FRANCHISE DISCLOSURE DOCUMENT

PIZZA 9 FRANCHISE SYSTEM LLC
a New Mexico limited liability company
5643 Jefferson Street NE, Suite A
Albuquerque, New Mexico 87109
(505) 615-1409
wedeliver@pizzanine com
www pizzanine com

You will operate a restaurant business offering pizza, pasta, salads, desserts, and related food items under the trade name and trademark PIZZA 9 ("Franchised Business") We offer two types of franchises our standard restaurant which provides for on-premises dining, carry out and delivery ("Standard Restaurant"), and our express restaurant which is carry out only or primarily carry out with limited on-site dining ("Express Restaurant")

The total investment necessary to begin operation of a PIZZA 9 Standard Restaurant ranges from $65,580 to $398,980 This includes the $10,500 to $19,000 that must be paid to the franchisor or affiliate The total investment necessary to begin operation of a PIZZA 9 Express Restaurant ranges from $59,380 to $203,480 This includes the $5,500 that must be paid to the franchisor or affiliate

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

You may wish to receive your disclosure document in another format that is more convenient to you To discuss the availability of disclosures in different forms, contact Hasan Aslami, at 5643 Jefferson Street NE, Suite A, Albuquerque, New Mexico 87109, (505) 615-1409

The terms of your contract will govern your franchise relationship Do not 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 accountant

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

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

Issuance Date ____________________ ,2017

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in **Exhibit F** for information about the franchisor, or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION AND/OR ARBITRATION, ONLY IN BERNALILLO COUNTY, NEW MEXICO OUT OF STATE LITIGATION AND/OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO LITIGATE AND/OR ARBITRATE WITH US IN NEW MEXICO THAN IN YOUR HOME STATE

2 THE FRANCHISE AGREEMENT STATES THAT NEW MEXICO LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See the State Effective Dates Page

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin

This disclosure document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

State	Effective Date
California	

In all other states, the effective date of this disclosure document is the issuance date of ________ ______, 2017

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

To simplify the language, this disclosure document uses "we" or "us" to mean Pizza 9 Franchise System LLC, the Franchisor "You" means the business entity, person or persons who sign the Franchise Agreement, the franchisee If the franchisee is a corporation, limited liability company, or other entity, the term "you" does not include the entity's principals unless otherwise stated

<u>The Franchisor, and Any Parents, Predecessors and Affiliates</u>

We are a New Mexico limited liability company formed on February 26, 2015, and only do business under our corporate name Our principal business address is 5643 Jefferson Street NE, Suite A, Albuquerque, New Mexico 87109 We have been offering the type of franchises described in this disclosure document since April 30, 2015 Our agents for service of process are disclosed in <u>Exhibit G</u> to this disclosure document

We have no parent company, but on April 1, 2015, we acquired the major portion of the assets from our predecessor, Pizza 9 Franchise Corporation ("Pizza 9 Corp"), in an asset purchase transaction Pizza 9 Corp franchised the operation of PIZZA 9 businesses from March 2010 up to the time of the acquisition Pizza 9 Corp maintains its principal business address at 5643 Jefferson Street NE, Suite A, Albuquerque, New Mexico 87109 Neither we nor Pizza 9 Corp have ever offered franchises or licenses in any other line of business

<u>The Franchise Offered</u>

We grant franchises for the operation of a restaurant business offering pizza, pasta, salads, desserts, and related food items ("Restaurant") under the trademark PIZZA 9 and other trademarks, service marks, logos and catch phrases ("Marks") We call this the "Franchised Business "

Our proprietary business format and system ("System") includes distinctive interior and exterior design, décor, color scheme, graphics, fixtures and furnishings, our proprietary products, operation, and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques, and procedures that we designate for developing, operating, and managing a PIZZA 9 Franchised Business, all of which we may change, improve, and further develop (collectively, our "Standards")

We offer two types of franchises First is our PIZZA 9 Standard Restaurant that provides for on-premises dining, carry out, and delivery, and which is typically located in or adjacent to a major shopping mall, outlet mall, retail strip mall or shopping center, or, in the alternative, in an urban storefront, and ranges from 1,500 to 5,000 square feet Second is our PIZZA 9 Express Restaurant that provides carry out only or primarily carry out with limited on-site dining, and which typically occupies 600 to 1,000 square feet of leased space A PIZZA 9 Express Restaurant is located in closed market spaces such as university campuses, airports, medical facilities, and malls

You will operate the Franchised Business according to our standard franchise agreement (see <u>Exhibit B</u>) and our Standards, specifications, policies and procedures which will be communicated to you via our confidential operations manuals and other written directives (collectively, our "Manuals")

<u>Market and Competition</u>

The market for pizza and pasta food products and related products and services is highly competitive, as is the market for obtaining locations for Franchised Businesses PIZZA 9 Restaurants appeal to the general public and sales are generally consistent year through regardless of season Your competition includes other casual dining, carry out, and delivery segments of the restaurant industry appealing to families, young adults, and seniors Competition in the casual dining, carry out, and delivery segment is expected to remain intense

Industry Regulations

The restaurant industry is heavily regulated Many of the federal, state, and local laws, rules, and regulations that apply to businesses generally, such as the federal and state anti-discrimination laws, federal wage and hour laws, National Labor Relations Act, and the Occupational Safety and Health Act, also apply to restaurants The business also must comply with all laws and regulations that apply to restaurants and food safety handling including regulations promulgated by the U S Food and Drug Administration, the U S Department of Agriculture, and those issued and enforced by state and local health departments State and local agencies inspect restaurants to ensure that they comply with these laws and regulations

The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide, and particulate matters, including caps on omissions from commercial food preparation Some areas have also adopted or are considering proposals that would regulate indoor air quality

In addition, the Menu Labeling Provisions of the Patient Protection and Affordable Health Care Act require certain restaurants and retail food establishments to post caloric information on menus and menu boards and to make available additional written nutrition information to consumers upon request State and local governments also may have their own regulations For example, the city of New York recently passed legislation requiring restaurants with at least 15 establishments to identify, with a tiny salt shaker symbol, menu items with more than 2,300 mgs of salt

You should consider these laws and regulations when evaluating your purchase of a franchise We also highly recommend that you consult with an attorney to ensure that you are aware of, and compliant with, all laws applicable to the operation of the Franchised Business

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer Mr Hasan Aslami

Mr Aslami has served as our Chief Executive Officer since our inception in February 2015 He co-founded the PIZZA 9 concept in September 2008 and previously served as the Chief Executive Officer of Pizza 9 Corp since January 2010 in Albuquerque, New Mexico

President Behrad Etemadi

Mr Etemadi has served as our President since our inception in February 2015 He co-founded the Pizza 9 concept in September 2008 and previously served as the President of Pizza 9 Corp since January 2010 in Albuquerque, New Mexico

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

ITEM 5
INITIAL FEES

Initial Franchise Fee

The initial franchise fee for a Standard Restaurant is $18,500 and the initial franchise fee for an Express Restaurant is $5,000 Payment of the initial franchise fee is due when you sign the Franchise Agreement

Employee Incentive Program

If you are a PIZZA 9 manager or employee, you may qualify for our Employee Incentive Program ("EIP") Under our current policy, an employee or manager may qualify if he or she has worked for at least one consecutive 12-month period as a full-time employee or two consecutive 12-month periods as a part time employee ("Minimum Tenure"), and is in good standing (*i e*, good employee record including but not limited to good customer service and no active disciplinary proceedings) If the franchisee is a corporation, limited liability company, or other legal entity, the PIZZA 9 manager or employee must maintain at least 10% ownership interest in the entity to qualify for this incentive

If you qualify under the EIP, there is no initial franchise fee Further, under the EIP, you will receive a temporary reduction of the Continuing Services and Royalty fee as follows a full-time qualifying employee will receive a 2% reduction on the then-current Continuing Services and Royalty fee for one consecutive 12-month period for every consecutive 12-month period worked past the Minimum Tenure, for a maximum temporary reduction of four consecutive 12-month periods, a part-time qualifying employee will receive a 1% reduction on the then-current Continuing Services and Royalty fee for one consecutive 12-month period for every consecutive 12-month period worked past the Minimum Tenure, for a maximum temporary reduction of three consecutive 12-month periods

For example, if you are a full-time Pizza 9 employee that has worked five years, your initial franchise fee is waived and your Continuing Services and Royalty fee for the first four years of your franchise is 3 5% The fifth year and thereafter, your Continuing Services and Royalty fee will go back up to 5 5% Likewise, if you are a part-time Pizza 9 employee that has worked five years, your initial franchise fee is waived and your Continuing Services and Royalty fee for the first three years of your franchise is 4 5% The fourth year and thereafter, your Continuing Services and Royalty fee will go up to 5 5%

We reserve the right to change or discontinue the EIP without notice

Veteran Incentive Program

If you qualify for our veteran's program discount, it is our current policy to discount the Standard Restaurant initial franchise fee to $10,000 for the first franchise awarded only The veteran's discount is available to veterans who have received a discharge (other than dishonorable) as well as any active-duty personnel If the franchisee is a corporation, limited liability company, or other legal entity, the veteran participant must maintain at least 51% ownership interest in the entity to qualify for this discount To apply for the discount, you must provide us a copy of form DD-214, reflecting your military status, before the franchise agreement is signed

We may change or discontinue our discount policies at any time

Except for the discounts described in this Item 5, the initial franchise fee is uniform for all franchisees and is nonrefundable upon payment

Initial Advertising and Development Fund Contribution

When you sign the Franchise Agreement, you will pay us a $500 initial advertising and development fund contribution Except as noted below, the initial advertising and development fund contribution is uniform for all franchisees and is considered fully earned and nonrefundable upon payment

Refund Policy

No refunds are provided on the Pizza 9 Express Restaurant initial franchise fee On the Standard Restaurant initial franchise fee, we operate by the following policies

1 We have 15 business days to evaluate your personal and financial qualifications as a PIZZA 9 franchisee, which is based in part upon the information provided by you through the application process If during this period we determine, in our sole discretion, that you do not meet our then-current criteria, we

may cancel our offer of the Franchise Agreement, and refund the initial franchise fees paid to us to date, less $3,000 plus any expenses we have incurred

2 If you fail to satisfactorily complete our required initial training program, we may, in our sole discretion, terminate the Franchise Agreement and refund initial franchise fees paid to date, less $5,000 plus any expenses we have incurred, including but not limited to training related expenses and administrative expenses

3 If you are unable to locate a Restaurant site that meets our standards and is acceptable to us within the first 60 days after the execution of the Franchise Agreement, we may, in our sole discretion, terminate the Franchise Agreement, and refund the initial franchise fees paid to date, less $5,000 plus any expenses we have incurred, including our expenses related to site evaluation and selection services

ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Continuing Services and Royalty Fee[3]	5 5% of Royalty Sales[2]	Weekly, each Monday, via ACH Debit	Based on each preceding week ending Sunday See Note 2 for the definition of Royalty Sales and Note 3 for applicable credits, if any
Business Opening Advertising	$5,000 (minimum)	Upon singing of the lease	We reserve the right to increase this minimum requirement based on our evaluation of the initial marketing needs, and when applicable, related to your Area of Primary Responsibility
Advertising and Development Fund Contribution	1% of Royalty Sales	Weekly, each Monday, via ACH Debit	Based on each preceding week ending Sunday
Local Advertising or Advertising Cooperative Contribution	Not to exceed 2% of Royalty Sales	Monthly or as required by the Cooperative	You must spend the required minimum expenditure amount per month in your local market to promote the Franchised Business You must provide us with an accurate accounting of the amount spent within 15 days following the end of each month If we require you to participate in an established cooperative advertising campaign for your market area, your minimum monthly cooperative contribution will satisfy your local advertising requirement
Franchise Council Participation	Varies	Upon demand	If we require you to participate in a Franchise Council, you must pay your portion of the related

Type of Fee[1]	Amount	Due Date	Remarks
			costs imposed by the Franchise Council
Business Phone and Yellow Pages Advertising	Varies	Per vendor contract	You must maintain a continuous listing and a business phone
Restaurant Opening Assistance	$300 per day for each individual providing assistance, plus reimbursement of our travel, lodging and dining costs	Upon demand	We will provide the services of one of our trainers, at no cost to you, for four days during the initial opening of your Franchised Business However, should you request additional assistance, or if we determine it necessary to provide such assistance beyond the required four days this fee will apply
Ongoing Assistance	$300 per day for each individual providing assistance, reimbursement of our travel, lodging and dining costs, plus our mandatory $200 service fee	Upon demand	The $300 per day fee is payable to us before we send our personnel to your Restaurant
Additional Training and Seminars	Your incurred costs for attendees' travel, lodging, and dining	As incurred	We do not charge for our additional mandatory training and/or seminars, however you will be responsible for all costs related to your attendees' travel, lodging, and dining Attendance is not required at more than two such programs during any calendar year, and shall not collectively exceed four business days during any calendar year
Relocation Fee	$5,000	Upon Demand	Fee payable if we approve of the relocation of your Restaurant
Indemnification	Amount of loss suffered	Upon demand	You must reimburse and pay our attorneys' fees and related costs if we are held liable for claims from your operation of the Restaurant
Transfer Fee	Equal to one-half of the then-current initial franchise fee	Prior to transfer	We do not charge a fee if the transfer of the Franchised Business is to a corporation that you control

Type of Fee[1]	Amount	Due Date	Remarks
Audit	Amount disclosed in the audit, 10% interest on underpayment, plus our costs to conduct the audit	Upon demand	Payable if an audit discloses an underpayment of fees due to us of 2% more
Late Charges	Not to exceed 1½% per month, or the highest amount allowed by law, whichever is less	Upon demand	Payable only if any sums due us are not paid promptly when due
Days and Hours of Operation	$200 per day	On demand	Payable only if you fail to operate your Franchised Business during the minimum hours and days as specified by us in the Manual or other written directives without our prior written authorization or permission
Gift Card Program	Not to exceed $30 per month	Upon demand	We reserve the right to require you to use an approved vendor as your gift card processor who is not set up to invoice and collect the monthly gift card processing fees directly from our franchisees At some point, this fee may be charged and collected directly between our approved third party vendor and our franchisees
Loyalty Program	Not to exceed $300 per month	Upon demand	We reserve the right to establish a loyalty program and require you to use an approved vendor to participate in our loyalty program This fee may be charged and collected directly by our approved third party vendor

Notes

Note 1 All fees are payable to us and are uniformly imposed and non-refundable

Note 2 "Royalty Sales" means the aggregate of (1) all revenue from the sale of products and services, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of a PIZZA 9 Franchised Business, (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Royalty Sales, and (3) business interruption insurance proceeds Royalty Sales do not include (a) the exchange of merchandise between PIZZA 9 Franchised Businesses (if you operate multiple Franchised Businesses) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises, (b) returns to shippers, vendors, or manufacturers, (c) sales of fixtures or furniture after being used in the conduct of the Franchised Business, (d) cash or credit refunds for transactions included within Royalty Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you), I the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (i) added to the selling price or absorbed therein and (ii) paid to the taxing authority by you Customer refunds may be deducted from Royalty Sales if the charge was previously included in Royalty Sales

Note 3 As noted in Item 5, if you qualify for our EIP, you will receive a temporary reduction in Continuing Services and Royalty Fee If you recommend an employee to the EIP and we accept him or her as a franchisee, you will receive a temporary reduction in fees, equivalent to $9,000 total This temporary reduction in fees will be applied to future Continuing Services and Royalty Fees that you owe to us over the course of three years and applied as follows $1,000 deduction per month for a consecutive three-month period, per year, for three years The temporary reduction in fees becomes effective on the one-year anniversary of the employee's first day that he or she is open for business under the employee's franchise agreement

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

PIZZA 9 STANDARD RESTAURANT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[1]	$10,000 - $18,500	As arranged	When Franchise Agreement is signed	Us
Initial Advertising and Development Fund Contribution[1]	$500	Lump sum	When Franchise Agreement is signed	Us
Pre-opening training expenses (per person)[2]	$0 - $2,000	As arranged	Before opening	Third party suppliers of transportation, food and lodging for you and your employees
Lease Payments (2 months) Plus Security Deposit (1 month)[3]	$6,000 – $50,000	As arranged	As incurred	Landlord
Telephone and Utility Deposits[4]	$500 - $3,000	As arranged	As incurred	Third party providers
Leasehold Improvements[5]	$5,000 - $100,000	As arranged	As incurred	Third party suppliers
Equipment and Fixtures[6]	$900 - $100,000	As arranged	As incurred	Approved suppliers

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Opening Inventory[7]	$5,000 - $20,000	As arranged	As incurred	Approved suppliers and vendors
Insurance (quarterly premium)	$2,000 - $5,000	As arranged	Before opening	Insurance carriers
Signage[8]	$2,000 - $20,000	As arranged	As incurred	Approved supplier
Business Opening Advertising[9]	$5,000	As arranged	First 30 days of operations	Third party suppliers and vendors
Computer System	$15,980 – $37,480	As arranged	As incurred	Third party suppliers and vendors
Office Equipment and Supplies[10]	$1,000	As arranged	As incurred	Approved suppliers
Business Licenses and Permits (first year)	$500 - $1,500	As agencies require	As agencies require	Applicable agencies
Professional Fees (first year)	$1,000 - $3,000	As arranged	As incurred	Your accountant, attorney, and other professionals
Vehicles (2 months)[11]	$200 - $2,000	As arranged	As incurred	Third party suppliers
Additional Funds (2 months)[12]	$10,000 - $30,000	As arranged	As incurred	Various
Grand Total[13]	$65,580 - $389,980			

PIZZA 9 EXPRESS RESTAURANT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[1]	$5,000	As arranged	When Franchise Agreement is signed	Us
Initial Advertising and Development Fund Contribution[1]	$500	Lump sum	When Franchise Agreement is signed	Us

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Pre-opening training expenses (per person)[2]	$0 - $2,000	As arranged	Before opening	Third party suppliers of transportation, food and lodging for you and your employees
Lease Payments (2 months) Plus Security Deposit (1 month)[3]	$6,000 – $30,000	As arranged	As incurred	Landlord
Telephone and Utility Deposits[4]	$500 - $3,000	As arranged	As incurred	Third party providers
Leasehold Improvements[5]	$5,000 - $70,000	As arranged	As incurred	Third party suppliers
Equipment and Fixtures[6]	$900 - $70,000	As arranged	As incurred	Approved suppliers
Opening Inventory[7]	$5,000 - $20,000	As arranged	As incurred	Approved suppliers and vendors
Insurance (quarterly premium)	$2,000 - $5,000	As arranged	Before opening	Insurance carriers
Signage[8]	$2,000 - $20,000	As arranged	As incurred	Approved supplier
Business Opening Advertising[9]	$5,000	As arranged	First 30 days of operations	Third party suppliers and vendors
Computer System	$15,980 – $37,480	As arranged	As incurred	Third party suppliers and vendors
Office Equipment and Supplies[10]	$1,000	As arranged	As incurred	Approved suppliers
Business Licenses and Permits (first year)	$500 - $1,500	As agencies require	As agencies require	Applicable agencies
Professional Fees (first year)	$1,000 - $3,000	As arranged	As incurred	Your accountant, attorney, and other professionals
Additional Funds (3 months)[12]	$10,000 - $30,000	As arranged	As incurred	Various
Grand Total[13]	$59,380 - $203,480			

Notes

Note 1 See Item 5 for more information regarding the Initial Franchise Fee and the Initial Advertising and Brand Development Contribution

Note 2 You must make arrangements for, and pay the expenses of, each individual who attends our initial training program Such expenses will include transportation, lodging, meals, and wages The amount expended will depend, in part, on the distance you must travel and the type of accommodation you choose The figures in the chart represent the estimated cost for two individuals to attend our initial training program The low range is based on franchisees who reside in the Albuquerque, New Mexico area

Note 3 Unless you currently own or lease adequate space acceptable to us, you will be responsible for purchasing or renting premises suitable for the operation of your PIZZA 9 Express Restaurant A PIZZA 9 Standard Restaurant is typically 1,500 to 5,000 square feet A PIZZA 9 Express Restaurant is typically 600 to 1,000 square feet Rent for a Standard Restaurant is estimated to be between $24,000 to $200,000 per year or between $1 33 to $3 33 per square foot, and for an Express Restaurant rent is estimated to be between $24,000 to $120,000 per year or between $3 33 to $10 00 per square foot, depending on factors such as size, condition, and location of the leased premises, local rental rates and other factors, and may be considerably higher in large metropolitan areas A typical lease deposit will be equal one month's rent The purchase of the land and building could increase your costs considerably We recommend that you engage a commercial real estate broker in your desired area to estimate your actual costs for rent and security deposit for your PIZZA 9 Franchised Business

Note 4 Utility companies may require that you place a deposit before occupying of the premises and before installing telephone, gas, electricity and related utility services

Note 5 The cost of construction and leasehold improvements depends upon the size and condition of the premises, the nature and extent of improvements required, the local cost of contract work and the location of the PIZZA 9 Franchised Business The range of figures given here includes the cost of reasonable renovation or improvements, including flooring, security system and interior and exterior signage The amount may be less if lessor provides a construction allowance to you Franchisees who purchase existing units may not be required to spend such an amount

Note 6 The equipment necessary for the operation of a PIZZA 9 Franchised Business includes work tables, counters, freezers, cash register, ice maker, ovens, refrigerators, coolers, tables, chairs, equipment, and other related items The lower amount given here represents a lease payment, the higher amount estimates the cost to purchase the required equipment and fixtures Franchisees who purchase existing units may not be required to spend such an amount

Note 7 Before opening the business, you must stock the PIZZA 9 Franchised Business with an inventory of food and beverage products such as dough, sauce, and seasoning as well as containers, packaging materials, other paper and plastic products, sanitation materials and other materials and supplies of the type and quantity prescribed by us

Note 8 You must install interior and exterior signage bearing the Marks as prescribed by us The cost of signage will vary based on the supplier of signage, location of the business, local laws and ordinances, and other similar factors

Note 9 During the first 30 days of operation of the PIZZA 9 Franchised Business you must spend a minimum of $5,000 for business opening advertising and marketing, which includes the purchase of a business opening kit from an approved supplier, and related promotional activities within your protected territory

Note 10 Before you open, you must purchase an assortment of office equipment and supplies as prescribed by us Such items include stationery, forms, business cards, brochures, related paper items, and other miscellaneous supplies

Note 11 Because a Standard Restaurant provides delivery services, you must have available for use a vehicle, or vehicles, capable of making deliveries to your customers Such vehicles must be capable of externally displaying the Marks in the manner we prescribe If you choose not to purchase a vehicle, alternatively you may use vehicles supplied by adequately insured drivers who are your employees If you currently own a suitable vehicle, you will not incur an expense to buy a vehicle The lower figure given assumes you currently own an acceptable vehicle and represents approximate monthly maintenance costs for three months The higher figure given above represents the monthly lease or installment payment for three months, plus an initial down payment and monthly maintenance The cost of the vehicle will vary based on lease or financing terms available, make and model selected, age and condition of the vehicle, and your credit rating, and other related factors

Note 12 These estimates do not include managerial salaries or any payment to you These estimates also do not take into account finance payments, charges, interest, and related costs you may incur if any portion of the initial investment is financed These amounts are the minimum recommended levels to cover operating expenses, including your employees' salaries for three months However, we cannot guarantee that those amounts will be sufficient Your costs will depend on factors such as how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our product, the prevailing wage rate, competition, and the sales level reached during the initial period Additional working capital may be required if sales are low or fixed costs are high

Note 13 We have relied on our experience in the restaurant business to compile these estimates You should review these figures carefully with a business advisor before making any decision to purchase the franchise

Any fees paid to us are not refundable except as outlined in Item 5 Fees paid to any third party may be refundable, depending upon your agreement with them

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Approved or Designated Suppliers

Proprietary Food Products

We have developed and own proprietary "pizza dough blend" for use in preparing pizza crust and specially prepared "pizza sauce" for use in pizza products ("Proprietary Food Products") The formulas and methods of preparation of the Proprietary Food Products are our trade secrets We have determined that in order to protect our trade secrets and to monitor the manufacture, packaging, processing and sale of Proprietary Food Products, we will (1) manufacture and supply Proprietary Food Products to Franchisees, and/or (2) disclose the formulas for and methods and preparation of the Proprietary Food Products to a limited number of suppliers who will be authorized by us to manufacture Proprietary Food Products to our precise specifications and sell Proprietary Food Products to you You must purchase Proprietary Food Products from us or from our approved suppliers

Proprietary Software

We may in the future develop and require you to license from us or an affiliate our proprietary software If at any time such proprietary software is available, all franchisees will be required to obtain a license, use such software, and pay the requisite licensing fee

Approved Suppliers

In order to maintain the quality and uniformity of all other food products, menu items, ingredients, fixtures, furnishings, equipment and signage utilized in the System, you must purchase these items as we direct and which comply with our current standards and specifications We may require you to purchase these items from us or an approved supplier may be designated as the only approved supplier of these selected food products, menu items, ingredients, fixtures, furnishings, equipment, and signage

We will provide a list of approved food products, menu items, ingredients and condiments, including designation by brand and our standards and specifications, as contained in our Confidential Operations Manual or otherwise in writing, and when applicable, we will provide a list of our approved or designated suppliers You must strictly comply with our standards and specifications and comply with all required purchases of food products in conformity with our standards and specifications All menu items and food products must be prepared in strict compliance with our recipes and the procedures we specify in the Confidential Operations Manual or otherwise in writing You are restricted to selling and offering only food products and menu items and services that we have specifically approved in writing You may not deviate from our approved menu items without prior written approval from us

We have and may continue to develop certain products and ingredients for the System, including, but not limited to other proprietary food products or ingredients, which are proprietary to the System and which may be identified by the Licensed Marks If such products become a part of the System, you will use only our proprietary recipes and other proprietary products and will purchase these items either from us or from an approved supplier we designate

We have developed specifications and standards which you must follow in the construction and operation of your PIZZA 9 Franchised Business You must utilize construction materials, fixtures, furnishings, equipment and signage that we have approved as meeting these specifications and standards With respect to such specifications and standards, the approved types of materials, fixtures, furnishings, equipment, furniture and signage will be communicated to you in the Confidential Operations Manual and otherwise in writing

Except for the Proprietary Software and certain Proprietary Food Products, neither we nor our affiliates currently are approved suppliers for any products or services None of our officers hold an interest in any of our privately-held suppliers or a material interest in any publicly-held suppliers

Approval of Alternative Suppliers

PIZZA 9 may approve other suppliers of food who meet our standards and specifications If you would like to purchase these items from another supplier, you must submit our Supplier Approval Criteria and Request Form Based on the information and samples you supply to us and your payment to us of our required $500 fee, we will test the items supplied and review the proposed supplier's financial records, business reputation, delivery performance, credit rating, and other information Our review typically is completed in 30 days Approval of alternative suppliers may be revoked if we determine that their supplies fail to satisfy our then-current standards and specifications

Insurance

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations Premiums depend on the insurance carrier's charges, terms of payment, and your history All insurance policies must name us as an additional insured as follows Pizza 9 Franchise System LLC and its officers, managers, members, partners, shareholders, regional directors, subsidiaries and affiliates, agents and employees, and it must be provided on an Additional Insured Grantor of Franchise Endorsement per form CG2029 (or an endorsement form with comparable wording acceptable to us)

These policies must include the coverage that we require, which currently includes (a) "all risk" or "special" property insurance covering all real and personal property and equipment on a replacement costs basis, including business interruption and extra expense insurance on an actual loss sustained basis, (b) comprehensive general liability insurance, including products and completed operations in an amount of not less than the following combined single limits $1,000,000 per occurrence, $1,000,000 personal and advertising injury, $1,000,000 completed operations/products aggregate, (c) automobile liability coverage, including coverage of owned, non-owned, rented or hired vehicles with coverage in amounts not less than $1,000,000 combined single limit, (d) workers' compensation insurance for statutory limits, and I any insurance as is necessary to comply with all legal requirements concerning insurance coverage for you and the operation of the Franchised Business

We may periodically increase the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances

Revenue Derived from Franchisee Purchases and Leases

We and our affiliates may derive revenue from franchisee purchases and leases to the extent that you purchase products or services directly from us or our affiliates We and our affiliates also have arrangements with certain suppliers whereby we or our affiliate receives rebates from franchisee purchases or leases, calculated as either a fixed amount or a percentage of sales, ranging from 1% to 8% We are not limited in the way that we can spend rebate income, however, we currently put all rebate income into the Ad Fund

During our fiscal year ended December 31, 2016, neither we nor affiliates derived any revenue from franchisee purchases or leases

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that your purchases and leases from us or our designated suppliers will be approximately 10% to 50% of your total initial investment (not including the initial franchise fee) and approximately 20% to 40% of your ongoing purchases and leases in the operation of the Franchised Business

Description of Purchasing and Distribution Cooperatives

Currently there are no purchasing or distribution cooperatives within the System

Purchasing Arrangements

We may negotiate purchase arrangements with primary suppliers for the benefit of franchisees If we negotiate a purchase agreement for the region where your Restaurant is located, you must participate in the purchasing program

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section(s) in Franchise Agreement	Disclosure Document Item
a Site selection and acquisition/lease	III D	Items 6 and 11
b Pre-opening purchase/leases	II	Item 8
c Site development and other pre-opening requirements	III	Items 6, 7, and 11
d Initial and ongoing training	V	Item 11
e Opening	V A , X A , and III	Item 11
f Fees	I E , III E , V D , and X B	Items 5 and 6
g Compliance with standards and policies/operating manual	VII	Item 11

Obligation	Section(s) in Franchise Agreement	Disclosure Document Item
h Trademarks and proprietary information	VI , VIII	Items 13 and 14
i Restrictions on products/services offered	XIII	Item 16
j Warranty and customer service requirements	XIII	Item 16
k Territorial development and sales quotas	I C	Item 12
l Ongoing product/service purchases	XIII E	Item 8
m Maintenance, appearance, and remodeling requirements	III G , IX	Item 11
n Insurance	XV	Items 6 and 8
o Advertising	X	Items 6 and 11
p Indemnification	XXIII	Item 6
q Owner's participation/management/staffing	XIII Q	Items 11 and 15
r Records and reports	XI and XII	Item 6
s Inspections and audits	VI E , X B 6 , XI A 1 , XII B , XII E , XIII M , and XIV C	Item 6
t Transfer	XIX	Item 17
u Renewal	II B , II C , XIV B , XIX 2 b 5 , and XX A 1	Item 17
v Post-termination obligations	XVIII	Item 17
w Non-competition covenants	XVI	Item 17
x Dispute resolution	XXXI	Item 17
y Personal Guaranty and Undertaking	XXIII D	Item 15

ITEM 10
FINANCING

Neither we nor any of our affiliates offer direct or indirect financing Neither we nor any of our affiliates will guarantee your lease, note, or other obligations

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

Except as listed below, Pizza 9 Franchise System LLC is not required to provide you with any assistance

<u>Before you open your Franchised Business, we or our designee will</u>

1 Provide you with site selection criteria and general building and design requirements, including brands and types of equipment, fixtures, signage, and trade dress requirements, for your Franchised Business, and we may, as needed, assist you in locating the site (Franchise Agreement, Sections III B and D)

2 Review the site you propose for your Franchised Business, and notify you in writing regarding our approval of disapproval within 15 business days after we receive all required site information from you (Franchise Agreement, Section III B)

3 Provide you with access to our Confidential Operations Manual The Confidential Operations Manual contains a total of 309 pages (Franchise Agreement, Section VII A)

4 Review all new Franchised Business opening promotional materials and advertising (Franchise Agreement, Section X)

5 Provide the initial training program as described in this Item 11 (Franchise Agreement, Sections V A and B)

<u>After your Franchised Business opens, we will</u>

1 During the 30 days of the Franchised Business operations, for a maximum of four days, we will, at our cost, provide one trainer to assist you and your staff in facilitating the Franchised Business opening (Franchise Agreement, Section V B)

2 Provide you with information regarding approved suppliers and evaluate suppliers proposed by you (Franchise Agreement, Sections XIII H and I and Section XIV B)

3 Coordinate product distribution for local, regional, and national suppliers (Franchise Agreement XIV B)

4 Make periodic visits to your Franchised Business as we reasonably determine to be necessary to provide consultation and guidance (Franchise Agreement, Section XIV D)

5 Provide refresher training courses as we determine necessary, that you and your designated employees must attend Such programs will not exceed two within any calendar year, or four business days in the aggregate You must pay all expenses for you and your employees, including training materials, travel, and living expenses (Franchise Agreement, Section V E)

6 We will provide such ongoing consultation and advice as we deem appropriate, which may include information about new product development, instruction concerning the operation and management of the Franchised Business, advertising and marketing advice, and financial and accounting advice (Franchise Agreement, Section XIV C)

7 We will maintain the Advertising and Development Fund, as further detailed in this Item 11 (Franchise Agreement, Article X)

<u>Site Selection and Opening</u>

You are responsible for locating an acceptable Franchised Business site within the site selection area identified in the Franchise Agreement We anticipate that the premises for the majority of PIZZA 9 Franchised Businesses will be leased, but you are not prohibited from acquiring a site that we have approved If the location for the Franchised Business has not been determined prior to signing the Franchise Agreement, then the location for the Franchised Business must be approved by us within 60 days following the effective date of the Franchise Agreement We will consider information related to the demographics, traffic patterns, proximity of competition, other commercial characteristics of the area, the size of the premises, appearance, and other physical characteristics of the location You must receive our written consent before developing the site, and we agree not to unreasonably withhold consent to a proposed site If a location is not approved within the 15-day time period stated in the Franchise Agreement, we may terminate the Franchise Agreement immediately upon written notice to you

The typical length of time between the signing of the Franchise Agreement, or the first payment of any consideration for the franchise, and the opening of your business is approximately three to six months Factors that may affect this period may include whether you have a site selected when you sign the

Franchise Agreement, your ability to obtain a site, prepare a site survey, arrange leasing and financing, make leasehold improvements, install fixtures, equipment, and signs, decorate the Franchised Business, meet local requirements, obtain inventory, and similar factors

You must open and begin operating your Franchised Business within 240 days after signing the Franchise Agreement If you fail to begin operations within the stated time, we may terminate the Franchise Agreement

<u>Advertising</u>

Our advertising program for the products and services offered by the PIZZA 9 System currently consists of the dissemination of promotional materials and merchandise and advertising messages at the local level We may also utilize radio campaigns, print ads, film, and television commercials, videotapes, direct mail pieces, print advertising, and Web/Internet advertising We may, as we determine, expand our advertising program to include national, regional, or local advertising and promotion Our advertising materials currently are created in-house and with the help of an outside advertising agency As our advertising program expands we may use other outside national, regional, or local agencies

During the first 30 days of operations, you must spend a minimum of $5,000 on grand opening advertising that we approve We reserve the right to increase this requirement based on your location and/or the size of your Area of Primary Responsibility, when applicable

You will initially contribute $500 to our Advertising and Development Fund ("Ad Fund") when you sign the Franchise Agreement, thereafter, you will contribute to the Ad Fund 1% of your Royalty Sales on a weekly basis ("Advertising and Development Fund Contribution") All franchisees contribute to the Ad Fund at the same rate While not contractually required to contribute to the Ad Fund, we anticipate that Company-owned and affiliate-owned restaurants will contribute on the same basis as our franchisees

We may use Ad Fund monies to pay for creative development services (including creation and modification of Franchised Business design and trade dress, logos, menu design, graphics and vehicle wraps, and advertising and promotional items, including the cost of photography services and design software), preparing and procuring market studies, providing or obtaining marketing services (including, without limitation, conducting customer surveys, focus groups, and marketing and compliance-related mystery shops and customer interviews), employing advertising and/or public relations agencies, developing, producing, distributing and placing advertising (including, without limitation, preparing and conducting media advertising campaigns in various media, local restaurant advertising and promotion in a particular area or market, or for the benefit of a particular PIZZA 9 business in connection with restaurant opening promotion or otherwise, conducting and administering in-store promotions, preparing and executing direct mail advertising, and developing, producing and purchasing point-of-sale advertising, menus and menu boards, and other sales aids and promotional items and materials), new product development and development of product packaging, developing, updating and hosting our web site (including development of locator programs) and/or an intranet or extranet system, obtaining sponsorships and endorsements, preparing and conducting sweepstakes and other promotions, developing, administering, and distributing coupons, gift certificates, stored value card and loyalty card programs, and customized promotions, and the cost of product associated with the redemption of free coupons, gift certificates, stored value cards, loyalty cards and/or other customized promotions, developing and administering other customer loyalty programs, developing and administering online ordering platforms, providing and procuring public relations services, conducting public relations activities, charitable donations, membership fees in international, national, regional, and/or local trade or other associations or organizations We also may use Ad Fund monies to reimburse ourselves for our costs of personnel and other administrative and overhead costs associated with providing the services described in this paragraph We may or may not spend all the Ad Fund contributions in the fiscal year we collect them

We will administer the Ad Fund We will not use Ad Fund monies for creating or placing any advertisement that is principally a solicitation for new franchisees, but we may include in all advertising prepared using Ad Fund monies (including Internet advertising) information concerning franchise opportunities, and a portion of Ad Fund monies may be used to create and maintain one or more pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates Any amounts contributed to the Ad Fund that are not spent in the year they are collected will remain in the Ad Fund for use during the next year

Although the Ad Fund is intended to be perpetual, we may terminate the Ad Fund at any time The Ad Fund will not be terminated, however, until all monies in the Ad Fund have been spent for advertising or promotional purposes All sums paid by you to the Ad Fund will be maintained in a separate account from our other funds An unaudited accounting of Ad Fund contributions will be prepared annually and made available to you upon your reasonable request

During our fiscal year ended December 31, 2016, Ad Fund contributions were spent as follows

30%	Media Placement
40%	Other (including, without limitation, point-of-purchase materials, website development, public relations, research, and direct mail costs)
30%	Administrative Expenses
100%	Total

Local Advertising Fund and Advertising Cooperative

In addition to the Advertising and Development Fund Contribution, you also must spend at least 2% of your Royalty Sales on local advertising and promotion ("Local Marketing Expenditure") You must obtain our written approval of all promotional and advertising materials, creative execution, and media schedules before their implementation, and you may only use your own advertising material if we have approved it before its use You must maintain a business phone at the Franchised Business and place advertisements in such local media as we may direct periodically

To obtain approval, you must submit to us or to someone we designate samples of the proposed materials and notify us of the intended media We will use good faith efforts to approve or disapprove your materials within 20 days from the date we receive them If you do not receive our written approval within this time frame, the materials are considered approved We have the right to disapprove materials that we have previously approved

We have the right to designate, in our sole judgment, any geographical area in which at least two PIZZA 9 businesses are located as a designated advertising area for the purposes of establishing a Local Marketing Fund that we control ("Local Marketing Fund") or local or regional advertising cooperative controlled by its members ("Cooperative")

If a Local Marketing Fund or Cooperative is established in your market, you must participate and contribute Any amount contributed to a Local Marketing Fund or Cooperative will be counted towards your minimum local advertising expenditures We have the right to determine the amount of contribution, in our sole judgment, provided that aggregate monthly contributions will not exceed 2% of Royalty Sales per year A Cooperative may vote to increase the required contribution amount, however, if approved by members representing at least two-thirds of the PIZZA 9 businesses in the Cooperative Any contributions you make to a Cooperative will count toward the minimum local advertising expenditure noted above

Each Franchised Business in the Cooperative will have one vote Restaurants owned by us and our affiliates will be a member of the Cooperative and will make the same contribution and have the same voting rights as franchised locations Each Cooperative will be required to adopt governing bylaws that meet our approval and that we may require the Cooperative to amend from time to time We will provide the

Cooperative with a sample form of bylaws that the Cooperative must use and we must approve, containing certain terms and conditions that we require, although the bylaws will not modify the voting structure described in this paragraph

Computer and Electronic Cash Register Systems

We are in the process of developing a proprietary software program for the purpose of conducting accounting, inventory and point-of-sale functions and other related activities ("PIZZA 9 Proprietary Software")

At present, you must purchase and utilize the point-of-sale cash register we designate, which is currently the Revention POS System We anticipate that the cost of purchasing three stations will be approximately $15,000, and the cost for six terminals will be approximately $35,000 Other requirements may include connection to remote servers, off-site electronic repositories, and high speed Internet connections We may require you to add to your POS System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software, and replace or upgrade your POS System and software as we prescribe In addition to purchasing the terminal, you must also pay our designated supplier a monthly licensing fee for ongoing support, which currently costs $140 per month In the future, we may require you to obtain the Enterprise Software System, which will allow us to look at various accounting figures in a dashboard format We anticipate that our approved supplier will charge $60 to 90 per month as part of the Enterprise Software System We also require you to purchase and maintain at least one computer with internet access for online ordering and general accounting We anticipate the cost of purchasing all required computer hardware and software systems to be approximately $500 to $2,000 We also require you to enter into a licensing agreement with an approved supplier, which is currently Revention, for online ordering services which costs approximately $79 per month

We will have the access to poll your POS System for sales for the purpose of calculating Continuing Services and Royalty Fees and Advertising and Development Fund Contributions, and we will have direct access to all of your Franchised Business operations data, including accounting records You are required to pay for Enterprise, which costs $49 per month Enterprise allows us access to your POS systems

Except for the PIZZA 9 Proprietary Software, neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your computer system

You must (a) use any proprietary software programs, system documentation manuals, and other proprietary materials that we require in connection with the operation of the Franchised Business, (b) input and maintain in your computer such data and information as we prescribe, and (c) purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt new or upgraded programs, manuals, and materials system-wide You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we prescribe, and pay all fees imposed under the agreements

Confidential Operations Manuals

Before training begins, we give you access to our confidential operations manuals ("Manuals") The Manuals may be in electronic format A copy of the table of contents of the Confidential Operations Manual is attached as Exhibit D We consider the contents of the Manuals to be proprietary, and you must treat them as confidential You may not make any copies of the Manuals

Training

You or your designated manager, if not you, and one additional employee must attend and successfully complete, to our satisfaction, our initial training The initial training program lasts approximately 14 days The training must be completed at least seven days before the Franchised Business opens The materials used in training include the Manuals as well as other presentation materials Our initial training program is subject to change, without notice, to reflect updates in the materials, methods, and manuals and changes in personnel We do not charge for this training or for materials, but you must pay the travel and living expenses for you and your employees

Our training is supervised by our Chief Executive Officer, Hasan Aslami, who has approximately 29 years of experience in the field and has been with us for eight years, and our President, Behrad Etemadi, who has eight years of experience in the field Other employees who have training experience or experience in some area of the operation of a PIZZA 9 business (for example, opening, operations, or systems management) may also assist in training

Training generally occurs at our headquarters in Albuquerque, New Mexico over a period of 14 days on as as-needed basis, but we may schedule your training to occur at a location we designate The subjects covered and other information relevant to our initial training program are described below

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-job Training	Location
Financials	0	12	Albuquerque, NM
Sanitation	0	12	Albuquerque, NM
CSR Duties	0	12	Albuquerque, NM
Employees	0	12	Albuquerque, NM
Pizza Dough	0	12	Albuquerque, New Mexico
Make Table	0	12	Albuquerque, New Mexico
Cut Table	0	8	Albuquerque, New Mexico
POS System	0	12	Albuquerque, New Mexico
Driver Duties	0	12	Albuquerque, New Mexico
Marketing	0	8	Albuquerque, New Mexico
TOTAL	0	112	

Additionally, during the first 30 days of operations, we will, at our cost, send a designated trainer to your Franchised Business to assist you and your staff with on-site opening training, supervision, and assistance for a maximum of four days At your request, or based on our assessment of your needs in connection with the opening of your Franchised Business, additional on-site training may be provided, however, you must pay for the hourly wages, costs of travel, lodging, and per diem of our designated training for any assistance in excess of the previous four days

We may require you and your designated employees to attend refresher training programs or meetings as we may require Attendance is not required at more than four such programs during any calendar year, and will not collectively exceed four business days in duration You must pay the travel and living expenses and supply costs for you and your employees All replacement managers must complete training to our satisfaction

ITEM 12
TERRITORY

You receive the right to operate a PIZZA 9 Franchised Business at a specific location described in the Franchise Agreement Your rights under the Franchise Agreement are limited to the right to develop and operate one PIZZA 9 Franchised Business at an authorized location You cannot relocate the Franchised Business without our prior written consent If we consent, you must comply with our site selection and construction procedures Our consent to any relocation will be based on various factors, including the proposed site's demographic characteristics, traffic patterns and parking, competition from other businesses in the area, and other relevant factors

PIZZA 9 Standard Restaurant

We will not, during the term of your Franchise Agreement, operate or grant others the right to operate any other PIZZA 9 Franchised Business in the area of primary responsibility ("Area of Primary Responsibility" or "APR") identified in the Franchise Agreement during the term of the Franchise Agreement, except with respect to captive markets that may be located in the APR A "Captive Market" is any facility serving a captive market, including department stores, supermarkets, shopping malls, amusement parks, airports, train stations, travel plazas, casinos, nightclubs, public facilities, college and school campuses, arenas, stadiums, ballparks, hospitals, office buildings, convention centers, airlines (in-flight service), military bases, and any other mass gathering events or locations, and facilities of any kind for which food and/or beverage service rights are contracted to a third party or parties (including, but not limited to, designated road ways and facilities adjacent thereto) The term "shopping malls" includes any retail center (enclosed or open), including "outlet malls," with an aggregate gross leasable area in excess of 350,000 square feet Continuation of your territorial protection does not depend on your achieving a certain sales volume, market penetration, or other contingency Once established, we have no right to alter the boundaries of your APR without your consent

You are restricted from selling PIZZA 9 products and services at locations outside of your APR Except when advertising cooperatively with other franchisees, you are restricted from advertising outside your APR without our prior written consent You may not engage in any mail order solicitations, catalog sales, telemarketing, Internet, or television solicitation programs or use any other advertising media outside of your APR without prior written approval

The minimum APR ranges from a 0 1-mile radius in highly populated metropolitan areas, up to a 2½-mile radius surrounding the location The exact size of the APR will be determined based on several factors, including the population base, density of population, growth trends of population, apparent degree of affluence of population, the density of residential and business entities, potential co-tenants, traffic generators, driving times, and major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas We will determine the APR and insert a description of the APR in the Franchise Agreement once the authorized location for your Franchised Business is identified and has been approved by us Nothing in the Franchise Agreement prevents us or other PIZZA 9 franchisees from engaging in delivery activities within the APR

As long as you are not in default of your Franchise Agreement we will not grant franchises or operate any other competitive business under the PIZZA 9 Marks, or different trademarks in your APR However, the Franchise Agreement expressly permits us and our affiliates to grant franchises, licenses and other concessions for retail establishments that operate outside of your S APR under the PIZZA 9 Marks, and or under different trade names, even if these establishments sell the same products and services that your Franchised Business sells

The Franchise Agreement expressly permits us to market and sell Proprietary Food Products, including items that comprise the System, both inside or outside of your APR through wholesale or retail outlets, catalogues, Internet Websites, telemarketing campaigns and other direct-order techniques We are not required to compensate you for soliciting or accepting orders in your APR

Continuation of any territorial exclusivity does not depend on the achievement of a certain sales volume, market penetration, or other contingency, and we may not alter your APR during the term of your Franchise Agreement However, we may modify your APR upon renewal You do not receive the right to acquire additional franchises within or outside of your APR unless you sign another Franchise Agreement with us

Even though you will have an APR for your Standard Restaurant, you will not receive an exclusive territory You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control You are prohibited from selling products and menu items identified by the Marks through any other channels or methods of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing, without our prior consent You may not solicit or sell products and items identified by the Marks outside the APR

PIZZA 9 Express Restaurant

You will not receive an exclusive territory or an APR You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control You are prohibited from selling products and menu items identified by the Marks through any other channels or methods of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing, without our prior consent You may not solicit or sell products and items identified by the Marks outside the boundaries of your approved location

Further, the Franchise Agreement expressly permits us and our affiliates to grant franchises, licenses and other concessions for retail establishments that operate within any proximity to your Express Restaurant under the PIZZA 9 Marks, and or under different trade names, even if these establishments sell the same products and services that your Express Restaurant sells The Franchise Agreement expressly permits us to market and sell Proprietary Food Products, including items that comprise the System, within any proximity to your Express Restaurant, through wholesale or retail outlets, catalogues, Internet Websites, telemarketing campaigns and other direct-order techniques We are not required to compensate you for soliciting are accepting orders within the boundaries of your approved location

Except when advertising cooperatively with other PIZZA 9 businesses, you are restricted from advertising outside of a 1-mile radius without our prior written consent

ITEM 13
TRADEMARKS

We own the following Mark(s) under the Principal Register of the United States Patent and Trademark Office that we may license to you for your use in connection with your Franchised Business All required affidavits have been filed

Mark	Registration Number	Registration Date	International Class
Pizza	4672969	January 13, 2015	043

We also own and are in in the process of registering the following Mark on the Principal Register

Mark	Serial Number	Application Date	International Class
Pizza 9	86923719	February 29, 2016	043

There is no presently effective determination of the U S Patent and Trademark Office, the trademark trial and appeal board, the trademark administrator, of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which is relevant to its ownership, use, or licensing

We know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise

We know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you

In addition, we own the trademark "PIZZA 9 CHICAGO-STYLE PIZZA and MORE" and registered the trademark with the Office of the New Mexico Secretary of State on October 31, 2008, Registration Number TK08103101

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks or if the proceeding is resolved unfavorably to you

You must promptly notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks You must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge, or claim We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or Patent and Trademark Office (or other) proceeding, from any infringement, challenge, or claim concerning any of the Marks You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks

You may use only the Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, "®", "™", or "SM", as appropriate You may use the Marks only in connection with the operation and promotion of the Franchised Business, and only in the manner we prescribe You may not use any of the Marks as part of your corporate or other name You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations You must sign any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability You may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so

You may not use the Marks or any part or derivative of the Mark on the Internet, except as expressly permitted in writing This prohibition includes use of the Marks or any derivative of the Marks as part of any URL or domain name, as well as their registration, as part of any user name on any gaming website or social networking website, as part of any unauthorized advertising, marketing, or promotional materials, or as part of any unauthorized email address

We have the right to substitute different trade names, service marks, trademarks, and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your expense

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents and do not have any pending patent applications that are material to the franchise We do claim copyright protection and proprietary rights in the original materials used in the System, including our Manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of PIZZA 9 businesses and the System

There is no presently effective determination of the U S Copyright Office (Library of Congress) or any court affecting our copyrights There is no currently effective agreement that limits our right to use and/or license our copyrights We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights You may not use any of our copyrighted works on the Internet without our written permission This includes display of the copyrighted works on commercial websites, gaming websites, advertising and promotion websites, and social networking websites

"Confidential Information" means all proprietary and confidential information relating to the establishment and operation of PIZZA 9 Franchised Businesses, including, without limitation (i) our standards and specifications for equipment, products, and supplier standards and specifications, (ii) site selection criteria, (iii) recipes, product preparation, packaging, and service, (iv) advertising and marketing plans and programs, (v) research, development, and test programs for products, services, and operations, (vi) the contents of our Manuals, (vii) knowledge of the operating and financial results of PIZZA 9 restaurants other than your Franchised Business(es), (viii) computer programs and systems, including electronic data files, and passwords, and (ix) all other knowledge, trade secrets, or know-how concerning the methods of operation of PIZZA 9 restaurants which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Franchise Agreement, and all other information that we designate

You and your employees must maintain the confidentiality of all Confidential Information Additionally, you and your Principal Owners (defined below in Item 15) must agree not to communicate or use our Confidential Information for the benefit of anyone else during and after the term of the Franchise Agreement You must also agree not to use our Confidential Information at all after the Franchise Agreement terminates or expires You can give this Confidential Information only to your employees who need it to operate your PIZZA 9 Franchised Business You must have your manager, and any of your other personnel who have received or will have access to our Confidential Information, sign similar covenants

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

During the term of the Franchise Agreement, you, or if not you, your designated manager must devote full-time and best efforts to the management of the Franchised Business Your "designated manager" is the individual who has the authority to actively direct the day-to-day business affairs regarding the Franchised

Business and who is responsible for overseeing the general management of the Franchised Business If any of your Principal Owners, defined below, are appointed to be designated manager, he/she must have at least 10% equity interest in the franchisee entity, otherwise, we do not require that the designated manager have any equity interest in the franchisee entity

You, the designated manager, and all assistant managers must successfully complete our training course If any of them fails to satisfactorily complete the training program We have the right to require that the designated manager be at the Franchised Business for any inspection or evaluation we conduct

You and your designated manager must attend our mandatory refresher training and/or seminars at your expense, however, attendance is not required at more than two such programs during any calendar year, and shall not collectively exceed four business days during any calendar year

All shareholders, officers, directors, partners, members, multi-unit supervisors, and all managers and other employees having access to our proprietary information must sign non-disclosure agreements in a form we require If we require, your managers and supervisory personnel and other employees receiving training from us must sign covenants not to compete in a form that we require

Each person (whether a corporation or business entity or natural person) owning a beneficial ownership in the franchise, whether directly or indirectly through a business entity or multiple business entities ("Principal Owner"), must sign our Guaranty and Personal Undertaking identified in Attachment A to the Franchise Agreement Your Principal Owners will be jointly and severally bound by all of your obligations under the Franchise Agreement by signing the Personal Guaranty and Undertaking

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All products you use or sell at the Franchised Business must conform to our standards and specifications These are described in our Manuals and other writings You must not deviate from our standards and specifications unless we first give you our written consent You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Franchised Business

You must offer and sell only the menu items, products, and services that we have expressly approved in writing You must stop selling any menu items, products, or services that we disapprove in writing There is no limit on our right to add or remove items from our standard menu, and you must promptly comply with any changes that we make to the menu You must prepare all menu items using the procedures for preparation contained in our Manuals or other written instructions You must not use or offer nonconforming items unless we first give you our written consent You must open and operate the Franchised Business during the hours we specify in the Manuals or otherwise in writing

You may not advertise, promote, post, or list information relating to the Franchised Business on the Internet (through the creation of a Website or otherwise), without our prior written consent

You may not distribute PIZZA 9 products through wholesale channels, such as supermarkets, convenience stores or other retailers, or through food service providers such as stores or airlines through in-flight services If you provide delivery services at your PIZZA 9 Standard Restaurant, you may not offer delivery services beyond the boundaries of your APR If you operate a PIZZA 9 Express Restaurant, regardless of location, you are prohibited from providing any delivery services

You may not install and offer newspaper racks, video games, gaming machines, gum machines, other games, rides, vending machines (such as cigarette machines) or other similar devices unless we have given our prior written consent to you to do so

Except as noted above, your Standard Restaurant is not limited in the customer to whom you may sell products or services to within your APR With regard to an Express Restaurant, you are limited in the customer to whom you may sell products or services to within the boundaries of your approved location

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

	Provision	Section in Franchise Agreement	Summary
a	Length of franchise term	II A	lesser of (a) the term of the lease or sublease for the Franchised Business, or (b) 10 years from the date of execution of the Franchise Agreement
b	Renewal or extension of the term	II B	You have the right to renew the Franchise Agreement at the expiration of the initial term for one additional successive term equal to the lesser of (a) the term of your lease or sublease for the premises of the Franchised Business, or (b) one ten year term
c	Requirements for franchisee to renew or extend	II C	To remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document Other requirements are you give us written notice of your decision to renew at least six months, but not more than 12 months, before the end of the expiring term, you have complied with the modernization requirements for your Franchised Business, you are not in default and have satisfied your obligations on a timely basis, if leasing, you have written proof of your ability to remain in possession of the Franchised Business premises throughout the renewal term, you comply with our training requirements, and you and your Principal Owners sign a general release
d	Termination by franchisee	XVII A	If you are in complete compliance with the Franchise Agreement and we materially breach the Franchise Agreement and fail to cure such breach within a reasonable time after written notice is delivered to us, you may terminate the Franchise Agreement Such termination will be effective thirty (30) days after delivery to us of notice that such breach has not been cured and you elect to terminate the Agreement
e	Termination by franchisor without cause	Not Applicable	Not Applicable

	Provision	Section in Franchise Agreement	Summary
f	Termination by franchisor with cause	XVII B	We can terminate the Franchise Agreement only if you default or fail to comply with your obligations
g	"Cause" defined – curable defaults	XVII B	You have 10 days to cure non-payment of amounts due and owing, you have 30 days to cure the non-submission of reports and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in h below
h	"Cause" defined – noncurable defaults	XVII B	Non-curable defaults include Authorized location is not designated by you and approved by us within 60 days from the date of the Franchise Agreement, any material misrepresentation or omission in your application for a franchise, abandonment, loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate, abandon or refuse to operate the Franchised Business for two consecutive business days in any 12 month period, except as permitted by us, the closing of the Franchised Business by the authorities for health or public safety reasons, unauthorized use of confidential information, your insolvency, unapproved assignments or transfers, defaults that materially impair the goodwill associated with any of the Marks, criminal convictions, intentionally (or unintentionally in two or more occasions) understating or underreporting Royalty Sales or other fees, multiple defaults, failure to cure within 24 hours of notice a default which violates any health, safety or sanitation law or regulation or any system standard as to food handling, cleanliness, health or sanitation, failure to decorate and equip the Franchised Business as required by us, or refuse to make payments due us following the 10 day cure period
i	Franchisee's obligations on termination/non-renewal	XVIII	Obligations include complete de-identification and payment of amounts due, assignment of lease upon our demand and telephone numbers, return of Manuals and proprietary materials and

	Provision	Section in Franchise Agreement	Summary
			right to purchase assets of the Franchised Business (refer to "o" and "r" below) Alternatively, we have the right, in our sole discretion to, within after 20 days following the stated cure period, enter into the Franchised Business and exercise complete authority to operate the Franchised Business In this event, you must pay us our $200 per day service fee, plus our related expenses, until cured
j	Assignment of contract by franchisor	XIX A	No restriction on our right to assign
k	"Transfer" by franchisee - defined	XIX	Includes any transfer of your interest in the Franchise Agreement or in the business or any ownership change
l	Franchisor approval of transfer by franchisee	XIX	We have the right to approve all transfers under the Franchise Agreement but will not unreasonably withhold approval
m	Conditions for franchisor approval of transfer	XIX	Transferee meets all of our then-current requirements, transfer fee paid, all amounts owed by prior franchisee paid, required modernization is completed, training completed, transferee signs then current form of franchise agreement, general release signed by you and your Principal Owners, full compliance with your obligations under the Franchise Agreement, and other conditions that we may reasonably require from time to time as part of our transfer policies (also see r below)
n	Franchisor's right of first refusal to acquire franchisee's business	XXI	We can match any offer for your Franchised Business
o	Franchisor's option to purchase franchisee's business	XVIII J	Upon termination, we have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Franchised Business, including the land, building, equipment, fixtures, signs, furnishings, supplies, leasehold improvements, and inventory

	Provision	Section in Franchise Agreement	Summary
p	Death or disability of franchisee	XX A	You can transfer your franchise rights to your heir or successor in interest like any other transfer Such transfer must occur within 180 days following the event of death or disability In the event you become disabled, we may elect to, or you may request us to, operate the Franchised Business for a limited period of time, and you agree to pay our $200 service fee and our related costs
q	Non-competition covenants during the term of the franchise	XVI C	No direct or indirect involvement in the operation of any similar business as the franchise other than the one authorized in the Franchise Agreement Neither you nor your Principal Owners may induce or seek to induce any PIZZA 9 employee (whether employed by us or other PIZZA 9 franchisees) away from their employment
r	Non-competition covenants after the franchise is terminated or expires	XVI D	No direct or indirect involvement in a competing business for two years (i) at the premises of the former Franchised Business (ii) within a 10 mile radius of the former Franchised Business or (iii) within a 10 mile radius of any other PIZZA 9 business using the System
s	Modification of the agreement	XVI G and IX	No modifications generally, but we have the right to change the Manuals, list of authorized trademarks, and menu
t	Integration/merger clause	XXIX	Only the terms of the Franchise Agreement are binding (subject to state law) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable
u	Dispute resolution by arbitration or mediation	XXXI	Except for certain claims, all disputes must be arbitrated in Albuquerque, New Mexico (subject to state law)
v	Choice of forum	XXXI A	Arbitration must take place in Albuquerque, New Mexico Litigation must be in the federal or state courts that service the county of our principal place of business at the time the litigation is initiated (subject to state law)
w	Choice of law	XXX A	New Mexico law applies (subject to state law)

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the franchise

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Hasan Aslami, at 5643 Jefferson Street NE, Suite A, Albuquerque, New Mexico 87109, (505) 615-1409, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2014 TO 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at End of Year	Net Change
Franchised	2014	10	15	+4
	2015	15	17	+2
	2016	17	20	+3
Company-Owned	2014	2	1	-1
	2015	1	2	+1
	2016	2	2	0
Total Outlets	2014	12	15	+3
	2015	15	19	+5
	2016	19	22	+3

Table No 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2014 TO 2016

State	Year	Number of Transfers
Nevada	2014	0
	2015	0
	2016	1
New Mexico	2014	4
	2015	0
	2016	1
Texas	2014	0
	2015	0
	2016	1
Totals	2014	4
	2015	0
	2016	3

Table No 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2014 TO 2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
California	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Nevada	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
New Mexico	2014	12	3	0	0	0	0	15
	2015	15	2	0	0	0	0	17
	2016	17	1	1	0	0	0	17
Oklahoma	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Texas	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Totals	2014	10	4	0	0	0	0	14
	2015	14	3	0	0	0	0	17

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2016	17	3	0	0	0	0	20

Table No 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2014 TO 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
New Mexico	2014	2	0	0	0	1	1
	2015	1	1	0	0	0	2
	2016	2	1	0	0	1	2
Totals	2014	2	0	0	0	1	1
	2015	1	1	0	0	0	2
	2016	2	1	0	0	1	2

Table No 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2016

State	Franchise Agreements Signed But Outlets Not Open	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company-owned Outlets in Next Fiscal Year
California	0	3	0
Nevada	0	2	0
New Mexico	1	5	0
Oklahoma	0	1	0
Texas	2	5	0
Totals	3	16	0

Exhibit E reflects the name of each of our franchisees and the address and telephone numbers of their Franchised Businesses as of December 31, 2016 Exhibit E also reflects the name, city, state, and current business (or if unknown, home) telephone number of every franchisee who ceased to do business under the Franchise Agreement or had an outlet terminated, canceled, not renewed, or transferred within the last fiscal year ended December 31, 2016, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document

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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise System

Currently, there are no trademark specific franchisee associations

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A are our __________, 2016

ITEM 22
CONTRACTS

Attached as Exhibit B is our current form of Franchise Agreement with all Attachments

Attached as Exhibit C is our current form of General Release (sample form)

ITEM 23
RECEIPT

Exhibit H of this disclosure document are detachable duplicate Receipts Please sign and date both copies of the Receipt Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt

STATE SPECIFIC ADDENDA

FOR THE STATE OF CALIFORNIA

1 Item 1 of the Disclosure Document is supplemented by the following

The State of California has codified regulations specific to the food service industry You may refer to California Plan Check Guide for Retail Food Facilities at http //www ccdeh com/resources/documents/food-safety-guidelines-1/152-california-plan-check-guide-for-retail-food-facilities-2/file For further requirements, please see the California Retail Food Code at http //www cdph ca gov/services/Documents/fdbRFC pdf

2 Item 3 is supplemented by the following

Neither we nor any person identified in Item 2, or an Affiliate or franchise broker offering franchises under our principal trademark 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, 15 U S C A 78a et seq , suspending or expelling such person from membership in such association or exchange

4 Item 17 is supplemented by the following

The Franchise Agreement requires you to sign a general release of claims on renewal or transfer California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void

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

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

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise This provision may not be enforceable under California law but we will enforce it to the extent enforceable

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

California Corporations Code, Section 31125 requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise

The Franchise Agreement requires the application of the laws of New Mexico This provision may be unenforceable under California law

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

6 OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at WWW DBO CA GOV

EXHIBIT A
FINANCIAL STATEMENTS

EXHIBIT B
PIZZA 9 FRANCHISE AGREEMENT

PIZZA 9 FRANCHISE AGREEMENT
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PIZZA 9
FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement"), made this ________ day of, ____________________ 20____, by and between PIZZA 9 FRANCHISE SYSTEM, LLC, a New Mexico limited liability company having its principal place of business at 5643 Jefferson Street NE, Suite A, Albuquerque, New Mexico 87109, and a mailing address of P O Box 21614, Albuquerque, NM 87154 (hereinafter referred to as "Franchisor"), and ____

____

(hereinafter referred to as "Franchisee")

WITNESSETH

WHEREAS, Franchisor, over a period of several years and as the result of the expenditure of time, skill, effort, and money (a) has developed and owns a proprietary system (hereinafter referred to as the "System"), identified by the mark "PIZZA 9", relating to the establishment, development and operation of restaurant facilities providing (i) on-premises dining, (ii) delivery and carry out services, and featuring a limited menu of Chicago style deep dish pizza, thin crust pizza, specialty sandwich, calzone, and dessert, and soft drinks, all prepared in accordance with specified recipes and procedures (hereinafter collectively referred to as "Menu Items"), (b) has developed and owns proprietary prepackaged "pizza dough blend" and special blend "pizza sauces" used in pizza products (hereinafter referred to as "Proprietary Food Products"), (c) has developed and owns a secret process for preparing the Proprietary Food Products (hereinafter the "Trade Secret Process"), all of which may be changed, improved or further developed by Franchisor from time to time, and (d) has developed substantial consumer acceptance and demand for the Proprietary Food Products, and

WHEREAS, the distinguishing characteristics of the System include, without limitation, a specific exterior and interior layout, design and color scheme, exclusively designed signage, decorations, furnishings and materials, special recipes, formulae, menu, and food and beverage designations, the PIZZA 9 Confidential Operations Manual, the PIZZA 9 Proprietary Software Program, if any, the Proprietary Food Products, the Trade Secret Process, food and beverage storage, preparation and service procedures and techniques, operating procedures for sanitation and maintenance, and methods and techniques for inventory and cost controls, record keeping and reporting, personnel management, purchasing, sales promotion and advertising, all of which may be changed, improved and further developed by Franchisor from time to time, and

WHEREAS, Franchisor is the owner of the right, title, and interest together with all the goodwill connected thereto in and to the trade names, service marks and trademarks "PIZZA 9", logos and symbols, if any, and such other trade names, service marks and trademarks, as are now designated (and may hereinafter be designated by Franchisor in writing) as part of the System (hereinafter referred to as "Mark(s)"), and Franchisor continues to develop, use and control such Marks for the benefit and use of itself and its franchisees in order to identify for the public the source of food products and services marketed thereunder and to represent the System's high standards of Menu Items, operations, quality, food products, ingredients, appearance and service, and

WHEREAS, Franchisor grants to qualified persons franchises to own and operate PIZZA 9 restaurants offering food products and services authorized and approved by Franchisor and utilizing Franchisor's System and Marks, and Franchisee desires to operate a PIZZA 9 restaurant under Franchisor's System and using the Marks and has applied for a franchise and such application has been approved by Franchisor in reliance upon all of the representations made therein, and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality and service and the necessity of operating the PIZZA 9 restaurant in conformity with Franchisor's standards and specifications, and

WHEREAS, Franchisor expressly disclaims the making of and Franchisee acknowledges that he has not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement, and Franchisee acknowledges that he has read this Agreement and the Franchisor's disclosure document and that he has no knowledge of any representations by the Franchisor, or its officers, employees or agents that are contrary to the statements made in the Franchisor's disclosure document or to the terms herein

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

I APPOINTMENT AND FRANCHISE FEE

A Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, the right, franchise and privilege to use the Mark "PIZZA 9 " and other Marks of Franchisor, and Franchisee undertakes the obligation, to operate a PIZZA 9 restaurant facility featuring the Menu Items and providing on-premises dining, delivery, and carry out services (the "Franchised Restaurant"), and to use solely in connection therewith Franchisor's System, as it is currently established, and as it may be changed, improved and further developed from time to time, at one location only, such location to be

(1)____

____

____

or

(2) At a location to be designated, as provided In Article III hereof within the following area

____

____

Provided, however, that when a location has been designated and approved by the parties, said location shall become Section I A 1 , as if originally incorporated therein Franchisee shall not relocate its restaurant facility without the prior written approval of Franchisor

B Franchisee receives an exclusive area that will vary in size and dimensions Franchisor shall not grant to itself or another person a PIZZA 9 franchise within such exclusive area The criteria used for determining the boundaries of the Area of Primary Responsibility include the population base, density of population, growth trends of population, apparent degree of affluence of population, major and restricting topographical features which clearly define contiguous areas, such as rivers, mountains, major freeways, and underdeveloped land areas, and the density of residential and business entities As a result of these considerations, an exclusive area may vary in size from a 0 1 (1) mile radius to a two and one-half (2 1/2) mile radius from the location of the Franchised Restaurant, unless in a densely populated area The determination of the exclusive area shall be made and agreed upon between Franchisor and Franchisee

C Franchisor will not, so long as this Agreement is in force and effect and Franchisee is not in default under any of the terms hereof, enfranchise or operate any other PIZZA 9 facility within the following area ____________________________________

____

(hereinafter "Area of Primary Responsibility") However, Franchisor has the right to grant such other franchises outside of the Area of Primary Responsibility as Franchisor, in its sole and exclusive discretion, deems appropriate Franchisor, both within and outside of the Area of Primary Responsibility, reserves the right *1)* to offer and sell at wholesale or retail (or any other species of retail vendor whatsoever), the Proprietary Food Products that comprise, or may in the future comprise, a part of the PIZZA 9 System, which products may be resold at retail to the general public by such entities, *2)* to sell at both wholesale and retail all products and services which do not comprise a part of the PIZZA 9 System Those products and services which comprise a part of the PIZZA 9 System are delineated and set forth in detail in the PIZZA 9 Confidential Operations Manual (hereinafter the "Confidential Operations Manual", discussed in detail hereunder), which Manual may be amended from time to time to reflect additions to, deletions from and modifications to the specification of those services and products which comprise a part of the System, and *3)* to operate a PIZZA 9 franchised business and license the use of the Marks and System in "Captive Markets " "Captive Market" means any facility serving a captive market, including department stores, supermarkets, shopping malls, amusement parks, airports, train stations, travel plazas, casinos, nightclubs, restaurants, public facilities, college and school campuses, arenas, stadiums, ballparks, hospitals, office buildings, convention centers, airlines (in-flight service), military bases, and any other mass gathering events or locations, and facilities of any kind for which food and/or beverage service rights are contracted to a third party or parties (including, but not limited to, designated road ways and facilities adjacent thereto) As used herein, the term "shopping malls" includes any retail center (enclosed or open), including "outlet malls," with an aggregate gross leasable area in excess of 350,000 square feet

D Nothing contained herein shall prevent Franchisor or other franchisees in the System to engage in delivery activities within the Area of Primary Responsibility However, Franchisor or other System franchisees shall not actively solicit prospective clientele or conduct any advertising activities in the Area of Primary Responsibility for delivery services and activities

E In consideration of the franchise granted herein, Franchisee shall pay to Franchisor a franchise fee in the following amount (INITIAL THE PROVISION THAT APPLIES)

_______ (1) EIGHTEEN THOUSAND AND FIVE HUNDRED Dollars ($18,500 00)

_______ (2) ________________ (ENTER AMOUNT MINUS ANY DISCOUNT AND SIGN APPROPRIATE AMENDMENTS)

Said fee shall be deemed fully earned and non-refundable, except as otherwise noted herein, upon execution of this Agreement as consideration for expenses incurred by Franchisor in furnishing assistance and services to Franchisee and for Franchisor's lost or deferred opportunity to franchise others, except as may be specifically provided hereinafter in this Agreement and/or any Attachment or Exhibit attached hereto

F Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any System franchisee based upon the peculiarities of the particular site or circumstance, density of population, business potential, population of trade area, existing business practices or any other condition that Franchisor deems to be of importance to the successful operation of such franchisee's business Franchisee shall not be heard to complain on account of any variation from standard specifications and practices granted to any other franchisee and shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation hereunder

G In consideration of Franchisor's agreement not to grant another franchise in the Area of Primary Responsibility set forth in Section I C herein, Franchisee at all times agrees to use its best efforts to promote and increase the sales and service of Menu Items and to effect the widest and best possible distribution and delivery throughout the Area of Primary Responsibility, soliciting, servicing and promptly delivering to all potential customers and accounts for PIZZA 9 food products and services Failure of Franchisee to devote its best efforts to adequately represent the PIZZA 9 restaurant in its Area of Primary Responsibility through its sales, service and delivery efforts shall be deemed just cause for termination

H If Franchisor determines that, within fifteen (15) days from the date of this Agreement, Franchisee fails to meet Franchisor's then-current criteria based on the information provided by Franchisee in the application process, this Agreement shall be terminated and the franchise fee (pursuant to Section I E above) received by Franchisor less THREE THOUSAND Dollars ($3,000 00) shall be returned to Franchisee Said payment of THREE THOUSAND Dollars ($3,000 00) shall serve as agreed liquidated damages in payment for Franchisor's expenses and services Franchisee and Franchisor agree that said amount set forth to with, THREE THOUSAND Dollars ($3,000 00), as liquidated damages is a reasonable amount and that due to the nature of the subject matter, it will be impossible to ascertain the exact amount of damages sustained by the recipient therefor

II TERM AND RENEWAL

A This Agreement shall be effective and binding from the date of its execution for an initial term equal to the lesser of (1) the term of Franchisee's lease or sublease for the premises of the Franchised Restaurant, or (2) a ten (10) year term commencing on the date of this Agreement

B Franchisee shall have the right to renew this franchise before the expiration of the initial term of the franchise for one (1) additional successive term equal to the lesser of (1) the term of Franchisee's lease or sublease for the premises of the Franchised Restaurant, or (2) one (1) ten (10) year term, providing all of the conditions hereinafter set forth have been fulfilled

(1) Franchisee has, during the entire term of this Agreement, substantially complied with all its provisions,

(2) Franchisee maintains possession of the Franchised Restaurant and before the expiration date of this Agreement has brought the Franchised Restaurant into full compliance with the specifications and standards then applicable for new or renewing PIZZA 9 facilities and presents evidence satisfactory to Franchisor that it has the right to remain in possession of the Franchised Restaurant premises for the duration of any renewal term, or, in the event Franchisee is unable to maintain possession of the premises, or in the judgment of Franchisor the Franchised Restaurant should be relocated, Franchisee secures substitute premises approved by Franchisor and has furnished, stocked and equipped such premises to bring the Franchised Restaurant at its substituted premises into full compliance with the then-current specifications and standards before the expiration date of this Agreement,

(3) Franchisee has given notice of renewal to Franchisor as provided hereinafter,

(4) Franchisee has satisfied all monetary obligations owed by Franchisee to

Franchisor and has timely met these obligations throughout the term of this Agreement,

(5) Franchisee has executed upon renewal Franchisor's then-current form of franchise agreement (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise), which agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement, including, without limitation, a different percentage of continuing services and royalty fees and advertising contribution, provided, however, Franchisee shall not be required to pay the then-current initial franchise fee or its equivalent,

(6) Franchisee has complied with Franchisor's then-current qualification and training requirements, and

(7) Franchisee has executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its respective officers and employees

C If Franchisee desires to renew this franchise before the expiration of this Agreement, Franchisee shall give Franchisor written notice of its desire to renew at least six (6) months, but not more than twelve (12) months, prior to the expiration of the initial term of this Agreement Within ninety (90) days after its receipt of such timely notice, Franchisor shall furnish Franchisee with written notice of (1) reasons which could cause Franchisor not to accept any such renewal notice including but not limited to any deficiencies that require correction and a schedule for correction thereof by Franchisee, and (2)

Franchisor's then-current requirements relating to the image, appearance, decoration, furnishing, equipping and stocking of PIZZA 9 facilities, and a schedule for effecting upgrading or modifications in order to bring the Franchised Restaurant in compliance therewith, as a condition of renewal Renewal of the franchise shall be conditioned upon Franchisee's compliance with such requirements and continued compliance with all the terms and conditions of this Agreement up to the date of termination of the initial term, or as set forth in writing by Franchisor

D Franchisor shall give Franchisee written notice of its election not to renew the franchise at least 30 days prior to the expiration of the initial term of this Agreement Such notice shall specify the reasons for nonrenewal

III RESTAURANT AND LOCATION

A Franchisee shall operate the Franchised Restaurant only at the location specified in Article I hereof If the lease for the site of the Franchised Restaurant expires or terminates without fault of Franchisee, or if the site is destroyed, condemned or otherwise rendered unusable, or if in the judgment of Franchisor there is a change in character of the location of the Franchised Restaurant sufficiently detrimental to Franchisee's business potential to warrant its relocation, Franchisor will grant permission for relocation of the Franchised Restaurant within Franchisee's Area of Primary Responsibility at a location and site acceptable to Franchisor Any such relocation shall be at Franchisee's sole expense and Franchisor shall have the right to charge Franchisee for any and all reasonable costs incurred by Franchisor, and a reasonable fee for its services, in connection with any such relocation of the Franchised Restaurant

B Franchisee shall be responsible for purchasing or leasing a suitable site for the Franchised Restaurant Prior to the acquisition by lease or purchase of any site for the premises of the Franchised Restaurant, Franchisee shall submit a description of the proposed site to Franchisor, together with a letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the proposed site Franchisor shall provide Franchisee written notice of approval or disapproval of the proposed site within fifteen (15) business days after receiving Franchisee's written proposal

C After receiving Franchisor's written approval of the location of the Franchised Restaurant as provided in Section III B hereof, Franchisee shall, subject to the prior approval of terms by Franchisor execute a lease (if the premises are to be leased) or a binding agreement to purchase the site Franchisor's approval of the lease shall be conditioned upon inclusion in the lease of terms acceptable to Franchisor, and at Franchisor's option, shall contain such provisions, including, but not limited to

(1) A provision reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the leasehold interest upon termination or expiration of the franchise grant,

(2) A provision which expressly permits the lessor of the premises to provide Franchisor all sales and other information lessor may have related to the operation of the Franchised Restaurant, as Franchisor may request,

(3) A provision which requires the lessor concurrently to provide Franchisor with a copy of any written notice of deficiency under the lease sent to Franchisee and which grants to Franchisor, in its sole discretion, the right (but not obligation) to cure any deficiency under the lease, should Franchisee fail to do so within fifteen (15) business days after the expiration of the period in which Franchisee had to cure any such default,

(4) A provision which evidences the right of Franchisee to display the Proprietary Marks in accordance with the specifications required by the Confidential Operations Manual, subject only to the provisions of applicable law,

(5) A provision that the premises be used for the operation of a franchised PIZZA 9 restaurant, and

(6) A provision which expressly states that any default under the lease shall constitute a default under the Agreement, and any default under the Agreement shall constitute a default under the lease

D If the franchise location is not designated above, Franchisor agrees to use reasonable efforts to help analyze Franchisee's market area, to help determine site feasibility, and to assist in the designation of the franchise location, which must be approved by Franchisor While Franchisor agrees to utilize his experience and expertise in a designation of location, nothing contained herein shall be interpreted as a guarantee of success for said location nor shall any site recommendation or approval made by Franchisor be deemed a representation that any particular site is available for use as a PIZZA 9 facility It shall be the sole responsibility of Franchisee to undertake site selection activities and otherwise secure premises for Franchisee's Franchised Restaurant

E In the event no acceptable site is found and approved by the parties within sixty (60) days from the date of this Agreement, then and in that event, upon written application from either party, this contract shall be terminated and deposits received by Franchisor less FIVE THOUSAND Dollars ($5,000 00) shall be returned to Franchisee Said payment of FIVE THOUSAND Dollars ($5,000 00) shall serve as agreed liquidated damages in payment for Franchisor's expenses and services Franchisee and Franchisor agree that said amount set forth to with, FIVE THOUSAND Dollars ($5,000 00) as liquidated damages is a reasonable amount and that due to the nature of the subject matter, it will be impossible to ascertain the exact amount of damages sustained by the recipient therefor

F Franchisee agrees that promptly after obtaining possession of the site for the Franchised Restaurant he will (1) cause to be prepared and submit for approval by Franchisor a site survey and any modifications to Franchisor's basic architectural plans and specifications (not for construction) for a PIZZA 9 restaurant (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating) required for the development of a PIZZA 9 restaurant at the site leased or purchased therefor, provided that Franchisee may modify Franchisor's basic plans and specifications only to the extent required to comply with all applicable ordinances, building codes and permit requirements and with prior notification to and approval by Franchisor, (2) obtain all required zoning changes, all required building, utility, health, sanitation, and sign permits and licenses and any other required permits and licenses, (3) purchase or lease equipment, fixtures, furniture and signs as provided herein, (4) complete the construction and/or remodeling, equipment, fixture, furniture and sign installation and decorating of the Franchised Restaurant in full and strict compliance with plans and specifications therefor approved by Franchisor and all applicable ordinances, building codes and permit requirements, (5) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services, (6) provide Franchisor a signed ACH Authorization (Attachment B) at least 10 business days prior to opening the PIZZA 9 restaurant, and (vi) otherwise complete development of and have the Franchised Restaurant ready to open within 240 days after signing this Agreement, and commence the conduct of its business in accordance with Article XIII hereof

G Franchisee shall be required to periodically make reasonable capital expenditures to remodel, modernize and redecorate the Franchised Restaurant and to replace and modernize the premises of the Franchised Restaurant so that the Franchised Restaurant will reflect the then-image intended to be portrayed by PIZZA 9 facilities All remodeling, modernization, or redecoration of the Franchised Restaurant and its premises must be done in accordance with the standards and specifications as prescribed by the Franchisor from time to time and with the prior written approval of the Franchisor All replacements must conform to Franchisor's then-current quality standards and specifications and must be approved by Franchisor in writing Franchisee shall not be required to remodel, modernize and redecorate the Franchised Restaurant and its premises more than once during the term of this Agreement requiring expenditures in excess of TWENTY-FIVE THOUSAND Dollars ($25,000 00)

H Franchisee may relocate the Restaurant only with Franchisor's prior written consent and payment of the Relocation Fee in the amount of FIVE THOUSAND Dollars ($5,000) Franchisor will grant its consent if Franchisee's lease expires or terminates through no fault of Franchisee's or if the Restaurant is destroyed or materially damaged by fire, flood, or other natural catastrophe (an "Innocent Loss or Casualty") and Franchisee is not in default of this Agreement or any other agreement between Franchisee and Franchisor or its Affiliates Selection of the relocation site and Restaurant construction, renovation, and opening shall be governed by this Section III H , provided that if the relocation occurred as a result of an Innocent Loss or Casualty event, the Restaurant must be open for business at the new location within 240 days of closing at the previous location, however, if the relocation occurred for any other reason, the Restaurant must be open for business at the new location within five days of closing at the previous location You are solely responsible for all relocation costs and expenses

IV EQUIPMENT, FIXTURES, FURNITURE AND SIGNS

A Franchisor shall provide Franchisee with specifications for brands and types of food and beverage preparation, dispensing, storage and display equipment, delivery and related motor vehicles, cash registers, other equipment, fixtures, furniture, exterior and interior signs, and decorating required for the Franchised Restaurant Specifications may include minimum standards for delivery, performance, warranties, design and appearance, and local zoning, sign, and other restrictions Franchisee may purchase or lease original and replacement equipment, fixtures, furniture, signs and decorating materials and services meeting such specifications from any source If Franchisee proposes to purchase or lease any item of equipment or furniture or any fixture, sign or decorating materials not theretofore approved by Franchisor as meeting its specifications, Franchisee shall first notify Franchisor and Franchisor may require submission of sufficient specifications, photographs, drawings and/or other information and samples to determine whether such item of equipment or furniture, or such fixture, sign or decorating materials meets its specifications Franchisor shall advise Franchisee within a reasonable time whether such item of equipment or furniture, or such fixture, sign or decorating materials meets its specifications

B Franchisee shall comply with all specifications for brand and type of equipment used in the Franchised Restaurant as provided in Article XIII herein

V TRAINING AND ASSISTANCE

A Franchisor shall make training available to Franchisee or to Franchisee's designated manager if applicable, and to one (1) additional employee of Franchisee Franchisee and Franchisee's designated manager are required to attend, and successfully complete to Franchisor's satisfaction prior to opening for business, a training and familiarization course of fourteen (14) days in duration to be conducted at Franchisor's headquarters or at such other place as Franchisor shall designate Said training program shall cover material aspects of the operation of a PIZZA 9 franchise, including financial controls, general bookkeeping procedures, food preparation, service and operational techniques, familiarization with recipes and cooking procedures, marketing and advertising techniques, sanitation and maintenance procedures, deployment of labor, and maintenance of quality standards Franchisor retains the right to extend the initial training program for a period not to exceed fourteen (14) additional days In the event Franchisee's designated manager ceases for any reason to be employed by Franchisee, Franchisee shall appoint a new manager, such new manager shall be required to attend and successfully complete the training course All expenses incurred by Franchisee and his employees in attending such program, including without limitation, travel, room and board expense, shall be the sole responsibility of Franchisee

B For a maximum of four (4) business days during the first 30 days of operation of Franchisee's Franchised Restaurant, Franchisor will furnish to Franchisee, at Franchisee's premises and at Franchisor's expense, one (1) of Franchisor's representatives for the purpose of facilitating the opening of Franchisee's Franchised Restaurant During this period, such representative will also assist Franchisee in establishing and standardizing procedures and techniques essential to the operation of a PIZZA 9 restaurant and shall assist in training personnel Should Franchisee request additional assistance from Franchisor in order to facilitate the opening of the Franchised Restaurant or otherwise, and should Franchisor consent to such request, Franchisee shall pay Franchisor $300 per day for each individual providing assistance plus reimbursement of Franchisor's related travel, lodging, and dining expenses

C Each of Franchisee's employees shall complete a training program as prescribed in the Confidential Operations Manual All such training programs shall be conducted under the direction of Franchisee or Franchisee's designated manager

D If the Franchisor determines in its sole discretion that Franchisee is unable to satisfactorily complete the training program at Franchisor's headquarters, Franchisor shall have the right to terminate this Agreement in the manner herein provided If this Agreement is terminated pursuant to this Section V D , upon written application from either party, this contract shall be terminated and the franchise fee (pursuant to Section I E above) received by Franchisor less FIVE THOUSAND Dollars ($5,000 00) shall be returned to Franchisee Said payment of FIVE THOUSAND Dollars ($5,000 00) shall serve as agreed liquidated damages in payment for Franchisor's expenses and services Franchisee and Franchisor agree that said amount set forth to with, FIVE THOUSAND Dollars ($5,000 00) as liquidated damages is a reasonable amount and that due to the nature of the subject matter, it will be impossible to ascertain the exact amount of damages sustained by the recipient therefor Upon return of said amount, the Franchisor shall be fully and forever released from any claims or causes of action the Franchisee may have under or pursuant to the Agreement and Franchisee shall have no further right, title or interest in the Mark PIZZA 9

E Franchisor from time to time may provide and, if it does, may require that previously trained and experienced Franchisees or their managers or employees attend and successfully complete refresher training programs or seminars to be conducted within Franchisee's Metropolitan Statistical Area (MSA), as that term is defined by the Census Bureau of the United States, and at such location as may be designated by Franchisor, and at Franchisee's expense, provided, however, that attendance will not be required at more than four (4) such programs in any calendar year and which shall not collectively exceed four (4) business days in duration during any calendar year

VI PROPRIETARY MARKS

A Franchisee acknowledges that Franchisor is the owner of all right, title and interest together with all the goodwill of "PIZZA 9", and all proprietary marks associated therewith (hereinafter collectively "Marks") and Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor from time to time during the term of the Franchise Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks Franchisee acknowledges and agrees that all usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor and that this Agreement does not confer any goodwill or other interests in the Marks upon Franchisee Franchisee shall not, at any time during the term of this Agreement, or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of the Marks All provisions of this Agreement applicable to the Marks apply to any and all additional trademarks, service marks, and commercial symbols authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement

B Franchisee shall not use any Mark or part thereof as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor may Franchisee use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor Franchisee agrees to give such notices of trademark and service mark registrations as Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law Franchisee shall not use any of the Marks in any manner which has not been specified or approved by Franchisor

C Franchisee shall promptly notify Franchisor of any claim, demand, or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof Franchisee also agrees to notify Franchisor of any action, claim or demand against Franchisee relating to the Marks, and Franchisor shall have the sole right and duty to defend any such action Franchisor shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks and shall exercise such right in Franchisor's sole discretion In any defense or prosecution of any litigation relating to the Marks or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor and execute any and all documents and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution Both parties shall make every effort consistent with the foregoing to protect, maintain, and promote the names PIZZA 9, and its distinguishing characteristics (and the other service marks, trademarks, slogans, etc , associated with the System) as standing for the System and only the System Franchisor makes no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Marks

D If it becomes advisable at any time, in Franchisor's sole discretion, for Franchisor to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade names, trademarks, service marks, or other commercial symbols, Franchisee agrees to comply with Franchisor's directions within a reasonable time after notice to Franchisee by Franchisor, Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Mark

E In order to preserve the validity and integrity of the Marks and copyrighted material licensed herein and to assure that Franchisee is properly employing the same in the operation of its Franchised Restaurant, Franchisor or its agents shall have the right of entry and inspection of Franchisee's premises and operating procedures at all reasonable times Franchisor shall have the right to observe the manner in which Franchisee is rendering its PIZZA 9 services and conducting its operations to confer with Franchisee's employees and customers, and to select Menu Items, ingredients, food and non-food products beverages, and other items, products, delivery vehicles, materials and supplies for test of content and evaluation purposes to make certain that the Menu Items, ingredients, food and non-food products, services, delivery vehicles, materials, equipment and operations are satisfactory and meet the quality control provisions and performance standards established by Franchisor

VII CONFIDENTIAL OPERATIONS MANUAL

A The Franchisor will loan to Franchisee during the term of the franchise one (1) copy of a Confidential Operations Manual containing reasonable, mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by Franchisor for PIZZA 9 restaurants and information relative to other obligations of Franchisee hereunder in the operation of its Franchised Restaurant The Confidential Operations Manual contains proprietary information of the Franchisor and shall be kept confidential by Franchisee both during the term of the franchise and subsequent to the expiration and/or termination of the franchise The Franchisor shall have the right to add to and otherwise modify the Confidential Operations Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by the Franchisor for PIZZA 9 restaurants, provided that no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement

B The Confidential Operations Manual shall at all times remain the sole property of Franchisor and shall promptly be returned upon the expiration or other termination of this Agreement

C Franchisee shall at all times ensure that its copy of the Confidential Operations Manual be available at the facility premises in a current and up-to-date manner, and in the event of any dispute as to the contents of the Confidential Operations Manual, the terms of the master copy of the Confidential Operations Manual maintained by Franchisor at Franchisor's home office shall be controlling

VIII CONFIDENTIAL INFORMATION

A Franchisee acknowledges that his entire knowledge of the operation of a PIZZA 9 restaurant, including without limitation the method of preparation of Menu Items and other food products and other specifications, the Trade Secret Process, product formulae, standards and restaurant operating procedures of a PIZZA 9 restaurant is derived from information disclosed to Franchisee by Franchisor and that such information is proprietary, confidential and the trade secret of Franchisor Franchisee agrees that he will maintain the absolute confidentiality of all such information during and after the term of the franchise and that he will not use any such information in any other business or in any manner not specifically authorized or approved in writing by the Franchisor

B Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Restaurant Any and all information, knowledge and know-how, including, without limitation, the Trade Secret Process, drawings, materials, equipment, techniques, restaurant systems, product formulae, recipes and other data, which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor, or which, at the time of disclosure by Franchisor to Franchisee, had become a part of the public domain, through publication or communication by others, or which, after disclosure to Franchisee by Franchisor, becomes a part of the public domain, through publication or communication by others

C Due to the special nature of the confidential information, proprietary marks, and Confidential Operations Manual of Franchisor, Franchisee hereby agrees and acknowledges that Franchisor shall be entitled to immediate equitable remedies, including but not limited to, restraining orders and injunctive relief in order to safeguard such proprietary, confidential, and special information of Franchisor and that money damages alone would be an insufficient remedy with which to compensate Franchisor for any breach of the terms of Articles VI, VII and VIII of this Agreement Furthermore, Franchisee agrees that all employees of Franchisee having access to the confidential and proprietary information agreements or other proprietary information of Franchisor shall be required to execute employment contracts containing confidential information provisions in the form acceptable to Franchisor

IX MODIFICATION OF THE SYSTEM

Franchisee recognizes and agrees that from time to time hereafter Franchisor may change or modify the System presently identified by the Mark "PIZZA 9", including but not limited to the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new menu items, new products, new equipment or new techniques and that Franchisee shall accept, use and display for the purpose of this Agreement any such changes in the System, as if they were part of this Agreement at the time of execution hereof Franchisee shall make such expenditures as such changes or modifications in the System are reasonably called for by Franchisor Franchisee shall not change, modify or alter in any way the System

X ADVERTISING

Recognizing the value of advertising and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of PIZZA 9 restaurants, Franchisee agrees as follows

A Before any use of promotional and advertising materials, Franchisee shall submit to Franchisor or its designated agency, for its prior approval, all information pertaining to promotional materials and advertising initiated by Franchisee, including, but not limited to, newspapers, radio and television advertising, specialty and novelty items, signs, boxes, napkins, bags and wrapping papers In the event written disapproval of any such advertising and promotional material has not been given by Franchisor to Franchisee within twenty (20) days from the date such information has been received by Franchisor, such materials shall be deemed approved Failure by Franchisor to conform with the provisions herein and subsequent non-action by Franchisor to require Franchisee to cure or remedy any such failure and default shall not be deemed a waiver of future or additional failures and defaults by Franchisee under this provision and/or any other provision of this Agreement The submission of advertising information, as herein required to Franchisor for approval shall not affect Franchisee's right to determine the prices at which Franchisee sells franchise products and/or services

B Franchisee shall contribute to the PIZZA 9 Advertising and Development Fund (hereinafter "Ad Fund'), the sum of FIVE HUNDRED Dollars ($500 00) upon execution of the Agreement and thereafter an amount not to exceed the sum equal to one percent (1 %) of Franchisee's Royalty Sales, as defined In Article XI Franchisee's required payments to the Ad Fund shall be made at the same time and in the same manner as, and in addition to, the Continuing Services and Royalty Fee provided in Article XI herein Such payments shall be made in addition to and exclusive of any sums that Franchisee may be required to spend on local advertising and promotion The Ad Fund shall be maintained and administered by Franchisor or its designee, as follows

(1) Franchisor shall oversee all advertising programs with sole discretion over the creative concepts, materials and media used in such programs and the placement and allocation thereof Franchisee agrees and acknowledges that the Ad Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System and that Franchisor and its designee make no representation and undertake no obligation in administering the Ad Fund to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or *pro rata* from the placement of advertising

(2) Franchisor shall, for each of its PIZZA 9 facilities offering products and services similar to the Franchised Restaurant, make contributions to the Ad Fund equivalent to the contributions required of franchised facilities within the System

(3) Franchisee agrees that the funds may be used to meet any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns and other public relations activities, employing advertising agencies to assist therein, and providing promotional brochures and other marketing materials to franchisees in the System) All sums paid by Franchisee to the Ad Fund shall be maintained in a separate account from the other funds of Franchisor and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Ad Fund and advertising programs including, without limitation, conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Ad Fund

(4) It is anticipated, and it is the intent of Franchisor that all contributions to the Ad Fund shall be expended for advertising and promotional purposes during Franchisor's fiscal year within which contributions are made Any funds not expended in the fiscal year contributed shall be applied and used for Ad Fund expenses in the following year

(5) Although Franchisor intends the Ad Fund to be of perpetual duration, Franchisor maintains the right to terminate the Ad Fund The Ad Fund shall not be terminated, however, until all monies in the Ad Fund have been expended for advertising and promotional purposes

(6) An accounting of Ad Fund contribution and expenditures shall be prepared annually and shall be made available to Franchisee upon request Franchisor can require that any such annual accounting include an audit of the contribution and expenditures of the Ad Fund prepared by an independent certified public accountant selected by Franchisor and prepared as an expense to the Ad Fund

(7) Once contributions to the Ad Fund are made by Franchisee, all such Ad Funds shall be used as herein required and shall not be returned to Franchisee

C Franchisee shall spend each calendar month on local advertising and promotion an amount equal to two percent (2%) of Franchisee's Royalty Sales ("Local Advertising Expenditure") for the preceding calendar month Such expenditures shall be made directly by Franchisee, subject to approval and direction by Franchisor or Franchisor's designated advertising agency On or before the fifteenth (15th) of each month Franchisee shall furnish to Franchisor, in a manner approved by Franchisor, an accurate accounting of the previous month's expenditures on local advertising and promotion

D In the future, Franchisor may also, at Franchisor's option, designate any geographic area in which at least two PIZZA 9 Restaurants are located as a "designated advertising area" for the purposes of establishing a Local Marketing Fund that Franchisor control ("Local Marketing Fund") or local or regional advertising cooperative controlled by majority vote of its members ("Cooperative") In the future, Franchisor may, at our option, require Franchisee to contribute to a Local Marketing Fund and/or Cooperative, as provided in this Article X Any amount contributed to a Local Marketing Fund or Cooperative will be credited towards Franchisee's Local Advertising Expenditure but in addition to, and not in lieu of, Franchisee's contributions to the Ad Fund described above Franchisor has the right to determine the amount of contribution, in our sole judgment, provided that aggregate monthly contributions will not exceed 2% of Royalty Sales per month If, however, a Cooperative chooses to contribute a greater amount and the amount is approved by a two-thirds majority of the Restaurants in the Cooperative, Franchisee must contribute such amount Any contribution Franchisee make to a Local Marketing Fund or Cooperative will count towards the minimum local advertising expenditures outlined in Section X C

If established, Franchisee must participate in any Local Marketing Fund and/or Cooperative formed to serve the geographic area in which the Restaurant is located, and must promptly execute all participation documents that we require For Cooperatives only, each Restaurant in the Cooperative will have one vote Each Cooperative will be required to adopt governing bylaws that meet our approval We will provide each Cooperative with a sample form of bylaws, containing certain terms and conditions that we require, although the bylaws cannot modify the voting structure set forth in this Article X Cooperatives must submit to us their meeting minutes on our request All Cooperatives must obtain Franchisor's written approval of all promotional and advertising materials, creative execution and media schedules prior to their implementation Each Cooperative must use only the approved media buyer and advertising agency The members of each Cooperative and their elected officers will be responsible for the administration of the Cooperative Franchisor reserves the right to administer the Cooperatives' funds and require payment from its members via electronic funds transfer The members of each Cooperative and their elected officers will be responsible for the administration of the Cooperative Franchisor has the right to require Cooperatives to be formed, changed, dissolved, or merged

E Franchisee shall spend a minimum of FIVE THOUSAND Dollars ($5,000 00) of newspaper, direct mail, or advertising through other media during the Franchisee's initial thirty (30) days of operation of the Franchised Restaurant Franchisor retains the right to require greater expenditures for "Business Opening" advertising depending on the size of Franchisee's Area of Primary Responsibility as described herein Such advertising and promotional items are to be designated as "Business Opening" advertising and promotion

F Franchisor may, from time to time, develop and market special promotional items which will be made available to Franchisee at Franchisor's cost plus a reasonable markup and Franchisee shall maintain a representative inventory of such promotional items to meet public demand Franchisee shall have the right to purchase alternative promotional items provided that such alternative goods conform to the specifications and quality standards established by Franchisor from time to time

G Franchisor may, from time to time, develop, establish and market special discount or free coupon programs designed to induce volume users of Franchisee's food products or services to patronize Franchisee's Franchised Restaurant and Franchisee shall have the right, but not the obligation, to participate therein Franchisor shall notify Franchisee of the creation of all such discount or coupon programs and shall advise Franchisee with respect to all of the elements thereof Within five (5) days after receipt of such notice, Franchisee shall advise Franchisor as to whether or not Franchisee wishes to participate in such discount or coupon programs If Franchisee notifies Franchisor that he wishes to participate, Franchisee shall, in all respects, adhere to all elements of said program If Franchisee elects to be excluded from such discount or coupon program or programs, Franchisor shall have the right to advise consumers, by advertising, sales solicitation or otherwise, that Franchisee is not a participant in such program, and Franchisee shall not be entitled to the benefits thereof Franchisor shall establish all such discount or coupon programs in its sole, subjective discretion, and shall not consult or confer with Franchisee or any other franchisee of Franchisor with respect to the nature, content or amount of any discount or coupon established pursuant to any such program

H Franchisee agrees that all rebates received from suppliers and distributors of any merchandise, products and/or supplies for use in or sale from the Franchised Restaurant shall be remitted to Franchisor

I Franchisee shall maintain a business phone and advertise continuously in the classified or Yellow Pages of the local telephone directory under the listings 'Restaurants", "Pizza", or such other listings as deemed appropriate by Franchisor using formats of the type and size approved in advance by Franchisor When more than one (1) PIZZA 9 facility serves a metropolitan area, classified advertisements shall list all PIZZA 9 restaurants operating within the distribution area of such classified directories, and Franchisee shall contribute its equal share in the cost of such advertisement The expenditures for such advertising shall be credited toward the local advertising requirements pursuant to this Agreement

J Franchisee shall not advertise or use in advertising or any other form of promotion, the trademarks, service marks or commercial symbols of Franchisor without appropriate or copyright and registration marks or the designations TM or SM where applicable

XI CONTINUING SERVICES AND ROYALTY FEE

A Franchisee shall pay without offset, credit or deduction of any nature, to Franchisor, so long as this Agreement shall be in effect, a weekly Continuing Services and Royalty Fee equal to five and a half percent (5 5%) of the Royalty Sales derived from the Franchised Restaurant Said Continuing Services and Royalty Fee shall be paid weekly in the manner specified below or as otherwise prescribed in the Confidential Operations Manual

B The term "Royalty Sales," as used herein, shall mean and include the total of all sales of food products, beverages, and other merchandise and products to customers of Franchisee, whether or not sold or performed at or from the Franchised Restaurant, including, without limitation, all vending machine, and video game machine sales, less any sales tax, use tax, or service taxes collected and paid to the appropriate taxing authority and customer refunds

C All payments required by this Agreement shall be paid on the date Franchisor specifies ("Due Date") As of the date of this Agreement, Continuing Services and Royalty Fee payments are due on Monday following the week for which they are calculated Franchisor has the right to determine the amount of the Continuing Services and Royalty Fee and other amounts due under this Agreement by accessing and retrieving Royalty Sales data from Franchisee's computer system If Royalty Sales for any reporting period are not reported or are not available for any period, Franchisor has the right to collect an estimated Continuing Services and Royalty Fee and Ad Fund contribution, which estimate shall be based on prior amounts until sufficient documentation exists to prepare an accurate reconciliation Any underpayments will bear interest pursuant to this Agreement Any overpayment will be credited against future payments due under this Agreement

D Franchisee shall participate in Franchisor's then-current electronic funds transfer program To this end, Franchisee shall (a) comply with Franchisor's procedures, as specified in the Confidential Operations Manual, or otherwise in writing, (b) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer, (c) execute and deliver to Franchisor a form authorizing Franchisor to collect the Continuing Services and Royalty Fee and all other amounts due under this Agreement, and (d) make sufficient funds available for withdrawal by electronic funds transfer no later than the applicable payment date (which, as of the date of this Agreement, is Monday of each week) Franchisor reserves the right to modify, at its option, the method by which payments are made or collected by delivering to Franchisee written notice of the change Franchisee's failure to have sufficient funds available for collection is a material breach of this Agreement

E If any taxes, fees, or assessments are imposed on payment of the Continuing Services and Royalty Fee or other fees payable under this Agreement (except taxes imposed on Franchisor's net taxable income) Franchisee will also pay or reimburse Franchisor the amount of the taxes, fees, or within 15 days after Franchisee's receipt of Franchisor's written notice Franchisee will make available for reasonable inspection at reasonable times by Franchisor, all original books and records that Franchisor may deem necessary to ascertain Franchisee's Royalty Sales

F All Continuing Services and Royalty Fees, advertising contributions, amounts due for purchases by Franchisee from Franchisor, and other amounts which Franchisee owes to Franchisor shall bear interest after due date at the highest applicable legal rate for open account business credit, not to exceed one and one-half percent (1 5%) per month Franchisee acknowledges that this Article XI shall not constitute agreement by Franchisor to accept such payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of, the Franchised Restaurant Further, Franchisee acknowledges that his failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as provided in Article XVII hereof, notwithstanding the provisions of this Article XI

G Notwithstanding any designation by Franchisee, Franchisor shall have the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for Continuing Services and Royalty Fees, advertising contributions, purchases from Franchisor, interest, or any other indebtedness

XII ACCOUNTING AND RECORDS

A Franchisee shall maintain during the term of this Agreement, and shall preserve for the time period specified in the Confidential Operations Manual, full, complete, and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Confidential Operations Manual or otherwise in writing Franchisee shall retain for a period of ten (10) years thereafter all books and records related to the Franchised Restaurant, including, without limitation, sale checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals and general ledgers

B Franchisee will supply to Franchisor on or before the fifteenth (15th) day of each month, in the form approved by Franchisor, an activity report and a profit and loss statement and balance sheet for the last preceding calendar month Additionally, Franchisee shall, at his expense, submit to Franchisor within ninety (90) days of the end of each fiscal year during the term of this Agreement, a profit and loss statement for such fiscal year and a balance sheet as of the last day of such fiscal year, prepared on an accrual basis including all adjustments necessary for fair presentation of the financial statements Such financial statements will be certified to be true and correct by the Franchisee Franchisor reserves the right to require annual financial statements, prepared in accordance with generally accepted accounting standards, reviewed or audited by an independent certified public accountant

C Franchisee shall submit to Franchisor such other periodic reports, forms and records as specified, and in the manner and at the time as specified in the Confidential Operations Manual or as Franchisor shall otherwise require in writing from time to time

D Franchisee shall record all sales on electronic cash registers approved by Franchisor or on such other types of cash control system as may be designated by Franchisor in the Confidential Operations

Manual or otherwise in writing Franchisee agrees that Franchisor shall have the right to require Franchisee to utilize computer-based point-of-sale cash registers fully compatible with any program or system which Franchisor, in its discretion, may employ If Franchisor requires such computerized cash registers, all Royalty Sales and all sales information shall be recorded on such equipment Franchisor shall have full access to all of Franchisee's data, system, and related information by means of direct access whether in-person, or by telephone/internet

E Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at its expense, the books, records, and tax returns of Franchisee Franchisor shall also have the right, at any time, to have an independent audit made of the books and records of Franchisee at Franchisor's expense If an inspection should reveal that any payments due to Franchisor have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the maximum rate permitted by law If an inspection discloses an understatement in any report of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees) The foregoing remedies shall be in addition to any other remedies Franchisor may have

F Franchisee acknowledges that nothing contained herein constitutes the Franchisor's agreement to accept any payments after same are due or a commitment by the Franchisor to extend credit to or otherwise finance Franchisee's operation of the Franchised Restaurant Further, Franchisee acknowledges that his failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as herein provided

XIII STANDARDS OF QUALITY AND PERFORMANCE

Franchisee shall comply with the entire PIZZA 9 System including but not limited to

A Franchisee shall commence operation of the Franchised Restaurant not later than sixty (60) days after the execution of this Agreement (if a site is determined prior to the execution of the Agreement) or ninety (90) days after execution of the Agreement (if a site is not determined prior to execution of the Agreement), or as otherwise required or approved in writing by Franchisor Prior to such opening, Franchisee shall have procured all necessary licenses, permits, and approvals, including but not limited to construction permits, shall have hired and trained personnel, made all leasehold improvements, and purchased initial inventory If Franchisee for any reason fails to commence operation as herein provided, unless Franchisee is precluded from doing so by war or civil disturbance, natural disaster or organized labor dispute, such failure shall be considered a default and Franchisor may terminate this Agreement as herein provided

B Franchisee agrees to maintain the condition and appearance of the premises of the Franchised Restaurant consistent with Franchisor's quality controls and standards for the image of a restaurant as an attractive, pleasant and comfortable facility conducive to quality dining by its customers Franchisee agrees to effect such reasonable maintenance of the Franchised Restaurant as is from time to time required to maintain or improve the appearance and efficient operation of the Franchised Restaurant, including but not limited to replacement of worn out or obsolete fixtures and signs, repair of the exterior and interior of the Franchised Restaurant and redecorating If at any time in the Franchisor's judgment the general state of repair or the appearance of the premises of the Franchised Restaurant or its equipment, fixtures, signs or decor does not meet the Franchisor's quality control and standards therefor, the Franchisor shall so notify Franchisee, specifying the action to be taken by Franchisee to correct such deficiency If Franchisee fails or refuses to initiate within thirty (30) days after receipt of such notice, and thereafter continue, a bona fide program to complete any required maintenance, the Franchisor shall have the right, in addition to all other remedies, to enter upon the premises of the Franchised Restaurant and effect such repairs, painting, decorating or replacements of equipment, fixtures or signs on behalf of Franchisee and Franchisee shall pay the entire costs thereof on demand Franchisee's obligation to initiate and continue any required maintenance shall be suspended during any period in which such maintenance is impractical due to war, civil disturbance, natural disaster, organized labor dispute, or other event beyond Franchisee's reasonable control

C Franchisee shall make no material alterations to the improvements of the Franchised Restaurant nor shall Franchisee make material replacements of or alterations to the equipment, fixtures or signs of the Franchised Restaurant without the prior written approval by Franchisor

D The location of the Franchised Restaurant approved by Franchisor in accordance with Article III hereof shall be used solely for the purpose of conducting a PIZZA 9 Franchised Restaurant

E Franchisor has developed and owns proprietary “pizza dough blend" for use in preparing pizza crust and specially prepared “pizza sauce” for use in pizza products ("Proprietary Food Products“) The formulae and methods of preparation of the Proprietary Food Products are trade secrets of Franchisor Franchisor has determined that in order to protect its trade secrets and to monitor the manufacture, packaging, processing, and sale of Proprietary Food Products, it will (1) manufacture and supply Proprietary Food Products to Franchisees of Franchisor, and/or (2) disclose the formulae for and methods and preparation of the Proprietary Food Products to a limited number of suppliers who will be authorized by Franchisor to manufacture Proprietary Food Products to Franchisor's precise specifications and sell Proprietary Food Products to Franchisees of Franchisor Franchisee acknowledges that he will be required to purchase Proprietary Food Products from Franchisor or a limited number of suppliers so authorized by Franchisor Franchisor or its designees agree to sell to Franchisees such quantities of Proprietary Food Products as Franchisee requires from time to time in the operation of the Franchised Restaurant and at prices in effect at the time of purchase All PIZZA 9 businesses are required to use in their operations Proprietary Food Products as designated by Franchisor

F Franchisee agrees that he will offer for sale and sell at the Franchised Restaurant all types of Menu Items and other categories of food and beverage products that Franchisor from time to time authorizes and that he will not offer for sale or sell at the Franchised Restaurant or the premises which it occupies any other category of products or use such premises for any purpose other than the operation of a Franchised Restaurant in full compliance with this Agreement

G In order to ensure that all Menu Items produced by Franchisee meet Franchisor's high standards of taste' texture, appearance and freshness, and in order to protect Franchisor's goodwill and Proprietary Marks, all Menu Items shall be prepared only by properly trained personnel strictly in accordance with the Trade Secret Process and the Confidential Operations Manual, including without limitation, in sight of retail customers, and shall be sold only as fully cooked products in conformity with Franchisor's marketing plan and concept and only at retail to customers

H From time to time, Franchisor shall provide to Franchisee, a list of approved manufacturers, suppliers and distributors and approved food and non-food products, recipes, fixtures, furniture, tables, counters, freezer, cash register, ice maker, ovens, coolers, chairs, equipment, signs, stationery, supplies, and other items or services necessary to operate the Franchised Restaurant Such list shall specify the manufacturer, supplier and distributor and the food and non-food products, recipes, fixtures, furniture, tables, counters, chairs, freezers, cash register, ice maker, ovens, coolers, equipment, signs, stationery, supplies and services which Franchisor has approved to be carried or used in the PIZZA 9 System Franchisor may revise the approved list of manufacturers, suppliers and distributors and the approved list of food and non-food products, recipes, fixtures, furniture, tables, counters, chairs, freezers, cash register, ice maker, ovens, coolers, equipment, signs, stationery, supplies, and other materials from time to time in its sole discretion Such approved list shall be submitted to the Franchisee as Franchisor deems advisable

I All Menu Items and other food and beverage products and materials, condiment trays, containers, packaging materials, other paper and plastic products, plates, cups, utensils, menus, uniforms, forms, cleaning and sanitation materials and other materials and supplies used in the operation of the

Franchised Restaurant shall conform to the specifications and quality standards established by Franchisor from time to time Franchisee may purchase such products which meet Franchisor's specifications and quality standards from Franchisor or suppliers approved by Franchisor as meeting its criteria for PIZZA 9 suppliers If Franchisee proposes to offer for sale at the Franchised Restaurant any brand of product, or to use in the operation of Franchised Restaurant any brand of food ingredient or other material or supply, which is not then approved by Franchisor as meeting its minimum specifications and quality standards, or to purchase any product from a supplier that is not then designated by the Franchisor as an approved supplier, Franchisee shall first notify Franchisor and shall, upon request of Franchisor, submit samples and such other information as Franchisor requires for examination and/or testing or to otherwise determine whether such product, material or supply, or such proposed supplier, meets its specifications and quality standards A charge not to exceed the actual cost of testing may be made by Franchisor and shall be paid by Franchisee Franchisor shall notify Franchisee within a reasonable time whether it approves such product, material or supply, and/or such supplier

J Franchisee agrees that all Menu Items and other designated food products shall be prepared in accordance with recipes, cooking techniques and processes designated by Franchisor Franchisee acknowledges that such recipes, cooking techniques and processes are integral to the System and failure to adhere to such recipes, cooking techniques and processes shall be detrimental to the System and the Marks

K Franchisee agrees to fully comply with all mandatory specifications, standards, operating procedures and rules as in effect from time to time relating to

(1) The safety, maintenance, cleanliness, sanitation, function and appearance of the Franchised Restaurant premises and its vehicles, equipment, fixtures, decor and signs, and maintenance and service agreements therefor,

(2) Training, dress, general appearance, and demeanor of Franchised Restaurant employees,

(3) Type, quality, taste, portion control and uniformity, and manner of preparation, packaging, displays, and sale of all Menu Items, beverages and other food items sold by the Franchised Restaurant and of all food beverages and other products used in the preparation, packaging and sale thereof,

(4) Hours during which the restaurant will be open for business,

(5) Advertising and promotional programs,

(6) Use and retention of standard forms,

(7) The recipes of Franchisor,

(8) Use and illumination of signs, posters, displays, menu boards, and similar items,

(9) Identification of Franchisee as the owner of the Franchised Restaurant,

(10) The handling of customer complaints,

(11) Procedures and specifications for the PIZZA 9 Proprietary Software Program, if any, and

(12) The maintenance of a competent, conscientious, and trained staff (who shall have been adequately trained by Franchisee) in numbers sufficient to service customers promptly and properly, including at least a manager or shift leader on duty at all times at which the Franchised Restaurant is open (including daily Franchised Restaurant opening and closing procedures) Franchisee shall also ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe In addition, Franchisee and its employees shall handle all customer complaints, refunds, returns or other adjustments in accordance with Franchisor's policies as set forth in the Manuals or otherwise in writing The parties acknowledge and agree that these requirements are necessary to preserve the goodwill

identified by the Marks The parties further acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for Franchisee or Franchisee's employees Franchisee is exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages and benefits and work hours, and for disciplining and discharging Franchisee's employees Franchisee is exclusively responsible for labor relations with its employees Franchisee shall defend and indemnify Franchisor and its officers, employees and agents against any and all proceedings, claims, investigations, and causes of actions instituted by Franchisee's employees or by others that arise from Franchisee's employment practices

No such specification, standard, operating procedure or rule shall be unreasonable or inconsistent with any provision of the lease for the premises of the Franchised Restaurant Mandatory specifications, standards, operating procedures and rules prescribed from time to time by the Franchisor in the Confidential Operations Manual or otherwise communicated to Franchisee in writing shall constitute provisions of this Agreement as if fully set forth herein and shall be reasonably and uniformly applied to all franchisees All references herein to this Agreement shall include all such mandatory specifications, standards and operating procedures and rules

L Franchisor shall cause the Franchised Restaurant to be open and in normal operation for such minimum hours and days as Franchisor may specify in the Manual or in other written directives Recognizing that failure to open and operate the Franchisor during required hours of operation results in lost sales and payment of a lower Royalty Fee and negatively affects the value of the PIZZA 9 brand, Franchisee agrees to pay Franchisor an unauthorized closure fee in the amount of $200 for each day the Franchised Restaurant fails to maintain required hours of operation (including closure for the day, early closure, or late opening) without Franchisor's prior written authorization or permission This fee is not a penalty, but is intended as a reasonable estimation of the amount of Royalty Fee lost and other damages that Franchisor will sustain as a result of the unauthorized closure This fee is in addition to and not in lieu of any other rights or remedies available to Franchisor under this Agreement or applicable law Franchisor shall have the right to prescribe the conditions for certain boundaries beyond which the Franchised Restaurant may not offer delivery service on the map attached to this Agreement as Attachment C Franchisee will charge the same price for products offered by the Franchised Restaurant whether delivered or sold over the counter in the Franchised Restaurant

M In order to preserve the goodwill, validity and integrity of the Marks and Franchisor's System, and to ensure that Franchisee is properly employing both the Marks and the System in the operation of its Franchised Restaurant, Franchisor or its agents shall have the right of entry and inspection of Franchisee's premises and operating procedures at all reasonable times Franchisor or its agents shall have the right to observe the manner in which Franchisee is rendering its PIZZA 9 services and conducting its operations, to confer with Franchisee's employees and customers' and to select Menu Items, ingredients, food and non-food products, beverages and other items, products, equipment, materials and supplies for test of content and evaluation purposes to make certain that the Menu Items, ingredients, food and non-food products, services, materials, equipment and operations are satisfactory and meet the quality control provisions and performance standards established by Franchisor

N Franchisee shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Restaurant and shall operate the Franchised Restaurant in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to occupational hazards and health, dispensing of food products, consumer protection, trade regulation, workmen's compensation, unemployment insurance and withholding and payment of Federal and State income taxes and social security taxes and sales, use and property taxes Franchisee agrees to refrain from any merchandising, advertising or promotional practice which is unethical or may be injurious to the business of the Franchisor and/or other Franchised Restaurants or to the goodwill associated with the Marks

O Franchisee shall in the operation of the Franchised Restaurant use only displays, trays, boxes, bags, wrapping paper, labels, forms and other paper and plastic products imprinted with the Marks and colors as prescribed from time to time by the Franchisor

P Franchisee agrees that the Franchised Restaurant shall at all times maintain an inventory of ingredients, food and beverage products and other products, materials and supplies that will permit operation of the Franchised Restaurant at maximum capacity

Q The Franchised Restaurant shall at all times be under the direct, on-premises supervision of Franchisee (or a trained and competent employee acting as full-time manager) In the event Franchisee operates more than one franchise, or in the event Franchisee does not devote his full time to conducting the franchise business, at least one trained and competent employee referred to above shall act as a full-time manager Franchisee shall keep Franchisor informed at all times of the identity of any employee(s) acting as manager(s) of the Franchised Restaurant Franchisor shall make training available, as is reasonable and necessary, for all managers designated by Franchisee Franchisor shall provide such training at the then-current published rates Franchisee agrees that he will at all times faithfully, honestly and diligently perform his obligations hereunder and that he will not engage in any business or other activities that will conflict with his obligations hereunder

R Franchisee shall not install or maintain on the premises of the Franchised Restaurant any newspaper racks, video games, gaming machines, gum machines, games, rides, vending machines or other similar devices without the written approval of Franchisor

S Franchisor is in the process of developing a customized software program and system for conducting accounting, inventory and point-of-sale functions and related activities This system is in an ongoing development and testing stage and may be implemented at Franchisor's discretion into the franchising System Franchisee acknowledges that this customized software system identified as the Proprietary Software Program (hereinafter "PIZZA 9 Proprietary Software Program") is proprietary to Franchisor and Confidential Information of Franchisor At such time as the PIZZA 9 Proprietary Software Program is implemented into the franchising System, if ever, Franchisor has the right to require Franchisee to utilize only the PIZZA 9 Proprietary Software Program in the operation of the PIZZA 9 Franchised Shop Franchisor has determined that it cannot practically alter the PIZZA 9 Proprietary Software Program to accommodate each and every subscription of the PIZZA 9 Proprietary Software Program, therefore, Franchisee shall only utilize the PIZZA 9 Proprietary Software Program, if Franchisor so requires In the event that Franchisor implements the PIZZA 9 Proprietary Software Program into the System, Franchisor shall lease the use of same to Franchisee at the then-current rates Published by Franchisor throughout the remaining term of the Agreement and any renewals thereof, and Franchisor or its designee shall provide ongoing support to Franchisee regarding such PIZZA 9 Proprietary Software Program Franchisee shall be required to purchase all updates and modifications to the PIZZA 9 Proprietary Software Program at Franchisee's sole expense Franchise' shall be required as agreed upon in writing by Franchisor to use in the operation of the Franchised Shop only the PIZZA 9 Proprietary Software Program, if any, as designated by Franchisor, and Franchisor shall have full access to all information and other data through said PIZZA 9 Proprietary Software Program

T Franchisee shall accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, APPLE PAY, and/or GOOGLE WALLET) that Franchisor specifies periodically to enable customers to purchase authorized products, and to acquire and install all necessary hardware and/or software used in connection with these non-cash systems The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System Accordingly, Franchisee shall cause the Franchised Restaurant to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Standards Council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information Franchisee is solely responsible for its own education concerning these regulations and standards and for achieving and maintaining applicable compliance certifications Franchisee shall defend, indemnify, and hold Franchisor harmless from and against all claims arising out of or related to Franchisee's violation of the provisions of this Section XIII T

U Franchisee agrees to participate actively in any PIZZA 9 Regional Advisory Franchisee Council ("Council") and participate in all council programs approved by Franchisor The purposes of the Council(s) include, but are not limited to, exchanging ideas and problem solving methods, advising Franchisor on expenditures for regional advertising, providing back-up support and staffing for political influence, and coordinating System franchisee efforts Franchisee agrees to pay all Council assessments levied, and that Franchisor has the right to enforce this obligation Amounts and expenditures may vary from time to time and due to variations in Council participation and costs as determined by a particular Council and as approved by Franchisor Although Franchisee agrees to pay such Council assessments, such assessments shall in no way diminish Franchisee's rights and the benefit 'f the bargain under this Agreement Such Council(s) may be formed by Franchisor at such time that more than one (1) Franchisee conducts a PIZZA 9 Franchised Business in any given region, the boundaries of such region to be determined in the sole and unfettered discretion of Franchisor

V Franchisee shall notify Franchisor in writing within five (5) days 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 Restaurant

XIV FRANCHISOR'S OPERATIONS ASSISTANCE

A Franchisor may from time to time advise or offer guidance to Franchisee relative to prices for the food products offered for sale by the Franchised Restaurant that in the Franchisor's judgment constitute goo' business practice Such guidance will be based on the experience of Franchisor and his Franchisees in operating Franchised Restaurants and an analysis of the costs of such products and prices charged for competitive products Franchisee shall not be obligated to accept any such advice or guidance and shall have the sole right to determine the prices to be charged from time to time by the Franchised Restaurant and no such advice or guidance shall be deemed or construed to impose upon Franchisee any obligation to charge any fixed, minimum or maximum prices for any product offered for sale by the Franchised Restaurant

B Upon commencement of operation of the Franchised Restaurant, and during the term of this Agreement and any renewal period thereof, Franchisor shall provide to Franchisee the following

(1) Provide a comprehensive list of established sources of equipment, foods, supplies and containers necessary for the operation of the Franchised Restaurant and provide specifications for such products,

(2) Coordinate product distribution for local, regional and national suppliers, and

(3) Regulate quality standards and products in conformance throughout the network of Franchised Restaurants

C Franchisor shall advise Franchisee of problems arising out of the operation of the Franchised Restaurant as disclosed by reports submitted to Franchisor by Franchisee or by inspections conducted by Franchisor of the Franchised Restaurant Franchisor may furnish Franchisee with such assistance in connection with the operation of the Franchised Restaurant as is reasonably determined to be necessary by Franchisor from time to time Operations assistance may consist of advice and guidance with respect to

(1) Proper utilization of procedures developed by a PIZZA 9 facility with respect to services regarding the service and sale of all Menu Items and other food and menu items, and related items and materials as approved by Franchisor,

(2) Additional products and services authorized for PIZZA 9 facilities,

(3) Purchase of ingredients and other food and beverage items, materials and supplies,

(4) Procedures and methods concerning the PIZZA 9 Proprietary Software Program, if any,

(5) The institution of proper administrative, bookkeeping, accounting, inventory control, supervisory and general operating procedures for the effective operation of a PIZZA 9 facility, and

(6) Advertising and promotional programs

D Franchisor shall make periodic visits to the Franchised Restaurant for the purposes of consultation, assistance, and guidance of Franchisee in all aspects of the operation and management of the Franchised Restaurant Franchisor, or Franchisor's representatives at the Franchised Restaurant, will prepare, for the benefit of both Franchisor and Franchisee, written reports in respect to such visits outlining any suggested changes or improvements in the operations of the Franchised Restaurant and detailing any defaults in such operations which become evident as a result of any such visit, and a copy of each such written report shall be provided to both Franchisor and Franchisee

E All of the specifications, approved manufacturers, distributors and suppliers lists, approved merchandise, products, materials and supplies lists, training, and operations manuals to be provided by Franchisor to Franchisee pursuant to this Agreement shall be delivered within ninety (90) days after execution of this Agreement

XV INSURANCE

A Franchisee shall procure at his expense and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting Franchisee and Franchisor, and their officers, directors, partners and employees, against any loss, liability, personal injury, death, or property damage or expense whatsoever arising or occurring upon or in connection with the Franchised Restaurant, as Franchisor may reasonably require for its own and Franchisee's protection Franchisor 'hall be named an additional insured in such policy or policies

B Such policy or policies shall be written by an insurance company satisfactory to Franchisor in accordance with standards and specifications set forth in the Confidential Operations Manual or otherwise in writing, and shall include, at a minimum (except as additional coverage and higher policy limits may reasonably be specified for all Franchisees from time to time by Franchisor in the Confidential Operations Manual or otherwise in writing) the following

(1) All risks coverage insurance on the PIZZA 9 Franchised Restaurant and all fixtures, equipment, supplies and other property used in the operation of the PIZZA 9 Franchised Restaurant, for full repair and replacement value of the machinery, equipment, improvements and betterments, without any applicable co-insurance clause except that an appropriate deductible clause shall be permitted

(2) Workers' compensation and employee's liability insurance as 'ell as such other insurance as may be required by statute or rule of the state in which the Franchised Restaurant is located and operated

(3) Comprehensive general liability insurance and product liability insurance with limits of ONE MILLION Dollars ($1,000,000 00) combined single limit including the following coverages broad form contractual liability, personal injury (employee and contractual inclusion deleted), products/completed operation, and fire/legal, insuring Franchisor and Franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, or occurring in the course of, or on or about or otherwise relating to the PIZZA 9 Franchised Restaurant, provided that the required amounts herein may

be modified from time to time by Franchisor to reflect inflation or future experience with claims, and provided, further, that the insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by Franchisor,

(4) Business interruption insurance for actual losses sustained

(5) Automobile liability insurance, including owned, hired and non-owned vehicle coverage, with a combined single limit of at least ONE MILLION Dollars ($1,000,000 00)

(7) Such additional insurance and types of coverage as may be required by the terms of any lease for the PIZZA 9 Franchised Restaurant, or as may be required from time to time by Franchisor

C The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by Franchisor Within ninety (90) days of the signing of this Agreement, but in no event later than the date on which Franchisee acquires an interest in the real property on which it will develop and operate the Franchised Restaurant, a certificate of insurance showing compliance with the foregoing requirements shall be furnished by Franchisee to Franchisor for approval Such certificate shall state that said policy or policies will not be canceled or altered without at least twenty (20) days prior written notice to Franchisor and shall reflect proof of payment of premiums Maintenance of such insurance and the performance by Franchisee of the obligations under this Article XV shall not relieve Franchisee of liability under the indemnity provision set forth in this Agreement Minimum limits as required above may be modified from time to time, as conditions require, by written notice to Franchisee

D Should Franchisee, for any reason, not procure and maintain such insurance coverage as required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance coverage and to charge same to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice

E Franchisee acknowledges that the foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect Franchisee from losses in connection with the Franchised Restaurant Nothing in this Agreement prevents or restricts Franchisee from acquiring and maintaining insurance with higher policy limits or lower deductibles than Franchisor requires

XVI COVENANTS

A Unless otherwise specified, the term "Franchisee" as used in this Article XVI shall include, collectively and individually, all officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of Franchisee, and of any corporation directly or indirectly controlling Franchisee, if Franchisee is a corporation, and the general partners and any limited partner (including any corporation and the officers, directors, and holders of a beneficial interest of five percent (5%) or more of securities, of a corporation which controls, directly or indirectly, any general or limited partner), if Franchisee is a partnership

B Franchisee covenants that during the term of this Agreement and any renewals thereof, except as otherwise approved in writing by Franchisor, Franchisee (if Franchisee is an individual), a shareholder of a beneficial interest of ten percent (10%) or more of the securities of Franchisee (if Franchisee is a corporation), a general partner of Franchisee (if Franchisee is a partnership) shall devote full time, energy, and best efforts, to the management and operation of the business franchised hereunder

C Franchisee covenants that during the term of this Agreement and any renewal thereof, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for himself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation

(1) Divert or attempt to divert any business or customer of the business franchised hereunder 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 Marks and the System

(2) Employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee of Franchisor, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat

(3) Own, maintain, engage in, or have any interest in any business (including any business operated by Franchisee prior to entry into this Agreement) specializing in whole or in part, in dispensing, promoting or selling prepared food products, or any other business which sells or offers to sell prepared food products or services, the same as or similar to those sold in the System, except for existing restaurants owned and/or operated by Franchisee, specifically ____ ________________________________ (restaurant name and address) however it is specifically acknowledged that Franchisee is prohibited from utilizing in any restaurants other than Franchisee's PIZZA 9 restaurant Franchisor's Marks, confidential information and systems as defined in Articles VII and VIII of this Agreement, and any other information, systems, or methods provided by Franchisor (or its representatives) to Franchisee

D Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable training and confidential information, including, without limitation, information regarding the promotional, operational, sales and marketing methods and techniques of Franchisor and the System Accordingly, Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for himself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, engage in, or have any interest in any restaurant business engaged primarily in the delivery of prepared food products or prepared food business specializing, in whole or in part, in the dispensing of prepared pizza products or any other food product the same as or similar to those sold in the System

(1) Within a radius of ten (10) miles of the location franchised hereunder, or

(2) Within a radius of ten (10) miles of the location of any other business using the System, whether franchised or owned by Franchisor

E Franchisee further agrees not to divulge to any person, partnership, corporation or any other entity any information, trade secrets, the ingredients, recipes, cooking techniques and processes used in the Proprietary Food Products, the Trade Secret Food Process, and other food and beverage products and menu items used in the System or any information stated in the Confidential Operations Manual

F 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 Article XVI is held unreasonable or unenforceable by a court or agency 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 permitted by law, as if the resulting covenant were separately stated in and made a part of this Article XVI

G 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 XVI C and XVI D in this Agreement, 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 notwithstanding the provisions of Article XX hereof

H Sections XVI C and XVI D shall not apply to ownership by Franchisee of less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934

I Franchisor shall have the right to require all of Franchisee's personnel performing managerial or supervisory functions and all personnel receiving special training from Franchisor to execute similar covenants in a form satisfactory to Franchisor

XVII DEFAULT AND TERMINATION

A If Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such breach within a reasonable time after written notice thereof is delivered to Franchisor, Franchisee may terminate this Agreement Such termination shall be effective thirty (30) days after delivery to Franchisor of written notice that such breach has not been cured and Franchisee elects to terminate this Agreement A termination of this Agreement by Franchisee for any reason other than breach of this Agreement by Franchisor and Franchisor's failure to cure such breach within a reasonable time after receipt of written notice thereof shall be deemed a termination by Franchisee without cause

B This Agreement shall terminate automatically upon delivery of written notice of termination to Franchisee, if Franchisee or its owner(s), officer(s), or key employee(s)

(1) Fails to decorate and equip the premises as provided in Article IV hereof, or fails to satisfactorily complete the training program as provided in Article V of this Agreement,

(2) Has made any material misrepresentation or omission in his application for the franchise,

(3) Is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisee or the PIZZA 9 Franchised Restaurant,

(4) Makes any unauthorized use, disclosure or duplication of any portion of the Confidential Operations Manual or duplicates or discloses or makes any unauthorized use of any trade secret or Confidential Information provided to Franchisee by Franchisor,

(5) Abandons or fails or refuses to actively operate the Franchised Restaurant for two (2) business days in any twelve (12) month period, unless the Franchised Restaurant has been closed for a purpose approved by Franchisor or due to an act of God, or fails to relocate to approved premises within an approved period of time following expiration or termination of the lease for the premises of the Franchised Restaurant,

(6) Surrenders or transfers control of the operation of the PIZZA 9 Franchised Restaurant, makes an unauthorized direct or indirect assignment of the franchise or an ownership interest in Franchisee or fails or refuses to assign the franchise or the interest in Franchisee of a deceased or disabled controlling owner thereof as herein required,

(7) Submits to Franchisor on two (2) or more separate occasions at any time during the term of the franchise any reports or other data, information, or supporting records which understate by more than three percent (3%) the Continuing Services and Royalty Fees for any period of, or periods aggregating, three (3) or more weeks, and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error,

(8) Commits any affirmative act of insolvency, or files any petition or action of insolvency, or for appointment of a receiver or trustee, or makes any assignment for the benefit of creditors, or fails to vacate or dismiss within sixty (60) days after filing any such proceedings commenced against Franchisee by a third party,

(9) Is subject to a dismissal of a liquidation proceeding pursuant to 11 U S C Section 707, dismissal of a reorganization proceeding pursuant to 11 U S C Section 1112, revocation of an order of confirmation pursuant to 11 U S C Section 1330(b) or dismissal of a debt adjustment proceeding pursuant to 11 U S C Section 1307,

(10) Materially misuses or makes an unauthorized use of PIZZA 9 Proprietary Software Program, if any,

(11) Materially misuses or makes an unauthorized use of any Marks or commits any act which can reasonably be expected to materially impair the goodwill associated with any Marks,

(12) Fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit, when due, reports or other information or supporting records, to pay when due the Continuing Services and Royalty Fees, advertising contributions, amounts due for purchases from the Franchisor or other payments due to Franchisor, or otherwise fails to comply with this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee, or

(13) Continues to violate any health, safety or sanitation law, ordinance or regulation or operates the Franchised Restaurant in a manner that presents a health or safety hazard to its customers or the public

C This Agreement shall terminate without further action by Franchisor on notice to Franchisee if Franchisee or Franchisee's owner

(1) Fails or refuses to make payments of any amounts due Franchisor for Continuing Services and Royalty Fees, advertising contributions, purchases from Franchisor or any other amounts due to Franchisor, and does not correct such failure or refusal within ten (10) business days after written notice of such failure is delivered to Franchisee,

(2) Fails or refuses to comply with any other provision of this Agreement, or any mandatory specification, standard or operating procedure prescribed in the Confidential Operations Manual or otherwise in writing, and does not correct such failure within thirty (30) days (or provide proof acceptable to Franchisor that he has made all reasonable efforts to correct such failure and will continue to make all reasonable efforts to cure until a cure is effected if such failure cannot reasonably be corrected within thirty (30) days) after written notice of such failure to comply is delivered to Franchisee

D To the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, non-renewal or the like, other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, not be effective, and Franchisor shall comply with applicable law in connection with each of these matters

E In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights against Franchisee, Franchisor, in the event that Franchisee shall not have cured a default under this Agreement within the twenty (20) business days after receipt of the written "Notice to Cure" from Franchisor, may, at its option, enter upon the premises of the PIZZA 9 Franchised Restaurant and exercise complete authority with respect to the operation of said business until such time as Franchisor determines that the default of Franchisee has been cured and that there is compliance with the requirements of this Agreement Franchisee specifically agrees that a designated representative of Franchisor may take over, control, and operate said business, and that Franchisee shall pay Franchisor a service fee of not less than TWO HUNDRED Dollars ($200 00) per day plus all travel expenses, room and board and other expenses reasonably incurred by such representative so long as it shall be required by the representative to enforce compliance herewith Franchisee further agrees that if, as herein provided, Franchisor temporarily operates for Franchisee the business licensed herein, Franchisee agrees to indemnify and hold harmless Franchisor and any representative of Franchisor who may act hereunder, respecting any and all acts and omissions which Franchisor may perform, or fail to perform as regards the interests of Franchisee or third parties

XVIII RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION OR TERMINATION

Upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall forthwith terminate, and

A Franchisee shall immediately cease to operate the Franchised Restaurant under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor

B Upon demand by Franchisor, Franchisee shall assign to Franchisor Franchisee's interest in any lease then in effect for the Franchised Restaurant premises, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement

C Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System, the trademark, service mark and trade name "PIZZA 9" and any Marks an“ distinctive forms, slogans, signs, symbols, logos, or devices associated with the System In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other articles which display the Marks associated with the System

D Franchisee shall take such action as may be necessary to assign to Franchisor or Franchisor's designee any assumed name rights or equivalent registration filed with state, city, or county authorities which contains the name "PIZZA 9" or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement

E Franchisee agrees, in the event he continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Marks and further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor so as to constitute unfair competition Franchisee shall make such modifications or alterations to the premises operated hereunder (including, without limitation, the changing of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business thereon subsequently operated by Franchisee or others, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose, including, without limitation, removal of all distinctive physical and structural features identifying the System In the event Franchisee fails or refuses to comply with the requirements of this Article XVIII, Franchisor shall have the right to enter upon the premises where Franchisee's Franchised Restaurant w's conducted, 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

F Franchisee shall promptly pay all sums owing to Franchisor 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

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

H Franchisee shall immediately turn over to Franchisor all manuals, including the Confidential Operations Manual, PIZZA 9 Proprietary Software Program, if any, customer lists, records, files, instructions, brochures, agreements, disclosure statements, and any and all other materials provided by Franchisor to Franchisee relating to the operation of the franchised business (all of which are acknowledged to be Franchisor's property)

I Franchisor shall have the right, title and interest to any sign or sign faces bearing Franchisor's Marks Franchisee hereby acknowledges Franchisor's right to access the premises of the Franchised Restaurant should Franchisor elect to take possession of any said sign or sign faces bearing Franchisor's Marks

J Franchisor 'hall have the right (but not the duty), to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase for cash any or all assets of the Franchised Restaurant, including leasehold improvements, equipment, supplies, and other inventory, advertising materials, and all items bearing Franchisor's Marks, at Franchisee's cost or fair market value, whichever is less If the parties cannot agree on fair market value within a reasonable time, an independent appraiser acceptable to Franchisee shall be designated by Franchisor, and his determination shall be binding If Franchisor elects to exercise any option to purchase as herein provided, it shall have the right to set off all amounts due from Franchisee under this Agreement, and the cost of the appraisal, if any, against any payment therefor

K Franchisee hereby acknowledges that all telephone numbers used in the operation of the franchised business constitute assets of the franchised business, and upon termination or expiration of this Agreement Franchisee shall assign to Franchisor or its designee, all Franchisee's right, title, and interest in and to Franchisee's telephone numbers and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and any regular, classified or other telephone directory listing associated with the Marks and to authorize a transfer of same to or at the direction of Franchisor

L Franchisee shall comply with the covenants contained in Article XVI of this Agreement

M All obligations of the parties which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding its expiration or termination until they are satisfied or by their nature expire

XIX TRANSFERABILITY OF INTEREST

A This Agreement and all rights hereunder can be assigned and transferred by Franchisor and, if so, shall be binding upon and inure to the benefit of Franchisor's successors and assigns ' B

This Agreement and all rights hereunder may be assigned and transferred by Franchisee and, if so, shall be binding upon and inure to the benefit of Franchisee's successors and assigns, subject to the following conditions and requirements, and Franchisor's right of first refusal 's set forth herein

(1) No Franchisee, partner (if Franchisee is a partnership), or shareholder (if Franchisee is a corporation), without Franchisor's prior written consent, 'y operation of law or otherwise shall sell, assign, transfer, convey, give away, or encumber to any person, firm, or corporation, all or any part of his interest in this Agreement or his interest in the franchise granted hereby or his interest in any proprietorship, partnership or corporation which owns any interest in the franchise, nor offer, permit, or suffer the same to be sold, assigned, transferred, conveyed, given away, or encumbered in any way to any person, firm, or corporation Franchisee may not without the prior written consent of the Franchisor fractionalize any of the rights of Franchisee granted pursuant to this Agreement Any purported assignment of any of Franchisee's rights herein not having the aforesaid consent shall be null and void and shall constitute a material default hereunder

(2) Franchisor shall not unreasonably withhold its consent to any transfer referenced in Section XIX B 1 of this Agreement when requested, provided, however, that the following conditions and requirements shall first be met to the full satisfaction of Franchisor

(a) If Franchisee is an individual or partnership and desires to assign and transfer its rights to a corporation or limited liability company

(1) Said transferee corporation/LLC shall be newly organized and its charter shall provide that its activities are confined exclusively to acting as a PIZZA 9 franchisee as licensed under this Agreement,

(2) Franchisee shall be and shall remain the owner of the majority (51 %) stock/membership interest of the transferee corporation,

(3) The individual Franchisee (or, if Franchisee is a partnership, one of the partners) shall be and shall remain the principal executive officer of the corporation/LLC,

(4) The transferee corporation/LLC shall enter into a written assignment (in a form satisfactory to Franchisor), in which the transferee corporation/LLC assumes all of Franchisee's obligations hereunder,

(5) All shareholders of the transferee corporation/LLC shall enter into a written agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the transferee corporation's/LLC's obligations to Franchisor,

(6) Each stock/membership interest certificate of the transferee corporation/LLC shall have conspicuously endorsed upon it a statement that the transferee corporation/LLC is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement,

(7) No new shares of common or preferred voting stock or membership interest certificate in the transferee corporation/LLC shall be issued to any person, partnership, trust, foundation, or corporation without obtaining Franchisor's prior written consent and then only upon disclosure of the terms and conditions contained herein being made to the prospective new holders of the stock/membership interest,

(8) All accrued money obligations of Franchisee to Franchisor, shall be satisfied prior to assignment or transfer

(b) If the transfer, other than such transfer as is authorized under Section XIX A 2 a of this Agreement, if consummated alone or together with other related previous, simultaneous, or proposed transfers, would have the effect of transferring control of the franchise licensed herein to someone other than an original signatory of this Agreement

(1) The transferee(s) shall be of good moral character and reputation and shall have a good credit rating and competent business qualifications reasonably acceptable to Franchisor Franchisee shall provide Franchisor with such information as Franchisor may require to make such determination concerning each such proposed transferee(s)

(2) The transferee(s) or such other individual(s) as shall be the actual manager of the franchise shall have successfully completed and passed the training course then in effect for Franchisees, or otherwise demonstrated to Franchisor's satisfaction, sufficient ability to operate the unit being transferred

(3) The transferee(s), including all shareholders, officers, directors, partners and members of the transferee(s), shall jointly and severally execute any or all of the following, at Franchisor's sole discretion and as Franchisor shall direct

aa A Franchise Agreement and other standard ancillary agreements with Franchisor on the current standard forms being used by Franchisor, except that an additional franchise fee shall not be charged, and/or

bb A written assignment from Franchisee in a form satisfactory to Franchisor, wherein transferee shall assume all of Franchisee's obligations hereunder

(4) Approval by Franchisor of any transfer by Franchisee of the franchise herein granted or any of Franchisee's rights under this Agreement shall in no way be deemed a release by Franchisor of Franchisee's obligations pursuant to this Agreement Consent by Franchisor to a transfer of the franchise shall not constitute or be interpreted as consent for any future transfer thereof

(5) The term of said agreements required pursuant to Section XIX A 2 b shall be for the unexpired term of this Agreement and for any extensions or renewals as provided herein

(6) If transferee is a corporation or LLC

aa Each stock/membership certificate of the transferee corporation/LLC shall have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement, and

bb No new shares of common or preferred voting stock or membership certificate in the transferee corporation/LLC shall be issued to any person, partnership, trust, foundation, limited liability company, or corporation without obtaining Franchisor's prior written consent

cc All shareholders of the transferee corporation/LLC shall guarantee the performance of the transferee corporation/LLC of all obligations under this Agreement

(7) All accrued money obligations of Franchisee to Franchisor shall be satisfied prior to assignment or transfer, and Franchisee shall not be in default under the terms of this Agreement

(8) Franchisee, prior to the transfer, shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its directors, agents and employees, except such claims as are not permitted to be waived under applicable law

3 Franchisee shall have fully paid and satisfied all of Franchisee's obligations to Franchisor, and the transferee or Franchisee shall have fully paid to Franchisor a transfer fee in the sum equal to one-half of the initial franchise fee paid hereunder for the training, supervision, administrative costs, overhead, counsel fees, accounting and other Franchisor expenses in connection with the transfer This transfer fee does not apply to an assignment of interest to a corporation under Section XIX B 2 a of this Agreement

4 No sale, assignment, transfer, conveyance, encumbrance, or gift of any interest in this Agreement or in the franchise granted thereby shall relieve Franchisee and the shareholders or partners participating in any transfer of the obligations of the covenants contained in Article XVI, except where Franchisor shall expressly authorize in writing

5 Each shareholder or member must have executed and delivered to Franchisor a non-competition covenant in a form and substance satisfactory to Franchisor After assignment of this Agreement to a corporation or limited liability company as above provided, or, if Franchisee is a corporation or limited liability company at the date of this Agreement, the sale, transfer, assignment or encumbrance or change in rights of any class or series of capital stock, membership interest or other securities of such corporation or company, whether by operation of law or otherwise, will be deemed a sale by Franchisee or (if a partnership) its partners or its or their interest(s) in this Agreement and

will in all respects be subject to the limitations set forth in this Section XIX on the sale of Franchisee's interests in this Agreement Any merger, consolidation, or reorganization by any corporation or limited liability company having an interest in this Agreement will be deemed a sale of such interest and, unless the prior written consent of Franchisor has been obtained, will constitute a material breach hereof

B Franchisee must give Franchisor ninety (90) days written notice prior to any sale or assignment by Franchisee The purpose of this Article XIX is to enable Franchisor to comply with any applicable state or federal franchise disclosure laws Franchisee agrees to indemnify and hold harmless Franchisor for Franchisee's failure to comply with 'his Article XIX

C In addition to the requirements of Section XIX B , Franchisee must promptly ("promptly" herein defined "within" fifteen (15) days of receipt of an offer to buy) give Franchisor written notice whenever Franchisee has received an offer to buy Franchisee's franchise Franchisee must also give Franchisor written notice simultaneously with any offer to sell the franchise made by, for, or on behalf of Franchisee The purpose of this Section XIX C is to enable Franchisor to comply with any applicable state or federal franchise disclosure laws or rules Franchisee agrees to indemnify and hold harmless Franchisor for Franchisee's failure to comply with this Article XIX

D Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location franchised hereunder, or in any communication media, any form of advertising, or list with any business, real estate broker, agent, or attorney any information relating to the sale of the Franchised Restaurant or the rights granted hereunder

XX DEATH OR INCAPACITY OF FRANCHISEE

A In the event of the death or incapacity of an individual Franchisee, or any partner of a Franchisee which is a partnership or any shareholder owning fifty percent (50%) or more of the capital stock of a Franchisee which is a corporation, the heirs, beneficiaries, devisees, or legal representatives of said individual, partner or shareholders, shall, within one hundred eighty (180) days of such event

(1) Apply to Franchisor for the right to continue to operate the franchise for the duration of the term of this Agreement and any renewals hereof, which right shall be granted upon the fulfillment of all of the conditions set forth in Section XIX B 2 b of this Agreement (except that no transfer fee shall be required), or

(2) Sell, assign, transfer, or convey Franchisee's interest in compliance with the provisions of Section XIX B and Article XXI of this Agreement, provided, however, in the event a proper and timely application for the right to continue to operate has been made and rejected, the one hundred eighty (180) days to sell, assign, transfer or convey shall be computed from the date of said rejection For purposes of this Article XIX, Franchisor's silence on an application made pursuant to Section XX B through the one hundred and eighty (180) days following the event of death or incapacity shall be deemed a rejection made on the last day of such period

B In the event of the death or incapacity of an individual Franchisee, or any partner or shareholder of a Franchisee which is a partnership or corporation, where the aforesaid provisions of Article XIX have not been fulfilled within the time provided, all rights licensed to Franchisee under this Agreement shall, at the option of Franchisor, terminate forthwith and automatically revert to Franchisor

XXI RIGHT OF FIRST REFUSAL

If Franchisee or its owners propose to sell the Franchised Restaurant (or its assets) or part or all of the ownership of Franchisee, Franchisee or its owners shall obtain and deliver a bona fide, executed written offer to purchase same to Franchisor, which shall, for a period of fifteen (15) days from the date of delivery of such offer, have the right, exercisable by written notice to Franchisee or its owners, to purchase the Franchised Restaurant (or its assets) or such ownership for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer If Franchisor does not exercise this right of first refusal, the offer may be accepted by Franchisee or its owners, subject to the prior written approval of Franchisor, as provided in Article XIX hereof, provided that if such offer is not so accepted within six (6) months of the date thereof, Franchisor shall again have the right of first refusal herein described

XXII OPERATION IN THE EVENT OF ABSENCE, DISABILITY, OR DEATH

In order to prevent any interruption of the franchised business which would cause harm to said business and thereby depreciate the value thereof, Franchisee authorizes Franchisor, in the event that Franchisee is absent or incapacitated by reason of illness or death and is not, therefore, in the sole judgment of Franchisor, able to operate the business licensed hereunder, to operate said business for so long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement Provided, however, that in the event that Franchisor should operate the franchise, Franchisor shall not be obligated to so operate the franchise for a period of more than ninety (90) days All monies from the operation of the business during such period of operation by Franchisor shall be kept in a separate account and the expenses of the business, including a service fee of not less than TWO HUNDRED Dollars ($200 00) per day plus all travel expenses, room and board and other expenses reasonably incurred by Franchisor's representative, shall b' charged to said account If, as herein provided, Franchisor temporarily operates for Franchisee the business licensed herein, Franchisee agrees to indemnify and hold harmless Franchisor and any representative of Franchisor who may act hereunder, from any and all claims arising from the acts and omissions of Franchisor and its representative

XXIII INDEPENDENT CONTRACTOR

A This Agreement does not constitute Franchisee as an agent, legal representative, joint venturer, partner, employee of Franchisor for any purpose whatsoever, and it is understood between the parties hereto that Franchisee shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on behalf of Franchisor

B Franchisee shall prominently display, by posting of a sign within public view, on or in the premises of the franchised location, a statement that clearly indicates that said business is independently owned and operated by Franchisee as a PIZZA 9 franchise of Franchisor and not as an agent thereof

C Franchisee agrees to defend at his own cost and to indemnify and hold harmless Franchisor, its officers, employees and agents, from and against any and all loss, costs, expenses (including attorneys' fees), damages and liabilities, however caused, resulting directly or indirectly from or pertaining to the use, condition, or construction, equipping, decorating, maintenance or operation of the Franchised Restaurant, including the sale of any food products, service or merchandise sold from the Franchised Restaurant Such loss, claims, costs, expenses, damages and liabilities shall include, without limitation, those arising from latent or other defects in the Franchised Restaurant, whether or not discoverable by Franchisor, and those arising from the death or injury to any person or arising from damage to the property of Franchisee or Franchisor, their agents or employees, or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of Franchisor or any of its agents or employees or resulted from any strict liability imposed on Franchisor or any of its agents or employees

D This Agreement shall be binding on the parties and their respective successors and assigns For the purposes of this Section XXIII D , "Principal Owner" means each individual or entity holding a beneficial ownership in the Franchised Restaurant This definition also includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of a trust Each of Franchisee's Principal Owners shall execute the Personal Guaranty and Undertaking attached as <u>Attachment A</u> to this Agreement If any person required to sign a Guaranty and Personal Undertaking is a corporation or other business entity (that is, an entity other than a natural person), then its owners and parents will execute the Guaranty and Personal Undertaking, it being the intent of the parties that each entity in the chain of ownership, and each natural person holding a beneficial interest in the franchise, either directly or indirectly through business entities, will be considered an "Principal Owner" under this Agreement Failure or refusal sign the Personal Guaranty and Undertaking so shall constitute a breach of this Agreement Franchisee and each of its Principal Owners shall be jointly and severally liable for each person's obligations hereunder and under the Personal Guaranty and Undertaking

XXIV REFERRAL FEE

Franchisor shall pay to Franchisee the sum of FIVE HUNDRED DOLLARS ($500 00) in consideration of the referral of a prospective franchisee to Franchisor if the prospective franchisee pays the franchise fee for a franchise Franchisee shall not solicit prospective franchisees nor otherwise participate in the sale of a franchise to a prospective franchisee, but shall only refer prospective franchisees who inquire about a franchise Franchisor shall make payment of FIVE HUNDRED DOLLARS ($500 00) within sixty (60) days after the date that the prospective franchisee pays the franchise fee

XXV NON-WAIVER

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature, nor shall any delay, waiver, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default Subsequent acceptance by Franchisor of any payment(s) 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

XXVI NOTICE

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified mail, return receipt requested, 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	HASAN ASLAMI	
	5643 Jefferson Street NE, Suite A, Albuquerque, NM 87109	P O Box 21614 Albuquerque, NM 87154
Copy to	BEHRAD ETEMADI	
	5643 Jefferson Street NE, Suite A, Albuquerque, NM 87109	P O Box 21614 Albuquerque, NM 87154

Notices to Franchisee ______________________________

____

____

Copy to ______________________________
____
____
____
____

Any notice by certified mail shall be deemed to have been given at the date and time of mailing

XXVII COST OF ENFORCEMENT OR DEFENSE

In the event that one party to this Agreement is required to employ legal counsel or to incur other expenses to enforce any obligation of the second party hereunder, or to defend against any claim, demand, action, or proceeding by reason of the second party's failure to perform any obligation imposed upon the second party by this Agreement, and provided that legal action is filed and such action or the settlement thereof establishes the second party's default hereunder, then the first party shall be entitled to recover from the second party the amount of all reasonable attorney's fees of such counsel and all other expenses incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding, whether incurred prior to, or in preparation for, or in contemplation of the filing of such action or thereafter Nothing contained in this Article XXVII shall relate to arbitration proceedings pursuant to this Agreement

XXVIII ENTIRE AGREEMENT

This Agreement, any Attachment and/or Exhibit attached hereto, and the documents referred to herein, shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements No other representation has induced Franchisee to execute this Agreement, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties

XXIX SEVERABILITY AND CONSTRUCTION

A Each Article, Section, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any Article, 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, such shall not impair the operation of or affect the remaining portions, sections, parts, terms and/or provisions of this Agreement, and the latter will 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 part of this Agreement, provided, however, that if Franchisor determines that said finding of illegality adversely affects the basic consideration of this Agreement, Franchisor may, at its option, terminate this Agreement

B 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 Franchisee and such of their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under or by reason of this Agreement

C Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is contained within the terms of any provision hereof, as though it were separately stated 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

D All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof The singular usage includes the plural and the masculine and neuter usages include the feminine

E This Agreement may be executed in triplicate, and each copy so executed shall be deemed an original

F The recitals set forth in this Agreement are specifically incorporated into the terms of this Agreement and hereby constitute a part thereof

XXX APPLICABLE LAW

A THIS AGREEMENT TAKES EFFECT UPON ITS ACCEPTANCE AND EXECUTION BY FRANCHISOR IN NEW MEXICO, AND SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS THEREOF, WHICH LAWS SHALL PREVAIL IN THE EVENT OF ANY CONFLICT OF LAW, EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U S C SECTIONS 1051, ET SEQ)

B FRANCHISEE ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS ENTERED INTO IN ALBUQUERQUE, NEW MEXICO, AND THAT ANY ACTION SOUGHT TO BE BROUGHT BY EITHER PARTY FOR THE PURPOSE OF ENFORCING THE TERMS AND PROVISIONS HEREOF SHALL BE BROUGHT IN THE SECOND JUDICIAL DISTRICT COURT IN ALBUQUERQUE, NEW MEXICO, AND THE PARTIES DO HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSES OF CARRYING OUT THIS PROVISION

C 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

D NOTHING HEREIN CONTAINED SHALL BAR FRANCHISOR'S RIGHT TO OBTAIN INJUNCT'VE RELIEF AGAINST THREATENED CONDUCT THAT WILL CAUSE IT LOSS OR DAMAGES, UNDER THE USUAL EQUITY RULES, INCLUDING THE APPLICABLE RULES FOR OBTAINING RESTRAINING ORDERS AND PRELIMINARY INJUNCTIONS

XXXI ARBITRATION

A Any monetary claim arising out of or relating to this Agreement, or any breach thereof, and any controversy regarding the establishment of the fair market value of leasehold improvements and other Franchised Restaurant assets pursuant to Section XVIII J hereof, shall be submitted to arbitration in Albuquerque, New Mexico, in accordance with the rules of the American Arbitration Association and judgment upon the award may be entered in any court having jurisdiction thereof Nothing contained herein shall, however, be construed to limit or to preclude Franchisor from bringing any action in any court of competent jurisdiction for injunctive or other provisional relief as Franchisor deems to be necessary or appropriate to compel Franchisee to comply with his obligations hereunder or to protect the trademarks or other property rights of Franchisor In addition, nothing contained herein shall be construed to limit or to preclude Franchisor from joining with any action for injunctive or provisional relief all monetary claims that Franchisor may have against Franchisee which arise out of the acts or omissions to act giving rise to the action for injunctive or provisional relief This arbitration provision shall be deemed to be self-executing and in the event that Franchisee fails to appear at any properly noticed arbitration proceeding, award may be entered against Franchisee notwithstanding his failure to appear

B Nothing herein contained shall bar the right of either party to seek and obtain temporary injunctive relief from a court of competent jurisdiction in accordance with applicable law against threatened conduct that will cause loss or damage, pending completion of the arbitration

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

XXXII DEFINITIONS

As used in this Agreement, the term "Franchisee" shall include "all person" who succeed to the interest of the original Franchisee by transfer or operation of law and shall be deemed to include not only the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement, but shall also include all partners of the entity that executes this Agreement, in the event said entity is a partnership, and all shareholders, officers and directors of the entity that executes this Agreement, in the event said entity is a corporation By their signatures hereto, all partners, shareholders, officers and directors of the entity that sign this Agreement as Franchisee acknowledge and accept the duties and obligations imposed upon each of them, individually, by the terms of this Agreement

XXXIII CAVEAT

The success of the business venture contemplated to be undertaken by Franchisee by virtue of this Agreement is speculative and depends, to a large extent, upon the ability of Franchisee as an independent businessman, and his actual participation in the daily affairs of the business, as well as other factors Franchisor does not make any representation or warranty, express or implied, as to the potential success of the business venture contemplated hereby

XXXIV ACKNOWLEDGMENTS

A Franchisee represents and acknowledges that Franchisee has received, read and understood this Agreement and Franchisor's disclosure document, and that Franchisor has fully and adequately explained the provisions of each to Franchisee's satisfaction, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of his own choosing about the potential benefits and risks of entering into this Agreement

B Franchisee acknowledges that Franchisee has received a copy of this Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least fourteen (14) business days prior to the date on which this Agreement was executed Franchisee further acknowledges that Franchisee has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures at least fourteen (14) business days prior to the date on which this Agreement was executed

(Signature page to follow)

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement in triplicate the day and year first above written

FRANCHISOR **PIZZA 9 FRANCHISE SYSTEM LLC**	**FRANCHISEE**
By ______________________	By ______________________
Title ______________________	Title ______________________

ATTACHMENT A
PERSONAL GUARANTY AND UNDERTAKING

1 I have read the Franchise Agreement between Pizza 9 Franchise System LLC and ____________ ______ (the "**Franchisee**")

2 I own a beneficial interest in the Franchisee, and would be considered a "**Principal Owner**" within the definition contained in the Franchise Agreement

3 I understand that, were it not for this Personal Guaranty and Undertaking (the "**Guaranty**"), Franchisor would not have agreed to enter into the Franchise Agreement with the Franchisee

4 I will comply with of the provisions contained in Article VI and VII of the Franchise Agreement concerning the Franchisee's use of Franchisor's Marks, Confidential Operations Manual, and Copyrighted Works (as each term is defined in the Franchise Agreement) I understand that, except for the license granted to the Franchisee, I have no individual right to use the Marks, the Confidential Operations Manual, or Copyrighted Works and I have no ownership interest in the Marks, Confidential Operations manual or Copyrighted Works

5 I will comply with all of the provisions contained in Article VIII of the Franchise Agreement concerning the use of the Confidential Manual and Information I will maintain the confidentiality of all Confidential Information disclosed to me I agree to use the Confidential Information only for the purposes authorized under the Franchise Agreement I further agree not to disclose any of the Confidential Information, except ***(a)*** to the Franchisee's employees on a need to know basis, ***(b)*** to the Franchisee's and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and ***(c)*** as otherwise may be required by law

6 I will comply with all of the provisions contained in Article XIX of the Franchise Agreement concerning the transfer of my ownership interest in the Franchisee

7 While I am a Principal Owner of the Franchisee and, for a two-year period after I cease to be a Principal Owner (or two years after termination or expiration (without renewal) of the Franchise Agreement, whichever occurs first), I will not

(a) Divert or attempt to divert any present or prospective tenant of Pizza 9 Restaurants to any competitor or do anything to harm the goodwill associated with the Marks and the System,

(b) Employ or seek to employ any person who is or has been within the previous six months employed by Franchisor or an Affiliate of Franchisor as a salaried managerial employee, or induce such person to leave his or her employment, or

(c) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any business that engages in leasing, subleasing, or rental of individual booths, suites, or retail spaces to third party beauty and wellness practitioners (including but not limited to cosmetologists, hair stylists, nail technicians, and massage therapists) This restriction shall apply, while I am a Principal Owner, to any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks It will apply for two years after I cease to be a Principal Owner (or two years after termination or expiration of the Franchise Agreement, whichever occurs first) to any location that ***(i)*** is, or is intended to be, located at the location of the former Restaurant, or ***(ii)*** within a 20-mile radius of the Franchised Location or any other Restaurant operating under the System and Marks in existence or under development at the time I cease being a Principal Owner (or termination or expiration of the Franchise Agreement, whichever occurs first) This restriction will be tolled during any period of my noncompliance

8 I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Guaranty If all or any portion of a covenant in this Guaranty is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, I expressly agree 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 Guaranty

9 I understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Guaranty, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified

10 I agree that the provisions contained in Articles XXX and XXXI of the Franchise Agreement will apply to any dispute arising out of or relating to this Guaranty If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys' fees and costs

11 I hereby guarantee the prompt and full payment of all amounts owed by the Franchisee under the Franchise Agreement, <u>except</u> for damages in the nature of lost profits or lost future royalties caused by the premature termination of the Franchise Agreement or early closure of the PIZZA 9 Restaurant I understand that I am not personally responsible for any lost profits or lost future royalties that Franchisor may incur based on the premature termination of the Franchise Agreement or early closure of the PIZZA 9 Restaurant

12 I will pay all amounts due under this Guaranty within 14 days after receiving notice from Franchisor that the Franchisee has failed to make the required payment I understand and agree that Franchisor need not exhaust its remedies against the Franchisee before seeking recovery from me under this Guaranty

13 No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty If the Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the Franchisee's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty

15 **<u>I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE</u>**

16 I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law

17 I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand, one Business Day after electronically confirmed transmission by facsimile or other electronic system, one Business Day after delivery by Express Mail or other recognized, reputable overnight courier, or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below I may change this address only by delivering to Franchisor written notice of the change

[*Signature Page Is Following Page*]

Intending to be legally bound, I have executed this Personal Guaranty and Undertaking on the date set forth below

GUARANTOR

Dated ____________________

____

Name ______________________________

Address ____________________________

____

Fax ________________________________

ATTACHMENT B
ACH AUTHORIZATION
AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Please complete and sign this form

(a) Franchisee Information

Franchisee Name or Legal Entity ______________________________

PIZZA 9 Restaurant Number & Location ______________________________

Name and Email of Person to Receive ACH Debit Advice ______________________________

I (we) hereby authorize Pizza 9 Franchise System LLC, a New Mexico limited liability company (“Company”) to make ACH withdrawals from my (our) account at the financial institution named below I (we) also authorize the Company to initiate direct deposits into this account in the event that a debit entry is made in error I (we) acknowledge that the origination of ACH transactions to or from my (our) account must comply with the provisions of U S law

I (we) agree to indemnify the Company for any loss arising in the event that any withdrawals from my (our) account shall be dishonored, whether with or without cause and whether intentionally or inadvertently

This agreement will remain in effect until the Company has received advanced written notice of cancellation from me (us) in such time and in such manner as to afford the Company a reasonable opportunity to act on it, and in no event shall such notice period be less than thirty (30) days

Name of Financial Institution ______________________________

ABA Routing Number ______________________________

Account Number ______________________________ Checking ☐ Savings ☐

Authorized Signature (Primary) ______________________________ Date

Authorized Signature (Joint) ______________________________ Date

Account holder(s), please sign here ***(Joint accounts require the signature of all persons having authority over the account)***

Please attach a voided check at right, and mail to

Pizza 9 Franchise System LLC, Attn Chief Operating Officer
5643 Jefferson Street NE, Suite A,
Albuquerque, New Mexico 87109

ATTACH CHECK HERE

ATTACHMENT C

BOUNDARIES

(Insert boundary Map)

ATTACHMENT D

PIZZA 9 EXPRESS RESTAURANT AMENDMENT

This PIZZA 9 EXPRESS RESTAURANT AMENDMENT TO THE FRANCHISE AGREEMENT (this "**Amendment**") is entered into on this ____ day of _____________, 20____ (the "**Effective Date**") by and between PIZZA 9 FRANCHISE SYSTEM, LLC, a New Mexico limited liability company ("**Franchisor**") and _________________________________ ("**Franchisee**")

A Franchisee desires to acquire the right and undertake the obligation to develop a PIZZA 9 Express Restaurant ("Express Restaurant") pursuant to the Franchisor's Franchise Agreement (the "**Franchise Agreement**")

B Franchisor agrees to grant Franchisee the right to develop an Express Restaurant, pursuant to the terms and conditions of the Franchise Agreement as amended by this Amendment, which shall be executed concurrently with the Franchise Agreement

NOW, THEREFORE, in consideration for the mutual promises contained in this Amendment and the Franchise Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the following

1 Franchise Agreement Franchisee's right to operate an Express Restaurant shall be governed solely by the terms and conditions of the Franchise Agreement as modified by this Amendment Certain sections of the Franchise Agreement are modified as follows

a Section I A is replaced with the following

> "A Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, the right, franchise and privilege to use the Mark "PIZZA 9," and other Marks of Franchisor, and Franchisee undertakes the obligation, to operate a PIZZA 9 restaurant facility featuring the Menu Items and providing on-premises dining and carry out services only (hereinafter sometimes referred to as "Franchised Restaurant"), and to use solely in connection therewith Franchisor's System, as it is currently established, and as it may be changed, improved and further developed from time to time, at one location only, such location to be ____ ("Location")
>
> Franchisee shall not relocate the Express Restaurant facility without the prior written approval of Franchisor

b Section I B is deleted

c Section I C shall be replaced with the following

> "C Franchisee shall receive the right to operate one Pizza 9 Express Restaurant facility at the Location, which is positioned in a Captive Market "Captive Market" means any facility serving a captive market, including department stores, supermarkets, shopping malls, amusement parks, airports, train stations, travel plazas, casinos, nightclubs, restaurants, public facilities, college and school campuses, arenas, stadiums, ballparks, hospitals, office buildings, convention centers, airlines (in-flight service), military bases, and any other mass gathering events or locations, and facilities of any kind for which food and/or beverage service rights are contracted to a third party or parties (including, but not limited to, designated road ways and facilities adjacent thereto) As used herein, the term "shopping malls" includes any retail center (enclosed or open), including "outlet malls," with an aggregate gross leasable area in excess of 350,000 square feet

Franchisee shall not receive an "Area of Primary Responsibility," defined as an area granted to franchisees in which Franchisor may not enfranchise or operate any other Pizza 9 facility Franchisor has the right to grant Areas of Primary Responsibilities to other franchises within any proximity to the Location as Franchisor, in its sole and exclusive discretion, deems appropriate Further, the Location may be located in another franchisee's Area of Primary Responsibility Franchisor also reserves the right to offer and sell, within any proximity to the Location, at wholesale or retail (or any other species of retail vendor whatsoever), the Proprietary Food Products that comprise, or may in the future comprise, a part of the PIZZA 9 System, which products may be resold at retail to the general public by such entities Franchisor further reserves the right to sell, within any proximity to the Location, at both wholesale and retail all products and services which do not comprise a part of the PIZZA 9 System Those products and services which comprise a part of the PIZZA 9 System are delineated and set forth in detail in the PIZZA 9 Confidential Operations Manual (hereinafter the "Confidential Operations Manual", discussed in detail hereunder), which Manual may be amended from time to time to reflect additions to, deletions from and modifications to the specification of those services and products which comprise a part of the System "

d Section I D shall be replaced with the following

"D Nothing contained herein shall prevent Franchisor or other franchisees in the System to engage in delivery activities within any proximity to the Location Franchisor or other System franchisees may actively solicit prospective clientele or conduct advertising activities within any proximity to the Location for delivery services and other related activities "

e Section I E shall be replaced with the following

"E In consideration of the franchise granted herein, Franchisee shall pay to Franchisor a franchise fee in the amount of FIVE THOUSAND Dollars ($5,000)

Said fee shall be deemed fully earned and non-refundable upon execution of this Agreement as consideration for expenses incurred by Franchisor in furnishing assistance and services to Franchisee and for Franchisor's lost or deferred opportunity to franchise others, except as may be specifically provided hereinafter in this Agreement and/or any Attachment or Exhibit attached hereto "

f Section I G is deleted

g The phrase "within Franchisee's Area of Primary Responsibility" is deleted from Section III A

h The phrase "depending on the size of Franchisee's Area of Primary Responsibility as described herein" is deleted from Section X E

2 Construction Capitalized terms not defined herein shall have the meaning attributed to them in the Franchise Agreement The headings and subheadings of the sections of this Amendment are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the agreements, terms, covenants and conditions of this Amendment in any manner

3 Survival of Terms All representations, warranties, reporting requirements and indemnities contained in this Amendment shall survive the suspension, termination or expiration of this Amendment

4 Entire Agreement The Franchise Agreement and its Attachments, as modified by this Amendment, represent the entire fully integrated agreement between the parties and supersede all other negotiations, agreements, representations, and covenants, oral or written Notwithstanding the foregoing, nothing in this Amendment shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the disclosure document (including its exhibits and amendment that Franchisor delivered to

Franchisee in connection with this franchise offering Except for those changes permitted to be made unilaterally by Franchisor under the Franchise Agreement, no amendment, change or variance from the Franchise Agreement or this Amendment shall be binding on either party unless mutually agreed to in writing by the parties and executed by their authorized officers or agents

5 Parties' Acknowledgment Each party acknowledges that the terms of this Amendment have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel This Amendment is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in the Franchise Agreement or this Amendment

6 Multiple Counterparts This Amendment may be executed in multiple counterparts, each of which shall be fully effective as an original when all parties have executed this Amendment Signature of any party may be made by facsimile and/or PDF and any such signature shall be considered binding and effective and no question shall be raised as to the effectiveness of the signature because it has been made by facsimile and/or PDF

7 Affirmation All terms of the Franchisee Agreement are ratified and confirmed and hereby incorporated by reference to the extent such terms do not contradict the terms set forth in this Agreement including, without limitation, the applicable law, waiver of jury trial and dispute resolution

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date

FRANCHISOR PIZZA 9 FRANCHISE SYSTEM LLC	FRANCHISEE
By ______________________	By ______________________
Title ______________________	Title ______________________

ATTACHMENT E

EMPLOYEE INCENTIVE PROGRAM AMENDMENT

This EMPLOYEE INCENTIVE PROGRAM AMENDMENT TO THE FRANCHISE AGREEMENT (this "**Amendment**") is entered into on this ____ day of _____________, 20____ (the "**Effective Date**") by and between PIZZA 9 FRANCHISE SYSTEM, LLC, a New Mexico limited liability company ("**Franchisor**") and ________________________________ ("**Franchisee**")

A Franchisee desires to acquire the right and undertake the obligation to develop a PIZZA 9 franchised restaurant pursuant to the Franchisor's Franchise Agreement (the "**Franchise Agreement**")

B Franchisee (or its Principal Owner, as defined in the Franchise Agreement, if applicable) has worked at least full-time for one consecutive 12-month period ("**Full-Time Franchisee**") or part-time for a minimum of one consecutive 24-month period ("**Part-Time Franchisee**") (minimum qualifying periods are referred to as "**Minimum Tenure**") at a Pizza 9 location

C Franchisee (or its Principal Owner, if applicable) is in good standing with Franchisor and/or his/her previous employer

D In recognition and consideration for the time that Franchisee (or its Principal Owner, if applicable) has worked as a PIZZA 9 employee, Franchisor and Franchisee have agreed to certain terms that affect the payment of the franchise fee and Franchisee's weekly Continuing Services and Royalty fee obligation, as set forth in this Amendment

E Franchisor agrees to grant Franchisee the right to develop a PIZZA 9 franchised business, pursuant to the terms and conditions of the Franchise Agreement as amended by this Amendment, which shall be executed concurrently with the Franchise Agreement

NOW, THEREFORE, in consideration for the mutual promises contained in this Amendment and the Franchise Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the following

1 Franchise Fee Section I E of the Franchise Agreement is replaced with the following

"The franchise fee is waived "

2 Refunds

a In Section I H of the Franchise Agreement, the phrase "the franchise fee (pursuant to Section I E above) received by Franchisor less THREE THOUSAND Dollars ($3,000 00) shall be returned to Franchisee" is replaced with "Franchisee shall pay THREE THOUSAND DOLLARS ($3,000) to Franchisor, due immediately upon termination of this Agreement "

b In Section III E of the Franchise Agreement, the phrase "deposits received by Franchisor less FIVE THOUSAND Dollars ($5,000 00) shall be returned to Franchisee" is replaced with "Franchisee shall pay FIVE THOUSAND DOLLARS ($5,000) to Franchisor, due immediately upon termination of this Agreement "

c In Section V D of the Franchise Agreement, the phrase "the franchise fee (pursuant to Section I E above) received by Franchisor less FIVE THOUSAND Dollars ($5,000 00) shall be returned to Franchisee" is replaced with "Franchisee shall pay FIVE THOUSAND DOLLARS ($5,000) to Franchisor, due immediately upon termination of this Agreement "

3 Continuing Services and Royalty Fee Section XI A of the Franchise Agreement is replaced with the following

"A Franchisee shall pay a weekly Continuing Services and Royalty Fee equal to five and a half percent (5 5%) ("CSRF") of the Royalty Sales derived from the Franchised Restaurant payable as follows (check one)

☐ Full-Time Franchisee Three and a half percent (3 5%) without offset, credit or deduction of any nature, to Franchisor, with the remaining two percent (2 0%) temporarily waived for one consecutive 12-month period for every one consecutive 12-month period the Franchisee has worked above Minimum Tenure ("Full-Time Discount Period"), for a maximum Full-Time Discount Period of four consecutive 12-month periods from the Effective date, ending on __ day of _____, 20_____

☐ Part-Time Franchisee Four and a half percent (4 5%) without offset, credit or deduction of any nature, to Franchisor, with the remaining one percent (1 0%) temporarily waived for one consecutive 12-month period for every one consecutive 12-month period the Franchisee has worked above Minimum Tenure ("Part-Time Discount Period"), for a maximum Part-Time Discount Period of three consecutive 12-month periods from the Effective date, ending on __ day of _____, 20_____

Upon the end of the Full-Time Discount Period or Part-Time Discount Period, Franchisee will immediately assume payment of the five and a half percent (5 5%) CSRF in full, without offset, credit, or deduction of any nature, as long as this Agreement is in effect The CSRF shall be paid weekly in the manner specified above or as otherwise prescribed in the Confidential Operations Manual "

4 Construction Capitalized terms not defined herein shall have the meaning attributed to them in the Franchise Agreement The headings and subheadings of the sections of this Amendment are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the agreements, terms, covenants and conditions of this Amendment in any manner

5 Survival of Terms All representations, warranties, reporting requirements and indemnities contained in this Amendment shall survive the suspension, termination or expiration of this Amendment

6 Entire Agreement The Franchise Agreement and its Attachments, as modified by this Amendment, represent the entire fully integrated agreement between the parties and supersede all other negotiations, agreements, representations, and covenants, oral or written Notwithstanding the foregoing, nothing in this Amendment shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the disclosure document (including its exhibits and amendment that Franchisor delivered to Franchisee in connection with this franchise offering Except for those changes permitted to be made unilaterally by Franchisor under the Franchise Agreement, no amendment, change or variance from the Franchise Agreement or this Amendment shall be binding on either party unless mutually agreed to in writing by the parties and executed by their authorized officers or agents

7 Parties' Acknowledgment Each party acknowledges that the terms of this Amendment have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel This Amendment is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in the Franchise Agreement or this Amendment

8 Multiple Counterparts This Amendment may be executed in multiple counterparts, each of which shall be fully effective as an original when all parties have executed this Amendment Signature of any party may be made by facsimile and/or PDF and any such signature shall be considered binding and effective and no question shall be raised as to the effectiveness of the signature because it has been made by facsimile and/or PDF

9 Affirmation All terms of the Franchisee Agreement are ratified and confirmed and hereby incorporated by reference to the extent such terms do not contradict the terms set forth in this Agreement including, without limitation, the applicable law, waiver of jury trial and dispute resolution

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date

FRANCHISOR **PIZZA 9 FRANCHISE SYSTEM LLC**	**FRANCHISEE**
By ________________________	By ________________________
Title ________________________	Title ________________________

EXHIBIT C
GENERAL RELEASE (SAMPLE FORM)

GENERAL RELEASE

(SAMPLE FORM)

The undersigned and my heirs, administrators, executors, ancestors, and assigns, for good and valuable consideration, the receipt of which is hereby acknowledged, hereby remise, release, and forever discharge Pizza 9 Franchise System LLC ("**Franchisor**"), a New Mexico limited liability company, with its principal business offices located at 5643 Jefferson Street NE, Suite A, Albuquerque, New Mexico 87109 and its Affiliates, and their respective owners, officers, directors, employees, and agents' (collectively, the "**Franchisor Released Parties**") from any and all claims, whether at law or in equity, and all contracts, controversies, claims, and demands whatsoever, at law or in equity, that I ever had, now have, or that my respective heirs, administrators, ancestors, executors, and/or assigns may have against the Franchisor Released Parties including, without limitation, all claims arising out of or related to that certain Franchise Agreement between Franchisor and _________ dated ______________, 20___, and the offer and sale of the PIZZA 9 franchise opportunity

I acknowledge that this general release extends to claims which I do not know or suspect to exist in my favor at the time of executing this Release Agreement, which if were known to me may have materially affected my decision to enter into this Release Agreement I understand that the facts in respect of which this Release Agreement is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true I expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects effective and not subject to termination or rescission by any such difference in facts If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR "

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date set forth below

Signature ____________________________

Name ________________________________

Date _________________________________

[This General Release will be modified as necessary for consistency with any state law regulating franchising]

EXHIBIT D
MANUAL TABLE OF CONTENTS

EXHIBIT E
LIST OF CURRENT FRANCHISEES AND
FRANCHISEES WHO HAVE LEFT THE SYSTEM

LIST OF CURRENT FRANCHISEES
As of December 31, 2016

Franchisee	Street Address	City	ST	Zip	Phone
DGP LLC	4000 Louisiana NE #D	Albuquerque	NM	87110	505-883 6463
Enchantment Pizza Inc	1716 Eubank NE	Albuquerque	NM	87505	505-323-6463
Enchantment Pizza II, L L C	6541 Paradise Blvd NW #C	Albuquerque	NM	87123	505 897-0099
Enchantment Pizza III, L L C	2641 Coors Blvd NW Suite E	Albuquerque	NM	87133	505-831 6463
Padminiz LLC	5305 Gibson SE	Albuquerque	NM	87108	505-366-6463
Running Down a Dream Inc	4300 Eubank Blvd NE	Albuquerque	NM	87111	505 293-6463
P&R Holguin Enterprises LLC	6136 Fourth Street NW	Albuquerque	NM	87107	505-345-6463
Bendita Suerta	101 Gold Avenue SW	Albuquerque	NM	87102	505-843-6463
Buena Suerte, Inc	3211 Coors Blvd SW, Ste H1	Albuquerque	NM	87121	505-452 0909
Rio Rancho Subway, Inc	200 US Hwy 550	Bernalillo	NM	87004	505-897-0099
FISH DBA PIZZA 9 OF FARMINGTON LLC	685 Scott Ave	Farmington	NM	87401	505 325-6463
G&DD Small Town Pizza Corporation	1603 Main Street SW #E	Los Lunas	NM	87114	505-866 6463
P9 Cordova LLC	2015 Route 66 West	Moriarty	NM	87035	505-832-6900
VTN, LLC	1751 Rio Rancho Blvd #106	Rio Rancho	NM	87110	505-896-8999
Ultimate Pizza LLC	1965 Cerrillos Road	Santa Fe	NM	87124	505-982-8989
Ultimate Pizza LLC	6417 Airport Road	Santa Fe	NM	87120	505 835 1925
Pojoaque	68 Cites of Gold Road	Santa Fe	NM	87506	505-455-0999
Ultimate Pizza LLC	6417 Airport Rd	Santa Fe	NM	87120	505-835-1925
P9 Cordova LLC	2015 Route 66 West	Moriarty	NM	87035	505-832-6900
Bendita Suerta	101 Gold Ave SW	Albuquerque	NM	87102	505-843-6463
NM Guys LLC	3620 E Flamingo Road #5	Las Vegas	NV	89121	702-547-1503
Kandath Enterprises	1309 S Meridian Avenue	Oklahoma City	OK	73108	405-609-6644
J&E Harstine LLC	2648 S W 34th Avenue	Amarillo	TX	79109	806-352-6463

LIST OF FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT BUT RESTAURANT NOT OPEN AS OF DECEMBER 31, 2016

Franchisee	City	ST	Zip	Phone or E-mail
Duane Taylor Larry Taylor	Grants	NM	87020	505-290 7752
Vimal and Anjali Kansara	Dallas	TX		817-881-2121
GML Enterprises	El Paso	TX		325-725-4082

LIST OF FORMER FRANCHISEES

The following are franchisees who have been terminated, canceled, not renewed, or have otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the date of issuance of this disclosure document If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

As of December 31, 2016

Franchisee	City	ST	Phone
Bar n Bar LLC	Amarillo	TX	806 352-6463q
East Mountain Pizza LLC	Moriarty	NM	505-832-6900
Osage Enterprises	Las Vegas	NV	702-547-1503
Event Horizons 13	Albuquerque	NM	505-797-9990

EXHIBIT F
LIST OF STATE ADMINISTRATOR

LIST OF STATE ADMINISTRATORS

California
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7500

Hawaii
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Office of Attorney General
500 S Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Franchise Section, Securities Division
302 W Washington St, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Office of Attorney General
Securities Division
200 St Paul Place
Baltimore, Maryland 21202
(410) 576-7042

Michigan
Department of Attorney General
Consumer Protection Division
Attn Franchise Section
525 W Ottawa St
G Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
(517) 373-7117

Minnesota
Department of Commerce
85 7th Place East, Suite 500
St Paul, Minnesota 55101 2198
(651) 296-4026

New York
Bureau of Investor Protection and Securities
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416 8211

North Dakota
Office of Securities Commissioner
600 East Blvd Ave,
State Capitol, Fifth Floor Dept 414
Bismarck, North Dakota 58505
(701) 328-4712

Oregon
Division of Consumer and Business Services
350 Winter St N E Labor & Industries Bldg, Rm 21
Salem, Oregon 97310
(503) 378-4387

Rhode Island
Securities Division
1511 Pontiac Avenue, Bldg 69-1
Cranston, Rhode Island 02920
(401) 222-3048

South Dakota
Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington
Department of Financial Institutions, Securities Div
150 Israel Rd S W
Tumwater Washington 98501
(360) 902-8760

Wisconsin
Division of Securities
Department of Financial Institutions
345 W Washington, 4th Floor
Madison, Wisconsin 53703
(608) 266-8559

EXHBIT G
LIST OF AGENTS FOR SERVICE OF PROCESS

STATE	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344
NEW MEXICO	Hasan Aslami 5643 Jefferson Street NE, Suite A, Albuquerque, New Mexico 87109 Mike Barker Western States Retail and Investment 7770 Jefferson NE Suite 430 Albuquerque, New Mexico 87109

EXHIBIT H
RECEIPTS

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language Read this disclosure document and all agreements carefully

If Pizza 9 Franchise System LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law

If Pizza 9 Franchise System LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and any applicable state agency (as listed in Exhibit F to this disclosure document)

The name, principal business address, and telephone number of the franchise seller offering the franchise is

Name	Principal Business Address	Telephone Number
Hasan Aslami	5643 Jefferson Street NE, Suite A, Albuquerque, New Mexico 87109	(505) 615-1409

Issuance Date ________________________, 2017

I received a disclosure document dated ____________, 2017 (or the date reflected on the State Effective Dates Page) The disclosure document included the following Exhibits and Attachments

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement with Attachments
Exhibit C	General Release (sample form)
Exhibit D	Manual Table of Contents
Exhibit E	List of Current Franchisees and Franchisees Who Have Left the System
Exhibit F	List of State Administrators
Exhibit G	List of Agents for Service of Process
Exhibit H	Receipts

Dated __________________

____

Individually and as an Officer

____

Printed Name

of______________________________________

(a________________________________Corporation)

(a__________________________Partnership)
(a__________________________Limited Liability Company)

[Keep this page for your records]

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Dated ____________________

____

Individually and as an Officer

____

Printed Name

of____

(a____________________________________Corporation)

(a______________________________Partnership)

(a______________________________Limited Liability Company)

[Please return one copy of the signed receipt either by signing, dating, and mailing it to PIZZA 9 at 5643 Jefferson Street NE, Suite A, Albuquerque, New Mexico 87109, or by faxing a copy of the signed receipt to PIZZA 9 at (505) 764-3711]