FRANCHISE DISCLOSURE DOCUMENT

Valentino's of America, Inc.
A Nebraska Corporation
2601 South 70th Street
Lincoln, Nebraska 68506
(402) 434-9350
www.valentinos.com

The franchisee will operate a "Valentino's Restaurant," which primarily offers specialty pizzas, Italian food, broasted chicken, salads, desserts and related food items. The franchises described in this disclosure document will be for either: (1) a take-out and delivery location, which in some instances may have limited dine-in seating ("To-Go Location"); or (2) a Valentino's Express location operating from a non-traditional location, such as a convenience store, and featuring the sale of Valentino's pizza and related products for take-out, and in some instances limited dine-in seating ("Express Location").

The total investment necessary to begin operation of a Valentino's To-Go Location franchise can range from $431,900 to $766,650. This includes an initial franchise fee of up to $12,500 that must be paid to the franchisor. The total investment necessary to begin operation of a Valentino's Express location can range from $48,775 to $171,585. This includes an initial franchise fee of up to $4,000 that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Valentino's of America, Inc. at 2601 S. 70th Street, Lincoln, NE 68506 and (402) 434-9350.

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

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

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

Issuance Date: March 31, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits 4 and 5.
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 6 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 Valentino'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 Valentino's franchisee?	Item 20 or Exhibit 4 and 5 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 1.

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

Special Risks to Consider About *This* Franchise

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

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

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

Valentino's of America, Inc.
Franchise Disclosure Document

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Exhibits:

1. List of State Agencies and Agents for Service and Process
2. Franchise Agreement
3. Operations Manual Table of Contents
4. List of Franchisees
5. List of Franchisees Who Have Left the System
6. Financial Statements
7. List of Trademarks
8. Applicable State Addendum

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

The Franchisor is Valentino's of America, Inc., and will be referred to as "we", "us" or "VOA" throughout this Franchise Disclosure Document. "You" means the person or entity who buys the franchise from VOA. If a corporation, partnership, or other entity buys the franchise, then "you" may also include your owners. VOA is a Nebraska corporation formed in 1981 with a current principal business address of 2601 South 70th Street, Lincoln, Nebraska 68506, telephone 402-434-9350. VOA's agent for service of process in Nebraska and agents and addresses for service of process in other states are disclosed in Exhibit 1.

The original Valentino's restaurant started as a proprietorship in Lincoln, Nebraska in 1957 and did business under the name Valentino's. In February 1966, the business was incorporated under the name of Valentino's, Inc. Valentino's, Inc. divided into Valentino's of Lincoln, Inc. and Valentino's of Omaha, Inc. in 1997. In 2008 all assets of Valentino's of Lincoln, Inc. and Valentino's of Omaha, Inc. were transferred to Val Limited, Inc. ("Val Limited). Currently Val Limited owns and operates all of the non-franchised Valentino's restaurants. VOA currently neither owns a restaurant, nor operates a restaurant.

Val Limited and its subsidiary presently own and operate one full-service restaurant and 15 To-Go Locations. One full-service restaurant and ten of the To-Go Locations are located in Lincoln, Nebraska. Five To-Go Locations are located in Omaha, Nebraska. To-Go locations vary as to offering seating and alcohol.

Val Limited, a Nebraska corporation, is a holding company that was incorporated in 1979. Val Limited formed VOA in 1981 and owns all of the stock of VOA, Valentino's of Lincoln, Inc., and Valentino's of Omaha, Inc. Except for VOA, neither Val Limited nor any other entity identified in this Item 1, except Valentino's Inc., has ever offered franchises in any line of business.

Valentino's, Inc. offered franchises for Valentino's restaurants from 1979 to 1981. VOA has offered franchises for Valentino's restaurants since 1981, and has not offered franchises in any other line of business. Currently there are 17 Valentino's franchises. All 17 of the franchises operate under a Franchise Agreement with VOA. VOA franchised restaurants feature pizza, a full range of Italian pasta dishes, selected other Italian entrees, specialty salads, dessert items, and other products. As of March 31, 2023, seventeen VOA franchises offer or will offer take-out and/or delivery, five VOA franchises offer some form of buffet dining, seven VOA franchises operate as To-Go Locations offering take-out and delivery only, and five VOA franchises operate a Valentino's Express Location.

VOA franchises the operation of a restaurant (the "Restaurant") using the Valentino's system for the preparation of pizza, Italian food, broasted chicken including bone-in and tenders products, salads, desserts and other related food items to the ultimate consumer. The franchises described in this disclosure document will be for either: (1) a take-out and delivery location, which in some instances may have limited dine-in seating ("To-Go Location"); or (2) a Valentino's Express location operating from a non-traditional location, such as a convenience store, and featuring the sale of Valentino's pizza and related products for take-out, and in some instances

limited dine-in seating ("Express Location"). Express Locations generally are not permitted to deliver but may be allowed to do so on a case-by-case basis. As described above franchisees of VOA presently own and operate five Buffet Locations. VOA currently does not offer franchises for Buffet Locations, although it has renewed franchises with buffets using a modified version of the current Franchise Agreement. The term "Restaurant", as used in this disclosure document, will include a To-Go Location or an Express Location but not a Buffet Location, unless otherwise indicated.

You must operate the Restaurant according to our standards and specifications, and you must sign our standard Franchise Agreement (the "Franchise Agreement") which is attached to this disclosure document as Exhibit 2. You will be competing with other pizza and Italian food restaurants, fast food restaurants, full-service restaurants, grocery and specialty stores, and other businesses which offer pizza, Italian food and similar items, as well as other types of food. We believe the market for pizza and Italian food restaurants is developed in most major cities. Even in developed markets, we believe our concept is unique and distinguishable from the standard pizza or Italian food restaurant in terms of decor, service, food taste, and the quality, type, and variety of products offered.

VOA began franchising by offering a concept that had customary menu dining service. Carryout and delivery service was normally available but usually through a different part of the restaurant. These earlier franchises eventually went to a buffet style dining as opposed to customary dining service of placing each order from a fixed menu. The buffets offered various pastas, pizzas, and salads on either a service or self-service basis. Some restaurants offer the separate carryout/delivery area, and some units are To-Go units offering solely carryout/delivery. The To-Go units do not offer full dining room service but do have limited counter service and offer many of the pasta, pizza, salad, and other food item combinations that were available à la carte at the buffet restaurants. Some To-Go units have limited seating. In 2014 Val Limited moved and converted a buffet unit located in Lincoln, Nebraska to a full-service restaurant offering menu items only in the dining area. The menu is made up of mainly pizza and pastas. Another such unit opened in Lincoln, Nebraska in 2016. These "Full Service" units are not being franchised at this time.

Five franchised units operate as Valentino's Express Locations. These locations are in convenience stores and offer various pastas, pizzas, salads, and other food items permitted or required by VOA on a self-service basis. Franchisees of Valentino's Express Locations will sign the Franchise Agreement attached to this Franchise Disclosure Document as Exhibit 2, with an appropriate addendum indicating the location is an Express Location. VOA may consider selling Express Location franchises to existing retail establishments, such as bars or restaurants, who wish to add the Valentino's product line to their businesses for dine-in consumption or take-out and who meet VOA's standards for new franchisees. Express Locations generally are not permitted to deliver but may be allowed to do so on a case-by-case basis.

There are regulations specific to the operation of a restaurant like Valentino's. You must comply with all local, state and federal health and sanitation laws governing the operation of a restaurant. You also must comply with federal menu labeling laws. There may be other laws applicable to your business, or particular to your state, and we urge you to make further inquiries

about these laws. For example, food handling is regulated and hood and ventilation systems, grease traps, and fire safety systems are generally required.

You must operate your Restaurant according to the "Valentino's System." The Valentino's System includes proprietary rights in certain valuable trade names, service marks and trade marks (the "Marks"), designs and color schemes for Restaurant buildings, signs, equipment, equipment layouts, methods of management and training, formulas and specifications for certain food products, operation control, and manuals covering the business practices and policies.

Val Limited and its predecessors and subsidiaries have collectively operated full-service Restaurants since 1957, introducing the buffet style in the early 1980's. To-Go restaurants have been in service since 1990. Franchises for a Valentino's Restaurant have been operated since 1979. In 2004 VOA licensed three Valentino's Express units that were subsequently discontinued in 2007 due to the sale of the licensee. VOA again licensed an Express Location in December 2009.

ITEM 2. BUSINESS EXPERIENCE

President and Chairman of the Board**: Anthony O. Messineo, Jr.**

Mr. Messineo serves as President and Chairman of the Board of Val Limited and VOA. He has held these positions with Val Limited since its formation in 1979 and with VOA since its formation in 1981. He is also a partial investor in The Amazing Pizza Machine, a concept that combines arcade games with a pizza buffet. Mr. Messineo serves on various not for profits' boards.

Executive Vice President and Director: **A. Michael Alesio**

Mr. Alesio has served as Executive Vice President and a Member of the Board of Val Limited and VOA since their inceptions. Mr. Alesio has served in various capacities for Valentino's, including corporate counsel from 1973 to the present. Mr. Alesio is also a partial owner of The Amazing Pizza Machine, a concept that combines arcade games with a pizza buffet.

Vice President of Operations for Val Limited: **Michael Messineo**

Mr. M. Messineo is a Member of the Board and Vice President of Val Limited. He currently oversees the operations for the Lincoln market and has done so since March 2006. Mr. M. Messineo is responsible for management training for Val Limited and the franchise system and is the personnel and safety officer for Val Limited along with Director of Purchasing.

Vice President of Operations for Val Limited and VOA: **Anthony J. Messineo**

Mr. A. J. Messineo is a Member of the Board and Vice President of Val Limited. He oversaw the Valentino's Omaha Market between March 2006 and July 2011. He currently helps oversee the Lincoln market. Mr. A. J. Messineo is the Director of Marketing for the corporate locations and along with Anthony O. Messineo Jr. coordinates all marketing efforts for corporate stores and the franchise system. He also has served as Vice President of Operations for VOA since October 1996.

Director of Finance: **Shelly Falkinburg**

Ms. Falkinburg is Director of Finance of VOA, and has held that position since May 2018. From October 2006 to May 2018 she was Accounting Administrator for VOA.

Field Representative: **Matthew Alesio**

Mr. Alesio has been a Field Representative for VOA since July 2019. He provides support to Valentino's franchisees, conducts inspections of franchised locations, and serves as a principal liaison between VOA and its franchisees. He also is a principal person involved in the sale of franchises for VOA. From January 2004 to July 2019 he was General Manager of Mesal Enterprises, LLC for which he managed a convenience store location in Lincoln, Nebraska. Prior to that he had experience managing Valentino's restaurants in various locations

ITEM 3. LITIGATION

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

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

You must pay an initial fee of up to $12,500 for a To-Go Location or up to $4,000 for a Valentino's Express Location. This fee is payable in a lump sum when you sign the Franchise Agreement. Your initial fee will depend upon the number and type of units you plan to develop, the area you propose to develop, as well as other factors unique to your situation. We do not refund the initial franchise fee for any reason. See Item 12 that describes how the Territory is determined.

VOA may provide reductions of the initial fee for To-Go Locations of up to $12,500 per location or reductions for the initial fee for Valentino's Express Locations of up to $4,000 per location. VOA provides these reductions as an incentive for the development of additional locations by new and existing franchisees who meet operational and financial standards established by VOA. During VOA's last fiscal year VOA granted one franchise.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fees	Up to 5% of gross sales for a To-Go Location; the greater of up to 5% of gross sales or $1,000 per month for Express Location.	Payable semi-monthly on the 10th and 25th of each month	Paid to VOA See Footnote 1

Type of Fee	Amount	Due Date	Remarks
Advertising Fee to VOA Production and Promotion Fund	Up to 1% of gross sales	Payable with royalty fees	Paid to VOA See Footnote 2
Co-Op Advertising Fee to VOA or Co-Op	1½% of gross sales	Payable as requested	Paid to VOA or an established central Co-Op See Footnote 2
Initial Management Training	Not applicable	Included in franchise fee	See Item 11
Additional and Refresher Training	As agreed	15 days after billing	Additional training is provided if necessary for you, your manager, or others
Operational Assistance	As agreed	15 days after billing/as agreed	Paid to VOA during the period that we agree to provide operational assistance
Transfer Fee	$2,500	Prior to consummation of transfer	Paid if you sell or transfer your franchise
Renewal Fee	$5,000 for To-Go Location or $2,000 for Express Location	Upon extending the term of the franchise	See Item 17
Audit Fee	Cost of inspection or audit plus wages of auditor along with out of pocket expenses (travel, meals (if overnight), and incidentals).	15 days after billing	Payable only if an audit shows an understatement at least 1% of gross sales
Interest	Lesser of 18% or the highest legal rate for open business accounts	15 days after billing	Payable on all overdue amounts including royalties and ad fees
Late Fee On Royalty/Ad Fees	$20 per day up to 10 days	Royalty and ad fees are due on the 10th and 25th of each month	Payable if royalties and ad fees not received by due date

Type of Fee	Amount	Due Date	Remarks
Initial VOA Opening Crew	Up to $10,000 for a To-Go Location; up to $3,000 for an Express Location.	15 days after billing	We send a Restaurant opening crew to assist in the initial opening of the Restaurant
Product Review	Cost of our inspection and review	15 days after billing	For approval of items or suppliers proposed by you not previously approved for use
Management Fee	To be determined under circumstances	As agreed	Payable during a period that we agree to manage your Restaurant upon your death or disability
Relocation Expense	As incurred by VOA	15 days after billing	Payable if you desire to change the location of your Restaurant
Training and Advertising Materials	As estimated by VOA	Upon receipt of statement	VOA may develop materials for your use which you could elect to purchase
De-identification Costs	Actual costs of de-identifying the Restaurant	Upon receipt of statement	After termination or failure to de-identify your Restaurant we may do it at your cost

Footnotes:

1. None of the fees shown above is refundable. You should also review Items 8 and 9 with respect to these "Other Fees." All of these fees are imposed by and payable to VOA.

2. You must contribute 1% of your gross sales to the Production and Promotion Fund (the "Fund"), which is described more fully in Item 11 below. See Item 11 regarding Co-Operative Advertising.

ITEM 7. ESTIMATED INITIAL INVESTMENT – TO-GO RESTAURANT

YOUR ESTIMATED INITIAL INVESTMENT
FOR A LEASED RESTAURANT (1,200 - 1,400 sq. ft.)

Item	Amount	Method of Payment	When Due	To Whom Paid
Initial franchise fee	$0-$12,500.00	Lump sum	At signing of Franchise Agreement	VOA
Travel and living expenses	$3,000.00 to $10,000.00	As incurred	During training	Vendors
Real estate (1)	$216,000.00 to $380,000.00	As incurred	As agreed	Vendors
Equipment (2)	$148,000.00 to $227,000.00	As incurred	As agreed	Vendors
Point of Sale System (3)	$15,000.00 to $25,000.00	As incurred	As agreed	Vendors
Signage (4)	$7,650.00 to $28,150.00	As incurred	As agreed	Vendors
Opening costs (5)	$2,250.00 to $5,000.00	Upon opening	As agreed	Vendors
Permits, legal, accounting and deposits (6)	$4,000.00 to $12,500.00	As incurred	As agreed	Vendors
Operating inventory	$6,500.00 to $10,000.00	As incurred	As agreed	Vendors
Advertising fees (3 months) (7)	$3,500.00 to $16,500.00	As incurred	As agreed	Vendors and VOA
Additional funds (3 months) (8)	$26,000.00 to $40,000.00	As incurred	As agreed	Vendors
Total (9,10,11)	$431,900 to $766,650			

Explanatory Notes:

1. The Restaurant is typically located in a strip shopping center or mall, and the square footage is estimated, on the average, to be approximately 1,400 square feet. The estimated improvements cost includes floor coverings, wall treatments, counters, ceilings, electrical,

heating/air conditioning, carpentry, and related work **AND WILL VARY SIGNIFICANTLY** depending upon conditions, location and size of the premises, improvements already in place or to be provided by the landlord and the demand for the premises among prospective lessees, local codes and the local market. These projections are for leased space only and do not include purchasing real estate for the Restaurant.

2. The equipment includes smallwares, sinks, refrigeration equipment, ovens, display cases, tables, chairs, stove, computer and printer, gift card system (see Item 11), phone system, desk, filing cabinets and related office supplies. The low end of the range assumes that you take over an existing restaurant space with some of these items in place; the high end assumes that all new equipment is purchased.

3. The Point of Sale (POS) System (see Item 11) typically runs $5,000 per terminal. This price typically includes hardware, software, and training. Additional costs associated with this system would be additional phone lines, Internet service, and dedicated circuits and may include taxes, shipping, training, support and other optional features. You will need to talk with an electrician and your local phone company or Internet provider regarding the cost of these additional items.

4. The sign package includes all interior and exterior signs.

5. Opening costs include a grand opening party, incidentals, uniforms, pre-opening supplies, pre-opening food testing, and miscellaneous pre-opening costs. The cost of these items can vary greatly.

6. Permits, legal, accounting and deposits covers opening costs and expenses such as installation of telephones, deposits for gas, electrical and related items, business licenses, legal and accounting expenses and insurance premiums and deposits. These items vary greatly. This does not include liquor license, and pricing will depend on local law. Liquor is not a mandatory requirement of the franchise.

7. Your advertising costs may include such items as promotional materials, social media including electronic media, grand opening campaign, grand opening party, marketing for the first month, and other promotional materials and advertisements used to generate sales. Some of these items may be purchased from us if you choose.

8. The additional funds include the cost of a manager for three months, three months of a lease, labor for three months, and the cost of leasing equipment. These figures are estimates, and VOA cannot guarantee that you will not have additional expenses when you start your business. Your costs will depend on how closely you adhere to our methods and procedures, your management skills, experience and business acumen, local economic conditions, the local market for a product, the prevailing wage rate, competition, and sales levels reached.

9. We have relied on our experience in the restaurant business to compile these estimates, but they are only estimates. You should review these figures carefully with a business advisor such as an accountant or a lawyer before making any decision to purchase this franchise.

10. We do not offer any financing directly or indirectly for any part of the initial investment. Your credit worthiness, the collateral you may have and the lending policies of any financial institutions you might consider will affect the availability and terms of financing you might require. The costs of any financing that you might require have not been included in these figures.

11. None of your expenses are likely to be refunded.

ESTIMATED INITIAL INVESTMENT – EXPRESS
YOUR ESTIMATED INITIAL INVESTMENT
FOR A LEASED PREMISES (300 sq. ft.)

Item	Amount	Method of Payment	When Due	To Whom Paid
Initial franchise fee	$0-$4,000.00	Lump sum	At signing of Franchise Agreement	VOA
Travel and living expenses	$2,710.00 to $2,710.00	As incurred	During training	Vendors
Real estate (12)	$2,500.00 to $24,500.00	As incurred	As agreed	Vendors
Equipment (13)	$32,660.00 to $72,300.00	As incurred	As agreed	Vendors
Point of Sale System (14)	$0-$15,000.00	As incurred	As agreed	Vendors
Signage (15)	$630.00 to $12,000.00	As incurred	As agreed	Vendors
Opening costs (16)	$625.00 to $1,425.00	Upon opening	As agreed	Vendors
Permits, legal, accounting and deposits (17)	$600.00 to $9,500.00	As incurred	As agreed	Vendors

Item	Amount	Method of Payment	When Due	To Whom Paid
Operating inventory	$2,500.00 to $7,500.00	As incurred	As agreed	Vendors
Advertising fees (3 months) (18)	$750.00 to $6,250.00	As incurred	As agreed	Vendors and VOA
Additional funds (3 months) (19)	$5,800.00 to $16,400.00	As incurred	As agreed	Vendors
Total (20,21,22)	$48,775 to $171,585			

Explanatory Notes:

12. The Express Unit is typically located in an existing operating facility, and the square footage need is estimated, at a minimum, to be approximately 300 square feet for the kitchen. The estimated improvements cost includes floor coverings, wall treatments, counters, electrical, carpentry, and related work **AND WILL VARY SIGNIFICANTLY** depending upon conditions, location and size of the premises, improvements already in place or to be provided by the landlord. These projections are for leased space for the kitchen only and assume adequate space exists for dry storage. These estimates do not include purchasing real estate.

13. The equipment includes smallwares, sinks, refrigeration equipment, ovens, display cases, tables, chairs, computer and printer, gift card system, and related office supplies. The low end of the range assumes that you already own some required equipment; the high end assumes that all new equipment is purchased.

14. The Point of Sale (POS) System typically runs $5,000 per terminal. This price typically includes hardware, software, and training. Additional costs associated with this system would be additional phone lines, Internet service, and dedicated circuits and may include taxes, shipping, training, support and other optional features. You will need to talk with an electrician and your local phone company or Internet provider regarding the cost of these additional items. Standalone electronic registers, though usually inadequate for carryout and delivery services, typically cost approximately $1,500 per unit.

15. The sign package includes all interior and exterior signs.

16. Opening costs include incidentals, uniforms, pre-opening supplies, pre-opening food testing, and miscellaneous pre-opening costs. The cost of these items can vary greatly.

17. Permits, legal, accounting and deposits covers opening costs and expenses such as installation of telephones, deposits for gas, electrical and related items, business licenses, legal and accounting expenses and insurance premiums and deposits. These items vary greatly.

18. Your advertising costs may include such items as promotional materials, social media including electronic media, grand opening campaign, grand opening party, marketing for the first month, and other promotional materials and advertisements used to generate sales. Some of these items may be purchased from us if you choose. The low amount listed does not include a grand opening campaign or expenditures for yellow pages.

19. The additional funds include the cost of a manager for three months, three months of a lease, and the cost of leasing equipment. These figures are estimates, and VOA cannot guarantee that you will not have additional expenses when you start your business. Your costs will depend on how closely you adhere to our methods and procedures, your management skills, experience and business acumen, local economic conditions, the local market for a product, the prevailing wage rate, competition, and sales levels reached.

20. We have relied on our experience in the restaurant business to compile these estimates, but they are only estimates. You should review these figures carefully with a business advisor such as an accountant or a lawyer before making any decision to purchase this franchise.

21. We do not offer any financing directly or indirectly for any part of the initial investment. Your credit worthiness, the collateral you may have and the lending policies of any financial institutions you might consider will affect the availability and terms of financing you might require. The costs of any financing that you might require have not been included in these figures.

22. None of your expenses are likely to be refunded.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Restaurant in strict compliance with the Valentino's System which regulates food preparation, recipes, and ingredient standards as well as the types, models and brands of fixtures, furniture, equipment, signage, materials and supplies to be used in operating the Restaurant. The Valentino's System also designates products and product categories and approved suppliers of these items. Only approved menu items and products from approved vendors are permitted.

Though, currently, we offer limited supplies that are directly purchased from us, we reserve the right to offer additional products at a future time. If we choose to offer additional products, these will be disclosed to you at that time. Although there are no other goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or other items relating to the establishment or operation of the Restaurant that you must purchase or lease from us, you must buy those items which meet our minimum standards and specifications or are from suppliers that we

approve. Our Operations Manual provides the names of approved suppliers and our standards and specifications.

You must obtain our approval of any food, supply, or equipment items that have not been previously approved, provided such items meet our specifications and requirements. You may request approval by letter if you provide a sample of or the specifications for the item you would like us to consider. We may charge a fee for our review based on the scope and nature of our review. Within a reasonable period after the request, we will approve or disapprove the source of the supply based on the supplier's product quality, business reputation and financial capability. As a condition of approval, the supplier must sign an agreement which prohibits it from selling any product that uses our proprietary product mixes to anyone but VOA and its affiliates and franchisees. We may also require you to hold us harmless from any liability related to the actions of the supplier. Nothing obligates us to approve any supplier.

If you lease the real property for the Restaurant, you must obtain our approval before entering into a lease for the premises. We may require that the lease contain certain provisions covering use, trade names and proprietary marks, subleasing, signage, term, default, notices and our rights of entry, lease assumption and to cure defaults. We do not negotiate your lease, attest to the fairness of its terms or find you a location for your Restaurant.

VOA and its affiliates are not the only approved suppliers of any items, other than Valentino's bottled retail sauces. In VOA's most recent fiscal year which ended December 31, 2022, VOA's total revenues were $1,087,257, and VOA's total revenues from required purchases of products and services by franchisees were $12,405. We do not derive revenue from your purchases or leases from other vendors, except that two vendors provide rebates or other payments based upon purchases by the Valentino's system, including locations operated by Val Limited and locations operated by franchisees. The rebates from one vendor were approximately 3.4% of purchases in 2022. We have redistributed these rebates to franchisees based on their case purchases, but in the future we may use these rebates for one of the purposes described below. We have no assurances from the vendor that this rebate will be offered every year. Another vendor provides payments to VOA of approximately 1.4% of purchases by locations operated by Val Limited and by franchisees. These amounts currently are deposited by VOA in the Production and Promotion Fund. If VOA receives any rebates or other payments from these vendors or other vendors, VOA will have the right, in its discretion, to retain these payments for use as determined by VOA, deposit them into the Production and Promotion Fund, pay an allocable portion of the rebate to franchisees based on their purchases of the product for which VOA received the payment, use the payment for a purpose designated by the supplier (such as purchase of menu boards, purchase of specific equipment, or participation at the national convention), or other purposes determined by VOA.

We estimate that the cost of the required equipment and supplies, furnishings, food products, and leased fixtures which you must purchase or lease from us or from suppliers approved by us or under our specifications represent 80% to 90% of your total purchases and leases to establish your Restaurant. These costs represent 75% to 85% of your overall purchases and leases in the ongoing operation of the Restaurant.

We formulate and modify specifications and standards you must comply with by monitoring and evaluating techniques, products, methods, materials and equipment used in the Valentino's System and may change the specifications and standards used in the operation of your Restaurant. Suppliers are evaluated and approved based on their ability to provide goods, services, equipment and/or materials we deem meet the specifications and standards we require.

In addition to the items above, you must obtain and maintain, at your expense, the insurance that we may require. The cost of coverage will depend on the insurance carrier's charges and terms of payment and your history. Insurance may be available from our insurance agent or an agent you select. We have the right to set certain requirements of insurance coverage, including our protection as a named insured.

Currently there is not a purchasing/distribution cooperative. We have typically negotiated purchase arrangements with suppliers for the benefit of our Franchisees and us, although we do not guarantee that we will be able to provide favorable pricing terms in the future. We do not provide any material benefit to you based on your use of a designated or approved supplier. Any purchasing discounts derived from negotiated purchases are reflected in the product price.

You are not allowed to conduct any mail order, catalog or internet sales for sales outside the Exclusive Area of your Franchise Agreement.

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 Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Articles 6A1 and 7A	Item 11
b. Pre-opening purchases/leases	Articles 7A and C	Items 7 and 8
c. Site development and other pre-opening requirements	Articles 7A and C	Items 6,7, and 11
d. Initial and ongoing training	Articles 6A3, 6B, and 7B	Item 11
e. Opening	Article 11B2(n)	Item 11
f. Fees	Articles 3,4,5, and 10	Items 5,6, and 7
g. Compliance with standards and policies/operations manual	Recitals and Articles 1,7,9, and 11	Items 8 and 11
h. Trademarks and proprietary information	Article 8	Items 13 and 14

Obligation	Section in Franchise Agreement	Disclosure Document Item
i. Restrictions on products/services offered	Articles 1,2,7, and 9	Items 8,9,11, and 16
j. Warranty and customer service requirements	Not applicable	Not applicable
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product and service purchases	Article 9	Item 8
m. Maintenance, appearance, and remodeling requirements	Articles 1,7, and 9	Item 11
n. Insurance	Article 7C	Items 6,7, and 8
o. Advertising	Article 5	Items 6,7, and 11
p. Indemnification	Article 17	Item 6
q. Owner's participation/ management/ staffing	Articles 6A3 and 7B	Items 11 and 15
r. Records and reports	Article 10	Item 6
s. Inspections and audits	Article 9G and 10B	Item 6
t. Transfer	Article 12C	Item 17
u. Renewal	Article 2C	Item 17
v. Post-termination obligations	Articles 11D and 11E	Item 17
w. Non-competition covenants	Article 7D	Item 17
x. Dispute resolution	Article 11E	Item 17

ITEM 10. FINANCING

Neither we nor any affiliate currently offer, directly or indirectly, any financing arrangements to you. Neither we nor our affiliates receive any direct or indirect payments or other consideration from any person for the placement of financing with the lender. We are unable to estimate your ability to obtain financing, and we have no agreements or arrangements with any lender to provide financing to you.

ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Assistance:

Except as listed below, VOA is not required to provide you with any assistance.

A. Before you open your business, VOA will:

1. Approve or reject any proposed site for the Restaurant. The selection of a location is discussed below in this Item 11. (See Franchise Agreement Article 6A1);

2. Furnish specifications for a Valentino's Restaurant including suggestions for dimensions, design, image, interior layout, decor, fixtures, equipment, signage, furnishings and color scheme. You must adapt the prototypical plans for your use. You must hire your own architect and develop your own final restaurant layout and design plans. Your final plans must meet all local, state and federal requirements. Modifications will be subject to our approval, and you will not be allowed to open without our approval. (See Franchise Agreement Article 6A2);

3. Loan to you, during the term of the Franchise Agreement, one copy of the Valentino's System Operations Manual (the "Operations Manual") which may consist of one or more volumes and other written materials and other forms of media for operating a Valentino's Restaurant. We have the right to add to and modify the Operations Manual, and you must agree to comply with each new or changed section. The Operations Manual will set forth approved vendors and suppliers. The Operations Manual will remain the sole property of VOA. (See Franchise Agreement Articles 6A4 and 9A);

4. Provide the required initial training for the Managers of the Restaurant. This training is described in detail later in this Item 11. (See Franchise Agreement Article 6A3);

5. Provide general assistance in developing the Restaurant by recommending contractors, architects and others furnishing information to assist you in developing the Restaurant according to our specifications. We will also assist you in implementing the grand opening advertising and promotional program and offer assistance in complying with the standards and specifications of the Valentino's System. We will assist you in contacting suppliers to aid in the Restaurant opening preparations in developing and opening the Restaurant. (See Franchise Agreement Article 6A5);

6. Assist with, at your cost, a grand opening by offering an opening crew (See Franchise Agreement Article 6A6).

B. As you operate the Restaurant we will:

1. Furnish assistance on methods and operating procedures, including advice and guidance on food and beverage products and services authorized for sale and use. (See Franchise Agreement Article 6B1)

2. Furnish assistance and guidance on the selection, purchasing and preparation of food products, beverages, and other approved products, materials and supplies. (See Franchise Agreement Articles 6B2 and 6B3)

3. Furnish assistance and guidance on formulating and implementing advertising and promotional programs. (See Franchise Agreement Article 6B4)

4. Furnish guidance on establishment and operation of administrative, bookkeeping, accounting, inventory control, sales and general operating procedures for the operation of a Valentino's Restaurant. (See Franchise Agreement Article 6B5)

5. Furnish, at your cost, a Restaurant opening crew. (See Franchise Agreement Article 6A6). Additional trainers and/or days may be needed at either party's request.

6. Provide, in our sole discretion, assistance and guidance in connection with the operation of the Restaurant as VOA from time to time deems appropriate. (See Franchise Agreement Article 6B).

7. Provide, in our sole discretion, an Internet website to advertise and promote the Valentino's Restaurants (including your Restaurant), as well as a value card system and online ordering system, together with related instructional materials, supplies and training. Our costs to provide the items described in this paragraph will be paid from the Production and Promotion Fund described below. You may be responsible for costs or fees associated with participation in or access to these programs, as established by VOA or third party vendors.

Advertising:

Advertising for the Restaurant may be disseminated in print, radio, television, Internet, online, electronic, digital or other media. Currently, the coverage of the media is local for each Restaurant and in some cases regional. VOA does not conduct any national advertising at this time.

VOA utilizes an in-house advertising department and occasionally regional advertising agencies. VOA does not have an advertising council composed of franchisees that advises VOA on advertising policies.

You may only use advertising material approved by VOA. You must submit a request for approval in writing along with a copy of the media itself (i.e. a newspaper ad, radio spot, television spot, etc.) to VOA. Any advertising is deemed approved unless disallowed within 5 business days following the submission to VOA.

You must contribute 1% of your gross sales to the Production and Promotion Fund. VOA administers the Production and Promotion Fund, which will be accounted for separately from our

other funds and will not be used to defray any of our general operating expenses of VOA. VOA has the right to use Production and Promotion Fund monies for product and market research, consumer research, and demographic research; franchisee conventions; guest satisfaction programs and services; production development and materials; ad slicks; brochures; production of commercials for radio, television, and other digital and electronic media; services provided by advertising agencies; table tents, in-store advertising and menu boards; signs; public relations; telemarketing; direct mail advertising; promotional programs; advertising market research; graphics and design costs; creation, hosting, software development, upgrades, and maintenance for VOA's website and any additional websites deemed necessary by VOA, including intranet websites; gift card, loyalty card and gift certificate program costs; miscellaneous advertising; real estate research, development of real estate computer models and software; the administration of the Production and Promotion Fund; and other business products and services VOA deems appropriate and in the best interests of all Valentino's Restaurants and the Valentino's System.

The Lincoln and Omaha restaurants are not required to contribute to the Fund on the same basis as franchisees, if at all, but do currently contribute. Other Franchisees may or may not contribute at the same rate, based on the terms of their franchise agreements. The majority of our Franchisees currently make contributions to the Fund. Unaudited financial statements of the Fund will be available for review by you or any other contributor upon written request. Fees not spent in one fiscal year may be used for expenditures in subsequent years.

VOA has sole discretion and control over the use of the Fund. The use of the Fund in the most recently concluded fiscal year was as follows:

1.	Production and promotion	8%
2.	Media placement and miscellaneous advertisement	58%
3.	Administration expenses	28%
4.	Other	6%
	TOTAL	100%

VOA does not guarantee or promise that the expenditures paid with these fees will benefit your Restaurant directly or in proportion to your contribution. VOA is not required to spend any amount on advertising in the area or territory in which you will locate your Restaurant. The Fund is not used to solicit the sale of franchises. You should also refer to Items 6, 8 and 9 of this Disclosure Document.

We presently do not require you to participate in a local, regional or national advertising cooperative, but we may require you to do so in the future. We will decide on the composition of cooperatives based on your proximity to other Restaurants. We may require you to participate in such cooperatives by paying into the cooperative a percentage of your gross sales, not to exceed 1.5%. VOA will be responsible for the administration of any cooperatives. The cooperatives will not always have written documents that govern their operation. VOA will describe your requirement to participate in a cooperative by an amendment to your Franchise Agreement. The cooperatives do not have to prepare annual or periodic financial statements. VOA has the power to decide whether to form, change, dissolve or merge cooperatives. You may obtain an accounting of cooperative advertising expenditures for any advertising cooperative of which you are a member by

submitting a written request to the Controller of VOA at 2601 South 70th Street, Lincoln, Nebraska 68506.

Computer Systems and Point of Sale Systems:

The Operations Manual suggests that you use a computer system in the operation of the Restaurant that integrates order taking, cash register, time clock and payroll and is compatible with the operating system of VOA's computers. You must keep books and business records that allow reporting according to our formats. VOA reserves the right to specify a specific point of sale register system. (See Franchise Agreement Article 7I). VOA does not specify any system at this time. Certain POS systems integrate better with VOA reporting and Franchisees are encouraged to check with VOA before purchasing a system.

The hardware component and software program of many POS systems currently used by Franchisees are normally proprietary property of a third party, and there may be certain contractual obligations for ongoing maintenance, repairs, upgrades or updates which you may incur upon purchasing these items. The current annual cost of any optional or required maintenance and support contracts is between $500 and $3,000 but may vary based on your system configuration. VOA does not provide services to Franchisees related to their respective POS systems.

Gift Card and Loyalty Card System:

The Company uses a gift card and gift certificate system and a loyalty card system that may require the purchase of terminal(s) and a printer. Sometime third party providers of POS systems can integrate into the gift card and loyalty card systems. Purchased terminals and/or printers may be unique to the gift card and loyalty card systems. Gift card and loyalty card systems are operated by an outside vendor. Gift card issuing Franchisees are expected to reimburse redeeming Franchisees for the face value for certificates, gift cards issued, and loyalty points accumulated by the issuing Franchisee but honored by a redeeming Franchisee. Should the redeeming Franchisee redeem a certificate or gift card or loyalty accumulation issued by a franchise no longer in business, VOA may, in its discretion, reimburse the redeeming Franchisee with funds from the Production and Promotion Fund. VOA does not guarantee any outstanding amounts in either gift cards, gift certificates or loyalty points. Although VOA may from time to time assist in accounting for the issuance and/or redemption of gift certificates, gift cards, or loyalty accumulations the overall final responsibility is with the Franchisee.

Opening:

We estimate that there will be an interval of three to nine months between the execution of a To-Go Franchise Agreement, and the opening of your Restaurant (Express Locations may open sooner depending on the situation). The interval may vary because of a number of factors that may be out of the control of VOA. You may not open the Restaurant until we have approved, in writing: (a) that the Restaurant has been developed according to our specifications; (b) that all insurance is in place; (c) the terms of the lease of the Restaurant premises; (d) the menu(s) for the Restaurant; and (e) that all training has been completed.

You must open the Restaurant for business within 12 months after signing the Franchise Agreement. (See Franchise Agreement Article 11B2(n)).

Selecting the Location of the Restaurant:

You will select your own business site. We generally do not participate in site selection but may, if asked, provide input regarding possible sites. After you submit, in writing, a proposed site for the Restaurant we will, within 30 days, approve or reject the proposed site. We will consider any site specific or general, local, demographic or other characteristics or other factors you believe should be considered in selecting a site. (See Franchise Agreement Article 6A1). You must obtain our approval before entering into a lease. We may require that the lease contain certain provisions as to use, our proprietary rights, subleasing, term, default, and our right of entry. Our approval shall not be construed as a guaranty of the success of the location, but rather as confirmation that the location satisfies our criteria for new sites.

Training:

Before you open a Valentino's Restaurant, we will provide initial training for up to two managers for a To-Go location (one manager only for an Express Location). You are required to have individuals who are trained by us. Initial training is provided at no cost. VOA will provide training in addition to the initial training described at an additional charge. If the entire staff of managers does not complete training, we can terminate the Franchise Agreement. You must replace any manager if we determine that he or she is not qualified to serve in this position and cannot meet our training requirements. All General Managers will need to be interviewed by our Director of Training to determine if they meet the qualifications to operate a Valentino's franchised location.

We expect that training will be conducted for you and/or your personnel after the Franchise Agreement has been signed and while the Restaurant is being developed. We are flexible in our training schedule to accommodate our personnel, you and your personnel. VOA will not allow the Restaurant to open if training is not complete to the satisfaction of the Franchisor.

The following describes the estimated training hours and training location for a To-Go operation:

Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
General Manager	8	300	Lincoln, NE or Omaha, NE
Manager	8	250	Lincoln, NE or Omaha, NE
Supervisor	8	250	Lincoln, NE or Omaha, NE

The following describes the estimated training hours and training location for an Express Location:

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Manager	8	250	Lincoln, Nebraska or Omaha, Nebraska
Supervisor	8	200	Lincoln, Nebraska or Omaha, Nebraska

You must pay for travel and living expenses for you and your employees while training. Training sites vary due to availability but training usually is conducted at our training facility in Lincoln, Nebraska or in Omaha, Nebraska. Our Director of Training is Michael Messineo. In addition to his training responsibilities, he currently oversees the operations for the Lincoln market and has done so since March 2006. Mr. Messineo also is the personnel and safety officer for Val Limited along with Director of Purchasing. The above training templates are exactly that, a template. Each trainee will be evaluated every two weeks to determine where they are at, and training may be accelerated or decelerated at the discretion of the Director of Training.

ITEM 12. TERRITORY

We will designate an area within 2.5 miles of the approved site of the franchised restaurant as your exclusive area (the "Exclusive Area"). You will be allowed one Restaurant per Franchise Agreement within this Exclusive Area. We will not, during the term of the Agreement, license any other Franchisee to operate a Valentino's To Go Location or Express Location, or establish any company owned Valentino's To Go Locations or Express Locations within the Exclusive Area. The Exclusive Area shall be defined as the area within a 2.5 mile radius of the Restaurant. If the franchised restaurant closes, then the Exclusive Area shall terminate. If VOA and you agree the franchised restaurant is to be relocated, then this area shall be a 2.5 mile radius measured from the new location and the former area shall no longer be part of the Exclusive Area. We may license others to operate a Valentino's To Go Location or Express Location or operate a company owned To Go Location or Express Location, at any site located outside the Exclusive Area even if that restaurant competes for customers within the Exclusive Area. In addition, we may license or operate other restaurants using trade names other than Valentino's either within or outside the Exclusive Area. We may also sell Valentino's branded products through any other distribution channels such as the internet, mail order, catalog, convenience stores, or grocery stores inside or outside of the Exclusive Area.

ITEM 13. TRADEMARKS

We grant you the right to use certain trademarks, service marks, and other commercial symbols (the "Marks") in connection with the operation of your Restaurant. (See Exhibit 7). The following marks are registered with the United States Patent and Trademark Office (the "PTO").

Mark	**Registration Number**	**Registration Date**
VALENTINO'S® and design for restaurant services	1,210,072	September 21, 1982

Mark	Registration Number	Registration Date
VALENTINO'S® for restaurant services	1,210,075	September 21, 1982
GRAND ITALIAN BUFFET® for restaurant services	2,390,825	October 3, 2000
VALENTINO'S® for sauces and spices	3,252,373	June 12, 2007
ZZAGOS® dough pockets filled with meat, cheese and spices	3,583,927	March 3, 2009
VALENTINO'S® and design for restaurant services	3,991,393	July 12, 2011
VALENTINO'S® for salad dressing	5,128,651	January 24, 2017
SUNNY BOY® for chicken	5,801,620	July 9, 2019
SUNNY BOY® and design for chicken	5,802,305	July 9, 2019
VALENTINO'S® for restaurant services	5,827,520	August 6, 2019
VALENTINO'S OVEN-LOVEN PIZZA® and design for pizza	6,632,607	February 1, 2022
VALENTINO'S® for lasagna; pasta; pizza	6,632,608	February 1, 2022

VOA currently holds U.S. federal service mark registrations for the "Valentino's" mark for restaurant services which give it rights to the mark for the area comprised of the United States, except for the following identified users in specified locations: Valentino's Restaurant, Honolulu, Hawaii; Valentino's Restaurant, New York, New York; Valentino's Restaurant, Cincinnati, Ohio and Valentino's Restaurant, Washington, D.C. These locations are excluded for the reason that in these certain defined market areas there exist or may exist restaurant operations also known as "Valentino's" that possess the limited right to use the mark only in those areas and with those businesses. VOA is also a party to a Settlement Agreement that gave other parties rights to the "Valentino's" mark (or a mark containing "Valentino's") for restaurant services in certain parts of Southern California and Las Vegas. Those parties have closed their restaurants operating under the "Valentino's" mark and presumably are no longer using that mark.

On April 25, 1983, VOA and a corporation entitled Valentino's, Inc., a Texas corporation, entered into an agreement the material terms of which contain an agreement by VOA not to advertise using the Mark "Valentino's" in publications or broadcasts which are published in and/or broadcast from Hays County, Texas. Valentino's, Inc., the Texas corporation, agreed in this

agreement to limit its advertising using the mark "Valentino's" to publications and/or broadcasts which are published in and/or broadcast from Hays County, Texas.

VOA believes that there may be other Valentino's Restaurants operating elsewhere in the United States which may have prior rights in certain defined market areas of which VOA is unaware.

Except as described in this Item 13, there are presently no effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, any state trademark administrator or court, or any pending infringement, opposition or cancellation proceedings or pending material federal or state court litigation that challenge VOA's rights to the Marks. Other than the agreement described above relating to Hays County, Texas and Southern California and Las Vegas, there are no agreements that significantly limit the right of VOA to use the Marks which would be material to you.

www.valentinos.com is the registered domain name of VOA. Any use of the name, domain name, meta-tags or links is exclusively owned by VOA and is included in the Marks of VOA. Any web site that you establish referring to VOA, using VOA's Marks or promoting your Restaurant must be approved by VOA in advance, and you will be limited in how you can use such Marks.

You must follow our rules when you use the Marks. You cannot use the Marks as part of a corporate name or with modifying words, designs or symbols. You may not use the Marks in connection with the sale of any unauthorized products or services or in any manner not specifically authorized in writing by us.

You must notify us immediately of any apparent infringement or challenge to your use of any Marks or of any claim by any person of any rights in any Mark, and you may not communicate with any person other than us, our attorneys, and your attorneys in connection with any of these types of infringement, challenge or claim. We have the sole discretion to take any action as we deem appropriate and the right to control exclusively any litigation, PTO proceeding or any other administrative or other proceeding arising from these types of infringements, challenges or claims. You must sign any instrument or documents required by us that in the opinion of our attorneys might be necessary or advisable to protect or maintain our interests in the Marks. The Franchise Agreement provides that, if a claim, suit or demand for infringement is prosecuted to judgment or settled by us, our liability shall be limited to bearing any money judgment ordered, or settlement costs and providing you with a new Mark, logo or insignia to replace at your cost the Mark you are prohibited from using, if applicable. We have the right, without any other obligation or compensation to you, to require the discontinuance or modification of the use of the Marks or logos and to require the use of replacement marks or logos.

We do not know of any superior prior rights or infringing uses that could materially affect your use of the Marks in the state in which you anticipate doing business except as stated above.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have no patents that are material to the franchise. We claim ownership of the copyright in our Operations Manual and all other related original materials that we develop, whether published in paper and or expressed on magnetic or digital media, such as tapes, CD's, DVDs, or in electronic digital files, although these materials have not been registered with the United States Copyright Office. The Operations Manual and all related materials are considered to be proprietary and confidential and are considered to be trade secrets and our exclusive property. You may use these materials only as provided in the Franchise Agreement. You may not use our confidential and proprietary information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others. We encourage you to require and may require that any Manager or Assistant Manager of the Restaurant sign an agreement in the form provided by, or reviewed by, us in which this person agrees that the information concerning the Valentino's System, including the Operations Manual, is confidential and proprietary to VOA.

There are currently no effective determinations of the United States Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us that could materially affect your use of the materials in any state. We are not required by any agreement to protect or defend our copyrights or the confidential information, although we intend to do so when this action is in the best interests of VOA and our Franchisees.

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

The Franchise Agreement provides that the Restaurant must be directly supervised by one or more of the individuals who execute the Franchise Agreement. The day-to-day operations of the Restaurant must be under the direct, full-time, on-premises supervision of a Manager. The Manager must successfully complete our training program but is not obligated to own an equity interest in the franchise business. The identity of the Manager must be disclosed to us, and we may require you to have the Manager sign an agreement, in a form provided or approved by us, in which the Manager agrees not to divulge any trade secret or confidential or proprietary information, including the contents of the Operations Manual or to engage in or have any interest in a competitive business.

If you are a corporation, partnership or limited liability company, each individual having more than a 10% interest in such entity must personally execute the Franchise Agreement agreeing to be personally bound by and personally liable for the breach of every provision of the Franchise Agreement. Each of these individuals shall sign the Franchise Agreement both individually and on behalf of the entity.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell only those products and services that we have approved in strict compliance with our specifications, recipes and requirements. You may not offer for sale any products or perform any services that we have not specifically approved (See Items 8 and 9). You do not have the right to sell products at wholesale without our express written consent, which we

may withhold in our sole discretion. We have the right to change the types of authorized products and services, and there are no limits upon our right to do so. As a matter of policy, we will not ask you to make an additional capital investment which we do not believe you can reasonably recover, but we do not guarantee any recovery. We place no restrictions on your ability to serve customers provided you do so from your Restaurant, within your trade area and according to the Valentino's System, other than the delivery restrictions described in the following paragraph. You are not allowed to conduct any catalog or internet sales of products offered at your Restaurant or associated with your Restaurant.

You may not, without our written consent, sell, dispense, or provide in any other manner our products bearing our Marks except by retail sales in or delivery from the Restaurant. Express Locations normally are not permitted to deliver products from their location, but VOA will consider approving delivery on a case-by-case basis. Your franchise is for the operation of a retail Restaurant operation for sales to the ultimate consumer. Any wholesale accounts, before being serviced, must be approved by us in writing, and we are not required to grant approval. VOA reserves the right to define the area within which a To-Go Location may deliver, based on considerations related to product quality and the proximity of other Valentino's Locations.

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		**Article in Franchise or Other Agreement**	**Summary**
a.	Length of the franchise term	2B	15 years for To Go Locations; 5 years for Express Locations
b.	Renewal or extension of the term	2C	10 years for To Go Locations; 5 years for Express Locations
c.	Requirements for franchisee to renew or extend	2C	Give notice 6 months before expiration, remodel, pay fee, and have been in substantial compliance with agreement; sign then current form of franchise agreement if we require it.
d.	Termination by franchisee	11A	If we breach agreement and do not cure after notice and opportunity to cure

Provision		Article in Franchise or Other Agreement	Summary
e.	Termination by franchisor without cause	Not applicable	We cannot terminate your franchise without cause.
f.	Termination by franchisor with cause	11B	We can terminate only if you commit any one of the violations described in the Franchise Agreement.
g.	"Cause" defined – curable defaults	11B	You generally have 30 days to cure certain types of defaults described in the Franchise Agreement.
h.	"Cause" defined – non-curable defaults	11B	A number of the defaults cannot be cured by you such as failure to open in timely manner, abandonment, unapproved transfers, bankruptcy, assignment for benefit of creditors, material misrepresentation, conviction of, or plea of no contest to, any offense likely to adversely affect our reputation or good will, repeated violations, public danger, violations of our trade secrets or proprietary rights.
i.	Franchisee's obligations on termination / non-renewal	11D	Cease business, de-identify premises as associated with VOA, pay all outstanding amounts, comply with non-disclosure and non-competition covenants, terminate telephone and other listings, vacate the premises, return all manuals and other VOA materials to us. We have certain options to purchase or assume the lease of your location and some or all of the usable proprietary inventory, equipment, and/or signage at book value.

Provision		**Article in Franchise or Other Agreement**	**Summary**
j.	Assignment of contract by franchisor	12B	No restriction on our right to assign
k.	"Transfer" by franchisee – defined	12C	Includes transfer of contract or assets or any ownership change
l.	Franchisor approval of transfer by franchisee	12C	We have the right to approve all transfers, our consent not to be unreasonably withheld.
m.	Conditions for franchisor's approval of transfer	12C	Transferee qualifies, all amounts due are paid in full, transferee completes training, transfer fee paid, then current Franchise Agreement signed and current franchisee and its owners sign a release.
n.	Franchisor's right of first refusal to acquire franchisee's business	12A	We can match any offer.
o.	Franchisor's option to purchase franchisee's business	11D	We have certain options to purchase or assume the lease of your location and some or all of the usable proprietary inventory, equipment and/or signage at book value.
p.	Death or disability of franchisee	12D	Franchise must be assigned to approved buyer within 12 months.
q.	Non-competition covenants during the term of the franchise	7D	No involvement in competing business anywhere.
r.	Non-competition covenants after the franchise is terminated or expires	7D	No competing business for 18 months within the metropolitan statistical area in which your Restaurant is located.

Provision		Article in Franchise or Other Agreement	Summary
s.	Modification of the agreement	13	The Franchise Agreement may only be modified by a written agreement signed by you and VOA; the Operations Manual is subject to change
t.	Integration/merger clause	19	The Franchise Agreement is the entire agreement between you and us. Other promises are not enforceable.
u.	Dispute resolution by arbitration or mediation	11E	None; Any claim by franchisee arising out of the franchise relationship, the performance or nonperformance of the Franchise Agreement, or the operation of the Restaurant will be pursued on an individual basis only and not as part of any joint, class or consolidated action of any kind.
v.	Choice of forum	20	Litigation in Nebraska (subject to applicable law)
w.	Choice of law	20	Nebraska law applies (subject to applicable law).

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

The Franchise Agreement may contain a number of provisions that could affect your legal rights. VOA recommends that you carefully review all of these provisions, and each of the agreements attached to this Franchise Disclosure Document in their entirety with a lawyer. Applicable state law might require additional disclosures related to the information contained in this Item. These additional disclosures appear in Exhibit 8.

ITEM 18. PUBLIC FIGURES

We do not, at this time, use any public figures to promote our franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a

reasonable basis for the information, and if the information is included in this 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.

VOA does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised Locations. VOA also does not authorize its employees or representatives to make such representations either orally or in writing. If you are purchasing an existing outlet, however, VOA may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to VOA's management by contacting: Anthony O. Messineo, Jr., President, Valentino's of America, Inc., 2601 South 70th Street, Lincoln, Nebraska 68506; telephone (402) 434-9350, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY
FOR FISCAL YEARS 2020/2021/2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	17	16	-1
	2021	16	17	1
	2022	17	17	0
Company-Owned	2020	20	17	-3
	2021	17	16	-1
	2022	16	16	0
Total Outlets	2020	37	33	-4
	2021	33	33	0
	2022	33	33	0

TABLE NO. 2

TRANSERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR OR AN AFFILIATE) FOR FISCAL YEARS 2020/2021/2022

State	Year	Number of Transfers
Nebraska	2020	0
	2021	0
	2022	4
Total	2020	0
	2021	0
	2022	4

TABLE NO. 3

STATUS OF FRANCHISED OUTLETS FOR FISCAL YEARS 2020/2021/2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at the End of the Year
Nebraska	2020	17	0	0	0	0	1	16
	2021	16	2	1	0	0	0	17
	2022	17	0	0	0	0	0	17
Total	2020	17	0	0	0	0	1	16
	2021	16	2	1	0	0	0	17
	2022	17	0	0	0	0	0	17

TABLE NO. 4

STATUS of COMPANY-OWNED OUTLETS
FOR FISCAL YEARS 2020/2021/2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at the End of the Year
Nebraska	2020	19	0	0	2	0	17
	2021	17	0	0	1	0	16
	2022	16	0	0	0	0	16
Minnesota	2020	1	0	0	1	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Total	2020	20	0	0	3	0	17
	2021	17	0	0	1	0	16
	2022	16	0	0	0	0	16

TABLE NO. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2022

State	Franchise Agreements Signed But Not Yet Open as of December 31, 2022	Projected Franchised Restaurant/To-Go/Express Openings in Next Fiscal Year	Projected Company-Owned Restaurant/To-Go/Express Openings in Next Fiscal Year
Nebraska	0	0	0
South Dakota	1	1	0
Total:	1	1	0

A list of all Franchisees and addresses and telephone numbers of their Restaurants is provided in Exhibit 4 to this Disclosure Document. A list of the name and last known home address and telephone number of every Franchisee who has had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during

the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document is attached as Exhibit 5.

During the last three fiscal years, VOA has not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with the franchise system.

There are no trademark-specific franchisee associations either created, sponsored or endorsed by VOA, or independent franchisee associations.

ITEM 21. FINANCIAL STATEMENTS

See Exhibit 6 for the audited financial statements of VOA for fiscal years ending December 31, 2022, 2021 and 2020 (balance sheets for fiscal years ending December 31, 2022 and 2021 only).

ITEM 22. CONTRACTS

The following agreements and exhibits are attached:

Exhibit 1: List of State Agencies and Agents for Service of Process
Exhibit 2: Franchise Agreement
Exhibit 3: Operations Manual - Table of Contents
Exhibit 4: List of Franchisees
Exhibit 5: List of Franchisees Who Have Left the System
Exhibit 6: Financial Statements
Exhibit 7: List of Trademarks
Exhibit 8: State Addendums

ITEM 23. RECEIPT

The last page of this Franchise Disclosure Document is a detachable acknowledgment for receipt of this Franchise Disclosure Document and must be removed, signed, dated and returned to VOA.

EXHIBIT 1

LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

A. List of state agencies.

California Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500 / Toll Free: 1-866-275-2677

Florida Department of Agricultural & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314-6700
(850) 922-2966

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

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

Indiana Securities Division (Administrator)
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Indiana Secretary of State (Agent for Service)
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

Office of Kentucky Attorney General
Consumer Protection Division
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204
(502) 696-5389

Office of Maryland Attorney General (Administrator)
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Maryland Securities Commissioner (Agent for Service)
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan Attorney General's Office
Consumer Protection Division, Franchise Section
P.O. Box 30215
Lansing, Michigan 48909
(517) 373-7117

Minnesota Commerce Department
85 - 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 296-6328

Nebraska Department of Banking and Finance
1526 K Street, Suite 300
P.O. Box 95006
Lincoln, Nebraska 68508
(402) 471-3445

Office of the New York State Attorney General
Investor Protection Bureau
28 Liberty Street
New York, New York 10005
(212) 416-8222

North Dakota Securities Department
600 East Boulevard Avenue
Capitol Building, 5th Floor
Bismarck, North Dakota 58505
(701) 328-2910

Oregon Department of Consumer and Business Services
Division of Finance and Corporate Securities
350 Winter Street NE, Room 410
Salem, Oregon 97301
(503) 378-4387

Rhode Island Department of Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Building 69-1
Cranston, Rhode Island 02920-4407
(401) 462-9527

South Dakota Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, Texas 78711-2877
(512) 463-5705

State of Utah
Division of Consumer Protection
160 East 300 South, SM Box 146704
Salt Lake City, Utah 84144-6704
(801) 530-6601

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

Clerk of State Corporation Commission
(Agent for Service)
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9023

Washington Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

Department of Financial Institutions
150 Israel Rd. SW
Tumwater, WA 98501

Wisconsin Department of Financial Institutions
Division of Securities
4822 Madison Yards Way, North Tower
Madison, WI 53705
(608) 266-8557

B. List of State Agents for service of process.

Minnesota: Minnesota Commissioner of Corporations
380 Jackson Street, Suite 418
St. Paul, Minnesota 55101

Nebraska: Anthony O. Messineo Jr.
2601 South 70th Street
Lincoln, Nebraska 68506

South Dakota: Director of the Division of Insurance
124 South Euclid Street, Suite 104
Pierre, South Dakota 57501

EXHIBIT 2

FRANCHISE AGREEMENT

A copy of the proposed Franchise Agreement follows this page.

VALENTINO'S OF AMERICA, INC.
FRANCHISE AGREEMENT

THIS AGREEMENT made this _____ day of _____, 20__, by and between VALENTINO'S OF AMERICA, INC., a Nebraska corporation, (Franchisor), and _____ (Franchisee).

RECITALS:

A. Franchisor has developed, owns and has adopted for its own use and the use of its Franchisees and Licensees a unique and proprietary restaurant system (the "Valentino's System"). The Valentino's System includes proprietary rights in certain valuable trade names, including Valentino's, trade dress, slogans, logos, package designs, service marks and trademarks (the "Marks"), designs and color schemes for restaurant buildings, signs, equipment, equipment layouts, methods of management and training, formulas and specifications for certain food products and food presentation, and manuals covering business practices and policies.

B. Franchisee desires to acquire the right to adopt and use the Valentino's System in a restaurant at the location specified in this Franchise Agreement (the "Restaurant"). Except as otherwise indicated in this Agreement, the term "Restaurant" will mean: (1) a take-out and delivery location ("To-Go Location"), which in some instances may have limited dine-in seating; and (2) a Valentino's Express location ("Express Unit"), operating from a non-traditional location such as a convenience store, and featuring the sale of Valentino's pizza and related products for take-out, and in some instances limited dine-in seating.

C. Franchisee acknowledges that the franchise license is granted partly in reliance upon the Franchisee's representations concerning its good character and reputation, financial condition and willingness and ability to operate the Restaurant in strict accordance with the Operations Manual and Valentino's System.

D. Franchisee acknowledges that each element of the Valentino's System has a unique and valuable significance, and Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality and service and the necessity of operating the Restaurant in conformity with Franchisor's standards and specifications.

E. Valentino's restaurants enjoy widespread public acceptance due in part to (1) uniform high standards for the preparation and delivery of Valentino's food; (2) generally uniform menu, image, appearance and standards of operation; (3) conformity of use of the distinctive trademarks, trade dress and marks of the Valentino's System; and (4) continued commitments to maintaining the good will and public acceptance of Valentino's products.

THEREFORE, in consideration of the privilege of conducting a restaurant business under this Franchise Agreement, and the mutual obligations contained herein, the parties agree as follows.

ARTICLE 1. INTERPRETATION

The Valentino's System is a comprehensive method of retailing a proprietary menu of uniform high quality food products, emphasizing Italian foods, pizza and prompt, courteous service, in a wholesome atmosphere which is intended to be attractive to children and families. The foundation of the Valentino's System and the essence of this Franchise Agreement is the strict adherence by Franchisee to standards and policies of Franchisor providing for the uniform operation of all Valentino's Restaurants within the Valentino's System including, but not limited to, serving only designated food and beverage products; the use of only prescribed equipment and building layout and designs; strict adherence to designated food and beverage specifications and to Franchisor's prescribed standards of quality, service and cleanliness in Franchisee's Restaurant operation. Compliance by Franchisee with the foregoing standards and policies in conjunction with the Valentino's trademarks and service marks provides the basis for the valuable good will and wide family acceptance of the Valentino's System.

The provisions of this Franchise Agreement shall be interpreted to give effect to the intent of the parties stated in this Article 1 so that the Restaurant shall be operated in conformity to the Valentino's System through strict adherence to the terms and conditions of this Franchise Agreement and the standards of operation as set forth by the Franchisor.

ARTICLE 2. LICENSE GRANT AND TERM

A. License Grant. For the term of this Agreement, Franchisor grants to Franchisee a non-transferable, non-exclusive right, license and privilege, to adopt and use the Valentino's System at a location within the trade area specified below and in Exhibit "A" attached hereto, subject to the conditions and promises of this Agreement (the "Franchise").

B. Term. The initial term of the Franchise shall end fifteen (15) years from the date this Agreement is fully executed for a To-Go Location and five (5) years from the date this Agreement is fully executed for an Express Unit.

C. Option to Renew. Prior to the expiration of such fifteen (15) year term or five (5) year term, Franchisee shall have an option to extend the term of the Franchise for one additional ten (10) year term for a To-Go Location and for two (2) five (5) year renewal terms for an Express Unit. This option may be exercised by Franchisee only by:

1. Giving written notice to the Franchisor six (6) months before the expiration of the original term or the first renewal term of an Express Location.

2. Paying a non-refundable fee of $5,000 ($2,000 with regard to Express Units) to the Franchisor at the time notice is given.

3. Being in full compliance with the Franchise Agreement (including monetary obligations) at the time Franchisee gives notice of renewal and at the commencement of the renewal term.

4. Having modernized the Restaurant within a three (3) year period before exercising the option or, further, entered into a written contract, which has been approved by the

Franchisor, to remodel and modernize the Restaurant at the time the Franchisee gives written notice to the Franchisor. The modernization requirement for a Valentino's Express location shall apply only to the Valentino's Express portion of the premises.

5. Agreeing, in writing, to pay the fees and costs for advertising (as described in Article 5) most recently being required by Franchisor at the time Franchisee gives notice of intent to exercise this option, or if required by Franchisor sign Franchisor's then current form of franchise agreement without payment of an initial fee.

6. Executing a statement of general release, in the form satisfactory to the Franchisor, of any and all claims against the Franchisor, if any, prior to the exercise of the option.

D. Location. The Franchisor hereby designates an area within a radius of two and one-half (2.5) miles of the approved site of the Franchise Restaurant as the Franchisee's exclusive territory (the "Exclusive Area") to locate one Valentino's restaurant. The Franchisor will not, during the term of this Agreement, license any other Franchisee to operate a Valentino's Restaurant, or establish any company owned Valentino's Restaurant, within the Exclusive Area. If the Franchised Restaurant closes then the Exclusive Area shall terminate. If the Franchised Restaurant is relocated, after proper approval by the Franchisor, then the Exclusive Area shall be measured from the new location and the former area shall no longer be a part of the Exclusive Area. The Franchisor may license others to operate a Valentino's Restaurant, or operate a company owned restaurant, at any site located outside the Exclusive Area, even if that restaurant competes for customers within the Exclusive Area. In addition, the Franchisor or its affiliates may license or operate other restaurants using trade names other than Valentino's within the Exclusive Area or outside the Exclusive Area.

The Franchisor may also sell Valentino's branded products at other establishments through other channels of distribution, including, but not limited to catalog and Internet sales and in convenience stores, grocery stores, snack bars, malls or businesses within the Exclusive Area so long as such establishments do not identify themselves as Valentino's Restaurants.

The Franchisee will not use, establish or maintain a website or home page or any other presence on the Internet using any of the Marks or advertising the Franchisee's Restaurant without the Franchisor's prior written consent, which may be withheld or granted at the Franchisor's sole discretion. The Franchisee will not conduct any Internet, mobile app, or catalog advertising or sales for delivery of products or services without the Franchisor's prior written consent, which may be withheld or granted at the Franchisor's sole discretion, and the Franchisee will not under any circumstances have the right to offer products or services outside the Exclusive Area via the Internet, mail order, mobile app, mobile kitchen or any other means of delivery or distribution, including third party delivery services. Franchisor is the owner of the www.valentinos.com domain name and any use of such name, meta-tags, or links to an Internet site owned by the Franchisee must be approved in writing. The Franchisee will not use or display any copyrighted or other proprietary material of the Franchisor in any way without the Franchisor's prior written consent, which may be withheld or granted at the sole discretion of Franchisor.

E. Relocation of Restaurant. Subject to the Franchisor's prior written approval and the following terms and conditions, Franchisee shall have the right to relocate the Restaurant from the site of the original Restaurant location to another specific location provided that:

1. Franchisee is in full compliance with the Franchise Agreement.

2. Franchisee has submitted a written request to relocate specifying the relocation site and any other information requested by Franchisor regarding such relocation.

3. Franchisor determines that such relocation would in the sole opinion of Franchisor, be in the best interest of the Franchisee, other Franchisees and the Franchisor.

4. The relocation is completed within six (6) months following written approval of the relocation by Franchisor and, if not, such approval shall be void.

5. That Franchisee agrees to pay Franchisor for costs or expenses incurred as a result of the consideration and approval of such relocation.

ARTICLE 3. FRANCHISEE'S INITIAL FRANCHISE FEE

The Franchisee shall pay a non-recurring and non-refundable initial franchise fee of $12,500 for a To-Go Location and $4,000 for an Express Unit, as shown on Exhibit "A" attached hereto. The initial fee is payable in a lump sum upon execution of this Agreement. The initial franchise fee shall be deemed fully earned by Franchisor upon execution of this Franchise Agreement and shall not be refunded under any circumstances.

ARTICLE 4. ROYALTY AND SERVICE FEE

The Franchisee shall pay to the Franchisor throughout the term of this Franchise Agreement a non-refundable royalty and service fee of five percent (5%) of the Gross Sales (as defined below) of the Restaurant for a To-Go Location; or the greater of five percent (5%) of the Gross Sales or $1,000 per month for an Express Unit; payable as provided in Article 10.

As used in this Franchise Agreement, the term "Gross Sales" in a "To-Go" Location means the aggregate amount of all sales of food and beverages, goods, articles and any other merchandise and the aggregate of all charges for services performed (including service charges in lieu of gratuities), whether for cash, on credit or otherwise, made and rendered in, about or in connection with the Restaurant operation and including off-premises sales and monies derived at or away from the Restaurant, provided they are in connection with the Restaurant operation conducted at the Restaurant, plus (except at Valentino's Express locations) the aggregate amount of all receipts with respect to all sales made from mechanical and other vending devices, but shall not include any Federal, State or Municipal taxes or value added or retailer's excise taxes paid or accrued by the Franchisee if such taxes are collected from customers, proceeds of insurance policies received by the Franchisee, or proceeds from the sale of used restaurant equipment.

The term "Gross Sales" for purposes of an "Express Unit" is the aggregate amount of all food sales generated from a menu with the designation "Valentino's". In cases where only

Valentino's products are produced in the kitchen then any and all prepared items are included in the definition of Gross Sales. Specifically not included are prepackaged brands easily identified as not a Valentino's product by the customer. In cases, however, where there are other non-traditional items on the menu, e.g. "hamburgers" or "chicken" or other food products prepared in the Restaurant, those sales are included in the aggregate of all food sales.

ARTICLE 5. ADVERTISING

A. Local Advertising. Franchisee shall use only advertising and promotional materials and programs provided by Franchisor or approved by Franchisor in writing prior to use. Other advertising material shall be submitted in writing by the Franchisee for approval by the Franchisor and shall be deemed approved, unless disapproved within five (5) business days after receipt by the Franchisor. No coupons may be issued or published by any means without written approval by the Franchisor.

Franchisee shall spend a minimum of two percent (2%) of Franchisee's monthly Gross Sales on local advertising each month on a To-Go Location or Express Unit.

Any Internet site, social media site, or website owned, maintained, used or operated by Franchisee with the Franchisor's prior written consent will be considered local advertising and all content will be subject to the Franchisor's prior written approval. Franchisee will use only approved logos and any offer to consumers must clearly state that the offer is valid only for or at the Franchisee's Restaurant. The Franchisee's website must clearly identify that the Restaurant is an independently owned and operated Franchisee of Valentino's of America, Inc., and will only link to the official Valentino's of America, Inc., web site (www.valentinos.com) with the Franchisor's written approval. Franchisee agrees that any coupon or similar item providing a discount from normal menu prices must clearly identify the locations at which the Franchisee will redeem such coupon or similar item and provide for an expiration date.

B. Advertising Fee. In addition to the minimum monthly advertising expenditure described above, the Franchisee shall pay to the Franchisor's "Production and Promotion Fund" a fee of one percent (1%) of Franchisee's Gross Sales, payable in the manner provided in Article 10.

The Franchisor will have the absolute and unilateral right to determine when, how and where the Production and Promotion Fund fees paid by the Franchisee and any other monies deposited into the Fund will be spent. This includes, without limitation, the right of the Franchisor to purchase and pay for product and market research, consumer research, and demographic research; franchisee conventions; guest satisfaction programs and services; production development and materials; ad slicks; brochures; production of commercials for radio, television, and other digital and electronic media; services provided by advertising agencies; table tents, in-store advertising and menu boards; signs; public relations; telemarketing; direct mail advertising; promotional programs; advertising market research; graphics and design costs; creation, hosting, software development, upgrades, and maintenance for the Franchisor's website and any additional websites deemed necessary by the Franchisor, including intranet websites; gift card and gift certificate program costs (including the cost to redeem gift cards or gift certificates issued by franchisees who no longer operate Restaurants); miscellaneous

advertising; real estate research, development of real estate computer models and software; the administration of the Production and Promotion Fund; and other business products and services the Franchisor deems appropriate and in the best interests of all Restaurants and the Valentino's System. All reasonable administrative and other costs associated with or incurred in the administration of the Production and Promotion Fund will be paid from the Production and Promotion Fund. The Franchisor will not be required to spend the Production and Promotion Fund fees in: (a) any particular geographic or market area, (b) the Franchisee's market area in proportion to the advertising fees paid by the Franchisee, or (c) the year in which the payments were made. All interest accrued will be the property of the Production and Promotion Fund. An unaudited summary showing the income and expenditures of the Production and Promotion Fund during each year will be prepared by the Franchisor and provided to the Franchisee upon request.

C. National and Cooperative Advertising. Franchisee shall, where called upon by Franchisor, participate in regional, national and/or cooperative advertising designated, approved or established exclusively by Franchisor for the purpose of effectively advertising in certain market areas. Franchisor shall decide or approve the composition of these cooperatives based upon the trade and marketing proximity. Franchisee shall be required to participate by paying a percentage of Franchisee's Gross Sales into a regional or national cooperative or other advertising fund, as required by Franchisor not to exceed one and one-half (1.5%) of Franchisee's Gross Sales. Any amounts expended by Franchisee for the cooperatives described in this paragraph shall be in addition to the amounts the Franchisee is required to spend for local advertising in Article 5 A. or to pay the Production and Promotion Fund fee described in Article 5 B.

ARTICLE 6. OBLIGATIONS OF THE FRANCHISOR

A. Obligations Prior to the Opening of the Restaurant:

1. Location of Restaurant. Franchisor shall approve or reject in writing within thirty (30) days after submission in writing, any proposed site after considering such factors as general location and neighborhood, traffic patterns, size, layout and other physical and demographic characteristics, all as provided by Franchisee.

2. Restaurant Construction and Equipment. The Franchisor shall furnish the Franchisee with specifications for a Valentino's Restaurant including suggested dimensions, design, image, interior layout, building materials, fixtures, equipment, furniture, signs and decor. Such plans and specifications are confidential in nature and shall be returned to Franchisor after construction is completed. Franchisor shall have no obligation to conform or adapt the prototype plans to a specific location. Franchisee shall conform and adapt such specifications to the specific location at Franchisee's cost. Franchisor shall approve or reject, in writing, Franchisee's final plans. Franchisor shall provide Franchisee the name of at least one approved supplier of required equipment.

3. Training. Prior to the opening of the Restaurant, the Franchisee must provide candidates to the Franchisor for training. The Franchisor will provide training for certain management positions of up to the following number of hours:

The following describes the estimated training hours and training location for a To-Go Location:

Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
General Manager	8	300	Lincoln, NE or Omaha, NE
Manager	8	250	Lincoln, NE or Omaha, NE
Supervisor	8	250	Lincoln, NE or Omaha, NE

The following describes the estimated training hours and training location for an Express Location:

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Manager	8	250	Lincoln, Nebraska or Omaha, Nebraska and franchised location
Supervisor	8	200	Lincoln, Nebraska or Omaha, Nebraska and franchised location

The period of training shall not exceed the periods set forth above provided the candidates meet the proficiency requirements and training standards established by the Franchisor. The duration of training may be reduced at the discretion of the Franchisor. No fee will be charged by Franchisor for such training program; however, the Franchisee will be responsible for the compensation of all trainees in addition to their travel, lodging, living and all other expenses incurred in connection with the attendance at such programs. All persons attending Franchisor's training programs shall be employees of Franchisee, and not of Franchisor, at all times during such training programs.

If, by virtue of pre-training evaluation, or during the training program, the Franchisor determines that any candidate in training is not qualified to hold that position or cannot successfully complete training, the Franchisor will notify the Franchisee in writing. The Franchisee may then select and enroll in the training program a substitute individual. The Franchisee shall not open the Restaurant until all training has been completed to the satisfaction of Franchisor.

4. Operations Manual. Prior to the opening of the Restaurant, the Franchisor

will loan to Franchisee an Operations Manual pursuant to Article 9.A. below.

5. General Assistance. Franchisor will furnish to Franchisee such general assistance as may be reasonably requested by the Franchisee in connection with the initiation and development of the Restaurant prior to opening. Such guidance may be furnished in a variety of forms including conferences, telephonic consultations, Franchisor's Operations Manual and other types of communication.

6. Grand Opening Crew. Franchisor will, at Franchisee's cost, send an opening crew at the time the Restaurant is opened for service to the public. Franchisor suggests 4 trainers for 9 days and 1 trainer for 16 days for the opening of a To-Go Location. Additional trainers and/or days may be needed at either party's request. The costs and expenses of the training crew will be paid by Franchisee at Franchisor's standard rates. Express Units are required to have one corporate training manager at the store for (7) seven days upon opening.

B. Post-Opening Obligations of Franchisor. Franchisor will furnish to the Franchisee such assistance in connection with the operation of the Restaurant as is from time to time deemed appropriate by the Franchisor which assistance may consist of advice and guidance with respect to:

1. Methods and operating procedures.

2. Additional food and beverage products and services authorized for sale or use.

3. Selection, purchasing and preparation of food products, beverages and other approved products, materials and supplies.

4. Formulating and implementing advertising and promotional programs.

5. The establishment and operation of administrative, bookkeeping, accounting, inventory control, sales and general operating procedures for the operation of a Valentino's Restaurant.

ARTICLE 7. OBLIGATIONS OF THE FRANCHISEE

A. Restaurant Site and Facility Requirements. Promptly after executing the Franchise Agreement, the Franchisee shall locate a site for the Restaurant which is acceptable to the Franchisor. After receiving written approval from the Franchisor for the Restaurant site, the Franchisee shall conform and adapt the Franchisor's prototype to the specific location, and, prior to construction or remodeling, the Franchisee shall provide the Franchisor with a copy of the final construction plans and drawing and the Franchisor shall have fifteen (15) business days to approve or disapprove of these plans and drawings. This approval or disapproval shall be in writing and in the case of disapproval, such writing shall specifically identify the items or item unacceptable to Franchisor. Franchisee shall make the changes specified and resubmit such plans for approval. Franchisee shall not commence construction without written approval from Franchisor. Franchisor's approval shall not be construed as a guaranty of the success of the location, but rather as confirmation that the location satisfies Franchisor's criteria for new sites.

The Franchisee must use in the construction and continued operation of the Restaurant only those brands or types of construction and decorating materials, fixtures, equipment, furniture, and signs that the Franchisor has approved for Valentino's Restaurants as meeting its specifications and standards for appearance, function and performance. The Franchisee may purchase approved brands and types of construction and decorating materials, fixtures, equipment, furniture and signs from any approved or designated supplier.

If the Franchisee proposes to purchase any brand or type of construction or decorating material, fixture, equipment, or furniture not then approved by the Franchisor, and/or any such items from any supplier which is not then approved by the Franchisor, the Franchisee must first notify the Franchisor in writing and submit to the Franchisor sufficient specifications, photographs, drawings and/or other information or samples for determination by the Franchisor of whether such item(s) is within Franchisor's approved criteria, which determination will be made and communicated in writing to the Franchisee within a reasonable time. Franchisor may charge a reasonable fee to Franchisee for such a review.

Prior to opening any Restaurant to the public or upon any structural component change of more than $1,000.00, Franchisee shall provide Franchisor with a written statement from a registered architect that the Franchisee's restaurant is in compliance with the Americans With Disabilities Act (ADA).

Franchisee shall provide Franchisor with a copy of its Lease, if applicable. Unless expressly waived in writing by the Franchisor, the Franchisee's Lease of the premises shall contain the following provisions:

1. That Franchisor shall have the right to enter the premises to make any modifications Franchisor deems reasonably necessary to protect the Marks.

2. That the Lessor shall mail to the Franchisor a copy of any notices of default by the Franchisee under the Lease at the same time the notice is given to the Franchisee.

3. That the Franchisor shall have the right, but not the obligation, to take possession and assume the Lease upon the termination or expiration of the Franchise Agreement or termination or threatened termination of the Lease. This assumption shall be without liability for Franchisee's monetary default, if applicable.

4. That such Lease allow the Franchisor or its successors or assigns the right to be the assignee or transferee of such Lease under the same terms, conditions, and covenants set forth in the original Lease between Lessor and Franchisee.

B. Restaurant Management. The Restaurant shall at all times be directly supervised by one (or more) of the individuals executing this Agreement as a Franchisee. The day to day operations of the Restaurant shall be conducted by a General Manager or Manager who has completed the appropriate training to the satisfaction of Franchisor. No employee shall be put in charge of the Restaurant without having successfully completed the Valentino's training. The Franchisor may require each General Manager or Manager to enter into a Confidentiality and Non-Disclosure Agreement.

C. Insurance Requirements. The Franchisee shall procure, before the commencement of business, and maintain in full force and effect during the entire term of this Agreement, at Franchisee's sole expense, an insurance policy or policies protecting the Franchisee and the Franchisor and their officers and employees against any loss, liability or expense whatsoever arising or occurring by reason of Franchisee's operation of the Restaurant. Franchisor shall be an additional named insured on each policy of insurance. All insurance shall be written by an insurance company satisfactory to the Franchisor, and the amounts and specifications of such insurance may be set forth in the Operations Manual or otherwise as specified by the Franchisor and, at a minimum, shall include the following:

1. Commercial general liability insurance, including automobile liability coverage for any hired and non-owned vehicle, with a minimum coverage of $3,000,000.00 each occurrence; and cyber insurance that includes both liability and data privacy coverage in amounts and with such requirements as the Franchisor specifies from time to time during the term of the Franchise Agreement.

2. Workers' compensation and employer's liability insurance as well as any other insurance as may be required by federal, state or local law or rule in which the Restaurant is located.

3. Franchisee shall promptly submit evidence of satisfactory insurance, including a certificate of insurance and proof of payment to the Franchisor and, upon request by the Franchisor, a copy of any policy or policy amendments. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be cancelled or materially altered without at least thirty (30) days prior written notice to the Franchisor.

4. Franchisor shall have the right and authority (but not any obligation) to immediately procure any insurance not maintained by the Franchisee and to charge the Franchisee the cost of insurance together with a reasonable fee for expenses incurred by the Franchisor in connection with obtaining the insurance. Such charges shall be immediately payable by the Franchisee upon notice.

D. In-Term and Post-Term Covenants:

1. In-Term Covenant. Franchisee represents and warrants that neither Franchisee nor any of its owners is now engaged nor financially interested or consulting with any business, located anywhere, which is competitive to the Valentino's System herein granted. Neither the Franchisee nor any of its owners may during the term of the Franchise Agreement have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any other restaurant or food service business featuring pizza and Italian food products or the delivery or catering of those products.

2. Post-Term Covenant. Upon expiration or termination of the Franchise Agreement, neither the Franchisee nor any of its owners having an ownership interest of more than ten percent (10%) will, for a period of eighteen (18) months commencing on the later of the effective date of termination or expiration or the date on which the Franchisee ceases to conduct the business conducted pursuant to the Franchise Agreement, have any interest as an owner,

investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any restaurant located within the metropolitan statistical area wherein the Restaurant is located serving pizza and Italian food products or the delivery or catering of those products. In the case of Express Units neither the Franchisee nor any of its owners having an ownership interest of more than ten percent (10%) will, for a period of 18 months commencing on the later of the effective date of termination or expiration or the date on which the Franchisee ceases to conduct the business conducted pursuant to the Franchise Agreement, serve fresh baked products with similarities of those on the Valentino's menu used during operations while a franchisee. For purposes of determining whether a person owns a ten percent (10%) interest in Franchisee, any sale or transfer of an ownership within six months before the date Franchisor determines a violation of the non-competition covenant occurred will be disregarded.

3. Applicability. The foregoing restrictive covenants of the Franchisee shall be deemed separable, and the invalidity of any other covenant shall not affect the validity and enforcement of these covenants. If any period of time or limitation of geographical area stated herein is longer or greater than the maximum period or geographical area permitted by law, then the period of time or geographical area stated herein shall be deemed to be such maximum permissible period of time or geographical area, as the case may be.

E. Continuing Education and Training. The owner(s), General Manager, and other employees shall complete those supplemental and refresher training programs as may be required from time to time by the Franchisor. The Franchisee agrees to have properly trained management at the restaurant at all times and agrees to supply additional personnel for training should the Franchisor so request. Training following the initial opening may or may not, at Franchisor's election, be tuition free, but in any event all costs and expenses for travel, meals, lodging, wages or other expenses of attendance shall be the Franchisee's responsibility. Franchisee or its employees as necessary shall attend all training which may be required by Franchisor.

F. Display of Notice of Franchise Relationship. Franchisee shall at all times display in a location readily accessible and in open view of the general public, a statement that the Restaurant is operated as a Franchise by the Franchisee as may be required by the Franchisor.

G. Confidential Information. Franchisee acknowledges that Franchisee's entire knowledge relating to the Valentino's System will be derived from information disclosed to the Franchisee by the Franchisor pursuant to the Franchise Agreement. All such information (including, without limitation, the contents of the Operations Manual) and the unique restaurant concept of a Valentino's Restaurant contain and/or constitute proprietary and confidential information of the Franchisor, are trade secrets of the Franchisor, and will remain the property of the Franchisor. The Franchisee and all of Franchisee's employees must maintain absolute confidentiality of all such proprietary and confidential information during and after the term of the Franchise Agreement. The Franchisee and Franchisee's employees may not use any such information in any way or for any purpose not specifically authorized by this Franchise Agreement. At Franchisor's request all owners and employees of Franchisee will sign a non-disclosure agreement, in a form approved or required by Franchisor, covering this confidential information.

H. Restaurant Refurbishing. Franchisee shall make necessary capital expenditures to remodel, modernize, and redecorate the Restaurant and replace and modernize the furniture, fixtures, signs, supplies and equipment used in the Restaurant so that the store will reflect the then current physical appearance of a Valentino's Restaurant. All such remodeling, modernization or redecoration shall be done in accordance with Franchisor's standards and specifications in effect at the time and only with the prior written approval of Franchisor. Franchisee shall commence remodeling activities within ninety (90) days after written notice from the Franchisor although Franchisee will not be required to so remodel, modernize or redecorate more than once every five (5) years during the term of the Agreement. New menu items and services may require different storage, preparation, cooking or service facilities. The Franchisee may be required to modify aspects of the Restaurant or add new fixtures or equipment to accommodate new menu items or services which shall be done solely at Franchisee's expense.

I. Computer and Point of Sale System. The Franchisor shall have the right to specify the computer and/or Point of Sale System for use in the Restaurant. Franchisee will use the specified system selected or approved by the Franchisor for the Restaurant, including all future updates, supplements and modifications. The computer hardware used by Franchisee must conform with specifications prescribed by the Franchisor from time to time and shall be configured as designated by the Franchisor.

Franchisor reserves the right to implement a proprietary or third party system-wide network or worldwide web based mail, communications, data, document transfer, or information system. Franchisor reserves the right to modify any such system and implement or change the fees for the use of such system as technology changes, and Franchisor believes it will benefit the Valentino's System. Franchisee will comply with Franchisor's instructions and requirements in this regard and pay any fees that may be incident to the use of this system, if or when completed.

J. Gift Card Terminal. The Franchisor shall have the right to specify a gift card or gift certificate system which may include a proprietary or third party system for tracking and accounting for gift card sales and redemptions. Franchisee will be required to redeem gift cards or gift certificates presented by a customer to Franchisee's Restaurant. Only the Restaurant issuing gift cards or gift certificates shall be responsible to reimburse a redeeming Restaurant. Upon termination or expiration of the Franchise Agreement, the Franchisee must agree to satisfy in a manner approved by the Company the liability of Franchisee related to the then current amount of unredeemed gift cards the Franchisee has sold from its Restaurant.

K. Public Relations. In order to maintain the high reputation of the Valentino's System for the benefit of all Franchisees and the Franchisor, the Franchisee shall immediately report by telephone or email to the Franchisor the occurrence of any incident at or concerning the Valentino's Restaurant or business conducted therein which is or is likely to become the subject of publicity through the news media or otherwise, including through social media sites. The Franchisee hereby acknowledges that the Franchisor alone is authorized to speak or make statements, public or private, on behalf of the Valentino's Restaurant or the Valentino's System. The Franchisee shall, in every instance, consult and coordinate with Franchisor in advance of communicating with any media or before creating publicity for the Valentino's System outside the normal course of business, including posts on social media sites related to such occurrences or incidents.

ARTICLE 8. PROPRIETARY MARKS

A. This Franchise Agreement allows the non-exclusive use of Franchisor's Marks only for the operation of the licensed Restaurant, and Franchisee agrees to operate and advertise the Restaurant only under the Marks designated by the Franchisor in writing for that purpose.

B. Franchisee acknowledges that Franchisor is the owner of the Marks, and Franchisee's rights to use the Marks, in whatever form or media, including print, advertising, radio, television, the Internet or otherwise, is derived solely from the Franchise Agreement and the rights to all such Marks, materials, domain names, meta-tags, and all other incidents thereto are solely the property of the Franchisor. The use of the Marks and any goodwill established thereby inures to the exclusive benefit of the Franchisor.

C. Franchisee acknowledges that any use of the Marks except under authority of this Franchise Agreement is a breach of this Franchise Agreement and an infringement of Franchisor's exclusive rights in and to the Marks. Franchisee shall take no action outside the scope of this Agreement regarding these Marks or in degradation thereof.

D. Franchisee shall immediately notify the Franchisor of any apparent infringement of or challenge to the use of any Marks by the Franchisee or any claim of rights to any Marks. Franchisee shall not communicate with any other person other than the Franchisor and its legal counsel in connection with such infringement, challenge or claim. Franchisor has the sole discretion to take any action it deems appropriate and the right to exclusively control any litigation, proceeding or action arising out of the infringement, challenge or claim relating to any Marks. The Franchisee shall execute any and all instruments and documents and do such acts and things as may, in the opinion of Franchisor's legal counsel, be necessary or advisable to protect or maintain the interests of the Franchisor. Franchisor may, in its sole discretion, take any action as it deems appropriate or no action. Franchisor is not required to defend or prosecute any legal action on behalf of the Franchisee with respect to any infringement, unfair competition or other claim, and in the event Franchisor, in its sole discretion, undertakes any defense, Franchisee agrees to execute and convey to Franchisor any and all documents and to render any assistance as may be reasonable to carry out such defense or prosecution. Franchisor makes no warranty, express or implied, as to the use, validity or enforceability of the Marks.

E. Franchisee shall not use any Marks as part of any corporate name or trade name or with any prefix, suffix or other modifying words, terms, designations or symbols or in any modified form, nor may Franchisee use any Marks in connection with the sale of any product or service in any manner not explicitly authorized. All bank accounts, licenses, permits or other similar documents shall contain the actual name of the person or entity owning the Franchise and may contain "d/b/a Valentino's" provided such documents clearly identify the Franchise as a Franchisee of the Franchisor.

F. In the event a claim, suit or demand for trademark, trade name or service mark infringement is prosecuted to judgment, or settled by the Franchisor, the liability of the Franchisor to the Franchisee shall be the following:

1. Franchisor shall hold harmless and indemnify the Franchisee from any and

all claims or causes or action arising out of the Franchisee's defined use of the marks in the manner permitted by this Agreement.

2. Franchisor shall, as soon as reasonably possible, provide Franchisee with a new mark, logo or insignia to replace at Franchisee's sole cost, any Mark which thereafter shall be prohibited, if applicable.

G. Franchisor may from time to time, in its sole discretion, revise, amend, add or delete the use of any of the Franchisor's Marks to reflect changes in the Operations Manual or in advertising, promotion, marketing or merchandising, of the Franchisor or for any reason or purpose. These revisions, amendments, additions and deletions shall be incorporated by reference into this Agreement when made. Nothing shall be deemed to require the Franchisor to offer new or revised marks. If Franchisor decides in its sole discretion that Franchisor and/or Franchisee should modify or discontinue use of any Mark, and/or use one or more additional or substitute trade or service marks, Franchisee agrees to comply, at Franchisee's sole cost, with Franchisor's directions to modify or otherwise discontinue the use of such Mark within a reasonable time after notice by Franchisor.

ARTICLE 9. RESTAURANT STANDARDS OF OPERATION

A. Operations Manual. The Franchisor will loan to the Franchisee during the term of the Franchise Agreement one or more copies of the manuals describing the Valentino's System (the "Operations Manual"), which may consist of one or more volumes, other written materials and other forms of media for Valentino's Restaurants. The Franchisor has the right to add to, and otherwise modify, the Operations Manual from time to time to reflect changes in authorized products and services, standards of product quality and services or the operation of a Valentino's Restaurant. Without limiting the Franchisor's rights under the previous sentence, from time to time the Franchisor may develop new products or services it desires to have on the menu for Valentino's locations, and may permit or require the Franchisee to implement the sale of such new products or services within the time frames specified by the Franchisor. Franchisee will operate the Restaurant in strict compliance with the mandatory specifications, standards and operating procedure and practice set forth in the Operation Manual. The Operations Manual contains proprietary information of the Franchisor, and the Franchisee must keep the Operations Manual confidential at all times during and after the term of the Franchise Agreement. Franchisee agrees to keep the copy of the Operations Manual up to date and in the event of dispute as to the contents of the Operations Manual, the terms of the Franchisor's master copy shall be presumed to be controlling. Franchisee acknowledges that the Operations Manual is and shall remain the sole and exclusive property of the Franchisor and upon termination or expiration, Franchisee shall immediately return the manual to the Franchisor.

The Operations Manual shall include any newsletters, videotapes, CDs, audiotapes, intranet materials, or other printed, recorded, electronic or digital media containing information proprietary to the Franchisor that is provided to the Franchisee. Franchisor may charge Franchisee the reasonable cost of producing such materials notwithstanding the fact that such materials are loaned to Franchisee as part of the Operations Manual.

B. Store Menu Products and Sources. The Franchisee must offer all food, beverages

and other products and services at the Restaurant as the Franchisor, in its sole discretion, requires or authorizes. The Franchisee may not offer any food, beverage or other product or service not specifically authorized in writing by the Franchisor and shall not modify those items as approved by Franchisor. The Franchisee will only use approved menu items and only products (including food stuffs, menu item ingredients, packaging and paper items, supplies, equipment, appliances, signs, furniture, small wares and other items) used or consumed in the unit of good quality obtained from reputable and reliable sources according to the specifications and approval of the Franchisor. Franchisor may require products of certain grades, qualities and specifications bearing certain brands or manufactured, grown or produced by certain persons or entities and, further, may forbid the use of goods of any grade, quality, specification, brand, trademark or source.

These provisions may have an effect of prohibiting the Franchisee from using, providing, serving and selling certain products. The intent is to enable the Franchisor to apply its discretion and the benefit of its facilities for testing and quality assurance and its experience and knowledge to see that all procurement by Valentino's Restaurants conform to standards of quality, uniformity and consistency which the Franchisee and the Franchisor are agreeing to maintain with respect to the Valentino's Restaurant.

C. Quality Control. Franchisee may only use in the preparation and sale of food, beverages or other products such materials, ingredients and supplies which conform to the Franchisor's specifications and quality standards. Such items may be purchased only from suppliers designated or approved by the Franchisor. The Franchisee must comply with all specifications, standards and operating procedures relating to quality, taste, portion control and uniformity, weight and dimensions and manner of preparation and presentation and sale of all food and beverage products sold by the Restaurant and all food and other products used in the preparation, packaging and sale thereof.

D. Compliance with Entire System. Franchisee acknowledges that every component of the Valentino's System is important to the Franchisor and other Franchisees and to the operation of the Restaurant as a Valentino's Restaurant, including a designated menu of food and beverage products, uniformity of food specifications, preparation methods, presentation, quality and appearance, and uniformity of facilities and service. Toward that end, the Franchisor and Franchisee are making this Agreement very specific with regard to the Franchisor's control over the menu and services offered, the image, the appearance and the methods of operation for the Restaurant and the parties intend to have those provisions and the Valentino's System observed and enforced with precision.

Franchisor shall have the right to inspect the Restaurant at all reasonable times to ensure that Franchisee's operation thereof is in compliance with the standards and policies of the Valentino's System.

Franchisee shall also be required to:

1. Operate the Restaurant in a clean, wholesome manner in compliance with prescribed standards of quality, service, and cleanliness, comply with all business policies, practices and procedures imposed by Franchisor, maintain the premises, equipment, and parking

area, in a good, clean, wholesome condition and repair, and comply with all federal, state and local codes.

2. Make repairs or replacements required because of damage, wear and tear, or in order to maintain the Restaurant interior, building and parking area in good condition.

3. Where parking is provided, maintain the parking area for the use of Restaurant customers and employees.

4. Operate the Restaurant seven (7) days per week, a minimum of sixty (60) hours (except when the Restaurant is untenantable as a result of fire or other casualty), maintain sufficient supplies of food and paper supplies, and employ adequate personnel so as to operate the Restaurant at its maximum capacity and efficiency.

5. Cause all employees of Franchisee to wear approved uniforms and meet appearance and service standards of the Valentino's System.

6. Dispense and sell all food products:

(a) Using only containers, cartons, bags, napkins and other paper goods and packaging bearing the approved trademarks and which meet the Valentino's System specifications and quality standards.

(b) Using only those flavorings, garnishments and food and beverage ingredients which meet the Valentino's System specifications and quality standards, which Franchisor may designate from time to time.

(c) Employing only those methods of food handling and preparation which Franchisor may designate from time to time.

(d) Selling only to the ultimate retail customer thereof and not for resale, unless Franchisee has received advanced authorization in writing from Franchisor. Franchisee shall not conduct any direct mail, catalog or Internet or wholesale sales of any kind, but may accept orders through such on-line ordering systems and procedures as are specified by Franchisor from time to time during the term of the Agreement.

7. Make prompt payment of all expenses, costs and liabilities related to the Restaurant.

8. Comply with all federal, state and local laws, ordinances and regulations affecting the operation of the Restaurant, including but not limited to those related to health standards, employment and discrimination, accessibility (i.e. Americans with Disabilities Act), and licensing of the Restaurant.

9. Provide, upon request of Franchisor, copies of any health department inspections or reports or any other type of similar inspection or report within ten (10) business days after the request by Franchisor. Franchisee hereby authorizes Franchisor to solicit and receive copies of all such reports.

E. Required Spice Mixes. The Franchisee must purchase the spice mixes or pre-mixed products which are prepackaged by a Franchisor approved supplier and to be used in the preparation of all products.

F. Food Products, Beverages, Supplies and Materials. All food products, ingredients, beverages, supplies, materials and other products and services must be purchased from suppliers (which may include the Franchisor and/or its affiliates) approved by the Franchisor from time to time. Lists of approved brands and suppliers will be contained in the Operations Manual. The Franchisor from time to time may modify the list of approved brands and/or suppliers, and the Franchisee may not, after receipt in writing of such modification, reorder any brand or from any supplier which is no longer approved.

If the Franchisee proposes to use any food or beverage ingredients or serve food products or beverages of any brand and/or supplier which is not then approved, Franchisee must first notify the Franchisor and submit sufficient information, specifications and samples concerning such brand and/or supplier for a determination by the Franchisor whether such brand complies with the Franchisor's specifications and standards and/or such supplier meets the Franchisor's approved supplier criteria. The Franchisor may charge the Franchisee a reasonable fee to cover the Franchisor's costs incurred in making such determination. The Franchisor will, within a reasonable time, notify the Franchisee whether or not such proposed brand and/or supplier are approved. The Franchisor shall, from time to time, designate one (1) or more approved suppliers for all meat, cheese, dough, sauce and vegetable products used and served by the Restaurant; however, the Franchisor is not obligated to approve more than a reasonable number of suppliers and/or brands for any other ingredient or food or beverage item used or served by the Restaurant.

The Franchisee acknowledges that Franchisor and/or its affiliates will have the right to receive commissions, volume discounts, purchase discounts, performance payments, bonuses, rebates, marketing and advertising allowances, co-op advertising, administrative fees, enhancements, price discounts, economic benefits and other payments (collectively, "Payments") based upon the actual purchases by Franchisor and its affiliates and franchisees of foods, beverages and products from suppliers, vendors and distributors ("Suppliers"). If Franchisor receives any Payments, Franchisor will have the right, in its sole discretion, to retain the Payments, deposit such Payments into the Production and Promotion Fund, rebate an allocable portion of the Payment to the Franchisee based on its purchases, use the Payments for a purpose designated by the Supplier (such as purchase of menu boards, purchase of specific equipment, participation at the national convention, etc.), or other purposes determined by Franchisor.

G. Inspections. Franchisor shall have the right, at any time the unit is open for business and at any other reasonable time, with or without notice, to enter the Restaurant for the purpose of inspecting the Restaurant's condition, appearance, operation and compliance with the Valentino's System and for any other reasonable purpose in connection with the operation of the Restaurant.

ARTICLE 10. REPORTING, INSPECTION AND RECORDS

A. Reports and Payments. Franchisee agrees that:

1. Gross Sales, food costs and labor statistics (Monday through Sunday) shall be submitted to the Franchisor by Tuesday of the following week in the form or formats prescribed by Franchisor.

2. A report on the form prescribed by Franchisor with respect to the amount of Franchisee's Gross Sales for the period beginning with the first day of the month to and including the 15th day of the month and, a report beginning with and including the 16th day of the month to the end of each calendar month shall be delivered to the Franchisor within ten (10) days of the end of each reporting period, *i.e.* on the 10th and 25th of each month. Each such report must be submitted by the Franchisee to the Franchisor with payment in full of all monetary amounts due to the Franchisor for the reporting period covered by the report. Franchisee shall pay all royalties and service fees, advertising fees and other amounts owed to Franchisor by the use of electronic funds transfers if Franchisor requires Franchisee to do so.

3. A balance sheet and a profit and loss statement reflecting the operation of the Restaurant for each calendar month shall be submitted to the Franchisor by the last day of the following month and shall be prepared in accordance with generally accepted accounting principles.

4. A balance sheet and profit and loss statement from the first day to the last day of the calendar or fiscal year shall be submitted to the Franchisor within sixty (60) days of the end of this period and shall be prepared in accordance with generally accepted accounting principles.

5. A copy of any of the Franchisee's yearly federal income tax or information return shall be submitted to the Franchisor within ten (10) days of any written request from Franchisor. At Franchisor's request, Franchisee will provide to Franchisor, within ten (10) days of any written request, the federal income tax return of all persons or entities owning more than ten percent (10%) of the outstanding equity interests in Franchisee.

Franchisee shall deliver to Franchisor such periodic reports, forms and records as may be prescribed by the Operations Manual or by the Franchisor in the manner and times specified.

If any regulatory agency of Federal, State, County, or City government requires an examination of Franchisee's business records and/or business operations, notice of such examination shall be given by Franchisee to Franchisor as soon as reasonably possible, and Franchisee agrees to inform Franchisor of the results of such examination within ten (10) days after receiving such results and to execute such waivers as are necessary to allow Franchisor to discuss such examination with the appropriate regulatory agency.

B. Costs of Inspections or Audits by the Franchisor. The Franchisor may inspect and audit all business, accounting and tax records and other forms and supporting records of the Franchisee and the books and records of any corporation, partnership or other entity which owns or operates the Restaurant. The Franchisee will make all of its business, accounting and tax

records available to the Franchisor for examination and audit during business hours within three business days of receipt of a written notice of audit from the Franchisor. In the event an audit is made as a result of the Franchisee's failure to furnish such reports, financial statements or tax returns or schedules as required by the Franchise Agreement, or if any understatement of Gross Sales for any period is determined by any such inspection or audit to be greater than one percent (1%), the Franchisee shall reimburse the Franchisor for the costs of such inspection or audit.

C. Interest and Late Fee. Franchisee shall pay a late fee of $20.00 per day for each day up to and including ten (10) days that either the royalty and service fees and/or advertising fees owed to the Franchisor by the Franchisee are unpaid after the date due. Beginning fifteen (15) days after the due date, such amounts owed from the Franchisee to the Franchisor, including late fees, will bear interest at the lesser of eighteen percent (18%) per annum or the highest legal rate for open business account credit. Other amounts owed to the Franchisor by the Franchisee pursuant to the Franchise Agreement will bear interest from and after the date due (15 days after billing by Franchisor) at the lesser of eighteen percent (18%) per annum or the highest legal rate for open business account credit.

D. Partnership and Corporate Franchisees. If the Franchisee is a corporation, limited liability company, partnership or other form of entity, the Articles of Incorporation, Operating Agreement, Partnership Agreement or other organizational document shall reflect that after the date of the Franchise Agreement any transfer or issuance of shares of or interest in the corporation or other entity shall be subject to the written approval of the Franchisor which shall not be unreasonably withheld.

Contemporaneously with the execution by the Franchisee of this Franchise Agreement, Franchisee shall provide to the Franchisor copies of the filed Articles of Incorporation, By-Laws and stock register if the Franchisee is a corporation, and corresponding information if the Franchisee is a limited liability company, partnership or other form of entity. Thereafter, Franchisee shall not amend or change such items without written approval of the same by the Franchisor which shall not be unreasonably withheld. The Franchisee shall, at all times, provide the Franchisor with a list of all officers, directors, shareholders, partners, members or other owners and the current addresses and telephone numbers. If the Franchisee is a corporation, partnership or other form of entity, each person holding more than a ten percent (10%) interest therein shall sign this Franchise Agreement on behalf of the entity and individually.

ARTICLE 11. TERMINATION AND DISPUTE RESOLUTION

A. Termination by the Franchisee. The Franchisee may terminate the Franchise Agreement in the event that:

1. The Franchisor materially breaches the Franchise Agreement;

2. The Franchisee gives written notice to the Franchisor of such material breach;

3. The Franchisor fails to cure such breach within thirty (30) days after written notice is delivered to the Franchisor if such breach is curable within such time period or with a reasonable amount of time as long as Franchisor diligently prosecutes such cure; and

4. The Franchisee is in compliance with the Franchise Agreement.

Termination will be effective ten (10) days after delivery to the Franchisor of a written termination.

B. Termination by the Franchisor:

1. Curable Events of Default: The Franchisor shall have the right to terminate this Franchise Agreement prior to the expiration of its term if during the period in which the Franchise Agreement is in effect there occurs any of the following events which is relevant to the Franchise, which is not cured by the Franchisee as set forth below.

(a) Any breach by Franchisee of the terms and obligations of the Franchise Agreement, except as provided in Subparagraph 2 below.

(b) Failure of the Franchisee to timely pay any Franchisee obligation for liability due and owing to suppliers, banks, purveyors, lessor of Franchisee's business premises or any other creditor or any federal, state, county or municipal government.

(c) Failure of the Franchisee to comply with all of the laws, ordinances, and regulations applicable to the conduct of the Franchise, including, but not limited to, licensing requirements in the jurisdiction of the Franchisee's business premises.

(d) Failure of Franchisee to maintain trained personnel.

(e) Allowing a final judgment entered by a court or arbitrator in a judicial or arbitration proceeding to remain unsatisfied or of record for more than thirty (30) days.

(f) Failure of the Franchisee to comply with written requests for information as may be from time to time reasonably requested by the Franchisor in connection with the Franchisee's operation of the Franchise.

Upon the failure of the Franchisee to cure a noticed event of default as described in this Article 11.B.1. within thirty (30) days after written "Notice of Default" has been delivered to Franchisee, the Franchise shall be immediately terminated when written "Notice of Termination" from Franchisor has been delivered to Franchisee.

2. Incurable Events of Default. At the option of the Franchisor, the Franchise Agreement shall be immediately terminated upon delivery of a written "Notice of Termination" without any prior notice or opportunity to cure if, during the period in which the Franchise Agreement is in effect the Franchisee:

(a) Becomes insolvent by reason of Franchisee's inability to pay his, her or its debts as they mature or makes an assignment for the benefit of creditors or an admission of his, her or its inability to pay Franchisee's obligations as they becomes due, or the Franchise business, business premises or property of the Franchise or any part thereof are seized, taken over or foreclosed by a government official or by a creditor, lien holder or lessor, unless

within thirty (30) days a supersedes or other appeal bond has been filed.

(b) Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or admitting or failing to contest the material allegations of any such pleading filed against Franchisee, or is adjudicated a bankrupt or insolvent or a receiver is appointed for a substantial part of the assets of Franchisee.

(c) Abandons (for more than five (5) days) or surrenders or transfers control of the operation of the Restaurant (including entering into a management or consulting arrangement with any person not a party to this Agreement), fails to maintain Franchisee's right of possession of the premises of the Restaurant or fails to actively operate the Restaurant during normal business hours, unless precluded from doing so by damage to the premises of the Restaurant, war or civil disturbance, natural disaster, labor dispute or other event beyond Franchisee's reasonable control.

(d) Submits to the Franchisor on two (2) or more separate occasions at any time during the term of the Franchise Agreement, including any renewal of that term, a report, financial statement, tax return or schedule or other information or supporting record which understates Gross Sales for the period covered by such report by more than one percent (1%).

(e) Makes an unauthorized assignment of the Franchise.

(f) Is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other crime or offense that is relevant to the operation of the Franchise, or is likely to impair the reputation of the Franchisor, the Franchisee, other franchisees, or the Franchisor's good will in the Marks.

(g) Makes any material misrepresentation relating to the acquisition of the Franchise business or the Franchisee engages in conduct which reflects materially and unfavorably on the operation and reputation of the Franchise business or system.

(h) Fails, for a period of ten (10) days after notification of non-compliance, to comply with any federal, state, or local law or regulation (applicable to the operation of the Franchise).

(i) Fails on more than four (4) occasions during the term of this Agreement, including any renewals, to comply with one or more requirements of the Franchise, such failures being the subject of a notice from the Franchisor pursuant to Article 11.B. whether such breach is cured or not.

(j) Engages, after curing any noticed failure to comply with the Franchise Agreement in accordance with this Article in the same non-compliance, whether or not such non-compliance is corrected after notice, within the same 12-month period.

(k) The Franchisor makes a reasonable determination that the continued operation of the Franchise by the Franchisee will result in an imminent danger to

public health or safety.

(l) Discloses or divulges the content of Franchisor's Operations Manual, secret recipes or other trade secrets or other confidential information provided to the Franchisee by the Franchisor without the Franchisor's express prior written consent.

(m) Misuses or makes an unauthorized use of the Marks or committing any act which reasonably can be expected to materially impair the good will associated with the Marks.

(n) Fails to open the Restaurant within five (5) days after the Franchisor's determination that the Restaurant is in condition to open or if Franchisee has not opened the Restaurant for service to the public within 12 months of the date of execution hereof.

C. Qualification of Franchisor's Rights to Terminate Based on State Law. The conditions under which a Franchise may be terminated by the Franchisor and the Franchisor's and Franchisee's rights may be affected in some jurisdictions by existing state law. To the extent that the provisions of the Franchise Agreement, and specifically the terms of the termination provisions available to the Franchisor, are not in accordance with applicable state law, the non-complying provisions shall not be effective, and the Franchisor and Franchisee shall comply with the applicable law in the jurisdiction in connection with each of the matters so governed by state law.

D. The Franchisee's Obligations Upon Termination or Expiration. Upon termination or expiration of the Franchise Agreement, the Franchisee shall:

1. Stop all use of the Valentino's System including, but not limited to the methods of operation, business practices, policies and procedures.

2. Pay to the Franchisor all amounts owed to the Franchisor or any affiliate of the Franchisor, including the then current amount of unredeemed gift cards the Franchisee has sold from the Restaurant to the extent required by the Franchisor.

3. Return to the Franchisor all copies of the Operations Manual, other written materials and all other materials and types of media relating to the Valentino's System which have been on loan to the Franchisee from the Franchisor.

4. Take such action as may be required to cancel all assumed name or equivalent registrations relating to the use of the Marks, and notify the telephone company and all listing agencies of the termination or expiration of the Franchisee's right to use any telephone number and any classified and other telephone directory listings associated with the Marks and to authorize transfer of the same to the Franchisor or as it directs.

5. Remove from the Restaurant, and cease to use, either at the Restaurant or elsewhere, the Marks, all other names, distinctive architectural or other designs, furniture, fixtures, signs and other advertising and equipment which are indicative of a Valentino's Restaurant. If Franchisee shall fail to make or cause to be made any such removal or disassociation with the Franchisor's marks, the Franchisor shall have the absolute right to make

such removal at the sole expense of Franchisee which shall be paid to Franchisor upon demand. Upon the expiration or termination of this Agreement, Franchisor shall have the option, but not the obligation, of purchasing or assuming the lease of some or all of the usable, proprietary inventory, equipment and signage used at the restaurant (and removing it from the premises) at the then current book value shown on Franchisee's financial statements.

6. Cease the use of any stationery, letterhead, printed material, web site or Internet materials, social media sites, advertising or other forms of identification or advertising used by Franchisee regarding the affiliation with Franchisor, the Marks, or any words or marks regarding such affiliation.

7. Franchisee agrees to execute any applicable telephone transfer forms or work orders for removal of identifying signage at Franchisor's request. If Franchisee fails, upon request, to execute such forms, then five (5) days after such written request is delivered to the Franchisee, the Franchisee shall be deemed to have irrevocably appointed the Franchisor as its attorney-in-fact to change any telephone number or take any action regarding the signage of the Franchisee, on Franchisee's account, to de-identify such franchise.

In the event that a Valentino's Restaurant shall continue in the location of the Franchisee's Restaurant, the Franchisor shall have the right to waive certain obligations of the Franchisee as set forth herein to facilitate continuation of the Restaurant business.

E. Dispute Resolution. Franchisor and Franchisee desire to settle disputes between them amicably and in the most cost efficient fashion. To accomplish these goals, the parties agree to apply the following provisions to the resolution of any disputes arising out of the relationship between the parties and/or this Franchise Agreement:

1. Each party agrees to first notify the other party in writing of any claim or dispute by setting out, to the fullest extent possible, the facts and circumstances surrounding the dispute or claim. The other party agrees to use its or their best efforts to resolve the claim or dispute within thirty (30) days after receipt of the notification, but nothing in this section will prohibit Franchisor or Franchisee from commencing legal action regarding the claim or dispute during this thirty (30) day period.

2. The parties hereby waive any rights to any claim against the other for punitive, exemplary or consequential damages arising out of the Franchisor/Franchisee relationship, the performance or nonperformance of this Agreement or the operation of the Restaurant. The parties agree that liability shall be limited to actual damages, not incidental or consequential damages, and that any claim for future earnings or profits be limited to the maximum amount equal to the net profits of the Franchisee's Restaurant conducted pursuant to this Agreement for the prior year as shown in the Franchisee's federal income tax return. Any claim by Franchisee arising out of the Franchisor/Franchisee relationship, the performance or nonperformance of this Agreement or the operation of the Restaurant will be pursued on an individual basis only and not as part of any joint, class or consolidated action of any kind.

3. The Franchisee agrees and acknowledges that any claim by the Franchisor arising out of the infringement of any of the Franchisor's service marks, trademarks or

copyrighted items, unauthorized disclosure of the Franchisor's confidential information or trade secrets, or violations of a covenant not to compete may cause irreparable harm to the Franchisor, other Franchisees and the franchise system as a whole. The Franchisor shall have all rights allowed by law in connection with such a claim, including injunctive relief. If the Franchisee refuses to comply with a written notice of termination sent by Franchisor and a court upholds such termination then the operation of the Restaurant during such time shall constitute a trademark infringement by Franchisee, and Franchisor shall have all rights and remedies allowed by law without limitation.

4. If Franchisee is in default of this Agreement, notwithstanding any other provision above, the Franchisor may send default notices to the Franchisee and terminate this Agreement without first providing the notice required by this Article 11.E.

5. THE PARTIES HEREBY WAIVE THEIR RIGHTS TO JURY TRIALS EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW.

F. Remedies of Franchisor. In the event of a material breach by the Franchisee, the Franchisor may, immediately or after the expiration of the cure period, if allowed, with no satisfactory cure having been effected, terminate this Agreement or exercise any other remedy which law or equity provides or permits, except for the limitation of damages described in Article 11.E.2. Franchisee recognizes and agrees that the continued operation of the Restaurant after the expiration or termination of the Agreement will inflict irreparable harm on the Franchisor and other Franchisees for which there may not be an adequate remedy at law; therefore, the Franchisor shall have the right to seek the remedies of injunction or specific performance. All rights and remedies of the parties shall be cumulative and not alternative.

ARTICLE 12. RIGHTS OF FIRST REFUSAL, ASSIGNMENT AND DEATH OR INCAPACITY OF FRANCHISEE

A. The Franchisor's Right of First Refusal. If the Franchisee or its owner(s) at any time determine to sell the Franchise and all of the assets or all of the ownership interests of the Restaurant operated pursuant to this Franchise Agreement, other than a Restaurant located in an Express Unit, the Franchisee shall execute a Purchase Agreement subject to this right of first refusal. The Purchase Agreement shall be with a responsible and fully disclosed purchaser, and Franchisee shall submit an exact copy of such Purchase Agreement to the Franchisor, which, for a period of thirty (30) days from the date of delivery of such offer, will have the right, exercisable by written notice to the Franchisee, to purchase the Restaurant or such ownership interest for the price and on the terms and conditions contained in such offer, provided that the Franchisor may substitute cash for any form of payment proposed in such offer and will have not less than thirty (30) days to prepare for closing. If the Franchisor does not exercise its right of first refusal, the Franchisee may complete the sale to such purchaser pursuant to and on the terms of such Purchase Agreement, subject to the Franchisor's approval of the purchaser as provided below. If the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of such Purchase Agreement to the Franchisor, or there is a material change in the terms of the sale, the Franchisor will again have the right of first refusal herein provided.

B. Assignment by the Franchisor. The Franchise Agreement and the Franchisor's

rights, interests and obligation hereunder are fully assignable by the Franchisor and will inure to the benefit of any assignee or other legal successor to the interest of the Franchisor, provided that the assignee or successor of the Franchisor will, subsequent to any such assignment, remain liable for the performance of its obligations under the Franchise Agreement. The Franchisor may, from time to time, make any acquisition or divestiture of any type or nature without limitation.

C. Sale, Transfer or Assignment by the Franchisee. Neither the Franchise Agreement, nor the Franchise, the Restaurant, any corporate, partnership, limited liability company or other ownership interest in the Franchisee may be voluntarily, involuntarily, directly or indirectly, sold, assigned, subdivided, subfranchised, issued or otherwise transferred by the Franchisee or the owner of an interest in the Franchisee (including without limitation, a transfer in the event of the death of the Franchisee or the death of any legal or equitable owner of a partnership, limited liability company or stock interest in the Franchisee, by will, declaration of or transfer in trust or the laws of intestate succession), without the prior written approval of the Franchisor, and any such assignment or transfer without such approval will constitute a breach of the Franchise Agreement and conveys to such assignee(s) no rights to or interests in the Franchise Agreement or the Restaurant.

However, if the Franchisee is in full compliance with the Franchise Agreement, the Franchisor will not unreasonably withhold its approval of the assignment, sale or transfer to the proposed assignee provided that the proposed assignee is, in the sole opinion of the Franchisor, of good moral character, possesses sufficient business experience, aptitude and financial resources, and otherwise meets the Franchisor's then applicable standards for franchisees and further provided that the following conditions are met prior to, or concurrently with, the effective date of the assignment: (1) all obligations of the Franchisee incurred in connection with the Franchise Agreement have been assumed by the assignee; (2) the Franchisee has paid such royalty and service fees, advertising fees, amounts owed for products or services purchased by the Franchisee from the Franchisor, and all other amounts owed to the Franchisor which are then due and unpaid; (3) the assignee and/or other persons designated by the Franchisor have completed the training program required of new franchisees; (4) the assignee, if required by Franchisor, has executed and agreed to be bound by the Franchisor's then current form of standard Franchise Agreement and such ancillary agreements as are then customarily being used by the Franchisor in the grant of franchises for Valentino's Restaurants, which may provide for the same royalty and service fee and advertising fees required under this Franchise Agreement and a term equal to the remaining term of this Franchise Agreement, as determined by Franchisor in the exercise of its sole discretion; (5) the Franchisee or assignee pay a training and transfer fee of $2,500.00 to the Franchisor; (6) the Franchisee has executed a general release, in form satisfactory to the Franchisor of any and all claims against the Franchisor and its affiliates, officers, directors, employees and agents; (7) the Franchisor has approved the form of transfer or assignment; (8) the Franchisor has approved the material terms and conditions of such sale, assignment or transfer, including, without limitation, price and terms of payment, in order to determine whether the terms and conditions thereof, in the Franchisor's reasonable judgment, are not unduly burdensome so as to adversely affect the future operations of the Restaurant by such assignee as a going concern; (9) the Franchisee executes a statement acknowledging that Franchisee shall not be released from Franchisee's obligations in this Agreement that arise before the effective date of the transfer and which restates and confirms the post-term covenants

of Franchisee; and (10) the Franchisee has entered into an agreement with the Franchisor agreeing to subordinate to such assignee's obligations to the Franchisor, including, without limitation, any royalty and service fees and advertising fees, any obligations of such assignee to make installment payments of the purchase price to the Franchisee.

D. Death or Incapacity of the Franchisee. Upon the death or permanent incapacity of the Franchisee or of any legal or equitable owner of an equity interest in the Franchisee, the executor, administrator, conservator or other personal representative of such person must transfer his or her interest within a reasonable time, not to exceed twelve (12) months from the date of death or permanent incapacity, to a third party approved by the Franchisor. Such transfers, including, without limitation, transfers by devise or inheritance, are subject to all the terms and conditions for assignments and transfers contained above. Failure to so dispose of the interest of the decedent or incapacitated person within such period of time will constitute a default under the Franchise Agreement.

ARTICLE 13. MODIFICATION

The Franchise Agreement may be modified or amended only by the mutual written agreement of the Franchisor and the Franchisee; however, Franchisor may, from time to time, modify the Operations Manual.

ARTICLE 14. EFFECT OF WAIVERS

No waiver by Franchisor of any breach or a series of breaches of this Franchise Agreement shall constitute a waiver of any subsequent breach or waiver of terms of this Franchise Agreement.

ARTICLE 15. NOTICES

Any notice hereunder shall be in writing and shall be delivered by personal service or by the United States certified or registered mail, with postage prepaid, addressed to Franchisee at the Restaurant or to Franchisor at 2601 South 70th Street, Lincoln, Nebraska 68506, with a copy to Cline Williams Wright Johnson & Oldfather, L.L.P., Sterling Ridge, 12910 Pierce Street, Suite 200, Omaha, NE 68144 Attn: Gary Batenhorst. Either party, by a similar written notice, may change the address to which notices shall be sent. For purposes of this Agreement, personal service will include service by a recognized overnight delivery service (such as Federal Express or UPS).

ARTICLE 16. COST OF ENFORCEMENT

If Franchisor institutes any action at law or in equity against Franchisee to secure or protect Franchisor's rights under or to enforce the terms of this Franchise Agreement, in addition to any judgment entered in its favor, Franchisor shall be entitled to recover such reasonable attorney's fees as may be allowed by the court together with court costs and expenses of litigation.

ARTICLE 17. INDEMNIFICATION

If Franchisor shall be subject to any claim, demand or penalty or become a party to any suit or other judicial or administrative proceeding by reason of any claimed act or omission by Franchisee, his, her or its employees, or agents, or by reason of any act occurring on the Restaurant premises, or by reason of an omission with respect to the business, condition of the premises, or operation of the Restaurant, or other violation by Franchisee of the terms of this Agreement, Franchisee shall indemnify and hold Franchisor harmless against all judgments, settlements, penalties, costs and expenses, including attorneys, fees, court costs and other expenses of litigation or administrative proceeding, incurred by or imposed on Franchisor in connection with the investigation or defense relating to such claim or litigation or administrative proceeding and, at the election of Franchisor, Franchisee shall also defend Franchisor. The obligations described in this Article 17 shall survive the expiration or termination of this Agreement.

ARTICLE 18. CONSTRUCTION AND SEVERABILITY

All references in this Agreement to the singular shall include the plural where applicable, and all references to the masculine shall include the feminine and vice versa. If any part of this Franchise Agreement for any reason shall be declared invalid, such decision shall not affect the validity of any remaining portion, which shall remain in full force and effect. In the event that any material provision of this Franchise Agreement shall be stricken or declared invalid, Franchisor reserves the right to terminate the Franchise.

ARTICLE 19. SCOPE AND MODIFICATION OF FRANCHISE

This Agreement (including any appendices hereto) constitutes the entire agreement between the parties and supersedes all prior and contemporaneous, oral or written, agreements or understandings of the parties. No interpretation, change, termination or waiver of any of the provisions hereof shall be binding upon Franchisor unless in writing signed by an officer of Franchisor. No modification, waiver, termination, rescission, discharge or cancellation of this Franchise Agreement shall affect the right of any party hereto to enforce any claim or right hereunder, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, rescission, discharge or cancellation.

Franchisee acknowledges that certain provisions and covenants of this Agreement survive the termination or expiration of this Agreement by their terms and conditions, and Franchisee shall comply with such provisions and covenants to the extent they survive the expiration and termination of this Agreement.

ARTICLE 20. GOVERNING LAWS

The terms and provisions of this Franchise Agreement shall be interpreted in accordance with and governed by the laws of the State of Nebraska without regard to its conflicts of law rules or the conflicts of law rules of any other jurisdiction. Jurisdiction and venue for any action arising out of this Agreement, the relationship of the parties or the operation of the Restaurant shall only be brought in a federal or state court sitting in Lancaster County, State of Nebraska. The Franchisee agrees and submits to personal jurisdiction in Lancaster County, Nebraska for the

purposes of any suit, proceeding or hearing brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy arising under, as a result of, or in connection with this Agreement, the relationship of the parties or the operation of the Restaurant, and does hereby agree and stipulate that any such suits, proceedings and hearings will be venued exclusively in Lancaster County, Nebraska. The Franchisee and its owners waive any rights to contest such venue and jurisdiction and waive any rights to argue or contest the validity of such venue and jurisdiction.

ARTICLE 21. FRANCHISOR'S RIGHT TO PERFORM ON BEHALF OF FRANCHISEE

Franchisor may, at its sole discretion and without obligation to do so, cure, on behalf of the Franchisee, any default by Franchisee of any payment under any lease or sublease for the Restaurant or any agreement for lease or purchase of fixtures, equipment, or supplies used in connection with the business, including insurance, all at Franchisee's expense. Franchisee shall pay for such payments made by the Franchisor upon demand together with interest thereon pursuant to Article 10. Franchisor may take such action without notice or demand on Franchisee to act.

ARTICLE 22. RELATIONSHIP OF PARTIES

Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating a fiduciary relationship between the Franchisor and Franchisee, or the relationship of principal and agent, employee-employer, partnership or joint venture between the parties. It is understood and agreed that this Franchise Agreement does not create any other relationship than an "arm's length" relationship between Franchisor and Franchisee, and no other relationship is created or implied by this Agreement.

Franchisor and Franchisee have negotiated the terms of this Agreement and agree that neither party shall claim the existence of an implied covenant of good faith and fair dealing. Further, all employees or agents hired or engaged by or working for Franchisee shall only be employees or agents of Franchisee and shall not, for any purpose, be deemed employees or agents of the Franchisor.

ARTICLE 23. ACKNOWLEDGEMENTS

Franchisee acknowledges that:

1. The term of this Franchise is for a single fifteen (15) year term with a qualified right to a ten (10) year renewal option for a To-Go Location and for a single five (5) year term with a qualified right to two (2) five (5) year renewal options for an Express Unit with no promise or representation as to the renewal of this Franchise or the grant of a new Franchise.

2. Franchisee hereby represents that he or she has received a copy of this Franchise Agreement and of the Franchise Disclosure Document in their entirety, including all exhibits and attachments and has had an opportunity to consult with an attorney regarding these documents at least fourteen (14) days prior to the execution of this Franchise Agreement. Franchisee acknowledges that the language in the previous sentence regarding receipt of a

Franchise Disclosure Document does not apply when Franchisor has informed Franchisee in writing that the Franchisor is not required to provide a Franchise Disclosure Document to Franchisee pursuant to an applicable exemption from federal or state franchise laws, rules or regulations.

3. NO REPRESENTATION HAS BEEN MADE BY FRANCHISOR AS TO THE FUTURE PROFITABILITY OF THE RESTAURANT. THE FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT IT IS ENTERING INTO THIS AGREEMENT AS A RESULT OF ITS OWN INDEPENDENT INVESTIGATION AND AFTER CONSULTATION WITH ITS OWN ADVISORS AND NOT AS A RESULT OF ANY REPRESENTATIONS OF THE FRANCHISOR, ITS AGENTS, OFFICERS OR EMPLOYEES.

4. Prior to the execution of this Franchise Agreement, Franchisee has had ample opportunity to investigate all representations made by Franchisor relating to the Valentino's System.

5. Valentino's is the sole owner of the recipes, trademarks, trade names, service marks and good will associated therewith, and Franchisee acquires no right, title or interest in those names and marks, other than the right to use them only in the manner and to the extent prescribed and approved by Franchisor.

6. If the Franchisee is a corporation, limited liability company, or a partnership, each individual having more than ten percent (10%) thereof has signed this Franchise Agreement both individually and on behalf of the entity and agrees to be personally bound to all of the terms, covenants and conditions hereof, including, but not limited to the In-Term and Post-Term Covenants.

7. This Agreement may be signed in counterpart copies, including by means of electronic signature, all of which taken together shall constitute a single agreement.

IN WITNESS WHEREOF, the Parties hereto set their hands and seals, in duplicate, this _____ day of _____, 20_____.

THE BALANCE OF THIS PAGE IS INTENTIONALLY BLANK

FRANCHISEE SIGNATURE PAGE

_____
Franchisee

By: _____

Its: _____

_____ _____
Individually Individually

_____ _____
Individually Individually

FRANCHISOR SIGNATURE PAGE

VALENTINO'S OF AMERICA, INC.

By:_____

Its_____

EXHIBIT "A"
INITIAL FEE AND TERRITORY
TO-GO LOCATION

The Franchisee will develop and operate a Valentino's Restaurant and pay the initial franchise fee of $12,500.

The Exclusive Area is the area within a radius of 2.5 miles from the Restaurant location.

Restaurant Location: _____

Initials:

For Franchisor: _____
For Franchisee: _____

EXHIBIT "A"
INITIAL FEE AND TERRITORY
EXPRESS UNIT

The Franchisee will develop and operate a Valentino's Restaurant and pay the initial franchise fee of $4,000.

The Exclusive Area is the area within a radius of 2.5 miles from the Restaurant location.

Restaurant Location: _____

Initials:

For Franchisor: _____
For Franchisee: _____

EXHIBIT 3

OPERATIONS MANUAL
TABLE OF CONTENTS

A copy of the current Table of Contents of the Valentino's System Operations Manual follows.

The Table of Contents is subject to modification and change from time to time.

Valentino's OF AMERICA, INC.

FRANCHISE OPERATIONS MANUAL - 2003
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INTRODUCTORY INFORMATION			
1.0	Valentino's Creed	7/1/2003	
1.1	Valentino's Five Stated Goals	7/1/2003	
1.2	Our Company History	7/1/2003	
1.3	Key Contacts	7/1/2003	
1.4	Franchise Agreement	7/1/2003	
1.5	VOA Manuals	7/1/2003	
OPERATING STANDARDS			
2.0	Overview	7/1/2003	
2.1	Facility Appearance & Maintenance	7/1/2003	
2.2	Facility Design Standards	7/1/2003	
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Franchise Operational Standards

This Document is the Property of Valentino's of America, Inc

Phone: 402.434.9350

E-mail: Info@valsvoa.com

May 2010

This manual and its contents are the property of Valentino's of America, Inc., a Nebraska corporation, and any unauthorized use is expressly forbidden. This manual and its contents are considered confidential, containing secrets concerning systems, procedures, and forms to be used in the operation of authorized Valentino's restaurants.

Upon termination of a franchise or any other contractual relationship pursuant to which a second party has come into lawful possession of this manual, said manual shall be returned intact to Valentino's of America, Inc. (402) 434-9350

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EXHIBIT 4

LIST OF FRANCHISEES

Following is a list of all Valentino's Restaurants in operation as of March 31, 2023.

VALENTINO'S FRANCHISE LIST
17 Units

LOCATION	OWNER/MANAGER
Beatrice, Nebraska 701 Court Street Beatrice, NE 68310-3927 courtstreetpizza@gmail.com 402 223-3573 (fax 402 228-4793)	Vince Warner
Bennington, Nebraska 16049 Hwy 36, Suite 101 Bennington, NE 68007 travislsorensen@gmail.com 402-502-9673	Incredible Enterprises, LLC Travis Sorensen Kimberly Sorensen
Columbus, Nebraska 3100 23rd Street Columbus, NE 68601-3161 valscol@eaglecom.net 402 563-3542 (fax 402 564-1780)	Ken Andreasen
Fremont, Nebraska 1680 East 23rd Ave N Fremont, NE 68025 402-727-7889 travislsorensen@gmail.com	Incredible Enterprises, LLC Travis Sorensen Kimberly Sorensen
Grand Island, Nebraska 2245 N. Webb Road Grand Island, NE 68803 katherine-yu@live.com 308-382-7711 (fax 308-382-3782)	Katherine Yu
Kearney, Nebraska 5115 South 2nd Avenue Kearney, NE 68847 Jiachiyu57@hotmail.com 308 233-3888	Fred Yu
Nebraska City, Nebraska 1710 South 11th Nebraska City, NE 68410 Nfarris@neb.rr.com 402 873-5522 (fax 402 873-5523)	Nile & Mary Farris

LOCATION	OWNER/MANAGER
Norfolk, Nebraska 1029 South 13th Street Norfolk, NE 68701 norfolk@valsvoa.com 402-379-2500 (fax 402-371-7454)	Wade Blackman Jesse Pick
Ogallala, Nebraska 55 River Road Ogallala, NE 69153-3309 Holtstein06@gmail.com 308 284-3603	Dustin Holstein
Bruning, Nebraska 301 North Market P.O. Box 107 Shickley, NE 68436 2915@westernoilinc.com	Western Oil
Ceresco, Nebraska 317 South Highway 77 Ceresco, NE 68017 402 435-8200 tommy@superc.net	Hergert Oil Company Daniel R. Hergert
Hebron, Nebraska 243 South 13th Street Hebron, NE 68370 2903@westernoilinc.com 402 768-6140	Western Oil
York, Nebraska 827 Lincoln Ave York, NE 68467 Chad.folkerts@yahoo.com 402 362-2111	Chad Folkerts
York, Nebraska York Travel Center I-80 5018 S. Lincoln Ave. York, NE 68467 2904@westernoilinc.com 402 362-2374	Western Oil
Seward, Nebraska 1519 W. Hwy 34, Suite 3 Seward, NE 68434 pnsseward@hotmail.com 402 362-2374	Seward Pizza LLC Chad Folkerts

LOCATION	OWNER/MANAGER
Springfield, Nebraska 14111 Platteview Road Springfield, NE 68059 j.petersen@marshcreekconcrete.com 402 253-2491	Ryan Petersen Jennifer Petersen
Sioux Falls, South Dakota 2904 S Ellis Rd Sioux Falls, SD 57106 sfvalentinos@gmail.com 605-271-8257	Jennifer Pals

EXHIBIT 5

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM WITHIN THE PAST OR CURRENT FISCAL YEAR OR HAVE NOT COMMUNICATED WITH VOA WITHIN 10 WEEKS OF THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT

Closed Stores/Transferred Stores	Owner
York, Nebraska 827 Lincoln Ave York, NE 68467 402 362-2111 Tim.lichti@lichtioil.com	Tim Lichti
Bruning, Nebraska 301 North Market P.O. Box 107 Shickley, NE 68436 402-353-2040 Tim.lichti@lichtioil.com	Tim Lichti
Hebron, Nebraska 243 South 13th Street Hebron, NE 68370 402 768-6140 Tim.lichti@lichtioil.com	Tim Lichti
York Travel, Nebraska 5018 S. Lincoln Ave. York, NE 68467 402 362-2374 Tim.lichti@lichtioil.com	Tim Lichti
Crete, Nebraska 915 Main Street, Suite 5 Crete, NE 68333 travislsorensen@gmail.com 402 826-4041 (fax 402 826-4049)	Incredible Enterprises, LLC Travis Sorensen Kimberly Sorensen (Franchisee remains in the system and continues to operate the Bennington franchise.)

EXHIBIT 6

FINANCIAL STATEMENTS

The financial statements of Valentino's of America, Inc., which were identified in Item 21 above follow this page.

Valentino's of America, Inc.

Lincoln, Nebraska

December 31, 2022 and 2021

Financial Statements
and
Independent Auditor's Report

HBE

CPAs & Consultants | Wealth Management

Valentino's of America, Inc.

Years ended December 31, 2022 and 2021

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HBE

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Valentino's of America, Inc.
Lincoln, Nebraska

Opinion

We have audited the accompanying financial statements of Valentino's of America, Inc., a wholly-owned subsidiary of Val Limited, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of earnings, changes in stockholder's equity, and cash flows for the years ended December 31, 2022, 2021 and 2020, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Valentino's of America, a wholly-owned subsidiary of Val Limited, as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years ended December 31, 2022, 2021 and 2020, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As discussed in Note I to the financial statements, in 2022, the entity adopted new accounting guidance ASU 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

7140 Stephanie Lane | P.O. Box 23110 | Lincoln, NE | 68542-3110 | p: 402.423.4343 | f: 402.423.4346
1314 Andrews Drive | Norfolk, NE | 68701 | p: 402.379.9294 | f: 402.379.2338
1121 N 102nd Court, #100 | Omaha, NE | 68114 | p: 402.895.5050 | f: 402.895.5723

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

HBE LLP

Lincoln, Nebraska
March 25, 2023

Valentino's of America, Inc.

BALANCE SHEETS

December 31,

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents (note A)	$ 226,797	$ 251,104
Accounts receivable, net of allowance for uncollectible accounts of $5,000 (2022 and 2021) (note A)	159,483	119,745
Inventories (note A)	139,568	65,460
Prepaid expenses	50,000	25,000
Due from affiliated company	-	21,510
Total current assets	575,848	482,819
FURNITURE AND EQUIPMENT (note A)	43,193	43,193
Less accumulated depreciation	(38,707)	(34,307)
Net furniture and equipment	4,486	8,886
OTHER ASSETS		
Due from related party (note B)	142,000	142,000
Operating lease right-of-use asset (notes A, D and I)	16,291	-
Total other assets	158,291	142,000
Total assets	$ 738,625	$ 633,705

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 60,807	$ 76,171
Current portion of unearned franchise fees (notes A and G)	4,846	2,708
Due to affiliated company	5,694	-
Deferred income	1,865	1,865
Current portion of operating lease liability (notes A, D and I)	5,917	-
Total current liabilities	79,129	80,744
LONG-TERM LIABILITIES		
Note payable to supplier (note C)	142,000	142,000
Unearned franchise fees, net of current maturities (notes A and G)	37,364	19,459
Operating lease liability, net of current maturities (notes A, D and I)	10,374	-
Total long-term liabilities	189,738	161,459
Total liabilities	268,867	242,203
STOCKHOLDER'S EQUITY		
Common stock, voting, $100 par value; 1,000 shares authorized, issued and outstanding	100,000	100,000
Common stock, non-voting, $100 par value; 1,000 shares authorized, issued, and outstanding	100,000	100,000
Retained earnings	269,758	191,502
Total stockholder's equity	469,758	391,502
	$ 738,625	$ 633,705

See accompanying notes to financial statements.

Valentino's of America, Inc.

STATEMENTS OF EARNINGS

Years ended December 31,

	2022	2021	2020
Retail sales	$ 330,252	$ 332,639	$ 326,191
Cost of sales	238,645	245,182	229,223
Retail sales gross profit	91,607	87,457	96,968
Franchise and royalty revenue	753,762	686,676	591,268
Total gross profit	845,369	774,133	688,236
Operating expenses			
Salaries, wages and employee benefits	249,375	243,358	237,482
Other operating, general and administrative expenses	518,358	496,742	454,905
Total operating expenses	767,733	740,100	692,387
Operating income (loss)	77,636	34,033	(4,151)
Other income (expense)			
Interest income	5,325	4,331	4,431
Loss on disposal of assets	-	-	(3,672)
Other income	20,295	20,781	32,850
Total other income	25,620	25,112	33,609
NET EARNINGS	$ 103,256	$ 59,145	$ 29,458

See accompanying notes to financial statements.

Valentino's of America, Inc.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

Years ended December 31,

	Common Stock - Voting	Common Stock - Non-Voting	Retained Earnings	Total Stockholder's Equity
Balance at December 31, 2019	$ 100,000	$ 100,000	$ 152,899	$ 352,899
Dividends declared	-	-	(50,000)	(50,000)
Net earnings	-	-	29,458	29,458
Balance at December 31, 2020	100,000	100,000	132,357	332,357
Net earnings	-	-	59,145	59,145
Balance at December 31, 2021	100,000	100,000	191,502	391,502
Dividends declared	-	-	(25,000)	(25,000)
Net earnings	-	-	103,256	103,256
Balance at December 31, 2022	$ 100,000	$ 100,000	$ 269,758	$ 469,758

See accompanying notes to financial statements.

Valentino's of America, Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31,

	2022	2021	2020
Cash flows from operating activities			
Net earnings	$ 103,256	$ 59,145	$ 29,458
Adjustments to reconcile net earnings for the year to net cash provided by operating activities			
Depreciation	4,400	5,333	10,307
Loss on disposal of assets	-	-	3,672
Reduction in carrying amount of right-of-use assets	6,336	-	-
(Increase) decrease in assets			
Accounts receivable	(39,738)	(19,633)	(25,448)
Inventories	(74,108)	(12,303)	13,633
Prepaid expenses	(25,000)	(25,000)	25,000
Due from related party	-	1,083	(1,083)
Due from affiliated company	21,510	(20,698)	(812)
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	(15,364)	22,029	1,654
Unearned franchise fees	20,043	-	(3,758)
Due to affiliated company	5,694	7,242	(14,031)
Operating lease liabilities	(6,336)	-	-
Total adjustments	(102,563)	(41,947)	9,134
Net cash provided by operating activities	693	17,198	38,592
Cash flows from investing activities			
Proceeds from sale of property and equipment	-	-	10,902
Payments for purchase of furniture and equipment	-	-	(2,634)
Net payments on note receivable	-	-	6,190
Net cash flows provided by investing activities	-	-	14,458
Cash flows from financing activities			
Dividends paid	(25,000)	-	(50,000)
Net increase (decrease) in cash and cash equivalents	(24,307)	17,198	3,050
Cash and cash equivalents at beginning of year	251,104	233,906	230,856
Cash and cash equivalents at end of year	$ 226,797	$ 251,104	$ 233,906
Supplemental disclosure of cash flow information:			
Right-of-use assets obtained in exchange for lease liabilities upon ASC 842 implementation	$ 22,627	$ -	$ -

See accompanying notes to financial statements.

Valentino's of America, Inc. (the Company) is a wholly-owned subsidiary of Val Limited. The Company operates as an independent closely held corporation whose primary business is selling and servicing franchise restaurants, which specialize in pizza and related dishes for both buffet and regular dining, delivery and take-out sales. Currently, the Company has franchises located in Nebraska. In 2006, the Company began producing and selling specialty sauces to retail stores.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Method of Accounting. The accompanying financial statements of the Company have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents. For purposes of the statements of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements. Accounts receivable at December 31, 2022, 2021, and 2020 was $159,483, $119,745, and $100,112, respectively.

Receivables due from customers are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Trade receivables are stated at the amount billed to the customer. The Company does not charge interest on overdue customer account balances. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Inventories. Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (FIFO) method. Inventories consist of sauces, paper products and gift cards.

Furniture, Equipment and Depreciation. Furniture and equipment are recorded at cost less accumulated depreciation. Depreciation is computed over the estimated useful lives of the furniture and equipment (3-10 years) using straight-line and accelerated methods. It is the Company's policy to capitalize property and equipment over $500. Lesser amounts are expensed. The financial statements include depreciation expense of $4,400, $5,333 and $10,307 for the years ended December 31, 2022, 2021 and 2020, respectively.

Contract Balances. Contract assets represent the Company's right to consideration in exchange for goods or services that have been transferred to the customer before payment is due. Contract liabilities include consideration due or paid by a customer prior to when the Company transfers goods or services and represent the Company's obligation to the customer. Contract liabilities are included on the balance sheet as unearned franchise fees. The Company does not have any contract assets.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition. The Company recognizes revenue when it satisfies performance obligations by transferring control over products or services to customers. The following is a description of the Company's principal sources of revenue:

Franchise fees

Franchise fees consists of initial and successor franchise fees. Under ASC 606, initial and successor franchise fees are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. The franchise agreements generally consist of an obligation to assist in store location selection, training, and the right to use intellectual and proprietary property.

Royalty revenue

The Company earns royalties that are calculated as a percentage of franchisees monthly gross sales. Under the franchise agreements, advertising contributions paid by franchisees must be spent on the development and preparation of advertising materials, the development of advertising and promotion programs, consumer research, market research, and public relations programs. Franchise royalties as well as the advertising contributions represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchise sales occur.

Sauce sales

The Company generates retail revenues primarily from the sale of products to customers in the United States through contracted vendors. These revenues predominately contain a single delivery element and revenue is recognized at a single point in time when ownership, risks, and rewards transfer. The Company treats shipping and handling activities that occur after the customer has obtained control of a good as an activity to fulfill the promise to transfer the product. Costs related to shipping of product are recorded as incurred and classified in direct expenses in the statement of earnings. Sales taxes collected from customers are presented on a net basis and as such are excluded from revenue.

Advertising Costs. The Company expenses non-direct response advertising costs when incurred. The financial statements include non-direct response advertising costs of $229,076, $203,315, and $150,602 for the years ended December 31, 2022, 2021 and 2020, respectively.

Leases. At inception, the Company determines if a contract is or includes a lease arrangement. The Company's lease commitments include vehicles. The following describes the Company's accounting policies related to its leasing arrangements:

<u>As lessee</u>

Leased assets represent the right to control the use of an identified asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. The Company recognizes a right-of-use asset and related liability at the commencement date, generally based on the present value of lease payments over the lease term using the Company's risk-free rates. Leases with an initial term of 12 months or less, including month to month leases, are not recorded on the balance sheet and are expensed on a straight-line basis.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Leases – Continued.

Operating Leases

Operating lease assets and liabilities are recognized separately on the Company's balance sheet. The Company recognizes a single lease expense on a straight-line basis over the lease term. Non-lease components including expenses for taxes and fees are expensed as incurred.

Income Taxes. The Company has elected to be treated as a Subchapter S corporation under the Internal Revenue Code. Accordingly, no provision has been made for income taxes as the liability, if any, is that of the stockholders of Val Limited personally and not that of the Company. The Company files consolidated income tax returns with the parent, Val Limited, in the U.S. Federal consolidated jurisdiction. The Company believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Company's U.S. federal income tax returns prior to 2020 are closed to examination by tax authorities.

Use of Estimates. In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

NOTE B - RELATED PARTY TRANSACTIONS

The Company reimburses substantial personnel, administrative and other expenses paid by Val Limited. Such costs amounted to approximately $249,000, $243,000, and $237,000 for the years ended December 31, 2022, 2021 and 2022, respectively.

The Company is currently occupying office space at Val Limited without cost.

On August 2, 2001, the Company loaned $142,000 to a corporation owned by the two shareholders of the parent company. The note bears interest at 4% per annum and was due quarterly. The note matured on December 31, 2018. On January 1, 2019, the agreement was modified to bear interest at 3.05% per annum and to extend the due date to December 31, 2021. On January 1, 2022, the agreement was modified to bear interest at 3.75% per annum and to extend the due date to December 31, 2024.

NOTE C - NOTE PAYABLE TO SUPPLIER

In July 2001, the Company received a non-interest-bearing note from a supplier in the amount of $142,000. The principal sum is due and payable upon either party's Notice of Termination of a certain Canned Foods Sales Contract between the Company and said supplier, dated April 9, 2001. Upon termination, interest on the principal balance shall immediately begin accruing at 12% per annum.

NOTE D – OPERATING LEASE

As Lessee

The Company has an operating lease for a vehicle, which expired on October 30, 2022. Monthly payments were $492.

On September 14, 2022, the Company entered into an operating lease agreement for a vehicle, which expires on September 13, 2025. Monthly payments are $534.

Operating lease expenses for the year ended December 31, 2022, are as follows:

Operating lease expense	$	6,565

The aggregate future lease payments below summarize the remaining future undiscounted cash flows for operating leases as of December 31, 2022, and a reconciliation to operating lease liability reported on the balance sheet:

Year ending December 31,		
2023	$	6,412
2024		6,412
2025		4,275
Total minimum lease payments		17,099
Less: Present value discount		(808)
Operating lease liability	$	16,291

Average operating lease terms and discount rate at December 31, 2022 were as follows:

Weighted average remaining lease term (years):	2.7
Weighted average discount rate:	3.79%

The following summarizes cash paid for operating lease liabilities and other non-cash information:

Cash paid for amounts included in the measurement of operating lease liability - operating cash flows	$	6,565
Right-of-use assets obtained in exchange for operating lease obligations	$	18,214

For the years ended December 31, 2021 and 2020, the financial statements include rent expense of $5,904 under FASB ASC 840 (pre-adoption of the new standards) for operating leases. Future minimum lease payments were $4,920 for the year ending December 31, 2022.

NOTE E - COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company enters into agreements with vendors on behalf of their franchisees to purchase inventory. The Company believes that any outstanding purchase commitments will be fulfilled by the franchisees or the Company.

On June 30, 2012, the Company entered into an agreement with a vendor for sponsorship recognition over the course of five years. The Company has committed to pay an amount annually, due in installments the last day of the month of each October, November, December and January, with final payment being January 31, 2017, in return for year-round advertising promoted at vendor sponsored events. On December 21, 2016, this agreement was extended for an additional five-year term commencing on July 1, 2017. On December 21, 2021, this agreement was extended for an additional one-year term commencing on July 1, 2022.

NOTE F - DISAGGREGATED REVENUES

The following table shows the Company's revenues disaggregated according to the timing of transfer of control of goods or services:

	2022	2021	2020
Revenue recognized at a point in time			
Sauce sales	$ 330,252	$ 332,639	$ 326,191
Revenue recognized over time			
Franchise fees	$ 3,457	$ 5,258	$ 3,758
Royalty revenue	750,305	681,418	587,510
Total revenue recognized over time	$ 753,762	$ 686,676	$ 591,268

NOTE G - CONTRACT BALANCES

The following table provides information about the changes in the contract liabilities:

	2022	2021
Contract liabilities, beginning of year	$ 22,167	$ 14,925
Recognition of franchise fees revenue	(3,457)	(5,258)
Franchise fees received	23,500	12,500
Contract liabilities, end of year	$ 42,210	$ 22,167

NOTE H - CHANGE IN ACCOUNTING ESTIMATE

In the year ended December 31, 2020, due to collection of previously uncollectible accounts, the Company changed its estimate of the allowance for uncollectible accounts based on recent collections of delinquent balances. This change in estimate and collection of delinquent balances resulted in an increase to franchise and royalty revenue of $37,350 and a decrease to the allowance for uncollectible accounts of $11,486 for the year ended December 31, 2020.

NOTE I – NEW ACCOUNTING STANDARDS

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 affects any entity that enters into a lease and is intended to increase the transparency and comparability of financial statements among organizations. ASU 2016-02 requires, among other changes, a lessee to recognize on its balance sheet a lease asset and a lease liability for those leases previously classified as operating leases. The lease asset represents the right to use the underlying asset for the lease term and the lease liability represents the discounted value of the required lease payments to the lessor. ASU 2016-02 also requires entities to disclose key information about leasing arrangements.

The Company adopted the standard, effective for the year ended December 31, 2022, using a modified retrospective approach with the effective date option, which allows the Company to apply the standard at the effective date, January 1, 2022, and recognize a cumulative effect adjustment to the opening balance of equity in the period of adoption. Under this approach, the reporting for comparative periods presented in the financial statements will continue to be in accordance with legacy GAAP.

The new standard provides a number of optional practical expedients in transition. On adoption, the Company elected the package of practical expedients permitted under the transition guidance, which allowed the Company to carry forward historical lease classifications for existing leases on the adoption date and allowed the Company not to assess whether an existing contract contains a lease or initial direct costs. In addition, the Company also elected not to apply the lease recognition requirements to its short-term leases, that is, leases with a term of 12 months or less, as allowed under the standard. The Company did not elect the hindsight practical expedient to determine the lease term for existing leases.

The adoption of this standard resulted in recognition of lease assets in the amount of $22,627 and lease liabilities in the amount of $22,627 on the balance sheet. The adoption of the standard did not result in a cumulative effect adjustment to the opening balance of equity in the period of adoption based on the initial recognition of the Company's active leases at the effective date. The Company's accounting policies in note A have been updated to reflect the impact of the standard. Additionally, see note D for further disclosure of the Company's leasing arrangements.

NOTE J - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date the financial statements were available to be issued. No material subsequent events were noted.

EXHIBIT 7

LIST OF TRADEMARKS

1. VALENTINO'S® (stylized) is a service mark for restaurant services, which was issued September 21, 1982; No. 1,210,072, by the U.S. Patent and Trademark Office.
2. VALENTINO'S® is a service mark for restaurant services, which was issued September 21, 1982; No. 1,210,075 by the U.S. Patent and Trademark Office.
3. GRAND ITALIAN BUFFET® is a service mark for restaurant services, which was issued October 3, 2000, No. 2,390,825 by the U.S. Patent and Trademark Office.
4. VALENTINO'S® is a trademark for condiments, namely, sauces and spices, which was issued June 12, 2007; No. 3,252,373 by the U.S. Patent and Trademark Office.
5. ZZAGOS® is a trademark for dough-based pockets with filling consisting primarily of meat, cheese and spices, which was issued March 3, 2009, No. 3,583,927 by the U.S. Patent and Trademark Office.
6. VALENTINO'S® (stylized) is a service mark for restaurant services, which was issued July 12, 2011; No. 3,991,393, by the U.S. Patent and Trademark Office.
7. VALENTINO'S® is a trademark for salad dressing, which was issued January 24, 2017; No. 5,128,651 by the U.S. Patent and Trademark Office.
8. SUNNY BOY® is a trademark for chicken, which was issued July 9, 2019; No. 5,801,620 by U.S. Patent and Trademark Office.
9. SUNNY BOY® and design is a trademark for chicken, which was issued July 9, 2019; No. 5,802,305 by the U.S. Patent and Trademark Office.
10. VALENTINO'S® is a service mark for restaurant services, which was issued August 6, 2019; No. 5,827,520 by the U.S. Patent and Trademark Office.
11. VALENTINO'S OVEN-LOVEN PIZZA® (stylized) is a trademark for pizza, which was issued February 1, 2022; No. 6,632,607 by the U.S. Patent and Trademark Office.
12. VALENTINO'S® is a trademark for lasagna, pasta, and pizza, which was issued February 1, 2022; No. 6,632,608 by the U.S. Patent and Trademark Office.

An example of how we may use the marks follows:

State Effective Dates

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

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

State	Effective Date
Minnesota	June 26, 2022
South Dakota	April 26, 2022

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 (your copy)

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

If VOA offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. New York requires that VOA give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement or other agreement or 10 days before the payment of any consideration that relates to the franchise relationship. Iowa requires that VOA give you this disclosure document at least ten 10 business days before the earlier of your execution of a contract imposing a binding legal obligation on the purchaser or your payment of any consideration in connection with the offer or sale of the franchise. Michigan requires that VOA give you this disclosure document at least 10 business days before the execution of any binding franchise agreement or other agreement or the payment of any consideration, whichever occurs first.

If VOA does not deliver this disclosure document on time or it if 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 to the applicable state agency listed in Exhibit 1.

Issuance date: March 31, 2023

The franchise sellers for this offering are: Anthony O. Messineo, Jr., President of VOA, Anthony J. Messineo, Vice President of VOA, A. Michael Alesio, Executive Vice President of VOA and Matthew Alesio, Field Representative of VOA, all at 2601 South 70th Street, Lincoln, NE 68506, telephone number is (402) 434-9350.

VOA authorizes the respective state agencies identified on Exhibit 1 to receive service of process for it in the particular state.

I received a Franchise Disclosure Document dated March 31, 2023 that included the following Exhibits:

Exhibit 1:	List of State Agencies and Agents for Service of Process
Exhibit 2:	Franchise Agreement
Exhibit 3:	Operations Manual - Table of Contents
Exhibit 4:	List of Franchisees
Exhibit 5:	List of Franchisees Who Have Left the System
Exhibit 6:	Financial Statements
Exhibit 7:	List of Trademarks
Exhibit 8:	State Addendums

_____ _____

Date (Do not leave blank) Name

This Receipt is for your records. The next page is an identical Receipt to be signed and returned to Valentino's of America, Inc.

RECEIPT (Return Copy)

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

If VOA offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. New York requires that VOA give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement or other agreement or 10 days before the payment of any consideration that relates to the franchise relationship. Iowa requires that VOA give you this disclosure document at least ten 10 business days before the earlier of your execution of a contract imposing a binding legal obligation on the purchaser or your payment of any consideration in connection with the offer or sale of the franchise. Michigan requires that VOA give you this disclosure document at least 10 business days before the execution of any binding franchise agreement or other agreement or the payment of any consideration, whichever occurs first.

If VOA does not deliver this disclosure document on time or it if 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 to the applicable state agency listed in Exhibit 1.

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_____ _____

Date (Do not leave blank) Name

You may return the signed receipt either by signing, dating, and mailing it to Valentino's of America, Inc. at 2601 S. 70th St, Lincoln, NE 68506, or by faxing a copy of the signed and dated receipt to VOA at (402) 434-9325.

4896-0116-4121, v. 3