FRANCHISE DISCLOSURE DOCUMENT

Prosperity System, Inc. d/b/a Pizza Boli's,
a Maryland Corporation
3 Greenwood Place, Suite 208
Pikesville, MD 21208
443-544-1500
info@pizzabolis.com
www.pizzabolis.com

The primary purpose of a Pizza Boli's franchised business is the operation of a restaurant offering carry-out, dine-in, and/or delivery services for pizza, chicken wings, and other ethnic foods.

There are three kinds of Pizza Boli's franchised concepts: the Pizza Boli's Express restaurant; Pizza Boli's Delivery restaurant; and Pizza Boli's Quick Service restaurant. The total investment necessary to begin operation of a Pizza Boli's Express restaurant offering carry-out services is from $155,900 to $336,950. This includes a total of $12,000 to $81,150 that must be paid to the franchisor or its affiliates for a Pizza Boli's Express restaurant. The total investment necessary to begin operation of a Pizza Boli's Delivery restaurant offering carry-out and delivery services is from $209,900 to $404,950. This includes a total of $24,000 to $93,150 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Pizza Boli's Quick Service restaurant offering carry-out, dine-in, and delivery services is from $217,900 to $458,950. This includes a total of $24,000 to $93,150 that must be paid to the franchisor or its affiliates.

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 the Disclosure Document at least 14 calendar days before you sign a binding agreement with us, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this Document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Franchise Sales Department at Prosperity System, Inc. d/b/a Pizza Boli's, 3 Greenwood Place, Pikesville, MD 21208, 443-544-1500 or via e-mail at info@pizzabolis.com.

The terms of the franchise agreement will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or 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, N.W., Washington, DC 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: August 21, 2024

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

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

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

WHAT YOU NEED TO KNOW ABOUT FRANCHISING *GENERALLY*

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

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

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

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

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

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

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

SOME STATES REQUIRE REGISTRATION

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

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

<u>SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE</u>

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

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

2. **<u>Spousal Liability</u>**. Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guaranty will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **<u>Mandatory Minimum Payments</u>**. You must make continuing franchise fees (minimum royalty and advertising fund payments) regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

TABLE OF CONTENTS

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor is Prosperity System, Inc., referred to in this document as "**Prosperity**," "**we**," "**us**" or "**our**." "**You**" or "**your**" is the franchisee, meaning the person who is granted the franchise. If "you" are a business entity, "you" also includes the owners, shareholders, members or partners of that entity. We conduct business as "**Pizza Boli's**". Our principal place of business is 3 Greenwood Place, Suite 208, Pikesville, MD 21208. Our telephone number is 443-544-1500. Our agents for service of process are disclosed in Exhibit E.

Our Background. We are a Maryland corporation that was incorporated on May 21, 1997. Pizza Boli's franchises were previously offered by Pizza Boli's System, Inc. On July 28, 1997, Pizza Boli's System, Inc. assigned certain federally registered trademarks, including Pizza Boli's®, to us. We acquired no other assets or liabilities of Pizza Boli's System at that time and are not the assignee of any franchise agreements from Pizza Boli's System or any other entity. After we acquired the service marks from Pizza Boli's System, that company ceased selling franchises, and since that time all of Pizza Boli's System's franchise agreements have expired or terminated.

On May 2, 2002, the shareholders of Prosperity and Pizza Boli's System, Inc. approved the merger of Pizza Boli's System, Inc. into Prosperity. Pizza Boli's System, Inc. was the merged corporation, and Prosperity is the surviving corporation. At the time of the merger, Pizza Boli's System, Inc. had no franchise agreements, assets or liabilities.

We sold "Pizza Boli's" franchises from 1997 to 2004 and since February 2009. We use certain designs, federally registered service marks, trade names, and commercial logotypes, including "**Pizza Boli's**". These symbols are referred to in this Franchise Disclosure Document as the "**Marks**." Except for the offering of franchises for pizza restaurants under the "**Bestolli**" name from March 2010 through November 2011, we have not conducted business, or offered franchises, in any other line of business. During that time, we sold one franchised Bestolli restaurant in Washington, DC, which ceased operations during 2020-21.

This disclosure document is provided solely for the purpose of rescission offers required under a July 19, 2024 Consent Order between Prosperity and the Securities Commissioner of Maryland. The Consent Order is more fully described in Item 3 of this disclosure document.

Our Affiliates. Our former affiliate, 1540 York Road, Inc., previously operated one Pizza Boli's store in Towson, Maryland ("**Towson Store**") from April 2010 through October 2013 when it was sold to a franchisee. 1540 York Road, Inc. was our wholly-owned subsidiary, with a principal place of business at 1540 York Road, Lutherville-Timonium, Maryland 21093, and is no longer operational. We reacquired the Towson Store from the franchisee in October 2015 and refranchised it to a new franchisee in December 2019. We also previously owned a 50 percent interest in a Pizza Boli's restaurant that opened in January 2018 at 5422 York Road in Baltimore, which was sold to a new franchisee in January 2019.

In addition, our majority shareholder, Javed Nasir, is the sole owner of the following entities, which may provide goods or services to our franchisees:

- Eastern Bay Construction LLC – a Maryland limited liability company that may provide construction services to franchisees. Eastern Bay Construction's principal place of business is 3 Greenwood Place, Suite 208, Pikesville MD 21208.

- 300 W. 29th Street Acquisition, LLC – a Maryland limited liability company that owns and leases the premises of a Franchised Business to one of our franchisees. 300 West 29th Street Acquisition's principal place of business is 3 Greenwood Place, Suite 208, Pikesville MD 21208.

- 1st Baltimore Acquisition LLC – a Maryland limited liability company that owns and leases the premises of a Franchised Business to one of our franchisees. The principal place of business of 1st Baltimore Acquisition is 32 Spring Hill Farm Ct., Cockeysville MD 21030.

- Star Light Acquisition LLC – a Maryland limited liability company that owns and leases the premises of a Franchised Business to one of our franchisees. The principal place of business of Star Light Acquisition is 32 Spring Hill Farm Ct., Cockeysville MD 21030.

Except as described above, we have no parents, affiliates or predecessors.

The Pizza Boli's Franchised Business. We grant three types of franchised concepts ("**Concepts**") for the operation of fast food, carry-out, and delivery restaurants that feature pizza and other ethnic foods under the name "**Pizza Boli's**" (each a "**Pizza Boli's Restaurant**"). Each Concept uses a method of operation that we have developed. The three Concepts are:

1. Pizza Boli's Express ("**PB Express**"). A PB Express is designed to operate from a small site (typically no more than 1,000 square feet), sometimes with service via a single window for customer access, and features only carry-out service. Menu items may be limited to less than those offered by a Pizza Boli's Delivery ("**PB Delivery**") or Pizza Boli's Quick Service ("**PB Quick Service**") Franchised Business.

2. PB Delivery. PB Delivery restaurants offer delivery and carry-out services.

3. PB Quick Service. PB Quick Service restaurants may offer dine-in, carry-out, and delivery services.

Previously we offered limited territorial protection for each Concept within a designated trade area ("**Trade Area**"). However, as of the date of this disclosure document, we no longer offer protected territories for any of the Concepts. Although you will not receive a protected territory, if you purchase a PB Delivery or PB Quick Services franchise, we will designate a Trade Area in which you will be authorized to make, and be responsible for making, deliveries. However, we reserve the right to develop and open, or grant franchises to others to develop and open, new Pizza Boli's Express, PB Delivery, or PB Quick Service Restaurants in your Trade Area.

All Pizza Boli's Restaurants are characterized by our system ("**System**"). The distinguishing characteristics of the System include distinctive exterior and interior design, décor, color scheme, and furnishings; menu items that we specify; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered (including approved suppliers); procedures for management and inventory control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Prosperity from time to time. You will offer a variety of foods that we specify and provide recipes for, and that use ingredients from suppliers that we specify. We do not expect you to sell alcoholic beverages, although the Franchise Agreement does not prohibit the sale of alcoholic beverages. In this disclosure document, we refer to a "**Franchised Business**" or "**Pizza Boli's Franchised Business**" as a Pizza Boli's Restaurant that is operated under a franchise agreement ("**Franchise Agreement**") with us. A Pizza Boli's Franchised Business is suitable for persons interested in operating a retail restaurant.

Before you may develop and open a Pizza Boli's Franchised Business, we must approve you as a franchisee; you must sign a Franchise Agreement (current form attached as Exhibit B) with us; we must approve your location; you must attend and successfully complete our training; and you must pay an Initial Franchise Fee, and Initial Training Fee, and a Grand Opening Marketing Fee.

Competition and Regulations. The market for fast food, carry-out, and delivery restaurants that feature pizza and other ethnic foods is competitive and well-developed. Your competitors will be well-known companies like Domino's, Pizza Hut, Papa John's, Jerry's Pizza and Subs, and Jimmy Johns, as well as local and regional establishments offering pizza and other ethnic foods and similar items. We may establish other Pizza Boli's Restaurants in your area (if permitted under the Franchise Agreement). To the extent that your Franchised Business is located near another franchised Pizza Boli's Restaurant, you may appear to or actually compete with other Pizza Boli's Restaurants.

Certain aspects of any restaurant business are regulated by federal, state and local laws, rules and ordinances in addition to the laws, regulations and ordinances applicable to businesses generally. There are also federal, state, and local regulations that apply to sanitation, food and menu labeling (such as nutritional and caloric information), food preparation, food handling, food content (such as salt and transfats), and food service. You must also obtain real estate permits, licenses, and operational licenses. If you plan to sell alcohol at your Pizza Boli's Franchised Business, you will have to obtain appropriate permits and licenses. You should consult with your attorney concerning these and other laws and ordinances that may affect your operations.

Item 2

BUSINESS EXPERIENCE

Javed (John) Nasir,
Director and President

Mr. Nasir has served as Director and President of Prosperity in Baltimore, Maryland since June 2001. Mr. Nasir has also served as President of Eastern Bay Construction, LLC in Pikesville, Maryland since January 2022; Member of Star Light Acquisition, LLC in Cockeysville, Maryland since February 2000; Member of 300 W. 29th Street Acquisition, LLC in Pikesville, Maryland since September 1999; and Member of 1st Baltimore Acquisition, LLC in Cockeysville, Maryland since October 1999.

Salvador Khadra,
Director of Operations

Mr. Khadra has been our Director of Operations since January 2017. Previously, he was our Area Manager in Pikesville, Maryland from July 2014 through January 2017.

Adeel Amjad
Director of Franchising

Mr. Amjad has been our Director of Franchising in Pikesville, Maryland since June 2018. From October 2016 through May 2018, he was our Area Manager in Pikesville, Maryland, and from May 2015 through September 2016, he was the Store Manager for a Pizza Boli's restaurant in Washington, D.C.

Matiur Patwary
Director of Business Development

Mr. Patwary has been our Director of Business Development in Pikesville, Maryland since February 2018.

Daniela Rivera
Marketing Associate

Ms. Rivera has been our Marketing Associate in Pikesville, Maryland since November 2020. Previously, she served as Associate Sales Manager from October 2017 through November 2021 at Sunglass Hut in Baltimore, Maryland.

Gabi Gulla
Marketing Associate

Ms. Gulla has been our Marketing Associate in Pikesville, Maryland since March 2022. Previously, she served as a Graphic Designer for NRCC in Washington, DC from September 2021 through February 2022. In addition, Ms. Gulla previously served as a Graphic Designer at C-Ely's Signs & Graphics in Waynesboro, Pennsylvania from January 2019 through March 2022.

Choudhry Tayyab Ali

Area Manager

Mr. Ali has been our Area Manager in Pikesville, Maryland since September 2020. Previously, he was self-employed providing delivery services through a third-party platform between January 2020 and September 2021 and also served as a Tech Consultant for Verizon in Hampstead, Maryland from February 2018 through January 2020.

Syed Haider

Area Manager

Mr. Haider has been our Area Manager in Pikesville, Maryland since January 2023. He served as the Store Manager for the "Govans" Pizza Boli's Restaurant in Baltimore, Maryland from December 2018 through January 2023 and as our Area Manager in Pikesville, Maryland from October 2014 through November 2018.

Mustapha Ikhlef

Area Manager

Mr. Ikhlef has been our Area Manager in Pikesville, Maryland since March 2021. Previously, he served as a chauffeur for U.S. Sedan in Sterling, Virginia from April 2010 through January 2021.

Suman Bodi

Area Manager

Mr. Bodi has been our Area Manager in Pikesville, Maryland since September 2021. Previously, he served as a Team Member at the Pizza Boli's Restaurant in Silver Spring Maryland from April 2020 through August 2021; a Team Member at Papa John's in Silver Spring, Maryland from November 2019 through March 2020; and a Team Member at the Pizza Boli's Restaurant in Silver Spring, Maryland from December 2017 through November 2019.

Item 3

LITIGATION

Pending Matters:

1. *Pizza Boli's/Prosperity Systems Before the Division of Securities and Retail Franchising of the Virginia State Corporation Commission*. On July 15, 2021, the Division of Securities and Retail Franchising of the Virginia State Corporation Commission (the "Securities Division") advised Prosperity that the Securities Division had initiated an investigation of whether Prosperity had violated the Virginia Retail Franchising Act by making unregistered franchise offers in Virginia. Prosperity is cooperating in the investigation.

Litigation Commenced Against Franchisees During Past Fiscal Year:

None

Concluded Matters:

2. *Shah v. Nasir and Prosperity Systems, Inc.*, Case No. C-03-CV22-0005484 (Md. Circuit Court for Baltimore County (Filed September 14, 2021 as Case No. 487180 in Md. Circuit Court for Montgomery County). On September 14, 2021, Syed Zaki Hussain Shah ("Shah"), Prosperity's minority shareholder and Director, filed a shareholder derivative suit in the Maryland Circuit Court for Montgomery County against Prosperity and Javid Nasir ("Nasir"), our majority shareholder, Director, and President. The complaint asserted claims of: (1) breach of contract; (2) breach of fiduciary duty; (3) fraud; and (4) conversion based on allegations that, among other things, Nasir misappropriated advertising funds for his personal use, failed to issue dividends, and failed to ensure that Prosperity complied with applicable franchise laws. Shah sought: (1) an accounting of Prosperity's income and expenses from January 1, 2001 to the present; (2) declaratory judgment; (3) injunctive relief; (4) compensatory and punitive damages in excess of $75,000 plus interest, costs, expenses and attorneys' fees; and (5) other relief deemed just and proper by the court. On January 24, 2022, the Maryland Circuit Court for Montgomery County granted a motion to transfer venue to the Maryland Circuit Court for Baltimore County. The parties have reached an agreement in principle to settle the case, which will, among other things, remove Shah as a shareholder and Director of Prosperity, and on August 8, 2024, the court entered a Civil Settlement Court Order indicating that the case was resolved with a settlement placed on the record. As of the date of this disclosure document, the parties are negotiating the final written settlement agreement.

3. *In the Matter of Prosperity Systems, Inc. d/b/a Pizza Boli's, Case No. 2021-0119 Before the Securities Commissioner of Maryland*. On July 19, 2024, Prosperity entered into a Consent Order with the Securities Commissioner of Maryland to resolve alleged violations of the registration and disclosure provisions of the Maryland Franchise Law, prior Consent Orders and a Consent Agreement, and an Escrow Order of the Maryland Securities Division (based, in part, on information that Prosperity voluntarily provided to the Maryland Securities Division). Under the terms of the Consent Order, Prosperity agreed to: (1) permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law and the Escrow Order; (2) submit a franchise disclosure document ("Rescission FDD") for use in making rescission offers to two Maryland franchisees; (3) offer rescission to each of the two franchisees listed in the Consent Order; (4) engage a franchise law compliance training program or trainer for five years to monitor the company's franchise sales activities in the state of Maryland and to Maryland residents and the company's advertising expenditures; (5) pay the Maryland Securities Division $35,000 as a civil monetary penalty; and (6) entry of a Consent to Permanent Injunction against violations of the Maryland Franchise Law and payment of a civil monetary penalty of $50,000 if the Securities Commissioner concludes that Prosperity has committed after the date of the Consent Order any material violations of the registration or disclosure provisions of the Maryland Franchise Law, any Escrow Order of the Securities Commissioner, or the Consent Agreement.

4 *Prosperity System, Inc. v. Choudry Basharat and Huntsman Pizza, Inc.*, No. C-03-CV-23-000109 (Maryland Circuit Court for Baltimore County, Filed January 9, 2023). On January 9, 2023, Prosperity filed suit against Choudry Basharat ("Basharat") and Huntsman Pizza, Inc. ("Huntsman Pizza"), our former franchisees for Springfield, Virginia, asserting claims for breach of contract based on allegations that the franchisees transferred their franchised business to a third

party without Prosperity's authorization. We sought compensatory damages in the amount of $127,400 plus costs and enforcement of the non-competition covenant for a period of one year. On April 14, 2023, Basharat filed a counterclaim requesting a declaratory judgment that the franchise agreement was unenforceable as contrary to public policy or a contract of adhesion. Prosperity filed a motion for default judgment against Huntsman Pizza on December 5, 2023. On January 2, 2024, Prosperity and Basharat filed a joint stipulation for voluntary dismissal of the case after entering into a settlement agreement under which Basharat agreed to pay Prosperity $21,480 and to return the Pizza Boli's Operations Manual and Recipe Book. On February 12, 2024, the court issued a default judgment against Huntsman Pizza for compensatory damages in the amount of $127,400.

5. *Prosperity System, Inc. v. Shah Dildar*, No. 1:19-cv-415 (U.S. District Court for the District of Maryland, Filed February 13, 2019). On February 13, 2019, Prosperity filed suit against Shah Dildar ("Dildar"), our former franchisee in Philadelphia, Pennsylvania for breach of contract and common law unfair competition based on allegations that Dildar wrongfully terminated the franchise agreement with Prosperity, refused to pay royalty and marketing fees as required by the franchise agreement, and operated a competitive business in violation of the franchise agreement's post-termination covenant against competition. Prosperity sought unspecified damages, specific performance of the covenant against competition, and reasonable attorneys 'fees. On July 3, 2019, Dildar filed a counterclaim against Prosperity, asserting claims of common law fraud, statutory fraud, and breach of contract based on allegations that Prosperity made material misrepresentations, violated franchise disclosure regulations, and failed to perform its obligations under the franchise agreement. On June 15, 2021, Prosperity and Dildar filed a joint stipulation for voluntary dismissal, which the court granted on June 16, 2021.

6. *Lubin v. Prosperity Systems, Inc., Javed Nasir, and Syed Zakir Hussein Shah, Case No. 24-C-04-003684* (Maryland Circuit Court for Baltimore City). On May 3, 2004, the Maryland Circuit Court for Baltimore City entered a Consent Order for Permanent Injunction under which Prosperity and our owners and officers, Javed Nasir ("Nasir") and Syed Zakir Hussein Shah ("Shah"), consented and agreed to the terms and conditions of a Consent Agreement with the Securities Commissioner. The Consent Agreement related to alleged violations of the registration and disclosure provisions of the Maryland Franchise Law and the two Consent Orders listed in subheadings 7 and 8, below, in relation to the offer and sale of two Prosperity franchises in Maryland at a time when Prosperity's Maryland franchise registration had lapsed and Prosperity's franchise renewal application was pending. Prosperity, Nasir, and Shah did not admit or deny any violation of law. Under the terms of the Consent Order, Prosperity, Nasir, and Shah agreed to: (1) offer rescission to the two franchisees listed in the Consent Order; (2) pay the Maryland Securities Division $5,000 for administrative expenses related to the investigation; and (3) permanently cease and desist from engaging in acts and practices that violate the Maryland Franchise Law, any regulations adopted thereunder, and any orders passed thereunder.

7. *In the Matter of Prosperity Systems, Inc. d/b/a Pizza Boli's, Case No. 2001-0813, Before the Securities Commissioner of Maryland,*. On January 10, 2002, Prosperity entered into a Consent Order with the Securities Commissioner of Maryland, related to alleged violations of the registration and disclosure provisions of the Maryland Franchise Law, in relation to the offer and sale of five Prosperity franchises to residents of Maryland at a time when Prosperity's Maryland franchise registration had lapsed. Prosperity did not admit or deny any violation of law. Under the

terms of the Consent Order, Prosperity agreed to (1) stop offering and selling franchises in violation of the Maryland Franchise Law; (2) diligently pursue the completion of its pending application to register the franchise in Maryland; (3) offer rescission to each of the five Maryland residents who purchased franchises when Prosperity's Maryland franchise registration had lapsed; (4) send an employee to a franchise law compliance training program approved by the state of Maryland; and (5) submit a copy of new franchise law compliance procedures to the State.

8. *In the Matter of Prosperity Systems, Inc. d/b/a Pizza Boli's, Case No.* 2002-0294*, Before the Securities Commissioner of Maryland*. On April 16, 2002, Prosperity entered into a second Consent Order with the Securities Commissioner of Maryland, related to alleged violations of the registration and disclosure provisions of the Maryland Franchise Law, in relation to the offer and sale of three Prosperity franchises in Maryland at a time when Prosperity's franchise registration had lapsed. Prosperity did not admit or deny any violation of law. Under the terms of the Consent Order, Prosperity agreed to (1) stop offering and selling franchises in violation of the Maryland Franchise Law; (2) diligently pursue the completion of its pending application to register the franchise offering in Maryland; (3) offer rescission to each of the three franchisees listed in the Consent Order; (4) employ a franchise law compliance training program or trainer to monitor the company's franchise sales activities in the state of Maryland and to Maryland residents for two years; and (5) pay the Maryland Securities Division $2,000 as partial reimbursement of the costs of the investigation.

Other than these 8 matters, no litigation must be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee:

You will pay us an initial franchise fee ("**Initial Franchise Fee**") of:

a. $12,000 for a Pizza Boli's Express franchise;

b. $24,000 for a Pizza Boli's Delivery franchise;

c. $24,000 for a Pizza Boli's Quick Service franchise.

The Initial Franchise Fee is due and payable in a lump sum upon signing our franchise agreement. The Initial Franchise Fee is not refundable, unless you and we cannot agree on a site for the Franchised Business within 180 days after we sign the Franchise Agreement. In that case, we will refund all except 50 percent of the Initial Franchise Fee or $10,000, whichever is less.

Initial Training Fee:

We provide a mandatory initial operations training program that you or your Manager must complete to our satisfaction before opening. A "**Manager**" is defined as the individual responsible for making the day-to-day operating and customer-related decisions at your Pizza Boli's Franchised Business. The initial training fee ("**Initial Training Fee**") is $50 per hour plus materials. You are also responsible for paying for lodging and meals for one person. As of the date of this Disclosure Document, the initial training program includes approximately 303 hours of classroom and on-the-job training, and the total Initial Training Fee will be no more than $15,150.00. Additional personnel may participate in the training at no additional charge. The Initial Training Fee is not refundable.

If this is not your first Pizza Boli's Franchised Business, or if you have previous experience operating a pizza restaurant, we may exempt you from the initial training requirement if you receive a passing score on a test on the Pizza Boli's System. If you pass the test to our satisfaction, we will send one or two Area Managers to assist you with in-store training for two weeks.

In addition to the Initial Operations Training, if this is your first Franchised Business, after you open your Franchised Business, we may provide up to 7 weeks of additional, on-site training for you and your manager at your Franchised Business, as long as we have training personnel available. The total number of weeks of any additional, on-site training will be mutually agreed upon by you and Prosperity and will vary, depending upon factors, such as the size and organization of your Franchised Business and your experience. The additional training will be provided by a regional manager with at least 5 years of experience at an additional cost of up to $2,000 per week (maximum fee of $14,000) plus living expenses for the trainer.

Opening Marketing Fee:

If you are signing a new Franchise Agreement, you will pay us an opening marketing fee ("**Opening Marketing Fee**") at the time of signing the Franchise Agreement. The amount of your Opening Marketing Fee will vary, depending upon the number of households in your Trade Area, and as of the date of this disclosure document, will not exceed $39,000. We will use the Opening Marketing Fee on marketing activities for your Franchised Business, including grand opening marketing, social media marketing, and other marketing activities that we provide in our discretion (and in consultation with you) to promote the Franchised Business during the first three months of operation. The Opening Marketing Fee will be placed in an escrow account, and we will provide an accounting to you at any time upon your written request. The Opening Marketing we provide is not the exclusive marketing for your Franchised Business. You still must provide any marketing you feel necessary for your Franchised Business. This fee is in addition to the weekly or monthly Pizza Boli's Advertising Fee and Advertising Cooperative Fee (if applicable) that you will pay once your Franchised Business is open, which is further described in Items 6 and 11. The Opening Marketing Fee is not required for a renewal agreement.

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Except as noted above with respect to the Initial Franchise Fee, the initial fees are non-refundable and fully earned by us when we sign the Franchise Agreement. There are no other initial fees payable to us or our affiliates.

During the fiscal year ended July 31, 2023, we sold one franchise for a $10,000 Initial Franchise Fee and $0 Opening Marketing Fee.

Item 6

OTHER FEES

Type of Fee	Amount(1)	Due Date(2)	Remarks
Continuing Franchise Fee	Up to $4,800 per month (varies depending upon the number of households in your Trade Area) (3)	Monthly on the 5th of each month (beginning in the third month after your Franchised Business opens)	As of the date of this disclosure document, new franchisees (and the majority of our existing franchisees) pay a monthly Continuing Franchise Fee in a fixed amount, which covers both continuing royalties and advertising fund contributions. (3)
Local Marketing Expenditure	8% of Store Sales(4)	Ongoing (after the first 90 days of operation)	You must report your local store marketing expenditures to us on a quarterly basis.

Type of Fee	Amount[1]	Due Date[2]	Remarks
Advertising Cooperative Fee	No more than 3% of Store Sales[4]	Monthly on the 5th of each month	If we establish regional advertising cooperatives, your participation is mandatory if there is a cooperative that includes your Trade Area.[5]
Online Ordering Fee	Up to 9% calculated on the total pre-tax order and includes every online order.	The fee will be deducted via an EFT on a monthly basis.	As of the date of this disclosure document, we do not charge an Online Ordering Fee, but reserve the right to do so in the future. The fee amount is subject to change.
Point-of-Sale ("POS") Support Fee	$900-$4,800 per year	Annually	You must pay an annual support fee to an approved supplier for the POS computer hardware and software.
Delivery Fee – Outside of Trade Area	$3,000	As incurred	You must pay a $3,000 delivery fee to us if you make deliveries to customers outside of your Trade Area.
Shipping and Freight	Variable	As incurred	Paid on advertising and other materials we ship to you.
Late Payments	$50 Late Fee for each payment or report submitted after the due date plus 2% interest per month (or the highest legal rate permitted under applicable law) on past-due amounts	When payments are made after their due date	We impose and collect a late fee and interest only if you are late in making payments or submitting reports when due.

Type of Fee	Amount[(1)]	Due Date[(2)]	Remarks
Brand Standard Violation Fees	Up to $3,000 per incident; the fees are imposed for violations of Brand Standards, such as delivery of "Pizza Boli's" products to customers located in another franchisee's area or failing to comply with a deadline for correcting or implementing a brand standard (currently $25/day). A current Schedule of Fees is contained in the Operating Manual	As incurred	Fees are immediately due and payable on written notice from us.
Inspection/Audit	Inspection/Audit at our expense unless made necessary by your failure to comply with the Franchise Agreement, in which case we may charge you for the audit/ inspection, including travel expenses, room, board, and compensation.	As incurred	An audit or inspection can occur within your normal business hours without notice from us.

Type of Fee	Amount[1]	Due Date[2]	Remarks
Transfer	Up to $24,000	At time of transfer	The purchaser of the Franchised Business must pay the Transfer Fee plus an Initial Training Fee at the time of purchase. An additional $20,000 Transfer Fee will apply if we elect to approve a transfer that was originally completed without our consent. These fees are separate from and do not include other costs and expenses that you may incur in negotiating or completing a transfer, including attorneys' fees and third-party broker fees.
Renewal Fee	25% of the then-current initial fee for type of Franchised Business that you operate (*i.e.*, PB Express, PB Delivery, or PB Quick Service)	At time of entering into Renewal Franchise Agreement	
Additional Training Programs	$50 per hour of training plus materials.	Upon enrollment	We may require additional training under certain circumstances, such as repeated failure to comply with Pizza Boli's system standards; if applicable, you must also pay travel and living expenses for you and any attending employees.

Type of Fee	**Amount[(1)]**	**Due Date[(2)]**	**Remarks**
Toll-Free Program Fee	$1 per call for orders received from our Toll-Free number.	Monthly on the 5th of each month	Toll-free program fee payable for orders received from our toll-free number ordering system.
Manual Return Fee	$10,000	As incurred	Payable if you fail to return the Manual to us upon termination or expiration of your Franchise Agreement.
Pizza Boli's Recipe Book Return Fee	$10,000	As incurred	Payable if you fail to return the Recipe Book to us upon termination or expiration of your Franchise Agreement
Indemnification	Varies	As incurred	You must indemnify and defend us from any losses and expenses that we incur as a result of claims arising from your operation of the Franchised Business

Type of Fee	Amount(1)	Due Date(2)	Remarks
Liquidated Damages	Varies	As incurred	If we terminate your Franchise Agreement for cause, you must pay us, within 15 days after the effective date of termination, liquidated damages equal to: the Continuing Franchise Fee or average monthly License Fee you owed to us during the 12 -month period immediately preceding the termination date, (or, if the Franchised Business is open fewer than 12 months, the average monthly License Fee for the period of time since opening) multiplied by the lesser of (i) 36; and (ii) the number of months remaining under the Term if the Agreement had not been terminated

Note 1: Except as noted, all fees are imposed by and payable to us, are uniformly applied to new Pizza Boli's franchisees receiving this offer, and are non-refundable. However, existing franchisees who signed a different form of franchise agreement may pay different fees or different amounts or rates for the fees described in this Item 6. In addition, in some instances in which it is appropriate to do so, we may in the future waive or defer some or all of these fees for a particular franchisee. The POS Maintenance Fee is not paid to Prosperity.

Note 2: You must sign an ACH Authorization Form (attached to the Franchise Agreement as Attachment C), permitting us to electronically debit your designated bank account for payment of all fees payable to us (other than the initial franchise fee) as well as any amounts that you owe to us or our affiliates for the purchase of goods or services. You must deposit all Store Sales into the bank account and ensure that there are sufficient funds available for withdrawal before each due date. You must install at your expense and use any pre-authorized payment and computerized point of sales systems, credit verification systems, automatic payment systems, electronic funds transfer systems, or automatic banking system that we may require for the operation of your franchise and the franchise system or to allow you timely to make all payments to us by electronic debit. You must pay all service charges and other fees charged by your bank so that we can electronically debit your account and all service charges and other fees that your bank charges for any electronic debits that are not honored or processed by your bank for any reason.

You must pay us all taxes that are imposed upon us or that we are required to collect and pay by reason of the furnishing of products, intangible property (including trademarks) or services to you.

Presently, you must pay all ongoing fees on a monthly basis (unless otherwise indicated in the table above). However, we reserve the right to implement a system whereby ongoing fees will be due on a weekly basis, and will provide you 30 days 'written notice before implementation.

Note 3: Previously, our franchisees paid a separate license fee ("License Fee") in the amount of 5 percent of "Store Sales," (as defined in Note 4) and an advertising fee ("Advertising Fee") in the amount of 3.5 percent of "Store Sales" (or a total of 8.5 percent). As of the date of this disclosure document, most of our franchisees pay monthly "Continuing Franchise Fee" in a fixed amount. We allocate approximately 59 percent of the combined flat fee to license/royalties (or 5/8.5) and 41 percent (3.5/8.5) to advertising fees. As of the effective date of this disclosure document, the monthly Continuing Franchise Fee for new franchisees varies by the household count in the Trade Area for the Franchised Business as follows:

Trade Area Household Count	**Monthly Continuing Franchise Fee**
5,000 – 10,000	$900
10,000 – 15,000	$1,300
15,000 – 20,000	$1,800
20,000 – 25,000	$2,300
25,000 – 30,000	$2,800
30,000 – 35,000	$3,300
35,000 – 40,000	$3,800
40,000 – 45,000	$4,300
45,000 – 50,000	$4,800

We review all flat fees periodically and make adjustments as necessary to reflect changes in your Trade Area (and as agreed to by each franchisee).

We may discontinue the flat Continuing Franchise Fee in the future and replace it with a continuing License Fee of 5 percent of Store Sales and an Advertising Fee of 3.5 percent of Store Sales due weekly, or at our option, we may institute a system whereby you pay a fixed amount each Week without reporting Store Sales until the final week of a month, at which time your License Fee and Advertising Fee may be adjusted to reflect the actual Store Sales for the prior month.

Note 4: "Store Sales" means all revenue from the sale of all products and services and all other income of every kind and nature related to, derived from, or originating from the Franchised

Business (whether or not permitted under this Agreement), including barter, delivery and service fees paid to you, whether for cash or credit, and regardless of collection in the case of credit, but excluding: (a) sales taxes and other taxes that you collect from your customers and actually pay to the appropriate taxing authorities; (b) refunds, discounts, and accommodations reasonably provided to your customers; (c) meals provided to your staff; and (d) reasonable delivery fees paid by or through third-party delivery service providers.

Note 5: Pizza Boli's restaurants owned and operated by us or our affiliates will contribute to the Area Cooperative on a pro-rata basis, based on revenues to the Area Cooperatives where the Pizza Boli's restaurants operated by us or our affiliates are located. Outlets owned by us or our affiliates will be entitle to one vote in any Area Cooperative, but will not have a controlling voting power in the Area Cooperatives.

There are no other recurring or isolated fees that you are required to pay us or persons affiliated with us.

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Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
1. For a Pizza Boli's Express Franchise

Type of Expenditure	Amount Low Estimate	Amount High Estimate	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee [1]	$12,000	$12,000	Lump sum	At Franchise Agreement signing	Franchisor
Initial Training Fee[2, 3]	$0	$29,150	Lump Sum	At enrollment	Franchisor
Travel, Living Expenses While Training [3]	$2,000	$3,000	As incurred	As incurred	Suppliers
Opening Inventory [3]	$4,000	$8,000	Cash	Before opening	Suppliers
First Month's Rent and Deposit [3, 4]	$4,000	$6,000	Cash	Before opening	Landlord
Equipment, Leasehold Improvements [3,5]	$90,000	$150,000	Lump sum	Before opening	Suppliers
Point-of-Sale Computer System Hardware, Software and Training[3, 6]	$16,000	$30,000	Lump sum	Before opening	Approved Supplier
Liability Insurance Premiums for the First 90 Days [3]	$2,000	$5,000	Cash	As incurred	Suppliers and brokers
Point-of-Sale Support Fee[3]	$900	$4,800	Lump sum	As incurred	Approved Supplier
Signs [3]	$5,000	$20,000	Cash	Before opening	Suppliers

Type of Expenditure	Amount Low Estimate	Amount High Estimate	Method of Payment	When Due	To Whom Payment Is To Be Made
Opening Marketing Fee[3, 7]	$0	$39,000	Cash	At Franchise Agreement signing	Us
Additional Funds – 3 months [2, 8]	$20,000	$30,000	Cash	As incurred	Suppliers and employees
TOTAL[9]	**$155,900**	**$336,950**			

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ITEM 7 (CONTINUED)
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
2. For a Pizza Boli's Delivery Franchise

Type of Expenditure	Amount Low Estimate	Amount High Estimate	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee [1]	$24,000	$24,000	Lump sum	At franchise signing	Franchisor
Initial Training[2,3]	$0	$29,150	Lump sum	Upon Enrollment	Franchisor
Travel, Living Expenses While Training [3]	$2,000	$3,000	As incurred	As incurred	Suppliers
Opening Inventory [3]	$5,000	$10,000	Cash	Prior to opening	Suppliers
First Month's Rent and Deposit [3,4]	$4,000	$9,000	Cash	Prior to opening	Landlord
Equipment, Leasehold Improvements[3, 5]	$120,000	$180,000	Lump sum	Prior to opening	Suppliers
Point-of-Sale Computer System Hardware, Software and Training[3,6]	$16,000	$30,000	Lump sum	Before opening	Approved Supplier
Liability Insurance Premiums for the First 90 Days [3]	$3,000	$6,000	Cash	As incurred	Suppliers and brokers
Point-of-Sale Support Fee[3]	$900	$4,800	Lump sum	As incurred	Approved Supplier
Signs [3]	$5,000	$20,000	Cash	Before opening	Suppliers
Opening Marketing Fee[3, 7]	$0	$39,000	Cash	At franchise signing	Us

Type of Expenditure	Amount Low Estimate	Amount High Estimate	Method of Payment	When Due	To Whom Payment Is To Be Made
Additional Funds – 3 months [3, 8]	$30,000	$50,000	Cash	As operating expenses come due	Suppliers and employees
TOTAL[9]	**$209,900**	**$404,950**			

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ITEM 7 (CONTINUED)

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
3. For a Pizza Boli's Quick Service Franchise

Type of Expenditure	Amount Low Estimate	Amount High Estimate	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee [1]	$24,000	$24,000	Lump sum	At franchise signing	Franchisor
Initial Training[2,3]	$0	$29,150	Lump sum	Upon Enrollment	Franchisor
Travel, Living Expenses While Training [3]	$2,000	$3,000	As incurred	As incurred	Suppliers
Opening Inventory [3]	$6,000	$12,000	Cash	Prior to opening	Suppliers
First Month's Rent and Deposit [3,4]	$5,000	$11,000	Cash	Prior to opening	Landlord
Equipment, Leasehold Improvements[3,5]	$125,000	$190,000	Lump sum	Prior to opening	Suppliers
Point-of-Sale Computer Hardware, Software and Training[3,6]	$16,000	$30,000	Lump sum	Prior to opening	Approved Supplier
Liability Insurance Premiums[3]	$4,000	$6,000	Cash	As incurred	Suppliers and brokers
Point-of-Sale System Support Fee [3]	$900	$4,800	Lump Sum	As incurred	Approved Supplier
Signs [3]	$5,000	$20,000	Cash	Before opening	Suppliers
Opening Marketing Fee[3,7]	$0	$39,000	Cash	At franchise signing	Us

Type of Expenditure	Amount Low Estimate	Amount High Estimate	Method of Payment	When Due	To Whom Payment Is To Be Made
Additional Funds - 3 months[3, 8]	$30,000	$90,000	Cash	As operating expenses come due	Suppliers and employees
TOTAL[9]	**$217,900**	**$458,950**			

Notes to Item 7 Tables:

(1) All except $10,000 or 50 percent of the Initial Franchise Fee, whichever is less, is refundable if you and we cannot agree on a site within 180 days after we both sign the Franchise Agreement.

(2) You and your Manager must complete our initial training program to our satisfaction. The initial operations training program will be held in the Baltimore/Washington area for a fee of $15,150. In addition, we may provide you with additional on-site training for up to 7 weeks (as agreed upon by you and us) if we have trainers available. The additional, on-site training will be $2,000 per week for a total of up to $14,000 plus the living expenses of our trainers.

(3) Except as noted in Note 1, payments that you make to us are not refundable. All payments to third parties are non-refundable unless you arrange otherwise with your suppliers.

(4) We expect that you will lease (rather than purchase) unimproved retail space for the Franchised Business. Typically, a space of approximately 1,000 square feet is needed for a franchised PB Express; 1500-2000 square feet is needed for a franchised PB Delivery; and approximately 1,500–2,000 square feet is needed for a franchised Pizza Boli's Quick Service restaurant. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, the demand for the site among prospective lessees and other factors, and could be considerably higher in large metropolitan areas. Security and utility deposits may be refundable, as arranged with the landlord or utility supplier. Cost of delivery vehicles is not included. Delivery vehicles are purchased by and property of employees of the Franchised Business.

(5) We assume that leased premises already will have pre-build-out attributes including permanent and/or non-support walls; base concrete floor; exposed ceiling; utilities; and HVAC system. We do not have data for all market areas or all situations. Your costs may be more or less than this estimate depending on where you plan to operate your franchise and the choices you make in the construction process. If you are required to use union labor, your costs may be 30-40% higher. Construction/remodeling costs depend on the site's location, size, condition and previous use; the extent and nature of the build-out required to conform the site for your Franchised Business; your

local market and economic conditions (including taxes and overall demand for construction services); landlord requirements (such as union labor or green building requirements or atypical requirements for temporary utilities); your design choices and finish selections; efficiency of communication and project management; and any construction or other allowances the landlord may grant. Financing might be available through your bank for some of the leasehold improvement costs; however, financing also involves associated costs and fees, which would increase your total costs.

(6) Currently, we require you to purchase point-of-sale ("POS") computer hardware and software from approved suppliers. To access the POS system, you will need a computer, a current operating system, and printer that is compatible with the POS software, along with a broadband internet connection. Broadband connection could cost upwards of $150 per month, costs may vary. You will also need to pay an initial setup fee of $16,000 to $30,000 to obtain the computer hardware, software and training necessary to install and operate the POS system. As of the date of this disclosure document, you must obtain the POS system from Foodtec Solutions, Inc.

(7) If you are signing a new Franchise Agreement, you will pay us an Opening Marketing Fee of up to $39,000 (depending upon the number of households in your Trade Area) at the time of signing, which we will use on marketing activities for your Franchised Business, including grand opening marketing and other marketing activities that we provide in our discretion (and in consultation with you) to promote the Franchised Business. The Opening Marketing Fee will be placed in an escrow account, and we will provide an accounting to you at any time upon your written request. The Opening Marketing Fee is not required for a renewal Franchise Agreement.

(8) This estimates the funds needed to cover your initial expenses for the first 3 months of operation (other than the items identified separately in the table), including payroll, deposits, permits, supplies, and professional fees, and is based on the experience of our principal officers who have operated similar business, as well as the experience of our franchisees. It does not include any owner's draw or salary or financing costs.

(9) These estimates are based on the experience of our principal officers who have operated similar business, as well as the experience of our franchisees.

We do not offer direct or indirect financing for any items.

Item 8

RESTRICTION ON SOURCES OF PRODUCTS AND SERVICES

To protect our reputation and goodwill and to maintain high standards of operation under the System, you–must operate the Restaurant in strict conformance with our System standards, including the methods, standards, and specifications we prescribe from time to time in our Franchise Operating Manual and other written directives, materials, and confidential communications (collectively, the "**Manual**" or "**Operating Manual**") and confidential recipe book ("**Recipe Book**"), which we may modify in writing from time to time. -The System standards may relate to any aspect of the appearance, function, cleanliness, and operation of the Pizza Boli's Franchised

Business.

We require that you purchase or lease certain "source restricted" goods and services for the development and ongoing operation of your Restaurant. By "source restricted," we mean that the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). Our specifications and list of approved and designated suppliers are contained in the Manual. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, verbal or telephonic notification, amendments or updates to the Manual, bulletins, or other means of communication. We formulate and modify our specifications and standards for products and services based upon our industry knowledge and our experience in operating and franchising Pizza Boli's Restaurants.

Approved Suppliers. We have the right to designate approved suppliers ("**Approved Suppliers**"), for goods and services used in your Restaurant, including food products (such as pizza dough and sauces), pizza and other carry out boxes, in-store menus, interior and exterior signs, restaurant equipment, printers, advertising fliers, and other brochures containing the Marks. We may require you to purchase these items from Approved Suppliers (or a single Approved Supplier) only. Our current Approved Suppliers are listed in the Operating Manual. If other suppliers are approved in the future, we will notify you by amending the Manual.

We or an affiliate of ours may be an Approved Supplier of products and services to our franchisees or the only Approved Supplier of some, but not all, products or services. As of the date of this disclosure document, Eastern Bay Construction, LLC (which is wholly owned by our majority shareholder), is an Approved Supplier for construction services. As of the date of this disclosure document, neither we nor any of our affiliates are the only Approved Supplier of any of the products or services that you will purchase.

Grant and Revocation of Supplier Approval. Additions to the list of Approved Suppliers will be published in the Manual. We will also publish in the Manual a list of product specifications and recommended suppliers whose products and services are tailored to the special needs of our franchisees.

If we require you to use an Approved Supplier for a particular item, but you wish to purchase the item from a supplier that we have not approved, you may submit a written request for approval of the supplier, unless it is an item for which we have designated a particular vendor as the sole source for the particular product or service. We will approve or disapprove your specific requests according to procedures found in the Manual or as required by us on a case-by-case basis. The Manual requires us to respond to each request for such approval within 45 days after our receipt by us of each request. To have a new product or supplier approved, you must submit the supplier's name, address, and telephone number to us in writing, along with a sample of the product and any materials that describe the product or the supplier. We will review a sample of the product by using it at one of our other franchised operations, and we will review suppliers by meeting with them in person or by telephone. All new products and services must be priced competitively and offer value to both you and us. We expect all Approved Suppliers to contribute to our advertising fund. If your suggested supplier refuses to contribute to our advertising fund, we are not likely to approve that supplier.

You may have access to written criteria, if any, that we develop for approving or disapproving products or suppliers. There are no fees to be paid by you for submission of products or services for approval. If we elect to revoke prior approval of a product or supplier, it will be based on failure of the product, non-competitive pricing, failure of a supplier to meet its obligations to you or to us, or failure of the supplier to contribute to our advertising fund. We and our affiliates may earn a profit on products and services sold to you and other Pizza Boli's franchisees, and we may receive rebates or other material consideration from unaffiliated suppliers with respect to their sales of products or services to you or other Pizza Boli's franchisees, whether or not the product or service is presently mentioned in this Item.

<u>Food Ingredients, Restaurant Equipment, Delivery Vehicles, and Signs</u>. Presently, food ingredients, restaurant equipment, delivery vehicles, and signs must be purchased according to specifications and/or an Approved Supplier identified in our Operating Manual. Modifications to specifications and standards will be based on developments in public dining tastes, technological changes in methods of delivery of food products both in store and out of store, and changes in our marketing programs.

<u>Insurance</u>. You must obtain the insurance coverage that we require from time to time (whether in the Franchise Agreement or in the Manual). You must purchase these policies from reputable national insurance companies. As of the date of this disclosure document, required coverage includes:

- Comprehensive general liability insurance against claims for bodily and personal injury, death, advertising injury, contractual liability, independent contractors' coverage, and property damage caused by or occurring in conjunction with the operation of your Franchised Business, containing minimum liability protection of $1,000,000 combined single limit per occurrence;

- If you purchase a vehicle for deliveries or other use in your Franchised Business - Automobile liability insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any automobiles or motor vehicles, owned, leased, hired, or used by you, or your officers, directors, employees, partners or agents, in the operation of your Franchised Business, containing minimum liability protection of $1,000,000 combined single limit per occurrence;

- Worker's compensation insurance and employer's liability insurance as required by law; and

- Any other insurance that we specify in the Manual from time to time.

You must send us proof of the insurance coverage required by this Agreement. The policies must name us as an additional insured and be endorsed to give us 30 days' prior written notice of any cancellation, termination or change in the policies. All liability policies must permit us to retain outside counsel of our choosing, at your expense, to defend us from any claim arising directly or indirectly out of the operation of the Franchised Business, including any claim that we are vicariously liable for the actions or omissions of you, your customers or the Franchised Business.

Point-of-Sale Computer System. Currently, we require you to purchase a point-of-sale computer system (hardware and software) ("**POS System**") from an Approved Supplier. You are required to use the computer system at each point of sale in your Franchised Business. You also must pay a monthly maintenance and support fee to an Approved Supplier to cover any required or optional maintenance to the computer hardware. The POS System will contain a database of contact information of customers for all sales made by the Franchised Business for use in mailings and advertising. As of the date of this disclosure document, we require you to obtain the POS System from Foodtec Solutions, Inc.

Revenue from Approved Suppliers and Other Required Purchases. As of the date of this disclosure document, Approved Suppliers generally pay us an allowance of approximately 1%-8% of purchases made by our franchisees, and as of the date of this disclosure document, we place a minimum of 15% of all of the revenue received from Approved Suppliers in our Advertising Fund. We reserve the right to modify this allocation in the future. The balance of the allowances received from Approved Suppliers is placed in our general fund and is available for our use. In the fiscal year ended July 31, 2023, we received $1,535,671.87 in revenue from Approved Suppliers, which represented approximately 37.22 percent of our total revenue of $4,126,104.78 for that year.

Except as described above, neither we nor an affiliate derived revenue, rebates, or other material consideration based on required purchases or leases by franchisees during the fiscal year ended July 31, 2023.

Ownership in Approved Suppliers. As of the date of this Disclosure Document, our shareholder and President, Javed (John) Nasir, owns a 50% interest in Lattakia, Inc. d/b/a Al Sham Pizza Dough, which is the exclusive Approved Suppler for pizza dough and other food products, such as olives, peppers, and sauces, that we may designate from time to time.

As noted above, Mr. Nasir also is the sole owner of Eastern Bay Construction, LLC, which is an Approved Supplier for construction services. None of our officers owns an interest in any other Approved Supplier.

Estimated Proportion of Required Purchases in Establishing and Operating a Pizza Boli's Franchised Business. We estimate that purchases required to be made from us or from Approved Suppliers, or according to specifications set by us, are approximately 77% of your initial investment and approximately 45% of your ongoing operating expenses.

Purchasing Cooperatives. As of the date of this disclosure document, we have not established a purchasing or distribution cooperative. However, we do negotiate pricing from the Approved Suppliers that we believe to be favorable to our franchisees. If we establish a purchasing or distribution cooperative in the future, you will be required to participate.

Material Benefits to Franchisees Based on Purchases. We do not provide franchisees with any special benefits, such as opportunities to renew an existing franchise or acquire an additional franchise, if they make purchases from our Approved Suppliers.

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 in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	2.2, 8.2	Item 11
b. Pre-opening purchases/leases	5.1, 8.2, 8.11	Items 5 and 8
c. Site development and other pre-opening requirements	5.1, 8.2	Items 6, 7, and 11
d. Initial and ongoing training	5.4, 6.3, 6.7, 8.14, 8.15	Item 11
e. Opening	5.5	Item 11
f. Fees	4, 10.1, 10.2, 10.3	Items 5 and 6
g. Compliance with standards and policies/operating manual	5.2, 5.3, 8.1	Item 11
h. Trademarks and proprietary information	7, 12	Items 13 and 14
i. Restrictions on product/service purchases	7.2, 8.7, 8.11	Item 16
j. Warranty and customer service requirements	8.4	Item 11

Obligation	Section in Agreement	Disclosure Document Item
k. Territorial development and sales quotas	N/A	Item 12
l. Ongoing product/service purchases	8.1, 8.11	Item 8
m. Maintenance, appearance, and remodeling requirements	2.4(b), 8.3, 8.6	Item 16
n. Insurance	9	Items 6 and 8
o. Advertising	10	Item 11
p. Indemnification	17.5	Item 6
q. Owner's participation/ management/staffing	8.8	Item 15
r. Records/reports	4.3	None
s. Inspections and audits	13	Items 6 and 11
t. Transfer	15, 16	Item 17
u. Renewal	2.4	Item 17
v. Post-termination obligations	14.3	Item 17
w. Non-competition covenants	12.2	Item 17
x. Dispute resolution	17.6, 17.7, 17.8, 17.10	Item 17
y. Guaranties by spouse and co-owners of Franchised Business	19	Item 17

Item 10

FINANCING

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

Item 11

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

Except as disclosed below, we need not provide any assistance to you.

A. **Before you open the Franchised Business:**

(1) Review and approve the location of your Franchised Business. We will review and approved the location of your Franchised Business, leasehold improvements, and the equipment you intend to you. We do not assist you with conforming the premises to local ordinances and building codes or obtaining any required permits. We do not typically own and lease the premises to you, and you will purchase or lease the premises from third parties. If you lease the site for your Franchised Business from someone other than us, you must allow us to review the lease prior to you signing it. Our review is not a guarantee that it is legally sufficient for all your purposes, but only provides us an opportunity to determine if the lease meets our requirements. The lease must provide that we have the opportunity to be substituted for you in the event you default on the lease or the Franchise Agreement. See Section below entitled "Site Development" for additional information. (Franchise Agreement, ¶¶ 8.2, 8.3).

(2) Plans and Specifications. We will provide prototypical plans and specifications for the construction of a standard Pizza Boli's restaurant and for the exterior and interior design and layout, fixtures, furnishings, equipment, and signs for your adaptation. (Franchise Agreement ¶¶ 5.1, 6.1)

(**3**) Operating Manual. We will lend you a copy of our Operating Manual (the "**Manual**"), which will be supplemented by operating bulletins or other material containing matters of policy or suggestions on restaurant operations within the Prosperity System. You must comply fully with all standards, operating procedures, and rules that are prescribed in the Manual and its supplements (Franchise Agreement ¶ 5.2). As of the date of this Disclosure Document, the Manual contains a total of 314 pages. The Manual Table of Contents is attached as Exhibit D.

The Manual's contents are confidential and may not be copied or disclosed to others without our prior approval. The Manual is our property and must be returned to us on termination or expiration of the Franchise Agreement. We will charge you a fee of $10,000 if you fail to return the Manual to us upon termination or expiration of your Franchise Agreement. (Franchise Agreement ¶¶ 5.2, 12).

(**4**) Recipe Book. We will lend you a copy of our Recipe Book, which may be supplemented as necessary. The Recipe Book contains our proprietary recipes and may not be copied or disclosed to others without our prior approval. The Recipe Book is our property and must be returned to us on termination or expiration of the Franchise Agreement. We will charge you a fee of $10,000 if you fail to return the Recipe Book to us upon termination or expiration of your Franchise Agreement. (Franchise Agreement ¶ ¶ 5.3, 12).

(5) Initial Training. We will provide an initial training program. See Section below entitled, "Training Program" for additional information. (Franchise Agreement ¶¶ 5.4, 6.3).

(**6**) Pre-Opening Inspection. We will inspect the Franchised Business for compliance with our standards and specifications before the opening. (Franchise Agreement ¶ 5.5(a)).

(**7**) Pre-Opening Assistance. We will provide pre-opening and opening assistance that we determine is advisable, which may include sending one of our representatives to be present at the grand opening of the Franchised Business. (Franchise Agreement ¶ 5.5(b)).

B. **During the Operation of the Franchised Business:**

(1) General Assistance. We will assist you, and offer guidance, from time to time as we determine necessary, in connection with compliance with System standards, including: (a) the purchase, operation and use of approved equipment, business forms, signs, supplies and materials; (b) operating methods and procedures for the Franchised Business; (c) new services, products and new Marks that we may offer; and (e) the administration of the Franchised Business, including bookkeeping format, health and safety procedures and the like. (Franchise Agreement ¶ 6.7).

(**2**) Approved Suppliers. We will name Approved Suppliers as we deem appropriate. (Franchise Agreement ¶ 6.5).

(**3**) Periodic Inspections. We will conduct (and may authorize others to conduct) periodic inspections of the Franchise Business and evaluations of the products sold and services rendered by the Franchised Business (Franchise Agreement ¶ 6.6).

(**4**) Pricing Assistance. Generally, we do not set maximum or minimum prices that you must follow (although we may suggest pricing for your consideration). However, if we receive a large order, special requests, or an order through "Alternative Distribution Channels" (defined in Item 12 below) that will be fulfilled by you, we will set the price. (Franchise Agreement ¶ 3.5(b)).

Training Program

We provide a mandatory initial operations training program that you or your Manager must complete to our satisfaction before opening. A "Manager" is defined as the individual responsible for making the day-to-day operating and customer-related decisions at your Pizza Boli's Franchised Business. The initial training fee ("**Training Fee**") is $50 per hour for one person. You are also responsible for lodging, and meals for your trainee. As of the date of this Disclosure Document, the initial training program includes approximately 303 hours of classroom and on-the-job training (approximately 7 weeks), and the total Training Fee will be no more than $15,150.00. Additional personnel may participate in the training at no additional charge. The Training Fee is not refundable.

Existing franchisees or new franchisees with previous experience in the pizza business may be exempt from the training requirement if they pass a test on the Pizza Boli's system. There is no charge for the testing. After testing is complete, we will send one to two Area Managers to assist with in-store training for two weeks.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of on the Job Training	Location
Service	2	32	Baltimore/Washington, DC. Area
Food Handling	20	110	Baltimore/Washington, DC. Area
Basic Store Operations	4	60	Baltimore/Washington, DC. Area
Point-of-Sale Computer System	8	24	Baltimore/Washington, DC. Area
Cleaning and Maintenance	2	8	Baltimore/Washington, DC. Area
Preparing Financial Reports and Statements	9	0	Baltimore/Washington, DC. Area
Local Marketing	5	18	Baltimore/Washington, DC. Area
Review and Test	6	0	Baltimore/Washington, DC. Area
Total	**54**	**249**	

Training is conducted in both a classroom setting and at a retail store(s) or office in the Baltimore/Washington, DC metropolitan area. The instructional materials include our Manual, sample foods, supplies, the point-of-sale program, and forms used in the operation of the Franchised Business. The training program is designed for persons new to the restaurant business and for owners of independent food service businesses that are converting to our Franchise System. During the Initial Training program, you will prepare all of the food products you expect to sell at your Franchised Business.

In addition to the Initial Operations Training, if this is your first Franchised Business, we may send a regional manager for up to 7 weeks to provide additional, on-site training for you and your manager after you open your Franchised Business, as long as we have adequate training personnel available. If you receive this additional training, you will pay a fee of up to $2,000 per week (for a total fee no more than $14,000) plus living expense for the trainer.

Additional training or refresher courses are held at our offices and at regional meetings of existing franchisees. Attendance at the regional meeting training and other additional or refresher training is mandatory. We may require additional training if your restaurant repeatedly fails to comply with System standards. The cost for additional training will be $50 per hour plus the cost of materials. If we introduce new menu items or other initiatives, we will provide "refresher" training to you at no cost. You must bear the expense of travel and overnight accommodations while attending the Initial Training Program, additional training or refresher training.

The training program is under the supervision of our Area Managers - Choudhry Tayyab Ali, Syed Haider, Mustapha Ikhelf, and Suman Bodi – who each generally have a minimum of 1-5 years' experience in our operations and 1-5 years' experience in the subject matter taught. Our other trainers generally have approximately 5 –15 years' experience in the subject matter taught and a minimum of 2 years' experience in our operations.

Advertising and Marketing

Advertising Fund. We have established an Advertising Fund for the enhancement, promotion and protection of the System and the Proprietary Marks. Beginning in the third month after you open your Pizza Boli's Franchised Business, you will pay us a monthly Continuing Franchise Fee in an amount that varies based on the total household count in your Trade Area. We will allocate approximately 41 percent of that amount ("**Advertising Contribution**") to the Advertising Fund. Each store owned by us or our affiliates and trading under the Marks, if any, will contribute to the Advertising Fund in the same manner as the franchised businesses. We may in the future discontinue the monthly flat fee and instead require you to pay an Advertising Fee in the amount of 3.5 percent of Store Sales on a monthly or weekly basis. In addition, we may from time to time implement incentive programs to encourage system growth, improve store performance or accomplish other objectives designed to benefit the System. Under these incentive programs, we may reduce Continuing Franchise Fees and/or reduce or eliminate advertising contributions payable by a participating franchisee for a period of time, including national and mandatory local advertising contributions

We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Advertising Fund, with final discretion over the strategic direction, creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation. You must participate in all advertising, marketing, promotions, research, and public relations programs instituted by the Advertising Fund. We may use the Advertising Contribution (or Advertising Fee, if applicable), in our sole discretion, to meet the costs of maintaining, administering, directing, and preparing marketing activities, including the costs of preparing and placing reproducible art, handouts, radio and television commercials, public relations and promotional materials, and other marketing activities; employing in-house marketing and public relations personnel; retaining in-house and outside marketing and advertising agencies and public relations agencies; designing, establishing, and maintaining websites, extranets, intranets, search rankings, social media profiles, mobile applications and other digital marketing; educating and training franchisees on marketing practices and the use of marketing materials; performing marketing research; and engaging in other marketing activities that we deem appropriate. As of the date of this disclosure document, our primary advertising media include printed brochures designed to be hand delivered or mailed to residences in your Trade Area, television and radio advertising, and digital advertising activities (including search engine optimization, banner ads, social media advertising, and pre-roll advertising). We currently contract for these services with an outside agency. However, we have the right to perform the future marketing efforts in-house.

We have sole responsibility for administration of the Advertising Fund. The Advertising Fund is the sole property of Prosperity. The Advertising Fund will not be a trust and we will have no fiduciary obligations with respect to our administration of the Fund. Prosperity assumes no direct or indirect obligation to you with respect to the maintenance, direction or administration of the Fund. The Advertising Fund will be part of the general funds of Prosperity, but will be accounted for separately from the other funds of Prosperity. Although we expect all advertising funds collected in any fiscal year to be expended in that same fiscal year, advertising funds not used in the same fiscal year as collected will be carried forward to the following year. You may obtain an accounting of the Advertising Fund by contacting us.

In the fiscal year ended July 31, 2023, we estimate 18% of the Advertising Fund was spent on print media, 34% on television and radio production and placement; and 48% on digital media.

We are not required to expend any specific amount of Advertising Funds in your Trade Area. No Advertising Funds will be used for advertising that is principally a solicitation of franchisees; however, the System website, public relations activities, community involvement activities and other activities supported by the Advertising Fund may contain information about franchising opportunities.

<u>Opening Marketing</u>. If you are signing a new Franchise Agreement, you will pay us an Opening Marketing Fee of up to $39,000 when you sign your Franchise Agreement. We will place the Opening Marketing Fee in an escrow account and use it for grand opening and other marketing activities that we provide in our discretion (and in consultation with you) to promote your Franchised Business. We will provide an accounting of the fee expenditures to you at any time upon your written request. The Opening Marketing Fee is not required for a renewal Franchise Agreement.

Local Marketing. You must spend for advertising and marketing in your Trade Area (**"Local Store Marketing"**) at least eight percent (8%) of Store Sales per month. You must begin conducting Local Store Marketing within 90 days after your Franchised Business first opens to the public for business. Within thirty (30) days after the end of each quarter, you agree to send to us, in the manner we prescribe, an accounting of your Local Store Marketing expenditures during the preceding quarter. You may advertise the Franchised Business in any manner that meets the Franchise Agreement and Manual standards, particularly the standards for using the Marks. We will review the advertising you submit to us for approval prior to its placement.

Use of Electronic Media and the Internet. You may not use any Mark or any corporate or business name of ours as part of any domain name, website, home page, electronic address or other interactive site maintained on the Internet, the World Wide Web or any other similar proprietary or common carrier electronic delivery system. A domain name, website, homepage, electronic address or other interactive site may not be owned or maintained by you on the Internet or World Wide Web and advertised with the Marks without our prior written consent.

Franchisee Council. We have the right to form an advertising council composed of franchisees and our representatives, and the right to determine how such a council will be formed, changed, dissolved, funded, and whether or not the council will have advisory or decision making powers.

Advertising Cooperatives. We have the right to form, change, dissolve, or merge regional advertising cooperatives. We will determine the make-up of each cooperative; and we will choose stores whose trade areas are contiguous. If we organize a cooperative that includes your Trade Area, your participation will be mandatory. You will pay a monthly Advertising Cooperative Fee of up to 3% of Store Sales.

The cooperatives may be governed by written documents, and if so, a copy of the governing documents for the advertising cooperative for your area will be available upon request. The cooperatives are governed by its members, which may include us. We may have a controlling interest in a cooperative. The cooperative will combine your funds with other franchisees to achieve local marketing objectives. The funds will be administered by us in our discretion.

Each cooperative will be required periodically, at least annually, to account to its members and to us its income and expenses. We and any member of a cooperative may review the financial records of a cooperative on reasonable notice during business hours.

Toll-Free Telephone Number. We have established a toll-free number that covers part of the Prosperity System area, and we plan to expand that coverage to include the entire Prosperity System. All Franchised Businesses covered by the toll-free number may use only that number in advertising to the public and must pay a per-call charge for business received from that number (see Item 6).

Advertising Using the POS System. You may ask us to prepare and execute marketing plans using the POS System. We will have the ability to gather the names, addresses, and telephone numbers from the POS System for the purpose of direct mail or SMS marketing programs. We do not charge you any fees for providing this service; however, if you elect to have us prepare and post mailers to the database from your POS computer, or to conduct a SMS campaign to your customer database, you will pay the Approved Supplier for those services (currently 2.7 cents per SMS message).

Computer System. You must obtain and use the brands, types, makes, and/or models of communications, computer systems, and hardware, including the required hardware, credit card transactions and merchant services, back-office and point-of-sale systems, printers and other peripheral devices, front-of-the-house Wi-Fi and other Internet service for customers, and other electronic information systems and all equipment components and software necessary for use in the operation of the Franchised Business. As described in Item 8, you must purchase a point-of-sale computer system for use in your Franchised Business. You must purchase the hardware and software that we specify from an Approved Supplier (currently Foodtec Solutions, Inc.). The POS System that will enable you to process credit card transactions; accept and process delivery orders; participate in any membership, gift card, customer loyalty, affinity or similar programs that we may develop; prepare sales reports and other "back office" reports, such as revenue reports and a database of contact information of customers for all sales made by the Franchised Business for use in mailings and advertising. The costs and fees for purchasing the current point-of-sale computer system include:

- Initial set-up fee for computer hardware, firewall router for PCI-DSS compliance, software license and training – $16,000 to $30,000 (payable to Foodtec Solutions)

- Annual Support Fee - $900 to $4,800 per year (payable to Foodtec Solutions). The annual support fee will cover any required or optional maintenance, update, upgrading or support contracts for the computer hardware and software.

You must update or upgrade the point-of-sale hardware and software from time to time, and as of the date of this disclosure document, we require you to upgrade the point-of-sale hardware at least once every 3 years. There are no contractual limitations on the frequency and cost of the hardware upgrade. The customer database created by the POS System is our property. However, as long as you are in compliance with the terms of the Franchise Agreement, you have a license to use that data for the purpose of improving or maintaining retail customer sales at the Franchised Business.

We will have independent access to the information and data collected and stored on your computer and will use the information to for marketing and reporting verification purposes, as well as to improve the overall Pizza Boli's system. There are no contractual limitations on our right to access this information.

Site. You must choose a site for the Franchised Business, but may only operate at that site if we approve its location before you begin operation. Our approval is not a guarantee that the site will be profitable. If you and we cannot agree upon a site within 180 days after you sign the Franchise Agreement, we may terminate the Franchise Agreement and will refund all except 50% of the Initial Franchise Fee that you paid to us for a Franchised Business or $10,000, whichever is less. The factors we will consider when reviewing your suggested site include whether: (a) the site is within the geographic area described in your Franchise Agreement (“**Trade Area”**); (b) the site provides sufficient space for the type of franchise you selected; and (c) whether the site and its surrounding area project an image consistent with one we deem appropriate for a Pizza Boli’s Franchised Business. The amount of time between signing the Franchise Agreement and opening should range from 30 to 90 days, and we estimate the average amount of time to be 75 days. If the Franchised Business is not opened within 90 days after a site is selected by you and approved by us, we may terminate the Franchise Agreement. Our approval of your site will also include a review of the equipment you intend to use and your leasehold improvements. You may not begin operations until we approve both. Our approval is not a guaranty that your leasehold improvements or your equipment will result in profitable operations, but only that those items meet our approval for use in the Franchised Business.

You may not relocate the Franchised Business to a new site without our prior written consent. Our consent will not be unreasonably withheld, but our consent is not a warranty that the new location will be profitable.

Item 12

TERRITORY

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.

PB Delivery and PB Quick Service Franchises

If you purchase a PB Delivery or PB Quick Service Franchise, we will designate a non-exclusive Trade Area surrounding your Franchised Business in which you will be authorized to make deliveries. The size of your Trade Area will depend on your ability to deliver food to customers within your Trade Area within an agreed-upon time frame after your receipt of an order. You and we will mutually agree on the precise description of your Trade Area before either of us signs the Franchise Agreement. The Trade Area may not include every address to which you can deliver within the agreed-upon time frame, but it will exclude all addresses to which you cannot make deliveries within the agreed-upon time frame. The average size of a Trade Area is an area that can be driven to the farthest point from the store site within 7 minutes. The number of households within a Trade Area typically ranges from 5,000 to 50,000. The Trade Area description is inserted in the Franchise Agreement before you sign it.

You may not accept orders for food that cannot be delivered within the time frame agreed to by you and Prosperity, even if the delivery point is in your Trade Area. You will pay us a fee of $3,000 per delivery if you deliver food to customers located outside your Trade Area or to customers inside your Trade Area to whom you cannot deliver food within the agreed-upon time frame after receipt of the customer’s order.

We may modify the size of your Trade Area to reflect changes in market conditions or population or to eliminate areas in which you cannot deliver food within the agreed-upon time frame. You may not relocate your Franchised Business without our prior written approval. We will grant our approval if you are in compliance with the Franchise Agreement and the proposed location meets our site selection criteria.

PB Express

Since a PB Express is designed to operate from a small site (typically no more than 1,000 square feet), sometimes with service via a single window for customer access, and features only carry-out service, we do not designate a Trade Area for PB Express restaurants.

Rights that We and Our Affiliates Reserve (applicable to PB Express, PB Delivery, and PB Quick Service Restaurants)

We and our affiliates retain the following rights: (a) the right to develop, operate or license others to develop and operate restaurants and other businesses at any location, including within your Trade Area (if applicable) under any trade names and marks, including the "Pizza Boli's" name and marks, regardless of the proximity to your Franchised Business; (b) the right to distribute food items bearing the Marks through retail or wholesale outlets such as supermarkets or convenience stores in your Trade Area (if applicable) and regardless of the proximity to your Franchised Business ("**Retail Outlets**"), as well as through the Internet, mobile applications, telemarketing, or other direct marketing sales ("**Alternative Distribution Channels**"); (c) the right to operate, or franchise others to operate, restaurants using the Marks in or at "**Non-Traditional Locations**" (*i.e.*, airports, train stations, gas stations, bus stations, food trucks, travel plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or other similar locations) in the Trade Area, regardless of proximity to your Franchised Business; and (d) the right to acquire or be acquired by, combine, or merge with businesses that compete with Pizza Boli's Restaurants.

Although we have the right and operate or franchise others to operate restaurants under different trade names (and previously offered franchises under the "Bestolli" name for a limited time during 2010-2011), we have no present plans to offer franchises or operate restaurants under a different trademark that will offer food items and services similar to those sold by Pizza Boli's Restaurants.

Alternative Distribution Channels

We and our affiliates may sell products under the Marks within and outside of your Trade Area through any method of distribution, including Retail Outlets and Alternative Distribution Channels. You will receive no compensation for our sales in your Trade Area except as described in the following paragraph.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other Alternative Distribution Channel, and we receive orders for any System products or services calling for delivery or performance in your Trade Area, then we will offer the order to you at the price we establish.

You may use direct marketing or sales activities, such as distribution of handouts, to solicit consumers outside of your Trade Area. However, you may not conduct restaurant operations for your Franchised Business at a site outside the Trade Area or deliver to destinations outside your Trade Area. If you make deliveries outside of the Trade Area, you must pay us a delivery fee of $3,000. In addition, except as noted above for limited direct marketing activities that are not in another franchisee's trade area, you may not use other channels of distribution, such as the Internet, catalog sales, or telemarketing, or other direct marketing efforts, to make sales outside of your Trade Area.

Options and Rights of First Refusal

We do not grant options or rights of first refusal on additional franchises in contiguous territories.

Item 13

TRADEMARKS

We grant you a non-exclusive license to use the Marks during the term of the Franchise Agreement. We may also authorize you to use other current or future Marks to operate your Pizza Boli's Franchised Business. By Marks, we mean trade names, trademarks, service marks and logos we use to identify Pizza Boli's Franchised Businesses and the products sold in them. We own the following Marks, which are registered on the Principal Register of the United States Patent and Trademark Office ("**USPTO)**":

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Mark	Registration Date	Registration Number
PIZZA BOLI'S	February 15, 2022	6643666
	February 8, 2022	6638539
PIZZA BOLI'S	August 6, 2024	7468412
"Boli's"	February 22, 2022	6650952
"2 Many Mondays"	September 19, 2017	5289806
"Pizza Boli's"	April 12, 1994	1830621
Pizza Boli's (design)	April 12, 1994	1830620

As of the date of this Disclosure Document, we have filed all required affidavits and renewals.

We have also filed an application for registration of the following mark on the Principal Register of the USPTO:

Our right to use the Marks is based on our ownership of them. Although we have no plans to do so, we may discontinue use of the Marks at any time or change them in material fashion.

Changing the Marks in “material fashion” means that we may significantly alter, adjust, modify or revise our Marks, or change them completely, in our sole discretion. Changes we make to the Marks are binding on our franchisees.

There are no presently-effective determinations of the United States Patent and Trademark Office, any state trademark administrator or any court, or any pending interference, opposition or cancellation proceeding or any pending material litigation involving the Marks which is relevant to their use in this state, and there are no infringing uses of the Marks in this state known to us. In addition, there are no agreements which limit our right to use or license the Marks which are material to the franchise.

You must use the Marks in full compliance with rules that we prescribe. You may not use the Marks as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols. The Marks may not be used in connection with the sale of any unauthorized product or service. We may change the Marks at any time.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. You must notify us of any infringement or challenge to the use of the Marks and we will have the sole right to take whatever action we decide is appropriate. We have the right to handle the defense of your or our rights to the Marks in any proceeding brough against you or us. We will indemnify you against, and reimburse you for, all loss, claims or damage incurred as a result of your use of any of the Marks in compliance with the Franchise Agreement if you have timely notified us of the claim and are in compliance with the Franchise Agreement. We are not otherwise required to protect your rights to use the Marks, nor must we defend you against any infringement, unfair competition or any other claim respecting your use of the Marks

Any services, trade names or products developed during the term of the Franchise Agreement by you or us for use at or by the Franchised Business are the property of Prosperity.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

No patents are material to the operation of your Restaurant.

Copyrights

We claim copyright protection for certain proprietary materials (the “**Works**”), which include the Manual, the Recipe Book, training materials, advertisements, promotional materials, labels, menus, posters, coupons, gift certificates, signs, websites, store designs, and prototype plans and specifications. We have not registered the copyrights in any of the Works but we are not required to do so. You can use the Works only for the purpose of developing and operating your Pizza Boli’s Franchised Business. You must notify us of any unauthorized use of the Works. You must also notify us of any challenge to the validity of, or the right to use, any of the Works. We have the right to control any administrative proceeding or litigation that involves the Works. This right includes the right to settle any of those disputes. We may, but are not required to, try to stop other people from using the Works.

We claim proprietary rights in certain menu items associated with Pizza Boli's Franchised Businesses, including our proprietary recipes. We protect the recipes and manufacturing processes for these items as trade secrets.

The Manual and Confidential Information

We will loan you one copy of, or provide electronic access to, the Manual and the Recipe Book, which contain information and knowledge that is unique, necessary and material to the System. The Manual and Recipe Book contain detailed standards, specifications, instructions, requirements, methods and procedures for management and operation of the Restaurant. The Manual and Recipe Book also may relate to the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of all products and beverages sold at the Pizza Boli's Franchised Business; management and employee training; marketing, advertising and sales promotions; maintenance and repair of the Restaurant building, grounds, equipment, graphics, signs, interior and exterior decor items, fixtures and furnishings; employee dress attire and appearance standards; menu concept and graphics; and accounting, bookkeeping, records retention and other business systems, procedures and operations. You must at all times to operate the Pizza Boli's Franchised Business in strict conformity with the Manual and Recipe Book; maintain the Manual and Recipe Book at the Pizza Boli's Franchised Business; not reproduce the Manual or any part of it; and treat the Manual as confidential and proprietary, and; disclose the contents of the Manual only to your employees who have signed a confidentiality agreement and who have a demonstrated need to know the information contained in the Manual.

All of your employees, other than managers must sign a Confidentiality Agreement. We must approve these agreements.

Customer Data

We claim ownership of the customer data you obtain during the operation of your Pizza Boli's Franchised Business. This includes all databases (whether in print or electronic form) including names, addresses, phone numbers, e-mail addresses and customer purchase data. We reserve the right to use or transfer these records as we deem appropriate and to provide the information to our affiliates. Furthermore, we reserve the right to contact customers of the Pizza Boli's Franchised Business, as well as your employees, suppliers and other service providers, for purposes of conducting quality control, market research and for other business reasons as we deem appropriate.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

For the first term of your first Franchised Business, the Franchised Business must operate under your direct supervision during at least 50% of the hours that the Franchised Business is open and operating, and be under the supervision of a manager who has been trained by us at all other times. All other Franchised Businesses (e.g., renewals and additional locations) must be under your direct, on-site supervision or under the supervision of a manager who has completed our training program. There are no other limitations on who you may hire as managers. Subsequent managers may attend our continuing training programs at no cost to you, unless we require additional training. However, you will have to meet the costs of travel and accommodations, if any, and payroll for those persons.

At our discretion, you and your spouse or business partners, if any, may be required to sign the Guaranty to the Franchise Agreement and a Franchise Owner Agreement, the form of which is attached as Attachment E to the Franchise Agreement. In the Guaranty, each guarantor unconditionally guarantees the full and faithful performance of the obligations under the Franchise Agreement, and agrees to be personally liable for every breach by you of the Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

<u>Compliance with Laws</u>. You must secure and maintain in force all required licenses, permits, and certificates and must operate the Franchised Business in full compliance with all applicable laws, ordinances, and regulations, including all U.S. anti-terrorism laws.

<u>Prosperity Menu</u>. You may sell to the public only the items on the approved Prosperity Menu, as that menu is found in the Manual. If you wish to sell any items that are not included on the approved Prosperity Menu or wish to exclude an approved item, you must receive our written approval before doing so. No other retail sales may be conducted at the site of the Franchised Business. We may change the Prosperity Menu at any time, without restriction.

<u>Delivery Service</u>. If you purchase a Pizza Boli's Delivery Service franchise or a Pizza Boli's Quick Service franchise, you are required to offer delivery service to customers located within the Trade Area that can be reached within 30 minutes of receipt of the customer's order.

<u>Alcoholic Beverages</u>. You may, but are not required to, sell alcoholic beverages in the conduct of the Franchised Business. It is your duty to comply with all applicable liquor, beer or wine laws that might affect the Franchised Business.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the Franchise Term	2.3	7 years
b. Renewal or Extension of the Term	2.4	If you have substantially and timely complied with your Franchise Agreement and any other agreements with us or our affiliates, you may acquire a subsequent agreement for one additional term of 7 years.
c. Requirements for Franchisee to Renew or Extend	2.4	To renew your franchise term, you may enter into a subsequent agreement if the following conditions are met: Notify us in writing of your intent to renew 6-12 months before the expiration of your Franchise Agreement; renovate and modernize the Franchised Business as we require; satisfy all monetary obligations owed to us under the Franchise Agreement or any other agreement with us or our affiliates; present proof of right to remain in possession of the Approved Location; sign then-current renewal franchise agreement, which may contain terms that are materially different from the original contract; pay renewal fee, sign general release

Provision	Section in Franchise or Other Agreement	Summary
d. Termination by Franchisee	None	Not applicable
e. Termination by Franchisor Without Cause	None	Not applicable
f. Termination by Franchisor With Cause	14.1 and 14.2	We may terminate only if you default; termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §§101, *et seq.*)
g. "Cause" defined – curable defaults	14.2	3 day cure period for failure to pay; 15 day cure for failure to comply with standards
h. "Cause" defined – non- curable defaults	14.1	Misrepresentations; failure to open; unauthorized transfer; abandonment; loss of possession of the premises for the Franchised Business; danger to public health or safety; failure to maintain insurance; felony conviction; failure to comply with U.S. anti-terrorism legislation; repeated violations
i. Franchisee's Obligations on Termination/Non-renewal	14.3 and 14.4	Payment of amounts due; de-identification; comply with non-competition obligations; return Manual, Recipe Book, and other materials; assign telephone number and listing; pay liquidated damages if early termination,

Provision	Section in Franchise or Other Agreement	Summary
j. Assignment of Contract by Franchisor	15.1	No restriction on our right to assign
k. "Transfer" by Franchisee – defined	15.2, 15.3	Includes transfer of contract, business assets or ownership change; you may transfer to a corporation controlled by you.
l. Franchisor Approval of Transfer by Franchisee	15.2-3, 16.1 – 16.2	We have the right to approve all transfers
m. Conditions for Franchisor Approval of Transfer	15.2-3, 16.1 – 16.2	New franchisee qualifies; transfer fee paid; training arranged and training fee paid; Assignment Agreement and release signed by you; new agreement signed by purchaser; our review and approval of all documents related to the sale. If you do not comply with the conditions of approval before completion of the transfer, we may consent once all conditions have been satisfied and in exchange for an additional $20,000 transfer fee
n. Franchisor's Right of First Refusal to Acquire Franchisee's Business	16.3	We can match any offer you receive
o. Franchisor's Option to Purchase Franchisee's Business	None	Not applicable
p. Death or Disability of Franchisee	15.3	You must notify us in writing of your intended beneficiary; beneficiary must meet the requirements of § 17.1 of the Franchise Agreement

Provision	Section in Franchise or Other Agreement	Summary
q. Non-competition Covenants During the Term of the Franchise	12.2(a)	No involvement in competing business in the United States
r. Non-competition Covenants After the Franchise is Terminated	12.2(b)	No competing business for 1 year within 15 miles of the Franchised Business
s. Modification of the Agreement	17.1, 17.11(a)	No modifications generally without signed Agreement, but Prosperity may modify the Manual
t. Integration/Merger Clause	17.11(a)	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside of this Disclosure Document and Franchise Agreement may not be enforceable
u. Dispute Resolution by Arbitration or Mediation	17.6	Except for certain claims, all disputes must be first mediated by a person chosen by you and us, or by a person appointed by the American Arbitration Association, JAMS or a similar service; If mediation is unsuccessful, disputes must be litigated in any state or federal court in the state and judicial district in which Prosperity's principal place of business is located (currently, Pikesville, Maryland)

Provision	Section in Franchise or Other Agreement	Summary
v. Choice of Forum	17.6	Litigation must be in the state or federal court in the state and judicial district in which Prosperity's principal place of business is located (currently, Pikesville, Maryland)
w. Choice of Law	17.7	Maryland law applies

Item 18

PUBLIC FIGURES

We do not use any public figures to promote the offer and sale of franchises. You may not use the name of a public figure in your promotional efforts or advertising without our prior written consent.

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 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 or by contacting our President, Javed

(John) Nasir, 3 Greenwood Place, Pikesville, MD 21208, telephone: 443-544-1500 or the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
PIZZA BOLI'S SYSTEMWIDE OUTLET SUMMARY
For Fiscal Years Ending July 31, 2021-2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2021	83	83	0
	2022	83	85	+2
	2023	85	84	-1
	2024	84	84	0
Corporate	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total	2021	83	83	0
	2022	83	85	+2
	2023	85	84	-1
	2024	84	84	0

*Includes one franchised "Bestolli" restaurant that closed during fiscal year 2021.

<u>Notes for tables 1-5 in this Item 20</u>:

(1) All data listed is as of the fiscal year end. Our fiscal year end falls on July 31st each year.

(2) States not listed had no activity.

Table 2
Transfers of Pizza Boli's Outlets from Franchisees
To New Owners (Other Than the Franchisor)

For Fiscal Years Ending July 31, 2021-2024

State	Year	Number of Transfers
Maryland	2021	6
	2022	2
	2023	4
	2024	5
Pennsylvania	2021	0
	2022	0
	2023	0
	2024	1
Virginia	2021	2
	2022	1
	2023	0
	2024	1
Totals	2021	8
	2022	3
	2023	4
	2024	7

Table 3

Status of Franchised Pizza Boli's Outlets - For Fiscal Years Ending July 31, 2021 – 2024

State	Year[1]	Franchised Outlets at Start of Year	Franchised Outlets Opened	Franchise Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Franchised Outlets at End of the Year
MD	2021	55	1	0	0	0	1	55
	2022	55	1	0	0	0	0	56
	2023	56	1	0	0	0	1	56
	2024	56	0	1	0	0	1	54
NJ	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
PA	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	1	0	0	0	0	8
VA	2021	13	1	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	0	1	0	0	0	13
	2024	13	1	0	0	0	0	14

State	Year(1)	Franchised Outlets at Start of Year	Franchised Outlets Opened	Franchise Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Franchised Outlets at End of the Year
DC*	2021	7	0	0	0	0	1	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Total	2021	83	2	0	0	0	2	83
	2022	83	2	0	0	0	0	85
	2023	85	1	1	0	0	1	84
	2024	84	2	1	0	0	1	84

*Includes one franchised "Bestolli" restaurant that closed during the fiscal year ended July 31, 2021.

Table 4
Status of Company-Owned Pizza Boli's Outlets
For Fiscal Years Ending July 31, 2021-2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Maryland	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table 5
Projected Pizza Boli's Openings as of July 31, 2024*

State	Franchise Agreements Signed But Outlet Not Open	Projected Franchised New Outlets in The Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
District of Columbia	1	1	0
Maryland	0	5	2
Virginia	1	5	1
Total	2	11	3

(*Projections assume that this Disclosure Document will be registered in Maryland and Virginia.)

Exhibit F to this Disclosure Document is a list of all franchisees in the Prosperity System as of July 31, 2024. Exhibit G to this Disclosure Document contains a list of all franchisees who had an outlet terminated, cancelled, not renewed or transferred or otherwise ceased to do business under a Pizza Boli's franchise agreement during our fiscal years ended July 31, 2023 and July 31, 2024, or who have not communicated with us within 10 weeks of this application.

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.

There is no trademark-specific franchisee organization associated with Prosperity System, Inc. or the Pizza Boli's franchise system.

Item 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are our unaudited financial statements for the fiscal years ended July 31, 2024, 2023, and 2022.

Our fiscal year end is July 31st.

Item 22

CONTRACTS

Attached to this Disclosure Document as Exhibit B is our franchise agreement. Exhibit C is the form of Assignment Agreement you must use when assigning the franchise to an entity in which you own 100% of the ownership interests. Exhibit H is a sample of the Assignment Agreement and Release that you must sign when transferring your franchise to a third party.

Item 23

RECEIPTS

The last pages of the Disclosure Document are detachable receipts acknowledging receipt of the Disclosure Document by you.

ADDENDUM TO THE
PROSPERITY SYSTEM, INC.
FRANCHISE DISCLOSURE DOCUMENT

State-Specific Requirements

MARYLAND

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

The following is added to Item 5:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees paid by franchisees are paid into an escrow established by Prosperity with Bank of America, N.A. until Prosperity completes its pre-opening obligations under the franchise agreement.

The following is added to Item 17:

Any and all claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise.

A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

VIRGINIA:

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

EXHIBIT A
PROSPERITY SYSTEM, INC.
FINANCIAL STATEMENTS

PROSPERITY SYSTEM, INC.
UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM.

PROSPERITY SYSTEMS, INC.
Balance Sheet
As of July 31, 2024

	Jul 31, 24
ASSETS	
Current Assets	
Total Checking/Savings	268,522.97
Other Current Assets	
Total Other Current Assets	561,000.00
Total Current Assets	829,522.97
TOTAL ASSETS	**829,522.97**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Gift Cards sold	767.82
Payroll Taxes Payable	2,226.74
Salaries payable	35,251.00
Total Other Current Liabilities	38,245.56
Total Current Liabilities	38,245.56
Long Term Liabilities	
Due to the Sba	149,900.00
Total Long Term Liabilities	149,900.00
Total Liabilities	188,145.56
Equity	
Opening Bal Equity	331,870.58
Retained Earnings	594,261.68
Net Income	-284,754.85
Total Equity	641,377.41
TOTAL LIABILITIES & EQUITY	**829,522.97**

PROSPERITY SYSTEMS, INC.
Profit & Loss
August 2023 through July 2024

	Aug '23 - Jul 24
Ordinary Income/Expense	
Income	
Total Income	4,157,136.79
Gross Profit	4,157,136.79
Expense	
Accounting Expenses	3,910.00
Advertising Expense	2,859,852.48
ATF Processing Fees	11,532.84
Auto Expenses	53,724.81
Bank Service Charges	295.71
Cleaning & Janitorial	8,274.00
Contracted Labor	900.00
corporate Tax for the State	6,513.22
Credit Card Charges	325.10
Donation	34,200.00
Employee Benefits	
Bonus	9,700.00
Total Employee Benefits	9,700.00
Federal Tax Expense	5,901.00
Health Insurance	7,956.57
Insurance	
Insurance Workers Comp.	2,090.60
Vision and Dental Insurance	1,852.62
Total Insurance	3,943.22
Interest Expense	8,772.00
Item Charge Back	5,000.00
Office Expenses	1,978.72
Office Supplies	1,981.58
Payroll Expenses	7,060.63
Payroll Taxes	79,098.82
Personal Property Tax	306.00
Phone Expenses	9,302.90
Professional Service	
Legal Expenses	108,246.10
Total Professional Service	108,246.10
Refund for Towson	10,000.00
Rent Expense	51,695.92
Repair and Maintenance	5,015.38
Retirement Plan	354.00
Salaries Expenses	1,111,277.44
State Tax Expense .	2,318.00
Subscription	30,718.80
Utilities	

PROSPERITY SYSTEMS, INC.
Profit & Loss
August 2023 through July 2024

	Aug '23 - Jul 24
Electricity	1,736.40
Total Utilities	1,736.40
Total Expense	4,441,891.64
Net Ordinary Income	-284,754.85
Net Income	**-284,754.85**

PROSPERITY SYSTEMS, INC.
Balance Sheet
As of July 31, 2023

PROSPERITY SYSTEM INC

BALANCE SHEET AS OF

JULY 2023

ASSETS	
Current Assets	
Total Checking/Savings	854,196.58
Other Current Assets	
Total Other Current Assets	511,350.00
Total Current Assets	1,365,546.58
TOTAL ASSETS	**1,365,546.58**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Current Liabilities	289,514.32
Long Term Liabilities	
Due to the Sba	149,900.00
Total Long Term Liabilities	149,900.00
Total Liabilities	439,414.32
Equity	
Opening Bal Equity	331,870.58
Retained Earnings	681,442.26
Net Income	-87,180.58
Total Equity	926,132.26
TOTAL LIABILITIES & EQUITY	**1,365,546.58**

PROSPERITY SYSTEMS, INC.

Profit & Loss

August 2022 through July 2023

Accrual Basis

		Aug '22 - Jul 23
Ordinary Income/Expense Income		
Total Income		4,126,104.78
Expense		
Accounting Expenses		2,113.00
Advertising Expense		2,772,085.51
Alarm System		390.08
ATF Processing Fees		7,431.82
Auto Expenses		36,444.74
Bank Service Charges		303.04
Cleaning & Janitorial		9,065.00
corporate Tax for the State		43,747.00
Donation		7,050.00
Employee Benefits Bonus	19,460.00	
Total Employee Benefits		19,460.00
Federal Tax Expense		111,356.00
Health Insurance		23,173.86
Insurance Business Owners	-181.43	
Insurance Workers Comp.	2,038.09	
Vision and Dental Insurance	6,619.87	
Total Insurance		8,476.53
Interest Expense		5,848.00
Office Expenses		3,003.69
Office Supplies		2,581.51
Payroll Expenses		7,065.12
Payroll Taxes		67,088.82
Personal Property Tax		303.00
Phone Expenses		8,148.49
Postage & Delivery		583.20
Professional Service Legal Expenses	19,504.75	
Total Professional Service		19,504.75
Rent Expense		60,235.98
Repair and Maintenance		2,010.00
Salaries Expenses		1,047,822.01
Subscription		100.70
Utilities		
Electricity	2,195.23	
Total Utilities		2,195.23
Total Expense		4,267,587.08
Net Ordinary Income		-141,482.30
Other Income/Expence		
Other income		
Sale - 1540 York Rd Towson		69,400.00
Sale - 5422 York Rd		-15,098.28
Total Other Income		54,301.72
Net Other Income		54,301.72
Net Income		**-87,180.58**

PROSPERITY SYSTEMS, INC.
Balance Sheet
As of July 31, 2022

PROSPERITY SYSTEM

BALANCE SHEET AS JULY 2022

ASSETS	
Current Assets	
Total Checking/Savings	458,482.35
Other Current Assets	
Total Other Current Assets	380,381.86
Total Current Assets	838,864.21
Fixed Assets	
Corporate Owned Store - 1540	330,600.00
Fixing New Store 5422 York Road	173,598.28
Total Fixed Assets	504,198.28
TOTAL ASSETS	**1,343,062.49**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	143,484.28
Other Current Liabilities	
Total Other Current Liabilities	36,365.37
Total Current Liabilities	179,849.65
Long Term Liabilities	
Due to the Sba	149,900.00
Total Long Term Liabilities	149,900.00
Total Liabilities	329,749.65
Equity	
Opening Bal Equity	331,870.58
Retained Earnings	167,113.20
Net Income	514,329.06
Total Equity	1,013,312.84
TOTAL LIABILITIES & EQUITY	**1,343,062.49**

PROSPERITY SYSTEMS, INC.

Profit & Loss

Accrual Basis

August 2021 through July 2022

		Aug '21 - Jul 22
Ordinary Income/Expense Income		
Total Income		3,860,097.56
Expense		
Accounting Expenses		1,561.00
Advertising Expense		2,257,870.88
Alarm System		552.96
ATF Processing Fees		7,403.39
Auto Expenses		59,498.20
Bank Service Charges		217.50
Cleaning & Janitorial		7,925.00
Credit Card Charge		340.08
Donation		17,208.65
Employee Benefits Bonus	17,710.00	
Total Employee Benefits		17,710.00
Federal Tax Expense		6,967.10
Health Insurance		8,364.02
Insurance Business Owners	751.43	
Insurance Workers Comp.	949.04	
Vision and Dental Insurance	2,571.68	
Total Insurance		4,272.15
Office Expenses		3,420.14
Office Supplies		2,788.36
Payroll Expenses		2,032.36
Payroll Taxes		63,273.19
Personal Property Tax		303.00
Phone Expenses		7,689.04
Postage & Delivery		371.50
Professional Service Legal Expenses	30,881.11	
Total Professional Service		30,881.11
Rent Expense		52,446.19
Repair and Maintenance		7,465.00
Salaries Expenses		783,053.34
Subscription		245.40
Utilities		
Electricity	1,908.94	
Total Utilities		1,908.94
Total Expense		3,345,768.50
Net Income		**514,329.06**

EXHIBIT B
FRANCHISE AGREEMENT

EXHIBIT B
PIZZA BOLI'S
FRANCHISE AGREEMENT

Pizza Boli's Franchise Agreement

This franchise agreement ("**Franchise Agreement**" or "**Agreement**") is entered into between Prosperity System, Inc. ("**we**," "**us**," "**our**," "**Prosperity**"), a Maryland corporation and

____,
a resident of the State of ____"**you**," "**your**" or "**Franchisee**").

RECITALS

A. Prosperity, as the result of the expenditure of time, skill, effort, and money, has developed and owns a distinctive format and system (the "**System**" or "**Pizza Boli's System**") relating to the establishment and operation of restaurants using the "**Pizza Boli's®**" name and marks (each a "**Pizza Boli's Restaurant**") featuring, among other things, pizzas, subs, wings, salads, French fries, and other food and beverages.

B. The distinguishing characteristics of the System include distinctive exterior and interior design, décor, color scheme, and furnishings; menu items prescribed by Prosperity; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for management and inventory control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Prosperity from time to time.

C. Prosperity identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia or origin, including the "Pizza Boli's" name and marks, and other trade names, service marks, and trademarks as are now designated (and may be developed in the future by Prosperity) for use in connection with the System (the "**Marks**").

D. Prosperity continues to develop, use, and control the use of the Marks to identify for the public the source of services and products marketed under the Marks and the System, and to represent the System's high standards of quality, appearance, and service.

E. Franchisee desires to enter into the business of operating a Pizza Boli's Restaurant under Prosperity's System and wishes to obtain the rights to operate such business from Prosperity for that purpose, as well as to receive the training and other assistance provided by Prosperity in connection with the grant of those rights.

F. Franchisee understands the importance of Prosperity's high standards of quality, cleanliness, appearance, and service, and the necessity of operating the business franchised under this Agreement in conformity with Prosperity's standards and specifications.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties agree as follows:

1. Definitions. Words and phrases used frequently in this Franchise Agreement will have the meaning indicated:

"Advertising cooperative" means a group, consisting of franchisees we select plus our representatives, which determines how its members can best serve specific markets.

"Assignment Agreement" means the agreement by which the operating rights of the Franchised Business are assigned to a company controlled by the Franchisee or the Franchisee and the Franchisee's immediate family.

"Collateral Agreement" means any agreement between you and us or between you and our affiliates relating to or arising out of the franchise relationship created by this Franchise Agreement.

"Effective Date" means the date entered in the space so designated on the signature page of this Franchise Agreement.

"Franchise Agreement" means this document, all its attachments, exhibits, amendments and modifications whenever made.

"Franchised Business" means the business using the Marks and Pizza Boli's System and operated pursuant to this Franchise Agreement.

"Franchisee" means the individual named in this Franchise Agreement who is granted the right to operate the Franchised Business; also referred to as "you" or "your."

"Immediate family" means your spouse, children, parents, brothers, sisters, uncles, aunts, nephews, nieces, grandparents, grandchildren, but not in-laws.

"Including" or **"Includes"** means "including (or includes), but not limited to," "including (or includes) without limitation," and similar constructions.

"Operating Manual" or "Manual" means the confidential Prosperity Operating Manual and other written or on-line materials loaned to you that contain the recommended and required policies and procedures for the operation of the Franchised Business. The term also includes all supplemental bulletins and revisions to the foregoing materials. (See Section 5.2 for additional information about the Manual.)

"Operating Company" means the company to which you may assign the operating rights to the Franchised Business in the Assignment Agreement.

"Prosperity Menu" means the food and other items that are approved by us for sale in the Franchised Business.

"Prosperity System" means us and our network of franchised businesses that operate restaurants under the Marks and using the Pizza Boli's System.

"Recipe Book" means the confidential manual containing the proprietary recipes for the Prosperity Menu items that you will prepare and sell at the Franchised Business.

"Store Sales" means all revenue from the sale of all products and services and all other income of every kind and nature related to, derived from, or originating from the Franchised Business (whether or not permitted under this Agreement), including delivery and service fees paid to you, whether for cash or credit, and regardless of collection in the case of credit, but excluding: (**a**) sales taxes and other taxes that you collect from your customers and actually pay to the appropriate taxing authorities; (**b**) refunds, discounts, and accommodations reasonably provided to your customers; (**c**) meals provided to your staff; and (**d**) reasonable delivery fees paid by or through third-party delivery service providers.

"Trade Area" means the geographic area described in Section 3 of this Franchise Agreement.

"Week" means a period beginning Monday and ending Sunday.

2. Grant of Franchise

2.1 *Type of Pizza Boli's Restaurant*. You have applied to us for the right to operate one of the following types of Pizza Boli's Restaurant:

1. Pizza Boli's Express ("**PB Express**"). This Franchised Business features only carry-out service. Dine-in or delivery services are not available from a PB Express. Menu items may be limited to less than a dine-in or delivery Franchised Business. A PB Express is designed to operate from a small site, sometimes with service via a single window for customer access.

2. Pizza Boli's Delivery ("**PB Delivery**"). This Franchised Business can offer delivery and carry-out services.

3. Pizza Boli's Quick Service ("**PB Quick Service**"). This Franchised Business is granted the right to offer dine-in, carry out and delivery services.

We hereby grant you the non-exclusive right, and you undertake the obligation, to establish and operate a Franchised Business (<u>choose ONE only</u>):

A Pizza Boli's Express ______________________________________; or
(Your Signature)

B. Pizza Boli's Delivery ______________________________________; or
(Your Signature)

C. Pizza Boli's Quick Service __________________________________.
(Your Signature)

You have signed in only one of the spaces above. Your signature indicates your choice of Franchised Business that is granted under this Agreement.

We also grant you a non-exclusive license to use the Marks and System solely in connection with the Franchised Business and in compliance with this Agreement and the Manual.

2.2 *Location of Franchised Business*.

(a) We hereby grant you the right to operate a Franchised Business under the Marks at this address ("**Approved Location**"):

____

____

(b) When this Agreement is signed, if you have not yet obtained (and we have not yet approved in writing) a location for the Franchised Business, then you must find a site which will become the Approved Location after we have given you our written approval for that site, and you have obtained the right to occupy the premises by lease, sublease, or acquisition of the property – all subject to our written approval.

(c) If you lease the site from a third party, you must submit a copy of the proposed lease to us for our review before you sign the lease. You agree that our review is not a guarantee that the lease is legally sufficient for all of your purposes, but only provides us an opportunity to determine if the lease meets our requirements. Your lease must contain the Rider attached as Attachment A to this Agreement that permits us to be substituted for you as tenant in the event you default under the lease, or if the lease is terminated by any party prior to its expiration for any reason other than your termination of the lease in connection with your termination of this Franchise Agreement for cause.

(d) You may not relocate your Franchised Business without our prior written approval. We will grant our approval if you are in compliance with the Franchise Agreement and the proposed location meets our site selection criteria. If you change the site without our prior written approval we have the right to terminate this Agreement on written notice to you.

2.3 *Term.* Your right to operate the Franchised Business begins on the Effective Date of this Agreement and expires 7 years thereafter. The "**Effective Date**" is the date found on the signature page of this document. Unless terminated earlier in accordance with this Agreement, the term of this Agreement shall expire on the date found on the signature page.

2.4 *Subsequent Agreement.* When this Agreement expires, if you meet certain conditions, then you will have the option to acquire one additional 7-year term (a "**Renewal Franchise**"). The qualifications and conditions for the renewal term are described below:

(a) You give Prosperity written notice of your election to renew not less than 6 months, nor more than 12 months, prior to the end of the initial term;

(b) You agree to renovate and modernize the Franchised Business as Prosperity may require (including, without limitation, renovation of the exterior façade, signs, interior furnishings, fixtures, and décor) to reasonably reflect the then-current standards and image of the System;

(c) You have satisfied all monetary obligations owed by you to Prosperity and our affiliates and shall not be in default of any provision of this Agreement or any Collateral Agreement; and, in our reasonable judgment, you have substantially and timely complied with all the terms, conditions and obligations of such agreements, during the terms thereof and with the operating standards prescribed by Prosperity during the term of this Agreement;

(d) You present evidence satisfactory to us that you have the right to remain in possession of the Approved Location for the duration of the Renewal Franchise;

(e) You sign Prosperity's then-current form of renewal franchise agreement ("**Renewal Franchise Agreement**") and all other agreements, legal instruments and documents then customarily used by us in the renewal of our franchises (and any Guarantor shall execute Prosperity's then-current guaranty agreement). The terms of the Renewal Franchise Agreement (and the other then-current agreements, legal instruments and documents) may vary materially from this Agreement and the other legal instruments and documents currently in use by us, including the requirement to pay higher fees.

(f) You pay a Renewal Franchise fee equal to 25 percent of the then-current initial fee charged to new franchisees for the same type of Pizza Boli's Restaurant as the Franchised Business;

(g) You and any Guarantors sign a general release, in a form prescribed by Prosperity, of any and all claims against Prosperity and its affiliates, and their respective officers, directors, agents, and employees. If you are a Maryland resident, or the Franchised Business is operated in Maryland, the general release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law; and

(h) You must comply with Prosperity's then-current training requirements and all other conditions required of franchisees entering into Renewal Franchise Agreements at that time.

2.5 *Franchisee as Entity*. If you are an entity, you agree to provide us with a list of all of your Owners and sign an "Ownership Statement," the current form of which is attached as Attachment D. Upon our request, you must provide us with a resolution of the entity authorizing the execution of this Agreement, a copy of the entity's organizational documents and a current "Certificate of Good Standing" (or the functional equivalent thereof). You represent that the entity is duly formed and validly existing under the laws of the state of its formation or incorporation.

2.6 *Franchise Owner Agreement*. If you are an entity, all owners (whether direct or indirect) must bind themselves to the terms of this Agreement by signing a Franchise Owner Agreement, the current form of which is attached as Attachment E. If you are not an entity, we require that the spouse of each owner sign a Franchise Owner Agreement. Depending on the creditworthiness of the owners, we may require that the spouse of each owner sign a Franchise Owner Agreement, regardless of whether you are an entity.

3. Trade Area.

3.1 *Boundaries and Household Count.*

(a) The following boundaries describe your Trade Area. Boundary lines, street and other names used in this description mean the center line of the boundaries, street and other geographic features:

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(b) *Household Count*. As of the Effective Date the number of households within your Trade Area is :____
____

(c) *Non-Traditional Locations Excluded*. The Trade Area does not include airports, train stations, gas stations, bus stations, food trucks, travel plazas, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider, Indian reservations, casinos or other similar locations ("**Non-Traditional Locations**"), even if such Non-Traditional Location is built or established after the Effective Date of this Agreement.

(d) *Correction of Non-Material Errors*. We have the right to correct inadvertent non-material errors in the Trade Area description, and we reserve the right to modify the Trade Area to reflect changes in market conditions or population or eliminate areas in which you cannot deliver food within the time frame specified in Section 3.2(c) below.

3.2 *Delivery Requirements*

(a) You may not accept delivery orders for food outside your Trade Area and to a delivery point outside of your Trade Area or to a delivery point within the Trade Area if you cannot complete the delivery within 30 minutes. If you deliver food to customers located outside your Trade Area or if you deliver food to customers to whom you cannot deliver food within 30 minutes, you will pay us a fee of $3,000 for each such delivery. Such deliveries are breaches of this Agreement because slow deliveries harm our reputation, name and Marks, and deliveries outside your Trade Area confuse the public about which franchised business we have designated to service particular geographic areas. If you breach this Section 3.2(a) more than 3 times in a period of twelve consecutive months, we have the right to terminate this Agreement on written notice to you.

(b) If for any reason you can no longer deliver to all parts of the Trade Area within 30 minutes, we have the right to remove from the Trade Area the parts you can no longer service within the maximum delivery time.

3.3 *No Exclusivity*. You understand that you will have the right to operate your Franchised Business at the Approved Location only and will receive no territorial protection.

3.4 *Reservation of Rights to Prosperity and Affiliates.* We and our affiliates retain the following rights: (**a**) the right to develop, operate or license others to develop and operate restaurants and other businesses at any location, including within your Trade Area under any trade names and marks, including the "Pizza Boli's" name and marks, regardless of the proximity to your Franchised Business; (**b**) the right to distribute food items bearing the Marks through retail or wholesale outlets such as supermarkets or convenience stores in your Trade Area ("**Retail Outlets**"), as well as through the Internet, World Wide Web, smart phone applications, telemarketing, or other direct marketing sales ("**Alternative Distribution Channels**"); (**c**) the right to operate, or franchise others to operate, restaurants using the Marks in or at Non-Traditional Locations in the Trade Area, regardless of proximity to your Franchised Business; and (**d**) the right to acquire or be acquired by, combine or merge with businesses that compete with Pizza Boli's Restaurants.

3.5 *Alternative Distribution Channels*

(a) You may not sell through Retail Outlets or use Alternative Distribution Channels to make sales inside or outside your Trade Area except as described in the following paragraph and you will receive no compensation for our sales through Retail Outlets or Alternative Distribution Channels except as described in the following paragraph.

(b) If we or our affiliates engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other Alternative Distribution Channel, and we receive orders for any products calling for delivery in your Trade Area, then we will offer the order to you at the price we establish.

3.6 *Third-Party Delivery Services and Catering.*

(a) We have the right to approve or disapprove any activity(ies) proposed to take place outside the Franchised Business, including use of third-party delivery service providers ("**DSPs**") and catering activities. We will consider a range of factors in determining whether to approve proposed DSP and/or catering from the Franchised Business (whether directly and/or through third parties), including the period of time you have been operating your Franchised Business, your sales volume, whether you have met certain quality standards and other benchmarks, and other standards that we may determine. In addition:

(b) Any DSP or catering activities that you undertake must be conducted in accordance with the procedures that we specify in the Manual or otherwise in writing.

(c) We have the right (but not the obligation) to establish a catering program that may include online and telephone ordering features, on our own, and/or in conjunction with one or more outside vendors (the "**Catering Program**"). If we establish a Catering Program, you agree to participate and to pay the related fees and costs.

(d) We have the right to require that you conduct delivery only through Franchised Business staff and/or approved DSPs. We have the right at all times to approve or disapprove of any such delivery services, DSPs, and other related vendors (including aggregators), including the arrangements that you propose to make with any DSP. In addition, you must submit all proposed contracts with DSPs or for catering to us for our review and written consent before signing. You may be required to make marketing and per-transaction payments to the DSPs (and, in some instances, we may collect those payments and remit them to the DSPs).

(e) All delivery and catering sales that you make in any manner will be covered by the requirements of this Agreement, including the requirement to include those sales as part of your Franchised Business's Store Sales for all purposes under this Agreement.

(f) You may not operate (nor authorize any other party to operate) a remote food preparation facility and/or kitchen (including cloud kitchens, dark kitchens, ghost kitchens, and otherwise) away from the premises of your Franchised Business.

4. Fees

4.1 *Initial Franchise Fee*. Upon signing this Agreement, you will pay us an "Initial Franchise Fee" of: **$24,000** for a Pizza Boli's Delivery or Pizza Boli's Quick Service franchise; or **$12,000** for a Pizza Boli's Express franchise. The Initial Franchise Fee is payable in a lump sum upon signing the Franchise Agreement. The Initial Franchise Fee is fully earned and not refundable, except in the following limited circumstance: if you and we cannot agree on a site for the Franchised Business within 180 days after Prosperity signs the Franchise Agreement, we will refund all except 50 percent of the Initial Franchise Fee or $10,000, whichever is less.

In Maryland, your initial franchise fee, as well as any other initial fee or payment to be made to us before the Franchised Business opens, are paid into an escrow established by us and Bank of America until the opening of your store. The Maryland Securities Commissioner has imposed this escrow requirement because of Prosperity's financial condition.

4.2 *Initial Training Fee*. If this is the first Franchised Business that you are developing, you agree to pay us a nonrecurring and nonrefundable initial training fee of up to $15,150 when you sign this Agreement plus the cost of materials.

4.3 *Continuing Franchise Fee*.

(a) Beginning in the third (3rd) month after your Franchised Business opens, you will pay us on the fifth (5th) of each month a non-refundable continuing franchise fee ("**Continuing Franchise Fee**"). As of the Effective Date, your Continuing Franchisee Fee is:

____

As of the Effective Date, we allocate approximately 59 percent of your Continuing Franchise Fee as a license/royalty fee and approximately 41 percent of your Continuing Franchise Fee to the Advertising Fund (as defined in Section 10.2(a) of this Agreement). You and Prosperity may agree to modify the Continuing Franchise Fee from time to time based on changes in the household count in your Trade Area.

As of the Effective Date, the monthly Continuing Fees vary by the total household count in your Trade Area as set forth in the following table:

Trade Area Household Count	Monthly Continuing Franchise Fee
5,000 – 10,000	$900
10,000 – 15,000	$1,300
15,000 – 20,000	$1,800
20,000 – 25,000	$2,300
25,000 – 30,000	$2,800
30,000 – 35,000	$3,300
35,000 – 40,000	$3,800
40,000 – 45,000	$4,300
45,000 – 50,000	$4,800

(b) We may discontinue the flat Continuing Franchise Fee in the future and replace it with a continuing license fee ("**License Fee**") of 5 percent of Store Sales and an advertising fee ("**Advertising Fee**") of 3.5 percent of Store Sales due weekly. Or, at our option, we may institute a system whereby you pay a fixed amount each Week without reporting Store Sales until the final week of a month, at which time your License Fee and Advertising Fee may be adjusted to reflect the actual Store Sales for the prior month.

(c) Your Continuing Franchise Fee (or, if applicable, License Fee and Advertising Fee) payments must be accompanied by a report of Store Sales on a form that we will provide.

4.4 *Online Ordering Fee*. In the future, we may charge an "**Online Ordering Fee**" of up to nine percent (9%) of the total pre-tax order for each order that you receive via our online ordering system. The Online Ordering Fee will be deducted via an EFT on a monthly basis.

4.5 *Other Fees*. You will pay us all other fees described in this Agreement in the manner and time specified.

4.6 *Method of Payment*. We have the right to require payment of the fees due under this Agreement by means of electronic, computer, wire, or automated transfer or bank clearing services, and you agree to undertake all action reasonably necessary to accomplish such transfers. As of the Effective Date, we require you to complete and send us an ACH Authorization Form allowing us to electronically debit a banking account that you designate (your "**Account**") for: (i) all fees payable to us pursuant to this Agreement (other than the initial franchise fee); and (ii) any amounts that you owe to us or any of our affiliates for the purchase of goods or services. We will debit your Account for these payments on or after the due date. Our current form of ACH Authorization Form is attached to this Agreement as Attachment C. You must sign and deliver to us any other documents that we or your bank may require to authorize us to debit your Account for these amounts. You must deposit into the Account all revenues that you generate from the operation of your Business. You must make sufficient funds available for withdrawal by electronic transfer before each due date. If there are insufficient funds in your Account to cover all amounts that you owe, any excess amounts that you owe will be payable upon demand, together with any late charge and interest imposed pursuant to Section 4.7 and Section 4.8 of this Agreement. You must pay all service charges and other fees that your bank imposes for any debits that are not honored or processed by your bank for any reason.

4.7 *Late Payment Charges.* Any payment or report not actually received by Prosperity on or before such dated shall be deemed overdue. If any payment or report is overdue, Franchisee shall pay Prosperity, in addition to the overdue amount, a late fee of $50.

4.8 *Interest on Late Payments.* All fees or other amounts owed to us that are received by us after the due date will bear interest at the rate of up to 2 percent per month or the highest legal rate permitted for open account business in the state where the Franchised Business is operated.

4.9 *Shipping and Freight.* You will pay the shipping, mailing and freight charges for supplies or other material sent to you, except for your opening package of operating materials.

4.10 *Brand Standard Violations*. We may assess a "Brand Standard Violation Fee" of up to $3,000 per incident if you do not comply with Pizza Boli's System standards and methods.

4.11 *Timing of Payments*. We may implement a system that requires you to pay Continuing Franchise Fees and all other ongoing fees on a weekly basis (rather than a monthly basis). If we elect to do so, we will provide you with 30 days' prior written notice before implementation of the weekly payment system.

5. Development and Opening of the Franchised Business; Manual; and Initial Training

5.1 *Plans and Specifications*. Prosperity shall make available, at no additional charge to Franchisee, prototypical plans and specifications for the construction of a standard Pizza Boli's restaurant and for the exterior and interior design and layout, fixtures, furnishings, equipment, and signs. Franchisee shall adapt, at Franchisee's expense, the prototypical plans and specifications to the Approved Location and to comply with applicable law, subject to Prosperity's approval. Prosperity will not unreasonably withhold approval of special plans and specifications, prepared at Franchisee's expense, if the Approved Location will not accommodate Prosperity's prototypical plans and specifications, provided that such plans and specifications conform to Prosperity's general design criteria. Prosperity shall conduct, as it deems advisable, periodic inspections of the Franchised Business and the Franchised Business premises during the period of construction and improvement to determine whether Franchisee is complying with the approved plans and specifications for the Franchised Business. Our review and approval of special plans and specifications and inspection during construction are limited to ensuring your compliance with our design and layout requirements only, and you are responsible for reviewing and ensuring compliance with federal, state, and local laws and regulations, including the Americans with Disabilities Act.

5.2 *Operating Manual*.

(a) We will loan you one copy of, or provide electronic access to, the Manual, which contains information and knowledge that is unique, necessary and material to the System. The Manual contains detailed standards, specifications, instructions, requirements, methods and procedures for management and operation of the Franchised Business. The Manual also may relate to the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of all products and beverages sold at the Pizza Boli's Franchised Business; management and employee training; marketing, advertising and sales promotions; maintenance and repair of the Restaurant building, grounds, equipment, graphics, signs, interior and exterior decor items, fixtures and furnishings; employee dress attire and appearance standards; menu concept and graphics; and accounting, bookkeeping, records retention and other business systems, procedures and operations.

(b) You must at all times to operate the Pizza Boli's Franchised Business in strict conformity with the Manual; maintain the Manual at the Pizza Boli's Franchised Business; not reproduce the Manual or any part of it; and treat the Manual as confidential and proprietary. Only your General Manager may have access to the Operating Manual (unless we agree otherwise in writing). If there is a dispute over the Operating Manual's contents, our master version controls. You agree that the Operating Manual's contents are confidential. If your copy of the Operating Manual is lost, destroyed, or significantly damaged, you agree to obtain a replacement copy at our then applicable charge. We may, at our option, post some or all of the Operating Manual on a restricted website, intranet, or extranet to which you will have access. If we do so, you must monitor and access the website, intranet, or extranet for any updates to the Operating Manual and System Standards. Any passwords or other digital identifications necessary to access the Operating Manual on a website, intranet, or extranet will be a part of Confidential Information (defined in Section 12 below).

(c) You will pay us a fee of $10,000 if you fail to return the Manual to us upon termination or expiration of this Agreement.

5.3 *Recipe Book.* We will lend you a copy of our Recipe Book, which may be supplemented as necessary. The Recipe Book is confidential and may not be copied or disclosed to others without our prior approval. The Recipe Book is our property and must be returned to us on termination or expiration of the Franchise Agreement. We will charge you a fee of $10,000 if you fail to return the Recipe Book to us upon termination or expiration of this Agreement.

5.4 *Initial Training*. If the Franchised Business is Franchisee's first restaurant operating under the System, Prosperity shall make available to Franchisee an initial training program ("**Initial Training**") at a location designated by Prosperity. Initial Training focuses on our philosophy, System standards, and the material aspects of operating a Pizza Boli's Restaurant. If Franchisee owns, or has an ownership interest in another restaurant operating under the System, Franchisee shall be required to provide an initial training program to the persons designated by Prosperity, in accordance with Prosperity's specifications, and subject to Prosperity's review and approval of such training. If the Restaurant is Franchisee's first restaurant operating under the System, the Initial Training Fee is $50 per hour or approximately $15,150. After you open your Franchised Business, we may provide up to 7 weeks of additional, on-site training for you and your manager at your Franchised Business, as long as we have training personnel available. This additional training will be at an additional cost up to $2,000 per week (for a total no more than $14,000) plus room and board for our training personnel.

5.5 *Opening of the Franchised Business.*

(a) Prosperity shall inspect the Franchised Business for compliance with our standards and specifications before the opening of the Franchised Business. Franchisee shall not commence operation of the Franchised Business until we notify you in writing that the Franchised Business meets our standards and specifications.

(b) Prosperity shall provide, as Prosperity deems advisable, pre-opening and opening assistance, which may include, at Prosperity's sole discretion, having a representative of Prosperity present at the grand opening of the Franchised Business.

6. Duties of Prosperity

6.1 *Plans and Specifications*. We will furnish you with our representative plans and specifications for construction of a Pizza Boli's Restaurant, including exterior and interior design and layout plans.

6.2 *Manual and Recipe Book*. We will loan the Operating Manual and Recipe Book to you for the Initial Term of this Agreement.

6.3 *Training*. We will provide a training program for the persons that we require or permit to attend training described in Section 5.4 of this Agreement.

6.4 *Supervision*. We will provide preopening and opening supervision and assistance as we deem advisable.

6.5 *Suppliers*. We will name Approved Suppliers as we deem appropriate and review suppliers that you nominate, subject to the limitations in Section 8.11.

6.6 *Periodic Inspections*. Prosperity will conduct, and may authorize others to conduct, as we deem advisable, periodic inspections of the Franchised Business, and evaluations of the products sold and services rendered by the Franchised Business.

6.7 *Ongoing Assistance.* We will provide, from time to time, as we deem appropriate, guidance in connection with compliance with System standards, including: **(a)** the purchase, operation and use of approved equipment, business forms, signs, supplies and materials; **(b)** operating methods and procedures for the Franchised Business; **(c)** new services, products and new Marks that we may offer; **(d)** advertising and sales promotion activities; and, **(e)** the administration of the Franchised Business, including bookkeeping format, health and safety procedures and the like.

6.8 *Delegation of Performance*. We have the right to delegate the performance of some or all of our obligations under this Agreement to third-party designees, whether they are our affiliates, agents, or independent contractors with whom we contract to perform these obligations. If we do so, the third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

7. Marks

7.1 *Ownership; Goodwill.* We own the Marks. Your right to use them is dependent on your compliance with the terms of this Agreement. You must operate the Franchised Business using only the Marks. You must use the Marks standing alone and may not use them: (**a**) as part of any corporate or legal business name; (**b**) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we license to you); (**c**) in offering or selling any unauthorized services or products; (**d**) as part of any domain name, homepage, electronic address, or otherwise in connection with electronic media; or (**e**) in any other manner we have not expressly authorized in writing. Any goodwill established by your use of the Marks will accrue solely to Prosperity. We may add to, or change, the Marks at any time. If we modify or discontinue use of any of the Marks, then you must comply with any such instructions from us within 30 days at your expense. We will not be liable to you for any expenses, losses or damages that you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Marks.

7.2 *New Products/Improvements.* You are encouraged to develop new products, services and food items ("**Improvements**") that are popular with your customers. If you do, all such Improvements developed by you for use or sale at the Franchised Business during the term of this Agreement are our property. We will have the right and the sole option to make your new ideas, services, products and food items available to all members of the Prosperity System.

7.3 *Infringement.* You must notify us immediately if you become aware of any infringement of, or challenge to, our rights to the Marks. You will not communicate on this subject directly or indirectly with anyone other than us or our attorneys. We have the sole right to take whatever action we deem appropriate, and we have the exclusive right to control any private party litigation or Patent and Trademark Office or other governmental administrative proceeding concerning the Marks. You will execute all instruments and documents, render assistance and do all things that, in our sole opinion, are necessary and advisable to protect and maintain our interests in the Marks.

7.4 *Indemnification.* We will indemnify you against, and reimburse you for, all costs and damages for which you are held liable in any proceeding arising out of use of the Marks in compliance with this Agreement, provided that you have notified us about the proceeding in a timely manner. We have the right to handle the defense of your and our rights to the Marks in any proceeding brought against you or us.

8. Operation of the Franchised Business

8.1 *Adherence to System Standards.* To protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your Franchised Business in strict conformance with the methods, standards, and specifications we prescribe from time to time in the Manual or otherwise in writing. You acknowledge that the System standards may relate to any aspect of the appearance, function, cleanliness, and operation of the Franchised Business. Any material failure to comply with the mandatory System standards or to pass our periodic quality control inspections will constitute a material breach of this Agreement. You acknowledge that we have the right to vary our standards and specifications, in our reasonable judgment, to accommodate the individual circumstances of different franchisees.

8.2 *Approved Location.* You must operate the Franchised Business at the Approved Location and only at that address during the term of this Agreement (unless we agree to a relocation as provided in Section 2.2(d) above). You may use the Approved Location only for the purpose of operating the Franchised Business and for no other purpose. You agree not to co-brand or permit any other business to operate at the Approved Location.

8.3 *Equipment, Fixtures and Signs.* You must use only equipment (including point-of-sale computer hardware and software, furnishings, ovens, eating surfaces, signs, supplies and materials), fixtures, and signs that are of good quality and that conform to the specifications and quality standards found in the Manual.

8.4 *Standard of Service.* You must give courteous, efficient and prompt service to customers of the Franchised Business. You must adhere to the highest standards of honesty, fair dealing, professionalism and ethical conduct in your dealings with us and with the public. You must obey all federal, state and local laws that regulate the Franchised Business.

8.5 *Compliance with Law; Anti-Terrorism Legislation*. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and must at all times operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including Executive Order No. 13224, which became effective September 24, 2001. This Order prohibits all U.S. businesses from transacting any business with any individual or entity identified on lists maintained by the Office of Foreign Assets Control of the Treasury Department.

By your signature here ____, you certify that you, and any affiliate, officer, director, manager, governor, member or employee, or any corporation or other entity of which you are a member, including the Operating Company, are not named and will not be named as "Specially Designated Nationals" or "Blocked Persons" as designated by the U.S. Department of Treasury's office of Foreign Assets Control or otherwise. By signing above, you also certify that neither you, nor any affiliate, officer, director, manager, governor, member or employee, or any corporation or other entity of which you are a member, are not doing and will not do business with or on behalf of any person or country that is subject to a United States embargo, and are not and will not become controlled by, or act directly or indirectly on behalf of, any governmental authorities of any country that is subject to a United States embargo. This Agreement will be terminated by us immediately upon written notice to you if you or the Operating Company violate the terms of this Section 8.5.

You have had a full and adequate opportunity to be advised by legal counsel regarding legal requirements that prohibit unfair, fraudulent or corrupt business practices, including the United States Foreign Corrupt Practices Act and the International Money Laundering Abatement and Anti- Terrorist Financing Act.

You agree to fully comply and assist us in our compliance efforts with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury or other regulations, in each case as designated by us and as required under applicable law.

8.6 *Condition of the Franchised Business.* The Franchised Business premises must be clean and neat in appearance. You must follow the appearance standards required in the

Manual. We have the right to direct you to clean up, remodel or refurbish your Franchised Business, if it does not meet our Pizza Boli's System standards, and if you fail to follow our directions regarding the clean-up, remodeling, or refurbishment of your Franchised Business, we may terminate this Agreement.

8.7 *The Prosperity Menu.* One of our goals is to give customers identical experiences at each restaurant in the Prosperity System. To that end, we have created a Prosperity Menu that contains a list of food items that can be served at Pizza Boli's Restaurants. The Prosperity Menu may differ between types of franchises. You may offer for sale at the Franchised Business only items on the Prosperity Menu applicable to your Franchised Business. The Prosperity Menu is part of the Operating Manual and is subject to change by us from time-to-time.

8.8 *Supervision.* If this is an initial Franchise Agreement for your first Franchised Business, the Franchised Business must operate under your direct supervision during at least 50% of the hours that the Franchised Business is open and operating, and be under the supervision of a manager at all other times. If this is not an initial Franchise Agreement for your first Franchised Business, the Franchised Business must operate at all times under your direct supervision or the supervision of a manager. All managers who supervise your Franchised Business must: (a) meet all of our minimum standards and criteria for managers (as set forth in the Manual); and (b) successfully complete the initial training program.

8.9 *Identification as Franchisee.* You must be clearly identified at the business site and on all printed material, checks and negotiable instruments used in the Franchised Business as a "Franchisee of Prosperity System, Inc." or other similar language approved by us.

8.10 *Gift Cards and Incentive Programs*. You agree to offer for sale, and to honor the purchases by customers, all gift cards and other incentive or convenience programs that we may periodically institute (including loyalty programs that we or a third party vendor operate, as well as mobile payment and/or customer affinity applications); and you agree to do all those things in compliance with our standards and procedures for such programs (which may be set out in the Manual or otherwise in writing).

8.11 *Grant and Revocation of Supplier Approval.*

(a) You agree to purchase food items, printed materials, in-store menus, store furnishings, cooking equipment, boxes for pizza and other goods and services that we specify only from suppliers designated or approved by us ("**Approved Suppliers**"). You acknowledge that our right to specify the suppliers that you may use is necessary and desirable so that we can: (A) control the uniformity and quality of goods and services used, sold or distributed in connection with the development and ongoing operation of Pizza Boli's Restaurants; (B) maintain the confidentiality of our trade secrets; (C) obtain discounted prices for our franchisees if we choose to do so; and (D) protect the reputation and goodwill associated with the System and the Marks.

(b) We will publish in the Manual a list of product specifications, approved suppliers and recommended suppliers, whose products and services are tailored to the special needs of Prosperity System franchisees. We or an affiliate of ours may be an Approved Supplier of products and services our franchisee, and we (or an affiliate) may be the only Approved Supplier of products and service; we will notify you by amendment to the Manual of the products for which we (or an affiliate) are sole supplier and of those for which we (or an affiliate) are one of multiple suppliers

(c) If we require you to use an Approved Supplier for a particular item, but you wish to purchase the item from a supplier that we have not approved, you may submit a written request for approval of the supplier, unless it is an item for which we have designated a particular vendor as the sole source for the particular product or service. We will approve or disapprove your specific requests to approve suppliers according to procedures found in the Manual or as required by us on a case-by-case basis. We will respond to each request for approval within 45 days from receipt by us of each written request. To have a new product or supplier approved, you must submit the supplier's name, address and telephone number to us in writing, along with a sample of the product and any materials that describe the product or the supplier. We will review a sample of the product by using it at another Franchised Business, and we will review suppliers by meeting with them in person or by telephone. All new products and services must be price competitive and present value to both you and us.

(d) You may have access to written criteria, if any, that we develop for approving or disapproving products or suppliers. There are no fees to be paid by you for submission of products or services for approval. If we elect to revoke prior approval of a product or supplier, it will be based on failure of the product, non-competitive pricing, or, failure of a supplier to meet its obligations to you or to us, or failure of the supplier to contribute to our advertising fund.

(e) You agree that we have the right to receive material benefits, including allowances, rebates, credits, monies, payments or other benefits, based on your lease or purchase of products and services from Approved Suppliers.

8.12 *Technology and Computer System*.

(a) We have the right to specify or require, and you agree to obtain and use, the brands, types, makes, and/or models of communications, computer systems, and hardware, including the required hardware, credit card terminal and merchant services, back-office and point-of-sale ("**POS**") systems, printers and other peripheral devices, front-of-the-house WiFi and other Internet service for customers, and other electronic information systems and all equipment components and software necessary for use in the operation of the Franchised Business (the "**Computer System**"). You also must obtain a firewall router and managed firewall services to comply with Payment Card Industry Data Security Standards ("**PCI-DSS**") and other data security standards. We may modify the Computer System's specifications and components, and you agree to implement and periodically make upgrades and other changes at your expense to the Computer System as we may reasonably request in writing.

(b) You may not use any unapproved computer software or security access codes. We have independent, unlimited access to, and ownership of, the information and data generated and stored by the Computer System.

(c) Although you agree to buy, license, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (**a**) the acquisition, operation, maintenance, and upgrading of the Computer System; (**b**) the manner in which your Computer System interfaces with our and any third party's computer system; (**c**) backing up all necessary data; (**d**) maintaining and updating an anti-virus software program; and (**e**) any and all consequences if the Computer System is not properly operated, maintained, backed up, and upgraded.

(d) We make no warranties, express or implied, concerning the information transmitted through the Computer System, and we will bear no liability or responsibility for: (i) errors or omissions of information contained in the Computer System; or (ii) computer hardware, software, or system failures in connection with the Computer System.

(e) Each party to this Agreement acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree to comply with those reasonable new standards that we establish as if we periodically revised this Section 8.12 for that purpose.

8.13 *Initial Training; Refresher Training.* Before you open the Franchised Business we will conduct Initial Training at your store site or at another franchisee's site as further described in Section 5.4 of this Agreement. When we offer additional or refresher training courses, you will be required to attend. There is no charge for refresher training, but you must pay the then-current training fee for Initial Training and additional training. You must bear the expense of travel and overnight accommodations while attending the Initial and refresher training programs.

8.14 *Training of Your Employees.* You are expected to train your employees in our business methods and procedures. If the identity of your on-site manager changes, your new manager must attend the next available Prosperity initial training class.

8.15 *Staffing.* You must hire and supervise efficient, competent, and courteous persons as your employees for the operation of your Franchised Business. You alone are responsible for all employment decisions and functions of your Franchised Business, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and you agree to indemnify us for any such liabilities we incur. You must require all your employees to work in clean uniforms approved by us, but furnished at your cost or the employees' cost as you may determine. You understand and acknowledge that it is your responsibility to hire, train, and supervise a satisfactory number of employees in order to efficiently operate the Franchised Business and meet your obligations under this Agreement. No employee of yours will be deemed to be an employee or joint employee of ours for any purpose whatsoever.

8.16 *Data*

(a) You agree that all data relating to the Franchised Business that you collect, create, provide, or otherwise develop on your Computer System (whether or not uploaded to our system from your system and/or downloaded from your system to our system) is and will be owned exclusively by us, and that we will have the right to access, download, and use that data in any manner that we deem appropriate without compensation to you.

(b) You agree that all other data that you create or collect in connection with the System, and in connection with your operation of the Franchised Business (including customer and transaction data), is and will be owned exclusively by us during the term of, and after termination or expiration of, this Agreement.

(c) In order to operate your Franchised Business under this Agreement, we hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement and for your use in connection with operating the Franchised Business. You agree that except for the right to use the data under this clause, you will not develop or have any ownership rights in or to the data.

(d) You agree to transfer to us all data (in the digital machine-readable format that we specify, and/or printed copies, and/or originals) promptly upon our request when made, whether periodically during the term of this Agreement, upon termination and/or expiration of this Agreement, or at the time of any transfer of an interest in you and/or of the Franchised Business.

(e) For the limited purpose of this Section 8.16, references to "data" exclude consumers' credit card and/or other payment information.

(f) We may periodically specify in the Manual or otherwise in writing the information that you agree to collect and maintain on the Computer System installed at the Franchised Business, and you agree to provide to us such reports as we may reasonably request from the data so collected and maintained. In addition:

i. You agree to abide by all applicable laws pertaining to the data (including those pertaining to the collection, use, maintenance, disposition, and/or privacy of consumer, employee, vendor, and transactional information) ("**Privacy Laws**").

ii. You agree to also comply with any standards and policies that we may issue (without any obligation to do so) pertaining to the collection, use, maintenance, disposition, and/or privacy of consumer, employee, vendor, and transactional information. If you become aware (and/or if you should be aware) that there is a conflict between our standards and policies and Privacy Laws, then you agree to: (A) comply with the requirements of the Privacy Laws; (B) immediately give us written notice of that conflict; and (C) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to privacy within the bounds of Privacy Laws.

iii. You agree to not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to such policy.

9. Insurance

You must procure the types of insurance in the coverage amounts specified in the Manual. As of the Effective Date, required insurance includes the following:

9.1 *Liability Insurance.* You must maintain general liability insurance covering your business in amounts no less than $1,000,000 combined single limit per occurrence. The policies must be written on forms and by reputable national insurance companies. You may not meet your requirements under this section with a program of self-insurance or with a claims-made policy, but only with an occurrence policy written by an insurer that we approve in advance.

9.2 *Automobile Liability Insurance.* If you purchase a vehicle for deliveries or other use by the Franchised Business, you must maintain automobile liability insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any automobiles or motor vehicles, owned, leased, hired, or used by you, or your officers, directors, employees, partners or agents, in the operation of your Franchised Business, containing minimum liability protection of $1,000,000 combined single limit per occurrence.

9.3 *Worker's compensation insurance and employer's liability insurance*. You must maintain worker's compensation insurance and employer's liability insurance as required by law.

9.4 *Proof of Insurance.* You must send us proof of the insurance coverage required by this Agreement. The policies must name us as an additional insured and be endorsed to give us 30 days' prior written notice of any cancellation, termination or change in the policies.

10. Advertising

10.1 *Opening Marketing Fee*. If this is a new Franchise Agreement, you will pay us an opening marketing fee ("**Opening Marketing Fee**") of up to $39,000 at the time of signing, which we will use on marketing activities for your Pizza Boli's Restaurant, including grand opening marketing and other marketing activities that we provide in our discretion (and in consultation with you) to promote your Pizza Boli's Restaurant. The Opening Marketing Fee will be placed in an escrow account, and we will provide an accounting to you at any time upon your written request. This fee is in addition to the Continuing Franchise Fee (or weekly Advertising Fee, if applicable) described in Section 10.2 below or the Local Store Marketing expenditure described in Section 10.3 below. The Opening Marketing Fee is not required if this is a Renewal Franchise Agreement.

10.2 *Advertising Fee; Advertising Fund; and Advertising Council.*

(a) Beginning in the third (3^{rd}) month after your Pizza Boli's Restaurants opens to the public, you will pay us a monthly Continuing Franchise Fee as described in Section 4.3 of this Agreement. We will allocate approximately 41 percent of that amount (the "**Advertising Contribution**") to the Advertising Fund. (In the future, we may discontinue the flat Continuing Franchise Fee and instead require you to pay a License Fee of 5 percent of Store Sales and an Advertising Fee of 3.5 percent of Store Sales due weekly as further descried in Section 4.3 of this Agreement.) We may use the Advertising Contribution (or Advertising Fee, if applicable), in our sole discretion, to meet the costs of maintaining, administering, and directing an advertising fund ("**Advertising Fund**") for national, regional or local marketing activities. We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Advertising Fund, with final discretion over the strategic direction, creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation. You must participate in all advertising, marketing, promotions, research, and public relations programs instituted by the Advertising Fund. We may use the Advertising Contribution (or Advertising Fee, if applicable), in our sole discretion, to meet the costs of maintaining, administering, directing, and preparing marketing activities, including the costs of preparing and placing reproducible art, handouts, radio and television commercials, public relations and promotional materials, and other marketing activities; employing in-house marketing and public relations personnel; retaining in-house and outside marketing and advertising agencies and public relations agencies; designing, establishing, and maintaining websites, extranets, intranets, search rankings, social media profiles, mobile applications and other digital marketing; educating and training franchisees on marketing practices and the use of marketing materials; performing marketing research; and engaging in other marketing activities that we deem appropriate.

(b) If you request any of the advertising materials for your own use, you will be responsible for the costs of shipping, printing, production and distribution of the materials you use, as well as media placement costs.

(c) We are not required to expend any specific amount of advertising funds in your Trade Area. The Advertising Fund may spend in any fiscal year more or less than the total Advertising Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use.

(d) The Advertising Fund is the sole property of Prosperity. Nothing in this Agreement will be construed to create a trust or fiduciary relationship of any kind or nature whatsoever among the parties as it relates to the Advertising Fund or our actions with respect thereto, including collection of payments, maintenance of the bank account, bookkeeping, and disbursement of monies from the Advertising Fund. Prosperity assumes no direct or indirect obligation to you with respect to the maintenance, direction or administration of the Fund. The Advertising Fund will be part of the general funds of Prosperity, but will be accounted for separately from the other funds of Prosperity. A report of the operations of the Advertising Fund will be made available to you upon request.

(e) We have the right to form an advertising council composed of franchisees and Prosperity representatives, and the right to determine how such a council will be formed, changed, dissolved, selected, funded and governed, and the right to determine whether or not the council will have advisory or decision making powers.

10.3 *Your Marketing and Advertising.* You must spend for advertising and marketing in your Trade Area (**"Local Store Marketing"**) at least eight percent (8%) of Store Sales per month. You must begin conducting Local Store Marketing within 90 days after your Franchised Business first opens to the public for business. Within thirty (30) days after the end of each quarter, you agree to send to us, in the manner we prescribe, an accounting of your Local Store Marketing expenditures during the preceding quarter.

All advertising by you of the Franchised Business must include the Marks and be truthful and not misleading. You may not place advertisements or use promotional materials containing the Marks until we review them and approve them in writing. Consult the Manual for the method of obtaining approval. You are prohibited from delivering to, or maintaining a physical or intangible presence in, another franchisee's trade area, such as by: (a) erecting a sign; or (b) installing a telephone instrument for delivery service.

10.4 *Advertising Cooperatives.* We have the right to form, change, dissolve, or merge regional advertising cooperatives. We will determine the make-up of each cooperative; and we will choose stores whose trade areas are contiguous. If we organize a cooperative that includes your Trade Area, your participation will be mandatory. Pizza Boli's restaurants owned and operated by us or our affiliates will contribute to the Area Cooperative on a pro rata basis, based on revenues to the Area Cooperatives where the Pizza Boli's restaurants operated by us or our affiliates are located. The cooperatives will be governed by its members, which may include us. We may have a controlling interest in a cooperative.

You may be required to pay monthly contributions to the cooperative equal to no more than 3% of Store Sales in addition to the Continuing Franchise Fee (and if applicable, Advertising Fees) paid to us. The cooperative will combine your funds with other franchisees to achieve local marketing objectives. The funds will be administered by us at our discretion.

Each cooperative will be required periodically, at least annually, to account to its members and to us its income and expenses. We and any member of a cooperative may review the financial records of a cooperative on reasonable notice during business hours.

10.5 *Use of Electronic Media and the Internet.* You may not use any Mark or any corporate or business name of ours as part of any domain name, website, home page, electronic address, or other interactive site maintained on the internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system. A domain name, website, homepage, electronic address, or other interactive site may not be owned or maintained by you on the internet or World Wide Web and advertised with the Marks without our prior written consent.

11. Telephone

11.1 *Telephone Numbers.* All telephone numbers used in the Franchised Business or advertised in association with the Marks are considered our property and must be assigned by you to us when this Agreement expires or is terminated. As soon as you enter into a contract with a phone provider you must immediately provide us with the carrier name, account number, and phone number.

11.2 *Facsimile Number*s. All facsimile numbers used in the Franchised Business or advertised in association with the Marks are considered our property and must be assigned by you to us when this Agreement expires or is terminated. As soon as you enter into a contract with a phone provider you must immediately provide us with the carrier name, account number, and phone number.

11.3 *Single Toll-Free Number System.* As of the Effective Date, we use the toll free telephone number 1-800-234-BOLI in parts of the Prosperity System, and we plan to expand that system to cover the entire Prosperity System. If your Franchised Business is covered by the 1-800-234-BOLI number, you must use that number as the only number in all advertising to the public. The use of this toll free one-number system will result in reasonable per-call charges for which you will be responsible.

11.4 *Public Figures.* You may not use any public figure in association with the Franchised Business or with the Marks without our prior written approval.

12. Confidential Information; Covenant Against Competition

12.1 *Confidential Information*. The Pizza Boli's System, including the Manual, Recipe Book, and all Prosperity procedures, operating methods and standards and other trade secrets are confidential and the proprietary property of Prosperity ("**Confidential Information**"). You will not disclose any such Confidential Information to any third party without the prior written consent of Prosperity. We are not likely to give such consent. Your use or duplication of the System or any part of the System in any other business, or disclosure of any part of the System or other Confidential Information to others for use or duplication in any other business, would constitute an unfair method of competition. You further acknowledge and agree that Prosperity will suffer irreparable injury as a result, and that it is impossible to accurately determine the tangible and intangible damages that Prosperity will suffer from that unfair competition. You further agree to the entry, without prior notice and without posting bond (to the extent that applicable notice and bond requirements may be waived), of such temporary and permanent writs, injunctions, judicial orders, decrees, or other judicial or administrative relief as may be appropriate under the law of any applicable jurisdiction against the unfair competition. You agree to pay Prosperity its costs in obtaining any injunctive relief, order of specific performance or damages in any action for unfair competition, including all costs of investigation and proof of facts, court costs and attorney fees.

12.2 *Exclusive Dealing; Covenants Against Competition.* You agree that we would be unable to encourage a free exchange of ideas and information among our franchisees if our franchisees were permitted to hold interests in, or perform services for competitive businesses. You acknowledge that we have entered into this Agreement, in part, in consideration of, and in reliance on, your promise to deal exclusively with Prosperity during the term of this Agreement. Accordingly, unless you obtain our prior written approval, you will not:

(**a**) During the term of this Agreement – own, maintain, develop, operate, engage in, franchise or license, make loans to, lease real or personal property to, and/or have any interest in, or render services, consult, and/or give advice to (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity, including to an immediate family member) in any business that features pizza or other food items that are the same, or substantially the same as, the Prosperity Menu other than a business operated under a franchise agreement with us.

(b) For a period of 12 months after termination for any reason or expiration of this Agreement, or the date on which you cease to operate the Franchised Business (whichever is later) – own, maintain, develop, operate, engage in, franchise or license, make loans to, lease real or personal property to, and/or have any interest in, or render services, consult, and/or give advice to (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity, including to an immediate family member) any business that features pizza or other food items that are the same, or substantially the same, as the Prosperity Menu, within a 15-mile radius of the Franchised Business or within a 15-mile radius of any Pizza Boli's Restaurant.

12.3 *Employees and Others Associated with You*. You must ensure that all of your employees, officers, directors, partners, members, independent contractors and other persons associated with you or your Franchised Business who may have access to our Confidential Information, and who are not required to sign a Brand Protection Agreement, sign and send us a Confidentiality Agreement before having access to our Confidential Information. You must use your best efforts to ensure that these individuals comply with the terms of the Confidentiality Agreements, as applicable, and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all reasonable expenses that we incur in enforcing a Confidentiality Agreement, as applicable, including reasonable attorneys' fees and court costs.

13. Audits and Inspections

To determine whether or not you are in compliance with the terms of this Agreement, we have the right to inspect the Franchised Business and its records at any time during business hours and without prior notice. These inspections will be made at our expense unless they are made necessary by your failure to comply with this Agreement. In that event, we have the right to charge you for the costs of inspections made necessary by your failure to comply, including our employees' or agents' travel expenses, room, board and compensation. Your obligation to permit us to inspect the books and records of the Business shall survive the termination or expiration of this Agreement.

14. Default and Termination

14.1 *Termination by Us Without Cure Period.* We may terminate this Agreement without giving you an opportunity to cure for good cause including, the defaults that follow. Your franchise will terminate on delivery of notice to you if:

(a) you made any material misrepresentation on your franchise application; or,

(b) you fail to open the Franchised Business within 90 days after our approval of your site; or,

(c) you transfer or attempt to transfer an interest in you (if you are an entity), this Agreement, the Franchised Business, the franchise or your Trade Area without our prior written consent; or,

(d) you discontinue the active operation of the Franchised Business for more than 7 days; or,

(e) you fail to maintain the required insurance coverage; or,

(f) you or the Operating Company or any of its owners or investors: (i) is convicted of, pleads guilty to, or enters a plea of *nolo contendere* to any felony; or, (ii) is convicted of, pleads guilty to, or enters a plea of *nolo contendere* to any criminal offense related to the Franchised Business, other than minor traffic violations; or, (iii) is convicted of, pleads guilty to, or enters a plea of *nolo contendere* to any crime or commits any act within or without the Franchised Business that could, in our sole discretion and opinion, tend to reflect poorly upon the goodwill of our name or any of our Marks or upon the Franchised Business; or,

(g) you misrepresent to us your Store Sales, or,

(h) you default under the provisions of this Agreement on 3 or more separate occasions during any 12 month period, whether or not the defaults were cured; or

(j) you violate the terms of Paragraph 8.5, above; or

(k) a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Business; or

(l) you lose the right to possession of the premises of the Approved Location;

(m) you maintain false books or records, or submit any false reports; or

(n) you engage in any conduct or practice that is fraudulent, unfair, unethical, or a deceptive practice; or

(o) you fail to comply with the requirements of Section 12 of this Agreement; or

(p) you make any unauthorized or improper use of the Marks, or if you use the Marks in a manner that we do not permit (whether under this Agreement and/or otherwise).

14.2 *Termination by Us With Cure Period.*

We also have the right to terminate your franchise on expiration of the cure period if you:

(a) fail to pay any amount owed to us or an affiliate within 3 days after written notice is delivered to you;

(b) fail to comply with any provision of this Agreement or the Manual, including use of non-approved food items, recipes, printers or non-approved suppliers and do not correct the failure within 15 days after written notice is delivered to you.

14.3 *Post Termination Obligations.* When this Agreement is terminated or expires you must:

(a) Promptly pay us all monies due hereunder; and,

(b) Immediately cease to use the confidential methods, procedures, and techniques associated with the System, the "Pizza Boli's" name and mark, all other Proprietary Marks, and all other distinctive forms, slogans, signs, symbols, websites, domain names, e-mail addresses, telephone numbers, other electronic identifiers, and devices associated with the Franchised Business or the System; withdraw all advertising matter (including electronic marketing); remove the Proprietary Marks from the premises and from clothing, signs, letterhead, materials, motor vehicles and other items owned or used by you in the operation of the Restaurant. You must not thereafter, directly or indirectly, represent yourself to the public or hold yourself out as a present or former franchisee of ours; and,

(c) Promptly make such alterations and modifications to the premises as may be necessary to clearly distinguish to the public the premises from its former appearance as a Pizza Boli's restaurant and also make those specific additional changes as we may request for that purpose. If you fail to promptly make these alterations and modifications, we will have the right (at your expense, to be paid upon your receipt of an invoice from us) to do so without being guilty of trespass or other tort; and,

(d) Cease the use of all telephone numbers used by you in association with the Marks and assign those telephone numbers to us when we so request; and,

(e) Promptly deliver to us the Manual, the Recipe Book, and all other records, correspondence, and instructions in your possession or control, in any medium, that contain confidential information, trade secrets, or know-how relating to the System or the operation of a Pizza Boli's restaurant, all of which are acknowledged to be our property; and,

(f) Comply with the post-term covenant not to compete found in paragraph 12.2(b) of this Agreement. You acknowledge and agree that any failure by you to adhere to the provisions of Section 12.2(b) shall constitute unfair competition with Prosperity. You further agree to the entry, without prior notice and without posting bond (to the extent that applicable notice and bond requirements may be waived), of such temporary and permanent writs, injunctions, judicial orders, decrees, or other judicial or administrative relief as may be appropriate under the law of any applicable jurisdiction against the unfair competition. You agree to pay Prosperity its costs in obtaining any injunctive relief, order of specific performance or damages in any action for unfair competition, including all costs of investigation and proof of facts, court costs and attorney fees; and,

(g) Comply with all obligations, which expressly or by their nature survive the termination of this Agreement and which will continue in full force and effect subsequent to and notwithstanding termination of the Agreement and until those obligations are satisfied in full or by their nature expire, including your indemnification obligations under Section 17.5 of this Agreement.

14.4 *Liquidated Damages*. If we terminate this Agreement due to your default, then in addition to your obligations set forth in Section 14.3 above, you agree to pay us liquidated damages equal to: the monthly Continuing Franchise Fee or, if applicable, the average

License Fee you owed to us during the 12-month period immediately preceding the termination date (or if the Franchised Business has been open less than 12 months, the Continuing Franchise Fee (or average License Fee, if applicable) for the period of time since opening, multiplied by the lesser of (a) 36; and (b) the number of months remaining under the Term if the Agreement had not been terminated.

The parties agree that it would be difficult to determine precisely the damages we would incur as a result of the termination and the loss of cash flow from Continuing Franchise (or License Fees if applicable) due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Continuing Franchise Fees (or License Fees if applicable) would have grown over the remainder of the Term. The parties consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages and not a penalty. The liquidated damages provision only covers our damages from the loss of cash flow from Continuing Franchise Fees (or License Fees if applicable) and does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than Section 4.3 of the Agreement. The liquidated damages amount is payable 15 days after termination.

14.5 *Death or Disability.* This franchise agreement terminates automatically without notice in the event of your death or permanent disability (defined as your inability to perform your duties as owner or manager of the Franchised Business for more than 30 consecutive days). In either case we may issue a new franchise to a member of your immediate family according to the terms of section 15.3, below.

15. Assignment and Transfer

15.1 *Assignment by Us.* We have the right to assign or transfer this Agreement and all or any part of our rights and obligations under this Agreement to any person or entity that we reasonably believe is capable of carrying out our obligations.

15.2 *Assignment by You.* You may not assign or transfer any interest in this Agreement, the Franchised Business, the franchise, the Trade Area, or you (if you are an entity) in any manner without our prior written approval as further described in Section 16.1 below. If you wish to assign the operating rights under the franchise to a corporation or limited liability company that is controlled by you, you may do so, but only if you: (**a**) obtain our prior written consent; and (**b**) use the form of Assignment Agreement found in Attachment B to this Agreement or other form prepared by us for the same purpose.

15.3 *On Your Death or Incapacity.* If you or any owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within three (3) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of Sections 15 and 16, as applicable; however, you will not be required to pay a transfer fee. For purposes of this Section 15.3, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement: (**a**) for a period of thirty (30) or more consecutive days, or (**b**) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of transfer set forth in Section 16.1, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement. If an interest is not disposed of under this Section 15.3 within six (6) months after the date of death or appointment of a personal representative or trustee, we can terminate this Agreement.

16. Transfer of the Franchised Business to a Third Party

16.1 *Transfer Conditions*. This franchise is personal to you and may not be sold or transferred without our consent. A transfer or cumulative transfers in any 18 consecutive months of more than 25% of the shares or other ownership interests in you (if you are an entity) or the Franchised Business is deemed to be a transfer of your rights and obligations under this Agreement. Our consent to any proposed transfer or assignment of any interest in you (if you are an entity), this Agreement, or the Franchised Business will not be unreasonably withheld, provided that, you have actively begun the conduct of the Franchised Business and the following conditions are met:

(a) the prospective purchaser meets our then-current standards for new franchisees and agrees to become a Prosperity franchisee at the site of the Franchised Business or other site in the Trade Area that we approve; and,

(b) you execute our form of termination agreement after which you will continue to be liable for all post-term obligations, including the covenant not to compete, return of the Manual, and non-use of our Marks; and,

(c) you cure any defaults under this Agreement and pay all fees due and owing to us; and,

(d) the prospective purchaser executes our then-current form of franchise agreement; and,

(e) you or the prospective purchaser pays us a transfer fee up to $24,000; and,

(f) the prospective purchaser arranges for training and pays our then-current training fee; and,

(g) you disclose to us in writing all the terms and conditions of your sale of business assets; and we review and approve, in advance of signing by you, all documents to be signed by you and the purchaser that relate to the transfer of all or any assets of the Franchised Business

If you and the proposed transferee fail to comply with all of the conditions set forth in this Section 16.1, in lieu of our right to terminate the Franchise Agreement as provided in

Section 14.2(c), we may, at our discretion, consent to the transfer upon your completion of all of the conditions in Sections 16.1 (a) - (g) above; and your payment of an additional $20,000 transfer fee to cover the additional costs that we incur due to your noncompliance.

16.2 *Sale of Assets to Competitor Not Permitted.* Unless we give our prior written approval, you may not transfer or sell any of the assets of the Franchised Business, directly or indirectly, to a competitive business unless at least one year has passed after termination or expiration of this Agreement, and we have elected not to exercise our right of first refusal to purchase the assets of your business.

16.3 *Our Right of First Refusal.* If under any of the provisions of this Section 16 you propose to sell the assets of the Franchised Business, and you receive a *bona fide* offer to purchase this interest, you must give us a copy of the offer along with all documents expected to be signed by you and the offeror. We will have 30 days after those documents have been delivered to us to exercise our right to purchase the same assets on the same price, terms and conditions contained in the offer. We may substitute cash for any form of payment contained in the offer and may also designate a substitute purchaser for the Franchised Business and its assets. If we do not exercise our right of first refusal, you may accept the *bona fide* offer, subject to our prior approval of the person you propose as the new Prosperity franchisee as provided in section 16.1, above.

17. Enforcement

17.1 *Severability and Modification.* Each section, paragraph, term, and provision of this Agreement is considered severable, and if any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation, it shall not have any effect upon the remaining portions of this Agreement.

If any applicable law or regulation of any jurisdiction requires a greater prior notice of the termination or non-renewal of this Agreement than stated herein, or the taking of some other action not required hereunder or any provision of this Agreement or any specification, standard or operating procedure prescribed by Prosperity is invalid or unenforceable, the notice or other action required by such law or rule shall be substituted for the comparable provisions hereof.

17.2 *Waiver of Obligations*.

A waiver by Prosperity of any of your obligations under, or breach of, this Agreement does not constitute a waiver of any additional breach or obligation under this Agreement. Prosperity's failure or neglect to exercise any of its rights under this Agreement does not constitute a waiver of future enforcement of any other provision of this Agreement. Prosperity and Franchisee shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms of this Agreement. Any waiver, forbearance, delay, failure or omission by Prosperity to exercise any right, power or option with respect to any other franchisee of Prosperity or the acceptance by Prosperity of any payments due from

Franchisee after any breach of this Agreement shall not constitute a waiver of Franchisee's obligations hereunder.

17.3 *Withholding of Payments*. Franchisee shall not, on grounds of the alleged nonperformance by Prosperity of any of our obligations under this Agreement, withhold payment of any fees and charges due Prosperity or its affiliates under the terms of this Agreement or as a result of Franchisee's conduct of the Franchised Business.

17.4 *Costs and Attorneys' Fees.* In any judicial proceeding brought by Prosperity to enforce its rights under this Agreement, you shall pay Prosperity its costs and expenses, including but not limited to attorney fees, witness and accountants' fees. This obligation on your part applies to pre- and post-judgment proceedings. If you and we engage in mediation as described in Paragraph 17.6, below, the costs of the mediations shall be shared equally and each side shall pay its own attorney fees.

17.5 *Indemnification of Prosperity.* You agree to indemnify, defend and hold harmless, Prosperity, our shareholders, parents, subsidiaries, and their respective officers, directors, members, managers, agents, and employees ("**Franchisor Parties**") from and against all third party claims, demands, judgments, liens and awards of any kind (including all costs and attorneys' fees) ("**Claims**") that we and they incur arising out of, in connection with, or related to: (**a**) your exercise of your rights and/or carrying out of your obligations under this Agreement; (**b**) your operation of the Franchised Business; (**c**) your default under this Agreement; and (**d**) any claimed breach by you of this Agreement. Your indemnity obligations will survive the expiration or termination of this Agreement and will not be affected by any insurance coverage that you and/or any Franchisor Party may maintain.

17.6 *Resolution of Disputes; Mediation; Consent to Jurisdiction..*

(a) Subject to the exceptions stated in this Section 17.6, all unresolved controversies, disputes or claims between Prosperity, its shareholders, officers, directors, agents and employees on the one hand, and Franchisee, the Franchised Business, Guarantors, and the Operating Company on the other hand, arising out of or related to this Agreement or any other agreement between Franchisee and Prosperity shall be litigated in a court of appropriate jurisdiction in the State of Maryland (as described in Section 17.6(b) of this Agreement), provided that the parties shall have first mediated the dispute. The mediation may be voluntary or directed by a court in which either party has filed a complaint. If voluntary, the mediation shall be conducted by the American Arbitration Association, JAMS or other dispute resolution service agreed upon by the parties. Voluntary mediation shall be undertaken no less than 30 days after one party notifies the other in writing of the first party's desire to mediate. If the second party fails to respond or to proceed within the 30-day period, the first party shall be free to file a lawsuit or other appropriate judicial proceeding. Controversies, including the misuse by you of the Marks or any other act or omission by you requiring—in our sole discretion—immediate relief, are not subject to the requirement to mediate.

(b) Prosperity may institute an action against Franchisee, the Franchised Business, each Guarantor and the Operating Company in any state or federal court in the state and judicial district in which Prosperity's principal place of business is located (currently, Pikesville, Maryland). Franchisee, the Franchised Business, each Guarantor and the Operating Company irrevocably submit to the jurisdiction of such court and waive any objection any of them may have to the jurisdiction or venue of such court. Franchisee, a Guarantor, the Franchised Business or the Operating Company may bring suit against Prosperity only in a state or federal court in any state or federal court in the state and judicial district in which Prosperity's principal place of business is located. Franchisee, the Franchised Business, each Guarantor and the Operating Company irrevocably submit to the jurisdiction of such court and waive any objection any of them may have to the jurisdiction or venue of such court.

17.7 *Governing Law..* Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), this Agreement shall be governed by the laws of the State of Maryland. Nothing in this Section 17.7 is intended by the parties to invoke the application of any franchise, business opportunity, antitrust, implied covenant, unfair competition, fiduciary, and/or other doctrine of the State of Maryland (or any other state) that would not otherwise apply absent this Section 17.7.

17.8 *Special and Punitive Damages; Jury Trial and Class Action Waivers.* Except for claims Prosperity brings against Franchisee for unauthorized use of the Marks, Prosperity and Franchisee waive to the fullest extent permitted by law any right to punitive or exemplary damages and statutorily enhanced damages. The party making a claim will be limited to equitable relief and recovery of actual damages sustained. Nonetheless, if Franchisee is required to indemnify Prosperity for any claim or liability to a third party under any provision of this Agreement, Franchisee shall indemnify Prosperity for the full amount of any such damages, including punitive, exemplary and statutorily enhanced damages.

PROSPERITY AND FRANCHISEE EACH IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

NEITHER YOU NOR WE SHALL SEEK TO LITIGATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR THAT PARTY'S AFFILIATES, DIRECTORS, OFFICERS, AGENTS OR REPRESENTATIVES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS OR ENTITY, ANY CLAIM, DISPUTE OR CONTROVERSY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, THE SALE OF THE FRANCHISE, OR THE PERFORMANCE OF EITHER PARTY UNDER THIS AGREEMENT. NO ACTION BETWEEN THE PARTIES OR RELATING TO THIS AGREEMENT SHALL ADD AS A PARTY (BY CONSOLIDATION, JOINDER OR OTHER MEANS) ANY PERSON ENTITY OTHER THAN US AND YOU AND THOSE IN CONTRACTUAL PRIVITY WITH

EITHER OF US, UNLESS WE BOTH CONSENT IN WRITING. WE AND YOU EACH HAVE THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT.

17.9 *Binding Effect*. This Agreement is binding upon Prosperity and Franchisee and their respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by a written agreement signed by both Prosperity and Franchisee.

17.10 *Limitations of Actions.* Except for claims arising out of Franchisee's nonpayment of amounts Franchisee owes to Prosperity, or Franchisee's refusal to submit to an audit as provided in this Agreement, any and all claims arising out of or related to this Agreement will be barred unless a judicial proceeding is commenced within 12 months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim. In addition, any and all claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise. For purposes of this Agreement, a judicial proceeding is commenced on the date a complaint or other request for relief is filed in a court of law in a jurisdiction permitted by the terms of this Agreement.

17.11 *Construction; Integration*.

(a) *Scope and Modification of this Agreement.* This agreement constitutes the entire agreement between us and supersedes all earlier or contemporaneous, oral or written agreements or understandings between us about the subject matter of this Agreement. No modification or change to this Agreement will have any effect unless it is in writing and signed by you and our authorized agent. However, nothing in this Agreement or in any related agreement is intended to disclaim our representations made in the Franchise Disclosure Document.

(b) *Independent Contractors.* The parties to this Agreement are independent contractors and no training, assistance or supervision which we may give or offer to you will defeat this status. Nothing in this Agreement makes one party an agent, subsidiary, joint venturer, joint employer, partner, employee or servant of the other. We will not be liable for any damages to any person or property arising directly or indirectly out of the operation of your Franchised Business location. We are not liable for any taxes levied upon you, the Franchised Business, the Operating Corporation or its location. You do not expect that the relationship created by this Agreement is a relationship between principal and agent, nor that it is a fiduciary relationship.

17.12 *Notices.* All notices given under this Agreement must be in writing, delivered by hand, fax, email (to the last email address provided by the recipient) or certified U.S. mail (return receipt requested) to the following addresses (which may be changed upon 10 business days prior written notice):

YOU:	As set forth below your signature on this Agreement
US:	Prosperity System, Inc. 3 Greenwood Place, Suite 208 info@pizzabolis.com

Notice will be considered given: (a) at the time delivered by hand; (b) one (1) business day after sending by fax, e-mail or comparable electronic system; or (c) three (3) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested.

18. Representations and Acknowledgments

You represent, acknowledge and warrant to us (and you agree that these representations, acknowledgments and warranties shall survive termination of this Agreement) that:

18.1 *Our Agreements with Third Parties*. We have entered, and will continue to enter, into agreements with other franchisees to operate Franchised Businesses. The manner in which we enforce our rights and the franchisees' obligations under any of those other agreements shall not affect our ability to enforce our rights or your obligations under this Agreement.

18.2 *System Modifications*. We may change or modify the System, from time to time, including the Manual, and you will be required to make such expenditures as such changes or modifications in the System may require.

18.3 *No Actual or Apparent Authority*. Even though this Agreement contains provisions requiring you to operate the Franchised Business in compliance with the System: (a) we and our affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of your business or employment decisions; and (b) the parties do not intend for us or our affiliates to incur any liability in connection with or arising from any aspect of the System or your use of the System, whether or not in accordance with the requirements of the Manual, except with respect to any liability arising from our gross negligence or willful misconduct.

18.4 *Effect of Representations for Franchise Agreements that are Subject to the Maryland Franchise Registration and Disclosure Law and the Virginia Retail Franchising Act*. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

19. Guaranty

Each Guarantor named immediately below absolutely, irrevocably and unconditionally guarantees the full and faithful performance of the Franchisee under this Franchise Agreement, including the Franchisee's promise to pay monies due to Prosperity. These guaranties are continuing and shall be unaffected by any modification, amendment or extension of this Agreement. In the event of a default, Prosperity may proceed against the Franchisee or any of the Guarantors in any order. If any action is brought by Prosperity against a guarantor to enforce a provision of the Franchise Agreement, each guarantor shall be liable to Prosperity for all costs of enforcement, including, but not limited to, attorney fees, costs of suit and costs of collecting any judgment such as attorney fees incurred in collection efforts.

[Signature Page Follows]

IN WITNESS WHEREOF, intending to be legally bound by this Agreement, the parties have duly signed and delivered this Agreement as of the Effective Date

FRANCHISEE

____
Signature

____
Print Name

____
Date Signed

Address for Notices:

____

____
Telephone: __________________________________
Fax: _______________________________________
Attn: _______________________________________
Email ______________________________________

PROSPERITY SYSTEM, INC.

By____
(Signature of Officer)

Title____

Date Signed___________________________________

The Effective Date of this Agreement is ___________________________.

This agreement expires at 12:01 a.m. on __________________________.
(7 years from Effective Date)

Printed Names of Guarantors	Signatures of Guarantors
______________________________	________________________
______________________________	________________________
______________________________	________________________

Attachment A

RIDER TO LEASE

This Rider to Lease is dates as of the ____ day of ______ among _________________ ("Landlord"), ____________________________ ("Tenant"), and Prosperity Systems, Inc. ("Prosperity").

WHEREAS, Landlord and Tenant are parties to a certain lease (the "Lease") dated ______________________________________ concerning the premises ("Demised Premises");

WHEREAS, Tenant desires to become a franchisee of Prosperity and to among other things, utilize the Pizza Boli's trademark and trade name;

WHEREAS, in order to accept Tenant as a franchisee, Prosperity requires the execution of a rider to Tenant's Lease to provide: (i) that upon termination or expiration of the franchise for any reason, other than termination by Tenant for cause in accordance with the franchise documents, Prosperity shall have the right, but not the obligation, to assume the Tenant's status and replace the Tenant as lessee under the Lease; and (ii) that Prosperity shall be given written notice of all defaults under the Lease and ten (10) days to cure in the event of monetary defaults and thirty (30) days to cure in the event of non-monetary defaults.

NOW THEREFORE, for Ten Dollars ($10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. The recitals above shall be incorporated herein and made a part hereof.
2. In the event that Landlord and Tenant receive written notice from Prosperity that Tenant's franchise with Prosperity has been terminated, or expired for any reason other than cause in accordance with the franchise documents, and that Prosperity desires to assume the Lease, then:
    a. Tenant shall immediately vacate the Demised Premises;
    b. Landlord shall recognize Prosperity as the lessee under the Lease;
    c. From the date Prosperity takes possession of the Demised Premises, Prosperity shall be and become the lessee under the Lease and be responsible for all future payments of rent and all future observance of the other terms and conditions of the Lease;
    d. Tenant shall not be released from any existing obligations due to Landlord; and,
    e. Prosperity shall have the further right to assign the Lease to another franchisee of Prosperity, who shall agree to abide by all of the terms and conditions of the Lease at which time Prosperity shall have no further obligations under the Lease.

3. In the event Tenant is in default of the Lease, Landlord agrees that Prosperity shall be given written notice of the default and ten (10) days to cure in the event of monetary defaults and thirty (30) days to cure in the event of non-monetary defaults.
4. If Tenant fails to abide by the terms of the Lease, notice is given by Landlord to Prosperity and Prosperity cures Tenant's default, then Prosperity may give Landlord and Tenant written notice that it wishes to assume the Lease and the provisions of 2(a) through (e) shall apply as if stated in this paragraph.
5. This Rider to Lease may not be amended without the written consent of all parties hereto.
6. The parties hereto waive any right to a trial by jury for any dispute arising under this Rider and agree that in the event of litigation, the costs and reasonable attorneys' fees of the prevailing party shall be paid by the losing party.

IN WITNESS WHEREOF, the parties have hereunder executed this Rider to Lease under their respective seals as of the day and year first written above.

_______________________________(Seal)
Landlord

_______________________________(Seal)
Tenant

Attachment B

Prosperity System, Inc.
Assignment Agreement

This Assignment Agreement ("Assignment") is entered into between Prosperity System, Inc. a Maryland corporation ("we," "Prosperity" or "us"), and ____("you," "your" or "franchisee") and ____(the "Operating Company").

1. INTRODUCTION

You and Prosperity have signed our Franchise Agreement. The Franchise Agreement is attached to this Assignment and made a part of it. In the Franchise Agreement we have granted you a franchise to operate a Pizza Boli's restaurant and a license to use the Marks.

You have applied to us for our consent to assign the operating rights in the Franchise Agreement to the Operating Company and have represented that the following own all of the outstanding ownership interests in the Operating Company:

Name	**Ownership Percentage**

.

2. ASSIGNMENT

You assign your operating rights in the Franchise Agreement to the Operating Company. The Operating Company agrees to assume and be bound jointly with you and severally by every obligation, duty and liability owed by you under the Franchise Agreement. The Operating Company will not operate any other business during the term of this assignment.

3. OUR CONSENT

We consent to the assignment of the operating rights in the Franchise Agreement to the Operating Company. This consent shall not be considered consent to any other past, present or future assignment of your interest in the Franchise Agreement.

4. TERM OF ASSIGNMENT

This Assignment runs concurrently with the Franchise Agreement. However, it will terminate automatically without notice and the operating rights will be thereby reassigned to you if: (a) you no longer own at least 100% of the issued and outstanding ownership interests in the Operating Company; or, (b) you fail to actively manage and control the Operating Company; or, (c) you or the Operating Company are in default of any provision of the Franchise Agreement or any agreement with our affiliates and the default is not cured within the time required in the Franchise Agreement or other agreement with our affiliates; or, (d) the Franchise Agreement is terminated for any reason, or expires.

5. FURTHER ASSIGNMENT

This Assignment does not give the Operating Company any power or right to further assign, transfer or dispose of any interest in the Franchise Agreement. The rights granted in this Assignment may only be reassigned by the Operating Company back to you. This Assignment does not give the Operating Company any rights in the Franchise Agreement beyond those needed to operate the Franchised Business. Any transfer of stock or change in stock ownership of the Operating Company will constitute a further assignment of this franchise and require our prior written approval. Failure to obtain our prior written approval of a transfer of stock is a material default of this agreement and grounds for immediate termination of your franchise.

6. *DISSOLUTION OF OPERATING CORPORATION*

The franchise is automatically terminated on the taking of any action leading to voluntary or involuntary dissolution of the corporation.

7. FRANCHISEE LIABILITY

Despite this assignment to the Operating Company, you agree that you will continue to be fully and directly responsible to us for the performance of all obligations, duties and liabilities owed to us by virtue of the Franchise Agreement or any collateral agreements that are part of our franchise relationship.

8. CROSS DEFAULT

Any default of this Assignment is a default of the Franchise Agreement.

9. GUARANTIES

The Operating Company absolutely and unconditionally guarantees the full and prompt performance of your obligations, duties and liabilities under the Franchise Agreement and guarantees payment of all sums that are or may become due to us under the Franchise Agreement or any collateral agreement. You absolutely and unconditionally guarantee the full and prompt performance of all obligations, duties and liabilities owed to us by the Operating Company. These guaranties shall continue in effect until all of your obligations, duties, liabilities and payments have been completely performed, even if this Assignment Agreement has been terminated. The Operating Company's liability under this guaranty may be enforced without requiring us to exhaust any other remedy. We may make, alter, and renew any contracts and agreements between you and us and between us and the Operating Company without affecting or discharging either guaranty.

10. COMPETING BUSINESSES

For a period of 12 months after the effective date of termination or expiration of the franchise, the Operating Company will not directly or indirectly, on its own or on behalf of any other person or entity, own, maintain, develop, operate, engage in, franchise or license, make loans to, lease real or personal property to, and/or have any interest in, or render services, consult, and/or give advice to (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity, including to an immediate family member) any business that features pizza or other food items that are the same, or substantially the same, as the Prosperity Menu, within a 15-mile radius of the Franchised Business or within a 15-mile radius of any Pizza Boli's Restaurant.

11. GOVERNING LAW; JURISDICTION; VENUE

This Assignment shall be governed by the law of the state of Maryland. You and the Operating Company irrevocably submit to the jurisdiction of any appropriate state or federal court located in the state of Maryland and waive any objection to either the jurisdiction or venue of Maryland courts.

12. EFFECTIVE DATE

This Assignment will take effect on the date it is signed by our authorized representative.

Signature Page

____
Franchisee Signature

____
Printed Name of Operating Corporation

By: ______________________________________
(Vice) President

____
State of Incorporation

Guarantor/Shareholder/Investor Signature

Guarantor/Shareholder/Investor	Signature

Each Guarantor/Shareholder/Investor named above absolutely, irrevocably and unconditionally guarantees the full and faithful performance of the Franchisee under this Assignment Agreement and the Franchise Agreement, including the Franchisee's promise to pay monies due to Prosperity. These guaranties are continuing and shall be unaffected by any modification, amendment or extension of this Assignment Agreement or the Franchise Agreement. In the event of a default, Prosperity may proceed against the Operating Corporation or any or all of the guarantors in any order. If any action is brought by Prosperity against a Guarantor/Shareholder/Investor to enforce a provision of this Agreement, the Guarantor/Shareholder/Investor shall be liable to Prosperity for all costs of enforcement, including, but not limited to, attorney fees, costs of suit and costs of collecting any judgment such as attorney fees incurred in collection efforts.

Prosperity System, Inc.

By: ______________________________________
(Vice) President

____
Date Signed

Attachment C
AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee E-mail Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	Checking Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

Authorization:

Franchisee hereby authorizes Prosperity System, Inc. ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature:____ Date:____________________________

Name:____

Its: ____

Federal Tax ID Number:____________________________

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

Attachment D
OWNER'S STATEMENT

This form must be completed by the Owners of Franchisee ("**You**" "**you**," "**your**," or "**Your**") if you are an entity. Prosperity relies on the truth and accuracy of this form in awarding the Franchise to you.

1. **Form of Entity**. (check one):

- ☐ Limited Liability Company
- ☐ S Corporation
- ☐ Other
  Specify: ________________________

1. **Business Entity.** The above Entity was incorporated or formed on

____ under the laws of the State of ____.

2. **Officers**. The following is the full name of each officer of the Franchised Business:

Officer Name:	**Title:**

3. **Members/Shareholders/Owners**. The following are the full names and mailing addresses of each person who is a shareholder, owner or member of the above entity and fully describes the nature of his or her interest in the entity. Attach additional sheets if necessary.

Member/Shareholder/Owner Name and Address	Ownership Interest

4. **Governing Documents**. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business entity including articles of incorporation or organization, operating agreement, shareholder agreement, and by-laws. There are no other agreements in effect regarding the ownership, management or operation of the Entity.

____
Franchisee

X____________________________
[Signature]

Print Name:________________________

Title:____________________________

X____________________________
[Signature]

Print Name:________________________

Title:____________________________

Attachment E

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this "Agreement") is entered into by: (i) each of the undersigned owners of Franchisee (defined below); and (ii) the spouse of each such owner, in favor of Prosperity System, Inc., a Maryland corporation, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as "you".

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

"Competitive Business" means any business competitive with us (or competitive with any of our affiliates or our franchisees) that features pizza or other food items that are the same, or substantially the same as, the Prosperity Menu other than a business operated under a franchise agreement with us other related products, materials, and equipment that we may develop and implement, which you will be authorized to offer.

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Pizza Boli's franchisees to use, sell or display in connection with the marketing and/or operation of a Pizza Boli's Restaurant, whether now in existence or created in the future.

"Franchise Agreement" means the Pizza Boli's Franchise Agreement executed by Franchisee with an effective date of ____________________.

"Franchised Business" means the Pizza Boli's Restaurant operated by Franchisee pursuant to the Franchise Agreement.

"Franchisee" means _____________________.

"Improvements" means any additions, modifications or improvements to (i) the goods or services offered at a Pizza Boli's Restaurant, (ii) the method of operation of a Pizza Boli's Restaurant or (iii) any marketing or promotional ideas relating to a Pizza Boli's Restaurant, whether developed by you, Franchisee or any other person.

"*Including*" or "*Includes*" means "including (or includes), but not limited to," "including (or includes) without limitation," and similar constructions.

" Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a Pizza Boli's Restaurant, including methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System, the Manual, and the Recipe Book.

"Manual" means our confidential operating manual for the operation of a Pizza Boli's Restaurant.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Pizza Boli's Restaurant, including "Pizza Boli's" and related logo, and any other trademarks, service marks or trade names that we designate for use in a Pizza Boli's Restaurant.

"Prohibited Activities" means: owning, maintaining, developing, operating, engaging in, franchising or licensing, making loans to, leasing real or personal property to, and/or having any whatsoever interest in, or rendering services, consulting, and/or giving advice to (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity, including to an immediate family member) in any Competitive Business.

"*Recipe Boo*k" means the confidential manual containing the proprietary recipes for the Prosperity Menu items that you will prepare and sell at the Franchised Business.

"Restricted Period" means the 12-month period after the earliest to occur of the following: (i) the termination or expiration of the Franchise Agreement; (ii) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (iii) the date on which you cease to be an owner of Franchisee or your spouse ceases to be an owner of Franchisee, as applicable.

"Restricted Territory" means the geographic area within: (i) a 15-mile radius of the Franchised Business; or (ii) within a 15-mile radius of any Pizza Boli's Restaurant franchisees operating as of the date of this Agreement and that remain in operation during all or any part of the Post-Term Restricted Period.

"System" means our system for the operation of a Pizza Boli's Restaurant, the distinctive characteristics of which include: logo and trademarks; trade secrets; standards and specifications; services, programs and products; protocols and techniques; policies and procedures; advertising and promotional methods; confidential brand standards manual; and operating system.

2. Background. In your capacity as an owner of Franchisee, or the spouse of an owner of Franchisee, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to "owners" and not just Franchisee. You agree to comply with the terms of this Agreement In order to: (i) avoid damaging our System by engaging in unfair competition; and (ii) bind yourself to the terms of the Franchise Agreement applicable to owners.

3. Brand Protection Covenants.

(a) Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Pizza Boli's Restaurant operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an owner of Franchisee or your spouse is an owner of Franchisee, as applicable. You further agree that you will not use the Intellectual Property for any purpose other than the development and operation of Franchisee's Pizza Boli's Restaurant pursuant to the terms of the Franchise Agreement and Manual. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize, and sublicense the same.

(b) Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an owner of Franchisee or while your spouse is an owner of Franchisee, as applicable, by engaging in any Prohibited Activities.

(c) Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to clients who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

(d) Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.** Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of the system protection covenants in Section 3 of this Agreement, upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under Section 3 of this Agreement to ensure that the terms and covenants are enforceable under applicable law

(e) Breach. You agree that failure to comply with the covenants in this Section 3 will cause substantial and irreparable damage to us and/or other Pizza Boli's franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. Transfer Restrictions. If you are an owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect ownership interest in Franchisee. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect ownership interest in Franchisee except in accordance with the terms and conditions set forth in Sections 15 and 16 of the Franchise Agreement.

5. Dispute Resolution. Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures set forth in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures set forth in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement shall prevail. **You acknowledge and agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with the terms thereof.**

6. Miscellaneous.

(a) If either party hires an attorney or files suit against the other party in relating to an alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys 'fees and costs incurred in connection with such breach.

(b) This Agreement will be governed by, construed and enforced under the laws of Maryland and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

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

(e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

[Signature Page Follows]

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

OWNER / SPOUSE

By: ______________________________

Name: ____________________________

Date: _____________________________

OWNER / SPOUSE

By: ______________________________

Name: ____________________________

Date: _____________________________

OWNER / SPOUSE

By: ______________________________

Name: ____________________________

Date: _____________________________

OWNER / SPOUSE

By: ______________________________

Name: ____________________________

Date: _____________________________

EXHIBIT C
ASSIGNMENT AGREEMENT TO OPERATING COMPANY

Prosperity System, Inc.
Assignment Agreement to Operating Company

This Assignment Agreement ("Assignment") is entered into between Prosperity System, Inc. a Maryland corporation ("we," "Prosperity" or "us"), and ____("you," "your" or "franchisee") and ____(the "Operating Company").

1. INTRODUCTION

You and Prosperity have signed our Franchise Agreement. The Franchise Agreement is attached to this Assignment and made a part of it. In the Franchise Agreement we have granted you a franchise to operate a Pizza Boli's restaurant and a license to use the Marks.

You have applied to us for our consent to assign the operating rights in the Franchise Agreement to the Operating Company and have represented that the following own all of the outstanding ownership interests in the Operating Company:

Name	**Ownership Percentage**

.

2. ASSIGNMENT

You assign your operating rights in the Franchise Agreement to the Operating Company. The Operating Company agrees to assume and be bound jointly with you and severally by every obligation, duty and liability owed by you under the Franchise Agreement. The Operating Company will not operate any other business during the term of this assignment.

3. OUR CONSENT

We consent to the assignment of the operating rights in the Franchise Agreement to the Operating Company. This consent shall not be considered consent to any other past, present or future assignment of your interest in the Franchise Agreement.

4. TERM OF ASSIGNMENT

This Assignment runs concurrently with the Franchise Agreement. However, it will terminate automatically without notice and the operating rights will be thereby reassigned to you if: (a) you no longer own at least 100% of the issued and outstanding ownership interests in the Operating Company; or, (b) you fail to actively manage and control the Operating Company; or, (c) you or the Operating Company are in default of any provision of the Franchise Agreement or any agreement with our affiliates and the default is not cured within the time required in the Franchise Agreement or other agreement with our affiliates; or, (d) the Franchise Agreement is terminated for any reason, or expires.

5. FURTHER ASSIGNMENT

This Assignment does not give the Operating Company any power or right to further assign, transfer or dispose of any interest in the Franchise Agreement. The rights granted in this Assignment may only be reassigned by the Operating Company back to you. This Assignment does not give the Operating Company any rights in the Franchise Agreement beyond those needed to operate the Franchised Business. Any transfer of stock or change in stock ownership of the Operating Company will constitute a further assignment of this franchise and require our prior written approval. Failure to obtain our prior written approval of a transfer of stock is a material default of this agreement and grounds for immediate termination of your franchise.

6. *DISSOLUTION OF OPERATING CORPORATION*

The franchise is automatically terminated on the taking of any action leading to voluntary or involuntary dissolution of the corporation.

7. FRANCHISEE LIABILITY

Despite this assignment to the Operating Company, you agree that you will continue to be fully and directly responsible to us for the performance of all obligations, duties and liabilities owed to us by virtue of the Franchise Agreement or any collateral agreements that are part of our franchise relationship.

8. CROSS DEFAULT

Any default of this Assignment is a default of the Franchise Agreement.

9. GUARANTIES

The Operating Company absolutely and unconditionally guarantees the full and prompt performance of your obligations, duties and liabilities under the Franchise Agreement and guarantees payment of all sums that are or may become due to us under the Franchise Agreement or any collateral agreement. You absolutely and unconditionally guarantee the full and prompt performance of all obligations, duties and liabilities owed to us by the Operating Company.

These guaranties shall continue in effect until all of your obligations, duties, liabilities and payments have been completely performed, even if this Assignment Agreement has been terminated. The Operating Company's liability under this guaranty may be enforced without requiring us to exhaust any other remedy. We may make, alter, and renew any contracts and agreements between you and us and between us and the Operating Company without affecting or discharging either guaranty.

10. COMPETING BUSINESSES

For a period of 12 months after the effective date of termination or expiration of the franchise, the Operating Company will not directly or indirectly, on its own or on behalf of any other person or entity, own, maintain, develop, operate, engage in, franchise or license, make loans to, lease real or personal property to, and/or have any interest in, or render services, consult, and/or give advice to (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity, including to an immediate family member) any business that features pizza or other food items that are the same, or substantially the same, as the Prosperity Menu, within a 15-mile radius of the Franchised Business or within a 15-mile radius of any Pizza Boli's Restaurant.

11. GOVERNING LAW; JURISDICTION; VENUE

This Assignment shall be governed by the law of the state of Maryland. You and the Operating Company irrevocably submit to the jurisdiction of any appropriate state or federal court located in the state of Maryland and waive any objection to either the jurisdiction or venue of Maryland courts.

12. EFFECTIVE DATE

This Assignment will take effect on the date it is signed by our authorized representative.

Signature Page

____
Franchisee Signature

____
Printed Name of Operating Corporation

By: _______________________________________
(Vice) President

____
State of Incorporation

Guarantor/Shareholder/Investor Signature

______________________________	______________________________
______________________________	______________________________
______________________________	______________________________

Each Guarantor/Shareholder/Investor named above absolutely, irrevocably and unconditionally guarantees the full and faithful performance of the Franchisee under this Assignment Agreement and the Franchise Agreement, including the Franchisee's promise to pay monies due to Prosperity. These guaranties are continuing and shall be unaffected by any modification, amendment or extension of this Assignment Agreement or the Franchise Agreement. In the event of a default, Prosperity may proceed against the Operating Corporation or any or all of the guarantors in any order. If any action is brought by Prosperity against a Guarantor/Shareholder/Investor to enforce a provision of this Agreement, the Guarantor/Shareholder/Investor shall be liable to Prosperity for all costs of enforcement, including, but not limited to, attorney fees, costs of suit and costs of collecting any judgment such as attorney fees incurred in collection efforts.

EXHIBIT D
MANUAL AND RECIPE BOOK TABLE OF CONTENTS

OPERATING MANUAL

TABLE OF CONTENTS

SECTION 1 TABLE OF CONTENTS

<u>SECTION 2 TABLE OF CONTENTS</u>

SECTION 3 TABLE OF CONTENTS

SECTION 4 TABLE OF CONTENTS

SECTION 5 TABLE OF CONTENTS

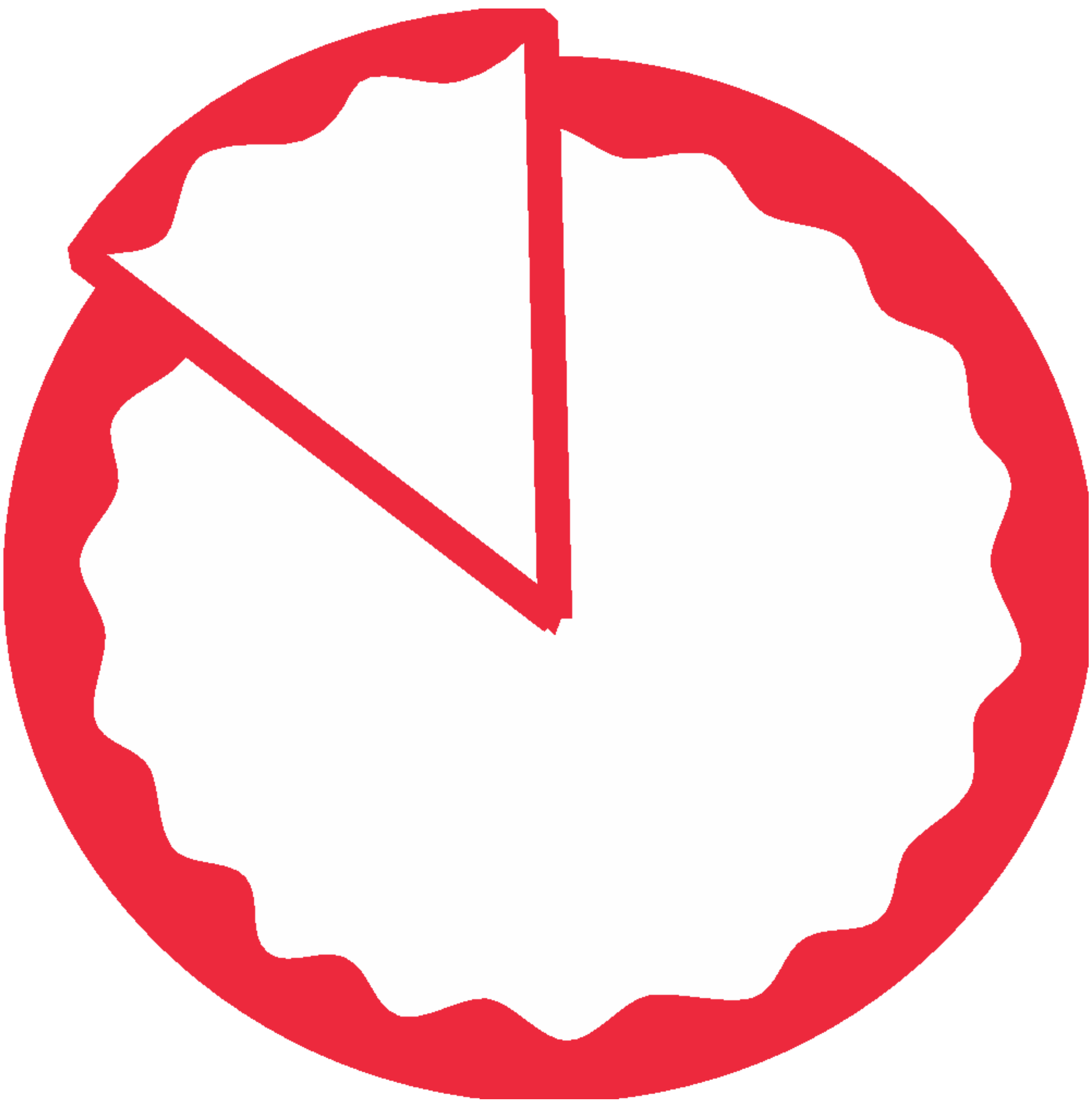
Section 6 Table of Contents

Legal Disclaimer: These recipes and procedures are the property of Pizza Boli's. You are only allowed to use them while a Pizza Boli's franchisee. These recipes cannot be shared outside of the Pizza Boli's family, and if shared, we will fine you up to $5,000.00 per occurrence for sharing our trade secrets.

<u>**SECTION 7 TABLE OF CONTENTS**</u>

SECTION 8 TABLE OF CONTENTS

Section 6
Recipes



Recipes Table of Contents

6-14 RICE PLATTERS

EXHIBIT E
LIST OF STATE ADMINISTRATORS
AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for franchises in these states:

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8236
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Consumer Protection Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7622	**WASHINGTON** Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

AGENTS FOR SERVICE OF PROCESS

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

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Consumer Protection Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7622	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT F
LIST OF FRANCHISEES

EXHIBIT F
List of Franchisees

As of July 31, 2024

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

MARYLAND

Sohail Rashid
Ubqari Inc.
644 S. Philadelphia Blvd.
Aberdeen, MD 21001
(410) 272-6300

Mohammad T. Rahman
786, Inc.
1900 Fairfax Rd.
Annapolis, MD 21401
(410) 280-2700

Syed Shah
Arbutus Pizza, Inc.
5201-A East Dr.
Arbutus, MD 21227
(410) 536-2000

M. Tariq Rahman
Pizza of Arnold, Inc.
1450 Ritchie Hwy
Arnold, MD 21012
(410) 757-7700

Hanna Nasir
5721 Falls Rd.
Baltimore, MD 21209
(410) 323-3278

Hamid Javed
2327 Cleanleigh Dr.
Baltimore, MD. 21234
(410) 882-8850

Chisti Pizza, Inc.
5020 Sinclair Ln
Baltimore, MD 21206
(410) 325-2500

Khursheed Ahmad, Sajjad Ahmed, Naeem Asghar
2014 N. Charles Street
Baltimore, MD 21218
(410) 235-1000

Syed Shah
Patterson Pizza, Inc.
243 N. Patterson Park Ave.
Baltimore, MD 21231
(410) 276-5600

Shakeel Ahmed
Security Pizza, Inc.
6500 Security Blvd
Baltimore, MD 21207
(410) 265-6500

Sandip Pagga
610 Reistertown Rd
Baltimore, MD 21208
(410) 486-8400

Azhar Abbas Choudhoury
3101 W. North Ave.
Baltimore, MD 21216
(410) 945-3600

Shakeel Ahmed
13 E. Cross St.
Baltimore, MD. 21230
(410) 752-1500

Mufasar Butt
5422 York Road
Baltimore MD 21212
(410) 433-3333

Mohammad T. Rahman
Pizza of Arnold, Inc.
1439 Rock Spring Road
Bel Air, MD 21014

Komi E Toviholon
JKC Food, Inc.
4727 Sellman Road
Beltsville, MD 20705
(301) 595-4550

Abdullah O. Moctar
6206 Coventry Way
Clinton, MD 20735
(301) 856-0123

Syed Shah
Sadat, Inc.
7165-A.B. Oakland Mills Rd.
Columbia, MD 21046
(410) 381-3278

Ibrar Shah
K.B.S., Inc.
5325 Village Center Drive
Columbia, MD 21044
(410) 730-2255

Mohammed Khalid Butt
NKN Inc.
2177 Defense Hwy
Crofton, MD 21114
(410) 721-9500

Zaheer Ahmed
801 West Central Avenue
Davidsonville, MD 21035
(410) 798-9500

Ahmed Naser
District Heights Pizza, Inc.
5688 Silver Hill Road
District Heights, MD 20747
(301) 420-2300

Chisti Pizza, Inc.
2111 Merritt Ave.
Dundalk, MD 21222
(410) 325-2500

Noor Shaker Hammad
Hassen Muhammd Abukhdeir
HNT, LLC
945 Central Ave.
Edgewater, MD 21037
(410) 798-9005

Amanda Marie Chaudhary
2230 Hansen Road
Edgewood, MD. 210409
(410) 569-9488

M.I. Khan
Ellicott Pizza, Inc.
9065 Frederick Rd.
Ellicott City, MD 21041
(410) 750-3377

Mustansar Butt.
101 Back River Neck Rd
Essex, MD 21221
(410) 780-0123

Ismael Biye
703 Motter Avenue
Frederick, MD 21701
(301) 698-5200

Zahid U. Wahhla
GMD Friendly Inc
11500 Old Fort Road
Ft. Washington, MD 20744
(301) 291-7800

Mohammed Hossain
20012 Goshen Road
Gaithersburg, MD 20879
(301) 963-9600)

Mohammad Towfiq Hossain
Saiful Alam
Mohammad Mostafezur Rahman
12949 Wisteria Dr.
Germantown, MD 20874
(301) 540-5000

Ali Mohammad Ali Alhyari
Crain Store LLC
300 Crain Hwy
Glen Burnie, MD 21061
(410) 761-8900

Damsius I. Gomes.
1814 E West Hwy
Hyattsville, MD. 20783
(301) 422-2000

Riaz Haider
First Largo, Inc.
10672 Campus Way South
Largo, MD 20774
(301) 499-5050

Muhammad Qasim
Saat, Inc.
6529 Annapolis Road
Landover, MD 20784
(301) 773-1900

Sami Mahmood
Awais Salik
10631 Greenbelt Road #100
Lanham, MD 20706
(240) 451-0000

Waqar A. Shakh
Bibi, Inc.
390 Montrose Avenue
Laurel, MD 20707
(301) 483-0900

Debbrata Das
Snigdha Rani Das
46300 Lexington Village Way #107
Lexington Park, MD
(301) 638-4000

Zobayer Faruque
A2Z LLC
26945 Three Notch Road
Mechanicsville, MD 20659
(301) 638-4000

Choudhry M. Younis
5317 Ritchie Hwy.
Linthicum, MD 21225
(410) 789-5600

Mustansar Butt
8738 Belair Road
Nottingham, MD 21236
(443) 253-8216

Mohammad Tariq
T.A.J. Inc.
1628 Annapolis Rd.
Odenton, MD 21113
(410) 674-2100

M. B. Khan
Abdullah O. Moctar
665 Oxon Hill Road
Oxon Hill, MD 20745
(301) 839-4321

Muhammad Muneeb
8581 Fort Smallwood Rd
Pasadena, MD 2112
(410) 439-0700

Zafar Farouq
Plaza Pizza, Inc.
3540 Benbrook Rd.
Randallstown, MD 21133
(410) 655-2100

M.I. Khan
Mill Pizza, Inc.
11810 Reistertown Rd.
Reisterstown, MD 21136
(410) 526-5600

Muhammad Janas Afridi
Farooq Rafiq Khan
11540 E. Rockville Pike
Rockville MD 20852
(202) 636-7272

Muhammed Younis Butt
352-A Ritchie Highway
Severna Park, MD. 21146
(410) 975-0700

Khizer Mohiuddin
13312 Old Columbia Pike
Silver Spring, MD 20904
(301) 384-8900

Khizar Mohuiddin
JAMK Pizza, Inc.
7831 Eastern Avenue
Silver Spring, MD 20901
(301) 585-9500

Mufasar Butt
1540 York Road
Towson, MD 21093
(410) 823-8282

Liaqat Masood
Madni Inc.
3030 St. Charles Parkway
Waldorf, MD 20602
(301) 346-9067

M. I. Khan
West M. Pizza, Inc.
279-A E. Main St.
Westminster, MD. 21157
(410) 857-9700

Tarek Bookhris, Hisham Suleiman Al-Ali, Tarek Bon Mohamed Zaibi
12216 Viers Mills Rd
Wheaton, MD. 20906
(301) 929-0900

VIRGINIA

Mohammed Hossain
4109 Columbia Pike
Arlington, VA 22204
(703) 343-7000

Zahid Mahmood Abbasi
6033 Wilson Blvd.
Arlington, VA 22205
(703) 534-9880

Muhammad Babar Qayyum
Qayyum LLC
2304-B Huntington Ave.
Alexandria, VA 22303
(703) 317-1300

Hassan Sheik
6303-110 Little River Tpke
Alexandria, VA 22312
(703) 256-6000

Masudu Rahman
4500 Daly Drive
Chantilly, VA 20151
(703) 884-8881

Akeel Danish
4128 Dale Blvd.
Dale City, VA
(917) 442-6188

Khurram Ehsan
Nasira Kundi
17197 Wayside Drive
Dumfries, VA 22026
(703) 445-8170

Malik Mohammad Younas
M.D. Pizza, Inc.
11217-D Lee Hwy
Fairfax, VA 22030
(703) 273-4600

Malik Muhammad Naseer
SNM LLC
5624 Ox Road, Suite B
Fairfax Station, VA 22039
(703) 537-0557

Malik Mohammad Yousuf
Pizza n Pizza Inc.
14690 Lee Highway
Gainesville, VA 20155
(703) 753-2000

Marwan Alhussanmeah
8800 Commerce Ct #101
Manassas, VA 20110
(703) 335-2000

Malik Mohammad Younis
1675 Reston Parkway, Suite M
Reston, VA 20194
(703) 435-5555

Ibrahim Hamideh
262-1A Cedar Ln.
Vienna, VA 22182
(703) 573-3200

Mikiyas Deneke Satenaw.
1455-103 Old Bridge Rd.
Woodbridge, VA 22192
(703) 492-7575

WASHINGTON DC

Akram H. Bhatti
417 8th St. SE
Washington D.C. 20003
(202) 546-2900

Shakeel Ahmed
Ghulam Hassan
4903 Wisconsin Avenue
Washington D.C. 20016
(202) 244-2800

Ghulam Hassan
3738 10th St., NE
Washington, DC 20017
(202) 636-7272

Surinder Singh
Shakeel Ahmed
Gurdey Singh
1511 U St. NW
Washington, DC 20009
(202) 462-3100

Mohammed Hossain
3027 Naylor Road, SE
Washington, DC 20020
(301) 905-2813

Muhammed Mustafizur Rahman
K&M Corporation
1567 Alabama Avenue
Washington, DC 20020
(301) 526-9960

PENNSYLVANIA

Muhammed S. Ali
Pizza Master Inc.
328 N. Hanover Street
Carlisle, PA 17013
(510) 384-7459

Sajjad Aziz, Rafiq Shahid,
1534 Butler Street
Easton, PA
(610) 438-2882

Mohammed I. Chohan
Hanover Pizza, Inc.
398 York St. #7
Hanover, Pennsylvania 17331
(717) 632-9700

Muhammad S. Ali
1276 Market Street
Harrisburg, PA 17103
(717) 236-9006

Fazal Rahman
22 W. Clay Street
Lancaster, PA 17603
(717) 435-8119

Muhammad Sardar Ali
Ali Farm LLC
5101 Carlisle Pike
Mechanicsburg, PA 17050
(717) 412-4435

Arshad Khan Khattak, Salman Sirtaj, Muhammad Irfan
3883 Glendale Street
Philadelphia, PA 19124
(215) 613-5365

Haroon Ali
240 S. George Street
York, PA 17401
(717) 843-9000

NEW JERSEY

Fazal Rahman
1068 Kaighns Avenue
Camden, NJ 08103
(856) 964-4044

Mohammed F. Alam
211 E. Gibbsboro Road
Lindenwold, NJ 08021
(856) 346-0880

FRANCHISE AGREEMENT SIGNED, NOT YET OPEN AS OF JULY 31, 2024

Naser Ahmed
6691-E Backlick Road
Springfield, VA 22150
(202) 412-0405

Mohammed A. Hossain
(215) 294-0629
Nasir Ahmed (202) 412-0405
4057 Minnesota Ave, NE
Washington, DC 20019

EXHIBIT G
LIST OF FORMER FRANCHISEES

EXHIBIT G
Prosperity System, Inc.
List of Former Franchisees

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

1. **List of Franchisees Who Had an Outlet Terminated, Cancelled, Not Renewed, or Transferred During the Fiscal Year August 1, 2022 through July 31, 2023**

City/State	Franchisee	Franchisee Current Business Phone
Baltimore, MD	Syed Haider	443-544-1500
College Park, MD	Abdi Melaku Gudina	301-384-8323
College Park, MD	Khizar Mohiuddin	301-384-8900
Springfield, VA	Choudry M. Basharat	571-239-7357
Towson, MD	Muhammad Irtiza Khalid	631-618-1245

2. **List of Franchisees Who Had an Outlet Terminated, Cancelled, Not Renewed, or Transferred During the Fiscal Year August 1, 2023 through July 31, 2024**

City/State	Franchisee	Franchisee Current Business Phone
Leonardtown, MD	Zobayer Faruque	301-638-4000
Lexington Park, MD	Zobayer Faruque	301-638-4000
Eldersburg, MD	Zeeshan Uddin	410-960-4462
Germantown, MD	Mohammed Hossain	646-595-8981
Bethesda, MD	Abdullah Moctar	301-839-4321
Philadelphia, PA	Ahmed Mubarak Osman Mohamed Afrin Samina	484-716-6943 267-836-2650 856-366-8121
Frederick, MD	Ismael Biye	202-817-9636
Wheaton, MD	Emad Mohammed	410-730-2255
Reston, VA	Zhid Mahmood Abbasi	703-534-9880

3. **List of Franchisees Who Have Not Communicated With Us Within 10 Weeks of the Application Date**

None

EXHIBIT H
ASSIGNMENT AGREEMENT AND RELEASE

EXHIBIT H
AGREEMENT TO ASSIGN FRANCHISE

This agreement is made as of ____________ between ____________________ ("Assignee"), ________________ ("Assignor") and Prosperity System, Inc., a Maryland corporation ("Prosperity").

The parties agree as follows:

1. Representations

(A) Seller is a franchisee of Prosperity under a franchise agreement dated ______________ ("Franchise Agreement"). The Franchise Agreement permits Seller to operate a restaurant featuring Italian food at ______________________ under the service mark "Pizza Boli's" and the trade dress licensed by Prosperity.
(B) Assignee wishes to become a franchisee of Prosperity, as assignee of the Franchise Agreement. Assignee shall not be responsible for any debts of Seller.
(C) Prosperity wishes to approve the transfer of the franchise.

2. Assignment

The Franchise Agreement is hereby assigned from Seller to Assignee. Prosperity consents to such assignment. Assignee agrees to abide by all the terms and conditions of the Franchise Agreement. A copy of the Franchise Agreement is attached hereto and made part hereof.

3. Release

Assignor hereby releases and forever discharges Prosperity and its representatives, officers, directors, shareholders, employees and agents from all actions, causes of action, claims, demands, damages (known or unknown) and liabilities, whether at law or in equity, which Assignor has ever had, or, but for this release, hereafter would or could have, against Prosperity.

Prosperity System, Inc.

_________________________ Witness:__________________

By: _____________________
Its: _____________________

Assignor

____
Print Name (and title, if applicable)

_________________________ Witness:________________________
Signature

Assignee

____
Print Name (and title, if applicable)

_________________________ Witness:________________________
Signature

RECEIPTS

STATE EFFECTIVE DATES

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

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

Maryland	PENDING

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

RECEIPT

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 Prosperity System, Inc. 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.

If Prosperity System, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit E.

Franchise Seller Information:

Name: John Nasir, Salvador Khadra, Adeel Amjad
Address: 3 Greenwood Place, Suite 208, Pikesville, MD 21208
Telephone Number: 443-544-1500

Date of Issuance: August 21, 2024

Prosperity System, Inc. authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state.

I received a disclosure document dated August 21, 2024 that included the following Exhibits:

A. Financial Statements	E. List of State Agencies/Agents for Service of Process
B. Franchise Agreement	F. List of Current Franchisees
C. Assignment Agreement	G. List of Former Franchisees
D. Manual Table of Contents	H. Assignment Agreement and Release
	I. Receipts for Disclosure Documents

_________________________________ Date

_________________________________ Print Your Name (Prospective Franchisee)

_________________________________ Your Signature (Prospective Franchisee)

Please sign this copy of the receipt, date your signature, and return it to Prosperity System, Inc., at 3 Greenwood Place, Suite 208, Pikesville, MD 21208.

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 Prosperity System, Inc. 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.

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D. Manual Table of Contents	H. Assignment Agreement and Release
	I. Receipts for Disclosure Documents

________________________________ Date

________________________________ Print Your Name (Prospective Franchisee)

________________________________ Your Signature (Prospective Franchisee)

Please sign this copy of the receipt, date your signature, and keep a copy for your records.