FRANCHISE AGREEMENT**

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In consideration of my position as manager of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. PieZoni's Franchising, LLC (the "Franchisor"), as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive format and system (the "System") relating to the establishment and operation of PieZoni's restaurants, which are casual dining restaurants that feature fresh made-to-order pizzas made from our proprietary pizza sauce and dough and include our distinct "bar pie" and rectangular sheet pan pizzas, as well as calzones, Italian pasta classics, salads, submarine sandwiches, and various appetizers and side orders; feature dine-in, take-out, and optional delivery formats; and offer for sale a variety of additional menu items and beverages to the public, including beer and wine (upon Franchisor's consent, where permitted by local and state law), and such other menu items as Franchisor may designate from time to time, under the trade name "PieZoni's", all of which Franchisor may change from time to time.

2. As a manager of Franchisee, I will receive valuable confidential information, disclosure of which would be detrimental to Franchisor and Franchisee, including, without limitation, information relating to recipes, cooking methods, preparation of menu items, drawings, suppliers, equipment, product costs, accounting methods, including both paper and electronic spreadsheets, marketing, and advertising, relating to the System and the establishment and operation of PieZoni's restaurants which are beyond the present skills and experience possessed by me. This list of confidential matters is illustrative only and does not include all matters considered confidential by Franchisor and Franchisee.

3. I will hold in strict confidence all information designated by Franchisor or Franchisee as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the confidential information only in connection with my duties as a manager of Franchisee. My undertaking not to disclose confidential information is a condition of my position with Franchisee, and continues even after I cease to be in that position.

4. While in my position with Franchisee, I will not do anything which may injure Franchisee or Franchisor, such as (a) divert or attempt to divert any present or prospective business or customer of any PieZoni's restaurant to any competitor, by direct or indirect inducement or otherwise; (b) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's marks and the System; or (c) employ or seek to employ any person who is at that time been employed by Franchisor or any franchisee of Franchisor (including Franchisee), or otherwise directly or indirectly induce such person to leave his or her employment.

5. While in my position with Franchisee, I will not own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise), any other retail business which: (a) is the same as, or substantially similar to, a PieZoni's restaurant; or (b) offers to sell or sells any menu items or food product which are the same as, or substantially similar to, any of the menu items or food products offered by a PieZoni's restaurant where the sale of such menu items or food products constitutes twenty percent (20%) or more of the gross sales of such retail business. Provided, however, that this Paragraph 5 shall not apply to my current position with Franchisee.

6. For six (6) months after I cease to be in my position with Franchisee, I will not own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any other retail business that: (a)(i) is the same as, or substantially similar to, a PieZoni's restaurant; or (ii) offers to sell or sells any menu items or food product which are the same as, or substantially similar to, any of the menu items or food products offered by a PieZoni's restaurant where the sale of such menu items or food products constitutes twenty percent (20%) or more of the gross sales of such retail business; and (b) is, or is intended to be, located at or within: (i) Franchisee's Territory, which I acknowledge has been described to me; (ii) ten (10) miles of the Approved Location; or ten (10) miles of any business operating under the Proprietary Marks.

7. Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Franchisee. I am aware that my violation of this Agreement will cause Franchisor and Franchisee irreparable harm; therefore, I acknowledge and agree that Franchisor and/or Franchisee may apply for the issuance of an injunction preventing me from violating this Agreement in addition to any other remedies it may have hereunder, at law or in equity; and I agree to pay Franchisor and Franchisee all the costs it/they incur/s, including without limitation attorneys' fees, if this Agreement is enforced against me. Due to the importance of this Agreement to Franchisor and Franchisee, any claim I have against Franchisor or Franchisee is a separate matter and does not entitle me to violate, or justify any violation of, this Agreement. If any part of this Agreement is held invalid by a court or agency having valid jurisdiction, the rest of the Agreement is still enforceable and the part held invalid is enforceable to the extent found reasonable by the court or agency. I agree that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, and that such meaning has been explained to me.

8. Franchisor may, in its sole discretion, reduce the scope of any covenant set forth in this Agreement, without my consent, effective immediately upon my receipt of written notice thereof; and I agree to comply with any covenant as so modified.

9. This Agreement shall be construed under the laws of the State of Rhode Island. Except as provided in Paragraph 8 above, the only way this Agreement can be changed is in a writing signed by both Franchisee and me.

Signature:_____

Name:_____

Address:_____

Title:_____

ACKNOWLEDGED BY FRANCHISEE

By:_____

Name:_____

**EXHIBIT E TO
PIEZONI'S RESTAURANT
FRANCHISE AGREEMENT**

GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to PieZoni's Franchising, LLC ("Franchisor") to execute the Franchise Agreement between Franchisor and _____ ("Franchisee") dated _____ 20__ (the "Agreement"), the undersigned (the "Guarantors"), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Franchisee's obligations under the Agreement will be punctually paid and performed.

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

The Guarantors hereby agree to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and mediation fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The Guarantors hereby acknowledge and agree to be individually bound by all of the confidentiality provisions and non-competition covenants contained in Sections 10 and 17 of the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement or upon the transfer or assignment of the Agreement by Franchisee, except that all obligations and liabilities of the Guarantors which arose from events which occurred on or before the effective date of such termination, expiration, transfer, or assignment of the Agreement shall remain in full force and effect until satisfied or discharged by the Guarantors, and all covenants which by their terms continue in force after the termination, expiration, transfer, or assignment of the Agreement shall remain in force according to their terms. This Guarantee shall not terminate upon the transfer or assignment of the Agreement or this Guarantee by Franchisor. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

IN WITNESS WHEREOF, each of the Guarantors has signed this Guarantee as of the date of the Agreement.

WITNESS/ATTEST:

By:_____

Name:_____

By:_____

Name:_____

By:_____

Name:_____

By:_____

Name:_____

GUARANTORS:

By:_____

Name:_____

By:_____

Name:_____

By:_____

Name:_____

By:_____

Name:_____

**EXHIBIT F TO
PIEZONI'S RESTAURANT
FRANCHISE AGREEMENT**

CONDITIONAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") hereby assigns and transfers to PieZoni's Franchising, LLC, a Rhode Island limited liability company with its principal place of business at 969 Broadway, East Providence, Rhode Island 02914 ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit 1 (the "Lease") respecting premises commonly known as _____ (the "Premises"). This Assignment is for collateral purposes only and, except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the Premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the Premises demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement for a Restaurant between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any successor franchise agreements, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

WITNESS/ATTEST:

ASSIGNOR:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the aforescribed Lease hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;

(c) Consents to the foregoing Conditional Assignment of Lease and agrees that if Assignee takes possession of the premises demised by the Lease and confirms to Lessor the assumption of the Lease by Assignee as tenant thereunder, Lessor shall recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the defaults, if any, of Assignor under the Lease; and

(d) Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Lessor and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.

WITNESS/ATTEST:

LESSOR:

By:_____

By:_____

Name: _____

Name:_____

Title:_____

**EXHIBIT G TO
PIEZONI'S RESTAURANT
FRANCHISE AGREEMENT**

PRODUCTION FACILITY AMENDMENT

THIS PRODUCTION FACILITY AMENDMENT ("Amendment"), made and entered into on _____ 20__, by and between PieZoni's Franchising, LLC ("Franchisor"), and _____ ("Franchisee"), hereby amends the Franchise Agreement of the same date between the parties hereto ("Franchise Agreement").

RECITALS

WHEREAS, Franchisee or its affiliate entered into a PieZoni's Restaurant Development Agreement with Franchisor, dated _____, 20__ ("Development Agreement");

WHEREAS, under the Development Agreement, Franchisee or its affiliate requested the right to develop one PieZoni's restaurant as a production facility, which shall be a facility at which Franchisee shall prepare menu items and other food products under the System and supply such items and products to Franchisee's other PieZoni's restaurants developed under the Development Agreement ("Production Facility");

WHEREAS, Franchisee desires to establish and operate the PieZoni's restaurant under the Franchise Agreement (the "Restaurant") as a Production Facility, and Franchisor has granted its consent.

NOW, THEREFORE, in consideration of the mutual covenants, representations and conditions set forth herein, the parties hereto agree as follows:

1. Franchisee shall establish and operate the Restaurant as a Production Facility under the terms of this Amendment.
2. Franchisee shall purchase or lease a refrigerated truck ("Vehicle") solely for the purpose of transporting food items from the Production Facility to Franchisee's PieZoni's restaurants developed under the Development Agreement, and for no other purpose. Franchisee shall not sell any products from the Production Facility or Vehicle to any other PieZoni's franchisee or any other business. The Vehicle shall comply with all standards and specifications designated in the Manuals or otherwise in writing from time to time by Franchisor.
3. Franchisee shall not transport in the Vehicle any person who is not an employee of Franchisee and shall not transport any products or items that are not approved by Franchisor.
4. Franchisee shall be solely responsible for obtaining the minimum collision and liability insurance for the Vehicle as designated by Franchisor in the Manuals or otherwise in writing from time to time, and obtaining all necessary permits and licenses required by law.

5. The above recitals are a material part of this Amendment and are incorporated herein by reference.

6. Unless specifically stated otherwise, the terms used in this Amendment shall have the same meaning as in the Franchise Agreement.

7. This Amendment constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Amendment shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Amendment, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment as of the day and year first above written.

WITNESS/ATTEST:

By: _____

Name: _____

PIEZONI'S FRANCHISING, LLC:

By: _____

Name: _____

Title: _____

WITNESS/ATTEST:

By: _____

Name: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

By: _____

Name: _____

Title: _____

**EXHIBIT H TO
PIEZONI'S RESTAURANT
FRANCHISE AGREEMENT**

STATE ADDENDA

(See attached.)

**AMENDMENT TO THE
PIEZONI'S FRANCHISING, LLC FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached PieZoni's Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2.7 of the Agreement, under the heading "Successor Agreement," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

2.2.7 Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

2. Section 14.1 of the Agreement, under the heading "Franchisor's Right to Transfer," shall be supplemented by the following language, which shall be considered an integral part of the Agreement:

However, no assignment shall be made except to an assignee who, in the good faith judgment of Franchisor, is willing and able to assume Franchisor's obligations under this Agreement.

3. Section 14.3.3 of the Agreement, under the heading "Conditions of Transfer," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

14.3.3 The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, agents, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

4. Section 26.1 of the Agreement, under the heading "Applicable Law," shall be supplemented by the following provisions:

; provided, however, nothing herein contained shall bar Franchisor's right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. In addition, the foregoing choice of law will not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York.

5. Each provision of this Amendment to the Franchise Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this New York Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

PIEZONI'S FRANCHISING, LLC

By: _____

Name: _____

Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

**AMENDMENT TO THE
PIEZONI'S FRANCHISING, LLC FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached PieZoni's Franchising, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The following language shall be added at the end of Section 26 of the Franchise Agreement:

26.9 Notwithstanding the above, Rhode Island franchisees are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Rhode Island Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

PIEZONI'S FRANCHISING, LLC

FRANCHISEE

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

EXHIBIT F
TO FRANCHISE DISCLOSURE DOCUMENT
PIEZONI'S RESTAURANT DEVELOPMENT AGREEMENT

(See attached.)

PIEZONI'S RESTAURANT

DEVELOPMENT AGREEMENT

**PIEZONI'S RESTAURANT
DEVELOPMENT AGREEMENT**

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EXHIBIT A – DISCLOSURE OF PRINCIPALS

EXHIBIT B – DEVELOPMENT FEE; DEVELOPMENT AREA; DEVELOPMENT SCHEDULE

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EXHIBIT D – PIEZONI'S RESTAURANT FRANCHISE AGREEMENT

EXHIBIT E – CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

EXHIBIT F – STATE ADDENDA

PIEZONI'S RESTAURANT DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made and entered into on _____ 20____, by and between PieZoni's Franchising, LLC, a Rhode Island limited liability company with its principal place of business at 969 Broadway, East Providence, Rhode Island 02914 ("Franchisor"); and _____, a[n] _____ with its principal place of business at _____ ("Developer").

RECITALS:

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive format and system (the "System") relating to the establishment and operation of PieZoni's restaurants, which are casual dining restaurants that feature fresh made-to-order pizzas made from our proprietary pizza sauce and dough and include our distinct "bar pie" and rectangular sheet pan pizzas, as well as calzones, Italian pasta classics, salads, submarine sandwiches, and various appetizers and side orders; feature both dine-in, take-out, and delivery formats; and offer for sale a variety of additional menu items and beverages to the public, including beer and wine (upon Franchisor's consent, where permitted by local and state law), and such other menu items as Franchisor may designate from time to time, under the trade name "PieZoni's", all of which Franchisor may change from time to time;

WHEREAS, the distinguishing characteristics of the System include, without limitation: distinctive exterior and interior designs, décor, graphics displays, fixtures, and furnishings; standards and specifications for the preparation of food products; uniform standards; specifications and procedures for operations and dine-in, take-out, and delivery food services; training and assistance; and advertising and promotional programs, all of which may be changed, improved and further developed by Franchisor from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin, including, but not limited to, "PieZoni's", as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (collectively, the "Proprietary Marks");

WHEREAS, Franchisor continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service;

WHEREAS, Developer wishes to obtain certain development rights to open and operate PieZoni's restaurants under the System, to be identified with the Proprietary Marks in the territory described in this Development Agreement, and to be trained by Franchisor to establish and operate PieZoni's restaurants.

NOW, THEREFORE, the parties, in consideration of the mutual covenants and commitments herein contained, hereby agree as follows:

1. GRANT

1.1 Grant of Development Rights. Franchisor hereby grants to Developer, pursuant to the terms and conditions of this Agreement, the development rights, and Developer hereby undertakes the obligation, to establish and operate _____ (_____) PieZoni's restaurants under the Proprietary Marks and the System (the "Restaurants"), and to use the System solely in connection therewith at specific locations to be designated in separate PieZoni's Restaurant Franchise Agreements (the "Franchise Agreements") executed by Developer as provided in Section 3.1 hereof, and pursuant to the development schedule set forth in Exhibit B attached hereto (the "Development Schedule"). Each Restaurant developed hereunder shall be located in the area described in Exhibit B attached hereto (the "Development Area").

1.2 Franchise Agreements. Each Restaurant developed hereunder shall be established and operated pursuant to a separate Franchise Agreement entered into between Developer and Franchisor in accordance with Section 3.1 hereof.

1.3 Development Area. Except as otherwise provided in this Agreement, during the term of this Agreement, Franchisor shall not establish or operate, nor license any party other than Developer to establish or operate, any PieZoni's restaurant under the System and the Proprietary Marks at any location within the Development Area; provided, however, that Developer acknowledges and agrees that Franchisor retains the rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Developer any rights therein:

1.3.1 To establish and operate, and license others to establish and operate, a PieZoni's restaurant under the System and the Proprietary Marks at any location outside the Development Area, notwithstanding the proximity to the Development Area or any Restaurant developed hereunder;

1.3.2 To sell to, solicit, or direct advertising or promotional materials to customers located in the Development Area;

1.3.3 To establish or acquire and operate any business or restaurant of any kind under different proprietary marks, at any location whether located within or outside the Development Area and notwithstanding such business's or restaurant's proximity to the Development Area or any Restaurant developed hereunder, or its actual or threatened impact on sales at any Restaurant;

1.3.4 To sell, distribute, or otherwise provide, directly or indirectly, or license to others to sell or distribute, directly or indirectly, any products from any location other than a PieZoni's restaurant, including, but not limited to, sales made at or through retail locations, supermarkets, markets, grocery stores, convenience stores, temporary locations, carts or kiosks, or electronic means (for example, the Internet), so long as such sales are not conducted from a PieZoni's restaurant operated from a location inside the Development Area; and

1.3.5 To establish and operate, and license other parties to establish and operate, retail food establishments, including, but not limited to, PieZoni's restaurants under the System

and Proprietary Marks, in the Development Area at any existing or future (1) office buildings, (2) indoor shopping malls and retail stores, (3) airports, (4) bus and train stations and other transportation terminals, (5) entertainment facilities (including, without limitation, sports stadiums, theatres, and theme parks), (6) rest stops, plazas and similar locations accessible from limited access or toll highways; (7) colleges, universities, and other educational institutions; and (8) hospitals and other health care facilities.

1.4 Production Facility. Upon Developer's written request prior to executing this Agreement, Franchisor may, in its sole discretion, grant Developer the right and obligation, to develop one (1) Restaurant hereunder as a production facility ("Production Facility") for the purpose of preparing such menu items and food products as designated by Franchisor in the Manuals or otherwise in writing from time to time and transporting such items and products to Developer's other Restaurants developed hereunder for retail sale. The Production Facility shall be centrally located within the Development Area at a location approved by Franchisor. Developer shall execute a Production Facility Amendment to the Franchise Agreement for the establishment and operation of the Production Facility. If Franchisor grants Developer the right and obligation to establish and operate a Production Facility under this Section 1.4, the Development Schedule in Exhibit B hereto shall so indicate.

1.5 Limitation of Rights. Developer acknowledges and agrees that this Agreement is not a franchise agreement and does not grant to Developer any right to use in any manner Franchisor's Proprietary Marks or System. Developer shall have no right under this Agreement to license others to use in any manner the Proprietary Marks or System.

2. DEVELOPMENT FEE

2.1 Development Fee. In consideration of the development rights granted herein, Developer shall pay to Franchisor, upon execution of this Agreement, a development fee in the amount set forth in Exhibit B hereto (the "Development Fee"), which shall be the mathematical product of five thousand dollars (\$5,000) multiplied by the number of Restaurants required to be developed under the Development Schedule, receipt of which is hereby acknowledged by Franchisor. The Development Fee shall be deemed fully earned and non-refundable upon execution of this Agreement in consideration of the administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted to Developer herein.

2.2 Initial Franchise Fee Credit. Except as otherwise provided herein, Franchisor shall credit five thousand dollars (\$5,000) against the Initial Franchise Fee payable under each Franchise Agreement to be executed hereunder, which credit shall be made upon Developer's execution of each such Franchise Agreement.

3. DEVELOPMENT OBLIGATIONS

3.1 Execution of Franchise Agreements. In exercising its development rights and fulfilling its development obligations under this Agreement, Developer shall execute a Franchise Agreement for each Restaurant at a site approved by Franchisor in the Development Area as hereinafter provided. The Franchise Agreement for the first Restaurant developed hereunder shall be in the form of the Franchise Agreement attached hereto as Exhibit D and shall be executed concurrently with this Agreement. The Franchise Agreement for each additional Restaurant

developed hereunder shall be the then-current form of Franchise Agreement being used for new PieZoni's restaurants, generally, by Franchisor at the time each such Franchise Agreement is executed, the terms of which agreement may be different from the Franchise Agreement attached hereto as Exhibit D; provided, however, the Initial Franchise Fee and continuing royalty fee shall remain the same as set forth in Exhibit D. At the time Developer submits to Franchisor Franchisor's fully executed then-current form of Franchise Agreement for each additional Restaurant developed under this Agreement, Developer shall pay to Franchisor the Initial Franchise Fee pursuant to such Franchise Agreement, less any credit applicable pursuant to Section 2.2 hereof.

3.2 Site Approval. Prior to Developer's acquisition by lease or purchase of any site for a Restaurant to be developed hereunder, Developer shall submit to Franchisor such information or materials as Franchisor may reasonably require for Franchisor's approval of the site, including a letter of intent or other evidence satisfactory to Franchisor that confirms Developer's favorable prospects for obtaining the proposed site and written assurance that the proposed site has no conditions or restrictions on restaurant usage. Recognizing that time is of the essence, Developer agrees that Developer must submit to Franchisor (in accordance with Section 9 herein) a proposed site, together with the information and materials required by this Section 3.2, for Franchisor's approval within thirty (30) days after executing a Franchise Agreement for the Restaurant. Franchisor shall have thirty (30) days after receipt of such information and materials from Developer to approve or disapprove, in Franchisor's sole discretion, the site as a location for the Restaurant. No proposed site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

3.3 Assignment of Lease. If Developer will occupy the premises of the Restaurant under a lease, Developer, shall, prior to the execution thereof, (1) execute the Conditional Assignment of Lease and obtain the Lessor's execution of the Consent and Agreement of Lessor, in the forms attached as Exhibit F to the Franchise Agreement, and (2) submit the lease to Franchisor for its prior written approval. Franchisor's approval of the lease may be conditioned upon the inclusion in the lease such terms and conditions as Franchisor may reasonably require, including, without limitation:

- a. That the initial term of the lease, or the initial term together with renewal terms, shall be for not less than ten (10) years;
- b. That the lessor consents to Developer's use of such Proprietary Marks and initial signage as Franchisor may prescribe for the Restaurant;
- c. That the use of the premises be restricted solely to the operation of the Restaurant;
- d. That Developer be prohibited from subleasing or assigning all or any part of its occupancy rights or extending the term of or renewing the lease without Franchisor's prior written consent;
- e. That lessor provide to Franchisor copies of any and all letters or notices sent to Developer under the lease at the same time as such letters or notices are sent to Developer;

f. That Franchisor has the right to enter the premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under the Franchise Agreement or under the lease without being guilty of trespass or any other crime or tort;

g. That Franchisor has the option, upon default, expiration or termination of the Franchise Agreement, and upon notice to the lessor, to assume all of Developer's rights under the lease terms, including the right to assign or sublease;

h. That lessor will not impose or assess any assignment fee or similar charge nor accelerate rent under the lease in connection with any assignment; and

i. That neither lessor nor Developer may amend or otherwise modify the terms of the lease in any manner that could materially affect any of the foregoing requirements without Franchisor's prior written consent.

3.4 Delivery of Lease. Developer shall furnish Franchisor with a copy of any executed lease for a Restaurant within five (5) days after execution thereof.

3.5 Adherence to Development Schedule. Recognizing that time is of the essence, Developer agrees to develop, open and operate in the Development Area the number of Restaurants designated herein by the dates described in the Development Schedule and Section 1.1 of this Agreement. Developer's failure to do so shall constitute a material default of this Agreement for which Franchisor shall have the right to all remedies described in Section 6.2 hereof.

4. TERM

4.1 Term. Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted hereunder shall expire on the earlier of: (1) the last date specified in the Development Schedule; or (2) the date when Developer has open and in operation all of the Restaurants required by the Development Schedule.

4.2 Expiration. Upon expiration of this Agreement as set forth in Section 4.1 of this Agreement:

4.2.1 Developer shall not have any right to establish any Restaurants for which a Franchise Agreement has not been executed by Franchisor at the time of expiration; and

4.2.2 Franchisor shall be entitled to establish and operate, and license others to establish and operate PieZoni's restaurants under the System and Proprietary Marks in the Development Area, except as may otherwise be provided under any Franchise Agreement which has been executed between Franchisor and Developer.

5. DUTIES OF THE PARTIES

5.1 Franchisor's Obligations. For each Restaurant developed hereunder, Franchisor shall furnish to Developer the following:

5.1.1 Franchisor's site selection criteria and such additional site selection guidance and specifications as Franchisor deems advisable; Franchisor is not required to provide any site selection assistance to Developer if Developer currently owns, or has previously owned, a PieZoni's restaurant;

5.1.2 Such on-site evaluations as Franchisor deems advisable as part of its evaluation of Developer's request for site approval; provided, however, that Franchisor shall not provide an on-site evaluation for any proposed site prior to Franchisor's receipt of the information or materials required by Section 3.2 hereof. If an on-site evaluation is deemed necessary and appropriate by Franchisor, Franchisor shall conduct one on-site evaluation at one proposed location at Franchisor's expense. For each additional on-site evaluation conducted by Franchisor in its sole discretion, Developer shall reimburse Franchisor for Franchisor's reasonable expenses, including, without limitation, the costs of travel, lodging and meals; and

5.1.3 Such assistance for lease negotiation as Franchisor deems advisable in its sole discretion.

5.2 Developer's Obligations. Developer accepts the following obligations:

5.2.1 If Developer is a corporation, it shall comply with the following requirements:

5.2.1.1 Developer shall be newly organized and its charter shall at all times provide that its activities are confined exclusively to developing and operating the Restaurants;

5.2.1.2 Copies of Developer's Articles of Incorporation, Bylaws and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to Franchisor;

5.2.1.3 Developer shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and shall issue no certificates for voting securities upon the face of which the following printed legend does not legibly and conspicuously appear:

The transfer of this stock is subject to the terms and conditions of a Development Agreement with PieZoni's Franchising, LLC dated _____. Reference is made to the provisions of the said Franchise Agreement and to the Articles and Bylaws of this Corporation.

Notwithstanding the above, the requirements of this Section 5.2.1.3 shall not apply to a "publicly-held corporation." A "publicly-held corporation" for purposes of this Agreement shall mean a corporation registered pursuant to the Securities and Exchange Act of 1934; and

5.2.1.4 Developer shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities or securities convertible into voting securities of Developer and shall furnish the list to Franchisor upon request.

5.2.2 If Developer or any successor or assignee of Developer is a partnership, it shall comply with the following requirements:

5.2.2.1 Developer shall be newly organized and shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto;

5.2.2.2 The partnership agreement shall at all times note conspicuously that partnership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the Development Agreement; and

5.2.2.3 Developer shall prepare and furnish to Franchisor, upon request, a list of all general and limited partners in Developer.

5.2.3 If Developer or any successor to or assignee of Developer is a limited liability company, it shall comply with the following requirements:

5.2.3.1 Developer must be newly organized and the articles of incorporation must at all times provide that Developer's activities are confined exclusively to developing and operating the Restaurants;

5.2.3.2 Developer shall furnish Franchisor with a copy of its articles of organization and operating agreement as well as such other governing documents as Franchisor may reasonably request, and any amendments thereto;

5.2.3.3 The articles of organization or operating agreement shall at all times note conspicuously that membership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the Development Agreement; and

5.2.3.4 Developer shall prepare and furnish to Franchisor, upon request, a list of all members in Developer or parties that hold any ownership interest in Developer.

5.2.4 If Developer is a corporation, partnership or limited liability corporation, or if any successor to or assignee of Developer is a partnership or limited liability corporation, then all of the principals thereto with an interest in Developer of at least five percent (5%) shall execute a Guarantee, Indemnification, and Acknowledgment in the form attached hereto as Exhibit C.

5.2.5 If Developer is a corporation, limited liability company, partnership, or other business organization, Developer shall designate in Exhibit A hereof, an Operating Principal. The Operating Principal shall have authority to make binding decisions on behalf of Developer. Franchisor will communicate solely with the Operating Principal regarding Developer's rights and obligations hereunder. Developer shall not designate a different Operating Principal without Franchisor's prior written consent, unless the designated Operating Principal is incapable of performing its duties hereunder.

5.2.6 Developer shall comply with all requirements of federal, state, and local laws, rules, and regulations.

5.2.7 Developer shall comply with all of the other terms, conditions and obligations of Developer under this Agreement.

6. DEFAULT AND TERMINATION

6.1 Automatic Termination. Developer shall be deemed in default under this Agreement, and all rights granted herein shall automatically terminate, without notice to Developer, if Developer becomes insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Developer or such a petition is filed against and consented to by Developer; if Developer is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; if a receiver or other custodian (permanent or temporary) of Developer's business or assets or any part thereof is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if execution is levied against Developer's business or assets; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against Developer and not dismissed within thirty (30) days; or if the real or personal property of any of Developer's Restaurants shall be sold after levy thereupon by any sheriff, marshal or constable.

6.2 Franchisor's Rights Upon Developer's Default. If Developer fails to comply with or to perform any of the terms, conditions or obligations of this Agreement, including the development obligations described in Sections 1.1 and 3.5 hereof, or any Franchise Agreement or any other agreement between Developer or any of its affiliates and Franchisor, its affiliates or subsidiaries, or makes or attempts to make a transfer or assignment in violation of Section 7.2 hereof, such failure or action shall constitute a default under this Agreement. Upon such default, Franchisor shall have the right, in its sole discretion:

6.2.1 To terminate this Agreement and all rights granted hereunder without affording Developer any opportunity to cure the default, effective immediately upon receipt by Developer of written notice;

6.2.2 To terminate the territorial protection granted under Section 1.3 hereof, and Franchisor shall have the right to establish and operate, and license others to establish and operate, PieZoni's restaurants within the Development Area;

6.2.3 To terminate the credit for any or all Restaurants granted in Section 2.2 hereof;

6.2.4 To reduce the number of Restaurants which Developer has the right to develop pursuant to Section 1.1 hereof;

6.2.5 To reduce the size of the Development Area for which Developer is granted territorial protection under Section 1.3 hereof;

6.2.6 To withhold evaluation or approval of site proposal packages and refuse to approve the opening of any Restaurant developed hereunder; and

6.2.7 To accelerate the Development Schedule.

6.3 Obligations Upon Termination or Expiration. Upon termination or expiration of this Agreement, Developer shall have no right to establish or operate any Restaurants for which a

Franchise Agreement has not been executed by Franchisor at the time of termination. Franchisor shall have the right to establish and operate, and to license others to establish and operate, PieZoni's restaurants under the System and the Proprietary Marks in the Development Area, except as may be otherwise provided under any Franchise Agreement which has been executed between Franchisor and Developer.

6.4 Cross-Default. No default under this Development Agreement shall constitute a default under any Franchise Agreement between the parties hereto. Default under this Development Agreement shall constitute a default under any other Development Agreement between the parties hereto.

6.5 No Exclusive Right or Remedy. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

7. TRANSFERS

7.1 Franchisor's Right to Transfer. Franchisor shall have the right to transfer or assign this Agreement, and assign or delegate all or any part of its rights or obligations under this Agreement, to any person or legal entity, and any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of the assignment. Developer shall execute such documents of attornment or other documents as Franchisor may request.

7.2 Developer's Conditional Right to Transfer. Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, and that Franchisor has granted this franchise in reliance on Developer's (or, if Developer is a corporation, partnership, or limited liability company, its principals') business skill, financial capacity and personal character. Accordingly, neither Developer nor any immediate or remote successor to any part of Developer's interest in this Agreement, nor any individual, partnership, limited liability company, corporation or other legal entity which directly or indirectly owns any interest in Developer or in the Restaurants developed hereunder, shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "transfer") this Agreement, any direct or indirect interest in Developer, or in all or substantially all of the assets of the Restaurants developed hereunder without the prior written consent of Franchisor. Any purported assignment or transfer not having the written consent of Franchisor required by this Section 7.2 shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate without opportunity to cure pursuant to Section 6.2 of this Agreement. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or at law or in equity.

7.3 Conditions of Transfer. Developer shall notify Franchisor in writing of any proposed transfer of this Agreement, any direct or indirect interest in Developer, or in all or substantially all of the assets of the Restaurants developed hereunder, at least thirty (30) days before such transfer is proposed to take place. Franchisor shall not unreasonably withhold its consent to any transfer. Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval:

7.3.1 That all of Developer's accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates have been satisfied;

7.3.2 That Developer is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Developer and Franchisor or its affiliates;

7.3.3 That the transferor shall have executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, shareholders, and employees;

7.3.4 That the transferor and transferee have executed a mutual general release, relieving all claims against each other, excluding only such claims relating to any provision or covenant of this Agreement which imposes obligations beyond the expiration of this Agreement;

7.3.5 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Developer's obligations under this Agreement; and that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

7.3.6 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to develop the Restaurants; has adequate financial resources and capital to develop the Restaurants; and has not operated a business in competition with Franchisor;

7.3.7 That the purchase price and terms will not, in Franchisor's opinion, negatively impact the ability of the transferee's franchised business to operate;

7.3.8 That the transferee execute, for a term ending on the expiration date of this Agreement, Franchisor's then-current form of development agreement and other ancillary agreements as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects, except that the Development Schedule thereunder shall be the same as in this Agreement;

7.3.9 That transferor remain liable for all of the obligations of transferor prior to the effective date of the transfer and execute any and all instruments reasonably requested by Franchisor to evidence such liability;

7.3.10 That each Restaurant which has opened and been approved for operation by Franchisor is in full compliance with all the conditions and terms of the Franchise Agreements for such Restaurant;

7.3.11 That Developer shall pay to Franchisor a transfer fee of seven thousand five hundred dollars (\$7,500) or such greater amount as is required to reimburse Franchisor for its reasonable costs and expenses, including attorneys' fees, associated with its review and approval of the proposed transfer; provided, however, the transfer fee shall be one thousand dollars (\$1,000), plus Franchisor's out-of-pocket costs and expenses, if: (a) transferee has been a PieZoni's

franchisee for at least five (5) years; (b) transferee has held a managerial position at a franchised or company-owned PieZoni's restaurant; or (c) transferee has obtained the business as a result of Franchisee's death or incapacity pursuant to Section 7.6 hereof. The transfer fee shall be waived if the transfer is for Developer's convenience of ownership and the transferee is an entity controlled by Developer; and

7.3.12 That the transferor shall have first offered to sell such interest to Franchisor pursuant to Section 7.5 hereof.

7.4 No Security Interest. Developer shall not grant a security interest in this Agreement or in any of the assets of any Restaurant developed hereunder without the express written consent of Franchisor. If Franchisor consents to such security interest, such consent shall be conditioned on, among other things, the secured party's agreement that in the event of any default by Developer under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Developer, and, in the event Franchisor exercises such option, any acceleration of indebtedness due to Developer's default shall be void. In the event Franchisor cures any such default of Developer, Developer shall reimburse Franchisor all amounts paid by Franchisor to cure the default, plus all costs and expenses incurred by Franchisor to cure such default, and Developer shall be deemed in default of this Agreement.

7.5 Franchisor's Right of First Refusal. If any party holding any direct or indirect interest in this Agreement, in Developer, or in all or substantially all of the assets of the Franchised Business desires to accept any bona fide offer from a third party to purchase such interest, Developer shall notify Franchisor and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 7.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 7, with respect to a proposed transfer. In the event the consideration, terms and/or conditions offered by a third party are not for a cash sum, and are such that Franchisor may not reasonably be required to furnish the same consideration, terms and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by Franchisor at Franchisor's expense, and the appraiser's determination shall be binding. This Section 7.5 shall not apply to transfers made to immediate family members of Developer or Developer's principals approved by Franchisor.

7.6 Death or Incapacity. Upon the death, physical or mental incapacity of Developer or any person with an interest in Developer, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six (6) months after such death or mental incapacity. Such transfers, including, without limitation,

transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 7, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six (6) months, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within six (6) months, Franchisor may terminate this Agreement, pursuant to Section 6 hereof.

7.7 Non-waiver. Franchisor's consent to a transfer of any interest in this Agreement, in Developer, or in all or substantially all of the assets of the Restaurants developed hereunder shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

8. COVENANTS

8.1 Best Efforts. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer (or, if Developer is a corporation, partnership, or limited liability company, a principal of Developer approved by Franchisor), or Developer's full-time development manager, shall devote full time, energy, and best efforts to fulfilling Developer's obligations under this Agreement, including the development of the Restaurants pursuant to the Development Schedule. If Developer is required to develop four (4) or more Restaurants hereunder, Developer shall designate a manager to oversee and supervise the operations of all of Developer's Restaurants during the terms of the Franchise Agreements for those Restaurants.

8.2 Operating Manuals. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, all PieZoni's restaurants shall be operated in accordance with the standards, methods, policies, and procedures specified in Franchisor's confidential operating manuals (the "Manuals"). If Franchisor, in its sole discretion, permits Developer to use a copy of the Manuals prior to Developer's execution of a Franchise Agreement, any such use by Developer shall be a loan by Franchisor to Developer of the Manuals and:

8.2.1 Developer shall treat the Manuals and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential pursuant to Section 8.3 below;

8.2.2 Developer shall not copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or otherwise make the same available to any unauthorized person;

8.2.3 The Manuals shall remain the sole property of Franchisor and shall be kept in a secure place by Developer;

8.2.4 Developer shall ensure that the Manuals are kept current at all times; and

8.2.5 Upon executing its first Franchise Agreement, Developer shall retain the Manuals pursuant to the terms and conditions of such Franchise Agreement.

8.3 Confidential Information. Developer shall not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge or know-how concerning the methods of operation of the business contemplated hereunder, including, without limitation, the Manuals, recipes, cooking methods, preparation of menu items, drawings, suppliers, equipment, product costs, accounting methods, including both paper and electronic spreadsheets, management tools, marketing methods, or advertising which may be communicated to Developer or of which Developer may be apprised by virtue of Developer's operation under the terms of this Agreement ("Confidential Information"). Developer shall divulge such Confidential Information only to such of its employees as must have access to it in order to comply with its obligations hereunder. Any and all information, knowledge, know-how, techniques and other data which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement.

8.4 In-Term Covenant. Developer specifically acknowledges that, pursuant to this Agreement, Developer will receive valuable, specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

8.4.1 Divert or attempt to divert any present or prospective business or customer of Developer's Restaurants or any PieZoni's restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Proprietary Marks and the System; or

8.4.2 Own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any retail business which: (a) is the same as, or substantially similar to, a PieZoni's restaurant; or (b) offers to sell or sells any menu items or food product offered by a PieZoni's restaurant where the sale of such menu items or food products constitutes twenty percent (20%) or more of the gross sales of such retail business. The prohibitions in this Section 8.4 shall not apply to interests in or activities performed in connection with a Restaurant developed hereunder.

8.5 Post-Term Covenant. Developer covenants that, except as otherwise approved in writing by Franchisor, Developer shall not, for a continuous uninterrupted period of two (2) years commencing upon the date of (a) a transfer permitted under Section 7 of this Agreement, (b) expiration of this Agreement, (c) termination of this Agreement (regardless of the cause for termination), or (d) a final order of a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 8.5, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or limited liability company, own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any retail business which: (a)(i) is the same as, or substantially similar to, a PieZoni's restaurant; or (ii) offers to sell or sells any menu items or food products which are the same as, or substantially similar to, any of the menu items or food products offered by a PieZoni's restaurant where the sale of such menu items or food products constitutes twenty percent (20%) or more of the gross sales of such retail business; and (b) is, or is intended to be, located within:

8.5.1 The Development Area;

8.5.2 Ten (10) miles of the Development Area; or

8.5.3 Ten (10) miles of any PieZoni's restaurant operating under the System and the Proprietary Marks.

The prohibitions of Sections 8.4.2 and 8.5 shall not apply to Developer's interests in or operation of a PieZoni's restaurant under a written PieZoni's Restaurant Franchise Agreement.

8.6 No Application to Equity Securities. Section 8.5 shall not apply to ownership by Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities and Exchange Act of 1934.

8.7 Independent Covenants. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 8 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 8.

8.8 Reduction of Scope of Covenants. Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 8.3 and 8.4 in this Agreement or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees to comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 13 hereof.

8.9 No Defense. Developer expressly acknowledges that the existence of any claims which Developer may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 8.

8.10 Irreparable Injury. Developer acknowledges that Developer's violation of the terms of this Section 8 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available; and Developer accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Developer in violation of the terms of this Section 8.

8.11 Confidentiality Agreements. At Franchisor's request, Developer shall require Developer's manager(s) to execute non-competition covenants and covenants that they will maintain the confidentiality of information they receive in connection with their employment by Developer. Such covenants shall be in the form attached hereto as Exhibit E.

9. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including, without limitation, private delivery or courier service), which shall not include electronic communication, such as e-mail, to the respective

parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: PieZoni's Franchising, LLC
969 Broadway
East Providence, Rhode Island 02914
Attn: Mr. Victor Martinez or Mr. Joe Ferreira
Fax: (401) 270-8882

Notices to Developer: _____

Attn: _____
Fax: (____) _____

Notices shall be deemed to have been given at the date and time of delivery or of attempted delivery.

10. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

10.1 Independent Contractor. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them; that Developer shall be an independent contractor; and, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. During the term of this Agreement, Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. Developer agrees to take such affirmative action as shall be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place in the franchised premises, the content of which Franchisor reserves the right to specify.

10.2 No Authority to Contract. Developer understands and agrees that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and, that Franchisor shall in no event assume liability for, or be deemed liable as a result of, any such action, or by reason of any act or omission of Developer in Developer's operations hereunder, or any claim or judgment arising therefrom against Franchisor or Developer.

10.3 Indemnification. Developer shall indemnify and hold harmless Franchisor and its affiliates, and their respective officers, directors and employees against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with Developer's operations hereunder, Developer's operation of the Restaurants, or Developer's breach of this Agreement, including, but not limited to, those alleged to be caused by Franchisor's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court with competent jurisdiction, as well as the costs, including reasonable attorneys' fees, of defending against them. In the event Franchisor incurs any costs or expenses, including, without limitation, legal fees, travel expenses, and other charges, in connection with any proceeding involving Developer in which Franchisor is not a party, Developer shall reimburse Franchisor for all such costs and expenses promptly upon

presentation of invoices. Developer acknowledges and agrees that Developer's indemnification and hold harmless obligations under this Section shall survive the termination or expiration of this Agreement. Nothing herein shall preclude Franchisor from choosing its own legal counsel to represent it in any lawsuit, arbitration, or other dispute resolution.

11. APPROVALS AND WAIVERS

11.1 Approval and Consent. Whenever this Development Agreement requires the prior approval or consent of Franchisor, Developer shall make timely written request to Franchisor therefor; and, except as otherwise provided herein, any approval or consent granted shall be in writing.

11.2 No Warranties or Guarantees. Franchisor makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer, by providing any waiver, approval, advice, consent, or suggestion to Developer in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

11.3 No Waiver. No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. Waiver by Franchisor of any particular default by Developer shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of Franchisor to exercise any power or right arising out of any breach or default by Developer of any of the terms, provisions or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this Agreement.

12. SEVERABILITY AND CONSTRUCTION

12.1 Severability. Except as expressly provided to the contrary herein, each section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

12.2 No Rights or Remedies Conferred. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Developer and such of their respective successors and assigns as may be contemplated by Section 7 hereof, any rights or remedies under or by reason of this Agreement.

12.3 Promises and Covenants. Developer expressly agrees to be bound by any promise or covenants imposing the maximum duty permitted by law which is subsumed within the terms

of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

12.4 Captions and Headings. All captions and headings in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

12.5 Survival. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration or termination of this Agreement.

13. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the exhibits hereto, if any, constitute the entire, full, and complete agreement between Franchisor and Developer concerning the subject matter hereof and supersede any and all prior agreements. Except as set forth in Section 8 hereof, no amendment, change, or variance from this Agreement shall be binding on either party unless executed in writing. Nothing in this Agreement or in any related agreement between Franchisor and Developer is intended to disclaim the representations in Franchisor's Franchise Disclosure Document.

14. APPLICABLE LAW AND DISPUTE RESOLUTION

14.1 Applicable Law. This Agreement shall be interpreted and construed exclusively under the laws of the State of Rhode Island. In the event of any conflict of law, the laws of Rhode Island shall prevail, without regard to the application of Rhode Island conflict-of-law rules. If, however, any provision of this Agreement would not be enforceable under the laws of Rhode Island, and if Developer is located outside of Rhode Island and such provision would be enforceable under the laws of the state in which Developer is located, then such provision shall be interpreted and construed under the laws of that state.

14.2 Mediation. Except as otherwise provided herein, if a dispute arises out of or relates to this Agreement, the breach hereof, the rights and obligations of the parties hereto, or the making, interpretation, or performance of either party under this Agreement, the parties agree first to try in good faith to settle the dispute by mediation administered by JAMS before resorting to litigation or some other dispute resolution procedure. Such mediation shall take place before a sole mediator in or around Providence, Rhode Island at a location to be determined by Franchisor in its sole discretion. The parties shall each bear all of their own costs of mediation; provided, however, the fees of the mediator shall be divided equally between Franchisor and Developer. Mediation shall not be required with respect to: (a) any claim or dispute involving any payment obligation of Developer that is more than forty five (45) days past due; (b) any claim or dispute involving actual or threatened disclosure or misuse of Franchisor's Confidential Information; (c) any claim or dispute involving the ownership, validity, or use of the Proprietary Marks; (d) any claim or dispute involving the insurance or indemnification provisions of this Agreement; or (e) any action by Franchisor to enforce the covenants set forth in Section 8 of this Agreement.

14.3 Jurisdiction and Venue. Any action that is not submitted to or resolved through mediation under Section 14.2, whether or not arising out of, or relating to, this Agreement, brought by Developer (or any principal thereof) against Franchisor shall be brought in the judicial district in which Franchisor has, at the time of commencement of such action, its principal place of business. Franchisor shall have the right to commence an action against Developer in any court of competent jurisdiction. Developer hereby waives all objections to personal jurisdiction or venue for purposes of this Section 14.3 and agrees that nothing in this Section 14.3 shall be deemed to prevent Franchisor from removing an action from state court to federal court.

14.4 No Exclusivity. No right or remedy conferred upon or reserved to Franchisor or Developer 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.

14.5 Injunctive Relief. Nothing herein contained (including, without limitation, Sections 14.2 and 14.3 above) shall bar Franchisor's right to obtain injunctive relief from any court of competent jurisdiction against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

14.6 Limitation of Claims. Developer agrees that any and all claims by Developer against Franchisor arising out of, or relating to, this Agreement may not be commenced by Developer unless brought before the earlier of (a) the expiration of one (1) year after the act, transaction, or occurrence upon which such claim is based; or (b) one (1) year after this Agreement expires or is terminated for any reason. Developer agrees that any claim or action not brought within the periods required under this Section 14.6 shall forever be barred as a claim, counterclaim, defense, or set off.

14.7 Developer's Costs and Expenses. Except as expressly provided by Section 14.2 hereof, Developer shall pay all expenses, including attorneys' fees and costs, incurred by Franchisor, its affiliates, and its successors and assigns (a) to remedy any defaults of, or enforce any rights under, this Agreement; (b) to effect termination of this Agreement; and (c) to collect any amounts due under this Agreement.

15. WAIVER OF RIGHTS

15.1 WAIVER OF RIGHT TO A JURY AND PUNITIVE DAMAGES. FRANCHISOR AND DEVELOPER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS:

15.1.1 FRANCHISOR AND DEVELOPER BOTH EXPRESSLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY; AND

15.1.2 FRANCHISOR AND DEVELOPER BOTH EXPRESSLY WAIVE ANY CLAIM FOR PUNITIVE, MULTIPLE, AND/OR EXEMPLARY DAMAGES, EXCEPT THAT FRANCHISOR SHALL BE FREE AT ANY TIME HEREUNDER TO BRING AN ACTION FOR WILLFUL TRADEMARK INFRINGEMENT AND, IF SUCCESSFUL, TO RECEIVE AN AWARD OF MULTIPLE DAMAGES AS PROVIDED BY LAW.

16. ACKNOWLEDGMENTS, REPRESENTATIONS AND WARRANTIES

16.1 Independent Investigation. Developer acknowledges that it has conducted an independent investigation of the business contemplated hereunder, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Developer as an independent businessman, or if Developer is a corporation, partnership or limited liability company, its owners as independent businessmen. Franchisor expressly disclaims the making of, and Developer expressly disclaims receiving any warranty, representation or guarantee, express or implied, not contained expressly in this Agreement including, without limitation, as to the potential sales volume, profits, or success of the business venture contemplated by this Agreement. Developer also expressly disclaims relying upon any such warranty, representation or guarantee in connection with Developer's independent investigation of the business contemplated hereunder.

16.2 Acknowledgment of Receipt. Developer acknowledges that Developer has received a copy of the complete Restaurant Development Agreement, the attachments hereto, and agreements relating thereto, if any, at least five (5) business days prior to the date on which this Agreement was executed. Developer further acknowledges that it has received Franchisor's disclosure document (also known as the franchise offering circular), which is required by the Federal Trade Commission, at least ten (10) business days prior to the date on which this Agreement was executed.

16.3 No Conflicting Agreements. Developer represents and warrants that it is not a party to or subject to any agreement that might conflict with the terms of this Agreement or prevent Developer from fully performing its obligations under this Agreement, and Developer agrees not to enter into any such agreement.

16.4 Compliance With Anti-Terrorism Laws. Developer acknowledges that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001, Franchisor is prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in such Executive Order. Accordingly, Developer represents and warrants to Franchisor that as of the date of this Agreement, neither Developer nor any person holding any ownership interest in Developer, controlled by Developer, or under common control with Developer, is designated under the Order as a person with whom business may not be transacted by Franchisor, and that Developer (a) does

not, and hereafter shall not, engage in any terrorist activity, (b) is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity, and (c) is not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

16.5 Acknowledgment of Understanding; Opportunity to Consult. Developer acknowledges that it has read and understood this Agreement, the attachments hereto, and agreements relating thereto; and, that Franchisor has accorded Developer ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have fully executed, sealed, and delivered this Agreement on the day and year first above written.

ATTEST:

PIEZONI'S FRANCHISING, LLC

By:_____

Name:_____

Name:_____

WITNESS/ATTEST:

DEVELOPER

Name:_____

Name:_____

WITNESS/ATTEST:

Name:_____

Name:_____

**EXHIBIT A TO
PIEZONI'S RESTAURANT
DEVELOPMENT AGREEMENT**

DISCLOSURE OF PRINCIPALS

**(To be completed only if Developer is a Corporation,
Limited Liability Company, or Partnership)**

1. Date: _____

2. Developer's Contact. The following individual is a shareholder, member, or partner of Developer and is the principal person to be contacted on all matters relating to the Development Agreement:

Name: _____

Address: _____

Daytime Telephone No.: _____

Evening Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

3. Operating Principal. The following individual is a shareholder, member, or partner of Developer and is the principal person to be contacted on all matters relating to the Development Agreement:

Name: _____

Address: _____

Daytime Telephone No.: _____

Evening Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

4. Developer's Owners. The undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Developer and the percentage interest of each individual:

<u>Name</u>	<u>Position</u>	<u>Interest (%)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**EXHIBIT B TO
PIEZONI'S RESTAURANT
DEVELOPMENT AGREEMENT**

DEVELOPMENT FEE; DEVELOPMENT AREA; DEVELOPMENT SCHEDULE

1. Developer agrees to pay Franchisor the following non-refundable fee upon execution of the Development Agreement (the "Development Fee"): \$_____

2. Each Restaurant developed under this Development Agreement shall be located in the following area (the "Development Area"):

3. Recognizing that time is of the essence, Developer agrees to satisfy the development schedule set forth below (the "Development Schedule"):

Date By Which Developer Shall Have Open and in Operation Each Restaurant	Cumulative Total Number of Restaurants Which Developer Shall Have Open and in Operation	Production Facility (Yes/No)
_____, 20__		
_____, 20__		N/A
_____, 20__		N/A
_____, 20__		N/A
_____, 20__		N/A

**EXHIBIT C TO
PIEZONI'S RESTAURANT
DEVELOPMENT AGREEMENT**

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT

As an inducement to PieZoni's Franchising, LLC ("Franchisor") to execute the Development Agreement between Franchisor and _____ ("Developer") dated _____, 20____ (the "Agreement"), the undersigned (the "Guarantors"), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Developer's obligations under the Agreement will be punctually paid and performed.

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

The Guarantors hereby agree to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the Agreement, any amendment thereto, or any other agreement executed by Developer referred to therein.

The Guarantors hereby acknowledge and agree to be individually bound by all of the covenants contained in Section 8 of the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement or upon the transfer or assignment of the Agreement by Developer, except that all obligations and liabilities of the Guarantors which arose from events which occurred on or before the effective date of such termination, expiration, transfer, or assignment of the Agreement shall remain in full force and effect until satisfied or discharged by the Guarantors, and all covenants which by their terms continue in force after the termination, expiration, transfer, or assignment of the Agreement shall remain in force according to their terms. This Guarantee shall not terminate upon the transfer or assignment of the Agreement or this Guarantee by Franchisor. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section

14 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Rhode Island. In the event of any conflict of law, the laws of Rhode Island shall prevail, without regard to, and without giving effect to, the application of the State of Rhode Island conflict of law rules.

The Guarantors agree that the dispute resolution and attorney fee provisions in Sections 14 and 15 of the Agreement are hereby incorporated into this Guarantee by reference, and references to “Developer” and the “Development Agreement” therein shall be deemed to apply to “Guarantors” and this “Guarantee,” respectively, herein.

Any and all notices required or permitted under this Guarantee shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including, without limitation, private delivery or courier service), which shall not include electronic communication, such as e-mail, to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: PieZoni’s Franchising, LLC
969 Broadway
East Providence, Rhode Island 02914
Attn: Mr. Victor Martinez or Mr. Joe Ferreira

Notices to Guarantor(s): _____

Attn: _____
Fax: (____) _____

Notices shall be deemed to have been given at the date and time of delivery or of attempted delivery.

IN WITNESS WHEREOF, each of the Guarantors has signed this Guarantee as of the date of the Agreement.

WITNESS:

Name: _____

Name: _____

GUARANTORS:

Name: _____

Name: _____

**EXHIBIT D TO
PIEZONI'S RESTAURANT
DEVELOPMENT AGREEMENT**

PIEZONI'S RESTAURANT FRANCHISE AGREEMENT

The form of PieZoni's Restaurant Franchise Agreement currently offered by Franchisor is attached.

**EXHIBIT E TO
PIEZONI'S RESTAURANT
DEVELOPMENT AGREEMENT**

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In consideration of my position as manager of _____ (the "Developer"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. PieZoni's Franchising, LLC (the "Franchisor"), as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive format and system (the "System") relating to the establishment and operation of PieZoni's restaurants, which are casual dining restaurants that feature fresh made-to-order pizzas made from our proprietary pizza sauce and dough and include our distinct "bar pie" and rectangular sheet pan pizzas, as well as calzones, Italian pasta classics, salads, submarine sandwiches, and various appetizers and side orders; feature dine-in, take-out, and delivery formats; and offer for sale a variety of additional menu items and beverages to the public, including beer and wine (upon Franchisor's consent, where permitted by local and state law), and such other menu items as Franchisor may designate from time to time, under the trade name "PieZoni's", all of which Franchisor may change from time to time.

2. As a manager of Developer, I will receive valuable confidential information, disclosure of which would be detrimental to Franchisor and Developer, including, without limitation, information relating to recipes, cooking methods, preparation of menu items, drawings, suppliers, equipment, product costs, accounting methods, including both paper and electronic spreadsheets, marketing, and advertising, relating to the System and the establishment and operation of PieZoni's restaurants which are beyond the present skills and experience possessed by me. This list of confidential matters is illustrative only and does not include all matters considered confidential by Franchisor and Developer.

3. I will hold in strict confidence all information designated by Franchisor or Developer as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the confidential information only in connection with my duties as a manager of Developer. My undertaking not to disclose confidential information is a condition of my position with Developer, and continues even after I cease to be in that position.

4. While in my position with Developer, I will not do anything which may injure Franchisee or Franchisor, such as (a) divert or attempt to divert any present or prospective business or customer of any PieZoni's restaurant to any competitor, by direct or indirect inducement or otherwise; (b) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's marks and the System; or (c) employ or seek to employ any person who is at that time been employed by Franchisor or any franchisee of Franchisor (including Developer), or otherwise directly or indirectly induce such person to leave his or her employment.

5. While in my position with Developer, I will not own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or

otherwise), any other retail business which: (a) is the same as, or substantially similar to, a PieZoni's restaurant; or (b) offers to sell or sells any menu items or food product which are the same as, or substantially similar to, any of the menu items or food products offered by a PieZoni's restaurant where the sale of such menu items or food products constitutes twenty percent (20%) or more of the gross sales of such retail business. Provided, however, that this Paragraph 5 shall not apply to my current position with Developer.

6. For six (6) months after I cease to be in my position with Developer, I will not own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any other retail business that: (a)(i) is the same as, or substantially similar to, a PieZoni's restaurant; or (ii) offers to sell or sells any menu items or food product which are the same as, or substantially similar to, any of the menu items or food products offered by a PieZoni's restaurant where the sale of such menu items or food products constitutes twenty percent (20%) or more of the gross sales of such retail business; and (b) is, or is intended to be, located at or within: (i) the Development Area, which I acknowledge has been described to me; (ii) ten (10) miles of the Development Area; or ten (10) miles of any business operating under the Proprietary Marks.

7. Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Developer. I am aware that my violation of this Agreement will cause Franchisor and Developer irreparable harm; therefore, I acknowledge and agree that Franchisor and/or Developer may apply for the issuance of an injunction preventing me from violating this Agreement in addition to any other remedies it may have hereunder, at law or in equity; and I agree to pay Franchisor and Developer all the costs it/they incur/s, including without limitation attorneys' fees, if this Agreement is enforced against me. Due to the importance of this Agreement to Franchisor and Developer, any claim I have against Franchisor or Developer is a separate matter and does not entitle me to violate, or justify any violation of, this Agreement. If any part of this Agreement is held invalid by a court or agency having valid jurisdiction, the rest of the Agreement is still enforceable and the part held invalid is enforceable to the extent found reasonable by the court or agency. I agree that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, and that such meaning has been explained to me.

8. Franchisor may, in its sole discretion, reduce the scope of any covenant set forth in this Agreement, without my consent, effective immediately upon my receipt of written notice thereof; and I agree to comply with any covenant as so modified.

9. This Agreement shall be construed under the laws of the State of Rhode Island. Except as provided in Paragraph 8 above, the only way this Agreement can be changed is in a writing signed by both Developer and me.

[Signature page follows]

Signature:_____

Name:_____

Address:_____

Title:_____

ACKNOWLEDGED BY DEVELOPER

By:_____

Name:_____

**EXHIBIT F TO
PIEZONI'S RESTAURANT
DEVELOPMENT AGREEMENT**

STATE ADDENDA

(See attached.)

**AMENDMENT TO THE
PIEZONI'S FRANCHISING, LLC DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached PieZoni's Franchising, LLC Development Agreement (the "Agreement") agree as follows:

1. Section 7.1 of the Agreement, under the heading "Franchisor's Right to Transfer," shall be supplemented by the following language, which shall be considered an integral part of the Agreement:

However, no assignment shall be made except to an assignee who, in the good faith judgment of Franchisor, is willing and able to assume Franchisor's obligations under this Agreement.

2. Section 7.3.3 of the Agreement, under the heading "Conditions of Transfer," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

7.3.3 The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, agents, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

4. Section 14 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be supplemented by the following paragraph:

14.8 Nothing herein contained shall bar Franchisor's right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. In addition, the foregoing choice of law will not be considered a waiver of any right conferred upon Developer by the provisions of Article 22 of the General Business Law of the State of New York.

5. Each provision of this Amendment to the Franchise Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Amendment.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this New York Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

PIEZONI'S FRANCHISING, LLC

By: _____

Name: _____

Title: _____

DEVELOPER

By: _____

Name: _____

Title: _____

**AMENDMENT TO THE
PIEZONI'S FRANCHISING, LLC DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, the parties to the attached PieZoni's Franchising, LLC Development Agreement (the "Development Agreement") agree as follows:

1. The following language shall be added at the end of Section 14 of the Development Agreement:

14.8 Notwithstanding the above, Rhode Island developers are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Rhode Island Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

PIEZONI'S FRANCHISING, LLC

DEVELOPER

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

EXHIBIT G
TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES

State	Name	Address	Phone Number
Massachusetts	Adrian Martinez	228 Washington St. Attleboro, MA 02703	(508) 639-9750
Massachusetts	Joseph Verdoia and Donald Modesto	546 Dartmouth Street, Unit 1 Dartmouth, MA 02748	(401) 529-1473
Massachusetts	Chad Viera and Heather Hathaway	25 Robert Drive Easton, MA 02356	(508) 230-5888
Massachusetts	Chad Viera and Heather Hathaway	440 Stafford Rd. Fall River, MA 02721	(508) 673-7600
Massachusetts	Sheila Henriquez	150 Emmons St. Franklin, MA 02038	(508) 528-0050
Massachusetts	PieZoni's Plainville	25 Taunton St. Plainville, MA 02762	(508) 809-3513
Massachusetts	Daniel Ferreira	51 Court St. Taunton, MA 02762	(508) 977-9700
Rhode Island	Michelle Ferreira McCue	222 County Rd. Barrington, RI 02806	(401) 247-4445
Rhode Island	Michael Grande	640 Reservoir Ave. Cranston, RI 02910	(401) 309- 8631
Rhode Island	Victor A. Martinez, Jr.	618 George Washington Hwy. Lincoln, RI 02865	(401) 333-3222
Rhode Island*	James Walsh	876 W. Main Road Middletown, RI	(401) 324-5733
Rhode Island	Janessa Burgo	99 Newport Ave. Pawtucket, RI 02861	(401) 728- 5600
Rhode Island	Natale Algiere	259 Putnam Pike Smithfield, RI 02917	(401) 349- 5444
Rhode Island	Michelle Ferreira McCue and James T. McCue	485 Metacom Ave. Warren, RI 02885	(401) 245-2400
Rhode Island	Nicholas Lacroix	3335 Post Road Warwick, RI 02886	(401) 921- 2323

*opened in 2022.

LIST OF FORMER FRANCHISEES

None.

**EXHIBIT H
TO FRANCHISE DISCLOSURE DOCUMENT**

STATE ADDENDA

(See attached.)

NEW YORK

**ADDENDUM TO THE PIEZONI'S FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 the Franchise Disclosure Document for PieZoni's Franchising, LLC ("PieZoni's") for use in the State of New York shall be amended as follows:

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 SERVICES OR 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 THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. 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 the 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 10-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 injunctive 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 Article 33 of the General Business Law of the State of New 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”, and Item 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 Article 33 of the General Business Law of the State of New York.

6. Each provision of this Addendum to the Disclosure Document will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Addendum to the Disclosure Document.

* * *

RHODE ISLAND

**ADDENDUM TO THE PIEZONI'S FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document of PieZoni's Franchising, LLC for use in the State of Rhode Island shall be amended to include the following:

1. The sentences in Items 17v. and 17w. shall be supplemented with the following language:

except that you may sue PieZoni's Franchising, LLC in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

Section 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."

3. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Franchise Disclosure Document.

* * *

**EXHIBIT I
TO FRANCHISE DISCLOSURE DOCUMENT**

RENEWAL ADDENDUM

(See attached)

**PIEZONI'S RESTAURANT FRANCHISE AGREEMENT
RENEWAL ADDENDUM**

THIS RENEWAL ADDENDUM ("Addendum") is made and entered into on _____, 20__, by and between PieZoni's Franchising, LLC, a Rhode Island limited liability company with its principal place of business at 969 Broadway, East Providence, Rhode Island 02914 ("Franchisor"); and _____, a _____ with its principal place of business at _____ ("Franchisee").

WITNESSETH:

WHEREAS, Franchisee currently operates a PieZoni's restaurant located at _____ the ("Restaurant" or "Franchised Business") pursuant to a prior franchise agreement entered into between Franchisor and Franchisee dated _____, 20__ (the "Prior Agreement");

WHEREAS, Franchisor and Franchisee have entered into that certain PieZoni's Restaurant Franchise Agreement dated _____, 20__ (the "Franchise Agreement") for the purpose of renewing Franchisee's rights granted under the Prior Agreement; and

WHEREAS, Franchisor and Franchisee desire to amend the terms of the Franchise Agreement as set forth herein.

NOW, THEREFORE, the parties agree as follows:

1. The fifth WHEREAS clause (beginning on Page 1 of the Franchise Agreement) is hereby deleted in its entirety and replaced with the following language:

WHEREAS, Franchisee has operated a PieZoni's restaurant under Franchisor's System and Proprietary Marks under a franchise agreement, and wishes to enter into a renewal franchise agreement with Franchisor to continue to operate such restaurant;

2. Section 1.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

Approved Location. Franchisee shall operate the Franchised Business only at the location identified in Exhibit A attached hereto (the "Approved Location"). Franchisee shall not relocate the Restaurant without the prior written approval of Franchisor. Franchisor shall have the right, in its sole discretion, to withhold approval of relocation.

3. Section 2.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

Term. This Agreement shall be in effect upon its acceptance and execution by Franchisor and, except as otherwise provided herein, the term of this Agreement shall be five (5) years from the date first above written, unless this Agreement is sooner terminated pursuant to its terms.

4. The first sentence of Section 2.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

Successor Agreement. Upon the expiration of the term of this Agreement, provided that Franchisor is offering franchises in the geographic area in which the Franchised Business is located, Franchisee may, subject to the following conditions, enter into a successor franchise agreement for one (1) term of five (5) years.

5. Sections 3.1 and 3.3 of the Franchise Agreement are hereby deleted in their entirety.

6. Section 4.1 of the Franchise Agreement is hereby deleted in its entirety.

7. Sections 5.1 and 5.3 of the Franchise Agreement are hereby deleted in their entirety.

8. Section 6.1 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

Initial Training Program. Franchisor and Franchisee acknowledge that Franchisor offered and: (a) Franchisee or, if Franchisee is a corporation, partnership or limited liability company, a principal of Franchisee designated by Franchisee and approved by Franchisor (“Operating Principal”), and (b) a full-time manager of the Restaurant (“Store Manager”), completed the initial training program for franchisees offered by Franchisor at a location designated by Franchisor (the “Initial Training Program”).

9. Section 6.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

Advanced Training Program. Franchisor and Franchisee acknowledge that Franchisor offered and that Franchisee or Franchisee’s Operating Principal and Franchisee’s Store Manager completed the advanced training program for franchisees offered by Franchisor at a location designated by Franchisor (the “Advanced Training Program”).

10. The first sentence of Section 6.5 of the Franchise Agreement is hereby deleted in its entirety.

11. Section 6.7 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

Training Fee and Expenses. Franchisee shall pay the then-current training fee designated in the Manuals or otherwise in writing from time to time by Franchisor for any persons who attend the Initial Training Program or Advanced Training Program and for such additional courses, seminars and training programs as described in this Section 6. Franchisee shall be responsible for any and all other expenses incurred by Franchisee and Franchisee's employees in connection with attending all such programs, including, without limitation, the costs of transportation, lodging, meals, and wages. Franchisee shall also pay a per diem fee and shall be responsible for Franchisor's actual out-of-pocket costs and expenses incurred by Franchisor in connection with any on-site training program as described in Section 6.4, including, without limitation, the costs of transportation, lodging, and meals.

12. Section 12.1 of the Franchise Agreement is hereby deleted in its entirety.

13. Section 15.2.1 of the Franchise Agreement is hereby deleted in its entirety.

14. Exhibit B of the Franchise Agreement is hereby deleted in its entirety.

15. Franchisee and the undersigned principals, for themselves and their respective assigns, beneficiaries, executors, trustees, administrators, subrogees, agents, representatives, employees, officers, directors, partners, parent corporations, subsidiaries and affiliates (collectively, "Releasors"), do hereby irrevocably and absolutely release and forever discharge Franchisor and its affiliates, and their respective successors, predecessors, assigns, beneficiaries, executors, trustees, administrators, subrogees, agents, representatives, employees, officers, directors, shareholders, partners, parent corporations, subsidiaries and affiliates (collectively, "Released Parties"), of and from any and all claims, demands, obligations, debts, actions, and causes of action of every nature, character, and description, known or unknown, pursuant to, arising out of, or related to, the Prior Agreement and the Franchised Business, which Releasors now own or hold, or have at any time heretofore owned or held, or may at any time own or hold against the Released Parties, arising prior to the date of this Agreement. This Release does not apply to the Franchise Agreement or any claims arising from the offer, grant or sale of franchise rights to Franchisee from this day forward.

16. This Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to inconsistent provisions and the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed. The section numbering in the Franchise Agreement shall remain the same and shall not be adjusted based on the deletion of any sections as set forth in this Addendum. This Addendum may be executed in counterparts such that such counterparts when executed by the parties hereto shall constitute a single binding and executed Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum in duplicate on the date first above written.

FRANCHISEE:

PIEZONI'S FRANCHISING, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**EXHIBIT J
TO FRANCHISE DISCLOSURE DOCUMENT**

STATE EFFECTIVE DATES

(See attached)

State Effective Dates

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

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

State	Effective Date
New York	<i>Pending</i>
Rhode Island	<i>Pending</i>

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

**EXHIBIT K
TO FRANCHISE DISCLOSURE DOCUMENT**

RECEIPTS

(See attached.)

RECEIPT
(Copy 1)

This disclosure document summarizes certain provisions of the representative agreement and other information in plain language. Read this disclosure document and all agreements carefully.

Except as provided in the paragraph below, if we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale.

Under the law of New York, we must provide this disclosure document to you at the earliest of: (a) the first personal meeting to discuss the franchise; (b) 10 business days before you sign a binding agreement with us; or (c) 10 business days before you make any payment to us.

If we do 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 your state agency listed in Exhibit A.

We authorize the agents listed in Exhibit B to receive service of process for us.

The franchise seller(s) offering this franchise is/are checked off below:

- ☐ Daniel Ferreira, 969 Broadway, East Providence, Rhode Island 02914, (401) 431-1500
- ☐ Joe Ferreira, 969 Broadway, East Providence, Rhode Island 02914, (401) 431-1500
- ☐ Michelle Ferreira McCue, 969 Broadway, East Providence, Rhode Island 02914, (401) 431-1500
- ☐ Victor Martinez, 969 Broadway, East Providence, Rhode Island 02914, (401) 431-1500
- ☐ _____

Issuance Date: **August 15, 2022** (see Exhibit J for State Effective Dates.)

I have received a disclosure document dated **August 15, 2022** that included the following exhibits:

EXHIBIT A	List of State Administrators
EXHIBIT B	List of Agents for Service of Process
EXHIBIT C	Table of Contents for Manuals
EXHIBIT D	Financial Statements
EXHIBIT E	PieZoni's Restaurant Franchise Agreement
EXHIBIT F	PieZoni's Restaurant Development Agreement
EXHIBIT G	List of Current and Former Franchisees
EXHIBIT H	State Addenda
EXHIBIT I	Renewal Addendum
EXHIBIT J	State Effective Dates
EXHIBIT K	Receipts

Printed Name: _____

Printed Name: _____

Signature: _____

Signature: _____

Date Signed: _____

Date Signed: _____

Address: _____

Address: _____

Printed Name: _____

Printed Name: _____

Signature: _____

Signature: _____

Date Signed: _____

Date Signed: _____

Address: _____

Address: _____

If you received a hard copy of this disclosure document, please sign and date both copies of this Receipt (with the date that you received the disclosure document) and either (1) scan and email one signed copy of the Receipt to mainoffice@piezonis.com, or (2) mail the signed copy to us at PieZoni's Franchising, LLC, 969 Broadway, East Providence, RI 02914.

If you received an electronic copy of this disclosure document via email or a copy through DocuSign, please: (1) open the PDF of the disclosure document to verify that you can download it; then send an email to mainoffice@piezonis.com, stating that you received and downloaded this disclosure document; (2) print, sign, and date both copies of the Receipt (with the date that you received this disclosure document); and (3) either scan and email one signed copy to us at mainoffice@piezonis.com, or mail one signed copy to us at PieZoni's Franchising, LLC, 969 Broadway, East Providence, RI 02914.

NOTE: All prospective individual franchisees, and all owners of an entity franchisee (or two authorized officers), must sign individually and on behalf of any legal entity to confirm receipt. Attach additional signatures or use additional copies of this Receipt if necessary.

RECEIPT
(Copy 2)

This disclosure document summarizes certain provisions of the representative agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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Printed Name: _____

Printed Name: _____

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NOTE: All prospective individual franchisees, and all owners of an entity franchisee (or two authorized officers), must sign individually and on behalf of any legal entity to confirm receipt. Attach additional signatures or use additional copies of this Receipt if necessary.