FRANCHISE DISCLOSURE DOCUMENT

VILLA PIZZA, LLC
a Delaware limited liability company
25 Washington Street
Morristown, NJ 07960
(973) 285-4800
www.villarestaurantgroup.com
atorine@villarestaurantgroup.com

TONY + BENNY'S

The Franchisee will operate either a Villa Fresh Italian Kitchen restaurant, a Villa Italian Kitchen restaurant or a Tony + Benny's restaurant, all which feature pizza, pasta and other Italian menu items.

The total investment necessary to begin operation in the Continental U.S., depending upon the concept you chose is as follows:

Type of Restaurant	Initial Franchise Fee	Total Investment
1. Villa or Tony + Benny's Food Court	$25,000	$296,950 to $584,000
2. Villa or Tony + Benny's In-Line Restaurant	$25,000	$328,950 to $894.000

The minimum total investment necessary to begin operation as an Area Developer is $72,500 - $130,000 (assuming a minimum of two restaurants being developed per restaurant). The total investment for the Villaor Tony + Benny's concepts does not include your estimated initial investment for beginning operation of each food court or in-line concept (part of a "strip mall" or set of retail outlets [not necessarily all food] that are connected side-by-side) which cost is set out in the preceding paragraph. Estimated initial investment cost will vary for international transactions. The Area Development Agreement requires an upfront payment of one-half of the total Initial Franchise Fee (based upon the number of restaurants being developed in the Continental U.S. or an international territory) and is due at the time of execution of the Deposit Agreement. The balance of the initial franchise fee for each franchised location required by the Area Development Agreement is paid upon execution of each franchise agreement pursuant to the agreed upon Development Schedule. The minimum number of franchised locations required by an Area Development Agreement is two locations. The maximum number of franchised locations required under the Area Development Agreement is negotiated and is dependent upon the territory requested.

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 can sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 25 Washington Street, Morristown, NJ 07960 or call (973) 285-4800.

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 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

ISSUING DATE: April 15, 2021

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:

QUESTIONS	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 E-1, E-2, E-3, F-1, F-2 and F-3.
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 G 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 Villa Pizza, LLC 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 Villa Pizza, LLC franchisee?	Item 20 or Exhibit E-1, E-2, F-1 and F-2 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About This Franchise

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

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

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

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

To simplify the language in this disclosure document, "we", "us" or "Franchisor" means Villa Pizza, LLC. We are a Delaware limited liability company formed on January 7, 1999. "You" means the individual, corporation or partnership; "you" also includes the franchisee's owners or partners.

We have no parent company, but there are two predecessors, Villa Pizza, Inc. ("Our Predecessor") and Villa Holding, LLC ("Villa Holding").

Our Predecessor first began offering franchises in February 1997. Our Predecessor reorganized under the name Villa Pizza, LLC in January 1999. Before the reorganization, Our Predecessor's principal place of business was the same as ours. Our Predecessor never operated businesses of the type franchisees operate.

Villa Holding owns the proprietary marks and certain trade secrets and other proprietary information necessary for the operation of Villa Pizza restaurants, Villa Fresh Italian Kitchen restaurants, Villa Italian Kitchen restaurants and Tony + Benny's restaurants, which it licenses on a non-exclusive basis to us, and which we will license to you under the Franchise Agreement. Villa Holding may, therefore, be deemed to be Our Predecessor. Villa Holdings' principal place of business is the same as ours. Villa Holding has never offered franchises in any line of business or operated a business of the type franchisees operate.

Our affiliate, Villa Enterprises Management Ltd., Inc., ("Villa Management") and its affiliates and predecessors have owned and operated Villa Pizza restaurants since 1964. Villa Management's principal business address is the same as ours. Villa Management has not offered franchises in any line of business.

Except as described above, none of our predecessors or affiliates offers franchises in any other lines of business. We, or an affiliate, may establish leasehold corporations that may enter into primary leases for restaurants and sublease the premises to you or may provide lease negotiation services for you. None of these affiliates offers or has offered franchises in any line of business or operated businesses of the type franchisees operate. We have no affiliates that provide products or services to our franchisees.

The principal business addresses of our agents for service of process are shown on Exhibit "A".

We offer single restaurant franchises and Area Development Agreements for Villa Pizza restaurants, Villa Fresh Italian Kitchen restaurants, Villa Italian Kitchen restaurants and Tony + Benny's restaurants. We first offered single restaurant franchises for Villa Pizza restaurants in October 1999. We initiated the franchising program for Tony + Benny's in August 2016. Franchisor does not operate any Villa Pizza restaurants, Villa Fresh Italian Kitchen restaurants, Villa Italian Kitchen restaurants or Tony + Benny's restaurant, but our affiliates operate restaurants as described below. We offer to qualified persons the right to own and operate a Villa Pizza restaurant, Villa Fresh Italian Kitchen restaurant, Villa Italian Kitchen restaurant or Tony + Benny's restaurant at an agreed upon location under our standard form franchise agreement (the "Franchise Agreements"). A copy of the Standard Franchise Agreement is attached to this Disclosure Document as Exhibit B-1.We will specify in Exhibit A to the Franchise Agreement the primary proprietary mark(s) that we will license to you to operate the franchise (the "Marks"). We also offer Area Development Agreements domestically for each of our concepts. The Developer pays a development fee in an amount dependent upon the size of the area and number of locations to be opened, and other factors we specify. The Developer must also sign the then current Franchise Agreement, which may differ from the current Franchise Agreement included within this Franchise Disclosure Document.

Villa Pizza restaurants, Villa Fresh Italian Kitchen restaurants, Villa Italian Kitchen restaurants and

Tony + Benny's restaurants all feature a limited menu of pizza, pasta, calzones, stuffed pizza, hot sandwiches, Italian specialties, desserts, and other menu items we authorize. We and our affiliates have developed and own a comprehensive system for the establishment and operation of the restaurants, including distinctive exterior and interior design, decor, color scheme and furnishings; uniform standards, specifications and procedures for operations; quality and uniformity of products and services offered; procedures for management and inventory control; training and assistance and advertising and promotional programs (collectively, the "System"), all of which we may improve, further develop or otherwise modify from time to time.

The restaurants are generally located in shopping mall food courts and airport food courts where they may take advantage of a high volume of people and cater to both lunch and dinner. We, or an affiliate, may establish leasehold corporations to enter into leases for restaurant locations from shopping mall owners. These leasehold corporations may then sublease the locations to individual franchisees. A copy of our standard form of Sub-Lease Agreement is attached to this Disclosure Document as Exhibit C.

We have not offered franchises in any other line of business.

You should consider that certain aspects of any restaurant business are regulated by federal, state and local laws, rules and ordinances in addition to the laws, regulations and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and state implementing laws, certain state and local areas are required to attain, by the applicable statutory guidelines, the national quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of such laws impose limits on emissions resulting from commercial food preparation.

The market is well developed. You will have to compete with other individually owned as well as other franchised businesses offering similar type products and services in the general vicinity of your operating premises.

ITEM 2
BUSINESS EXPERIENCE

President and Director: Biagio Scotto

Biagio Scotto, brother of Anthony Scotto, has served as President and Director of the Franchisor since its inception in January 1999 which is located at 25 Washington Street, Morristown, NJ 07960.

Chief Executive Officer and Director: Anthony Scotto

Anthony Scotto, brother of Biagio Scotto, is the Chief Executive Officer and Director of the Franchisor since its inception in January 1999 which is located at 25 Washington Street, Morristown, NJ 07960.

Secretary and Director: Biagio Pugliese

Mr. Pugliese has served as Secretary and Director of the Franchisor since its inception in January 1999 which is located at 25 Washington Street, Morristown, NJ 07960.

Chief Financial Officer: Frank Clark

In May 2019, Mr. Clark became Chief Financial Officer of the Franchisor, which is located at 25 Washington Street, Morristown, NJ 07960. Prior to that, Mr. Clark served as the Vice President of Finance & Administration for Construction Specialties, Inc. (Lebanon, New Jersey) since April 1992.

Chief Operating Officer: Andrew Steinberg

In March 2017, Mr. Steinberg became Chief Operating Officer after having previously served as the Executive Vice President of Corporate Business since January 2015 for Franchisor, which is located at 25 Washington Street, Morristown, NJ 07960.

Executive Vice President Development: Adam Torine

In January 2015, Mr. Torine became Executive Vice President Development after having previously served as Senior Vice President of Business Development since August 2010 for Franchisor which is located at 25 Washington Street, Morristown, NJ 07960.

Vice President of Real Estate: Cheryl Kempf

In March 2017, Ms. Kempf became Vice President of Real Estate after having served as Assistant Vice President of Real Estate since March 2015. Prior to that, Ms. Kempf served as Senior Director of Asset Management since March 2013 and as Director of Asset Management since July 2010 for Franchisor which is located at 25 Washington Street, Morristown, NJ 07960.

Divisional Vice President of Operations: Kelly Hernandez

In June 2017, Ms. Hernandez became the Divisional Vice President of Operations after having served as the Director of Corporate Operations since May 2016. Prior to that, Ms. Hernandez served as Director of Franchise Operations since March 2012 for Franchisor, which is located at 25 Washington Street, Morristown, NJ 07960.

Senior Manager of Business Development: Christopher McNamee

In April 2018, Mr. McNamee became Senior Manager of Business Development. Since March 2015, he served as Business Development Manager after having previously served as Business Development Representative since March 2013. Prior to that, Mr. McNamee served as Business Development Coordinator since February 2012. Mr. McNamee had served as Legal & Development Coordinator for Franchisor since January 2011 and prior to that served as Legal Assistant since joining Franchisor in August 2010 which is located at 25 Washington Street, Morristown, NJ 07960.

ITEM 3
LITIGATION

A. PENDING ACTIONS

None.

B. CONCLUDED ACTIONS

1. Demopolis Shell, LLC and Ahmed Nadeem v. Villa Pizza, LLC, a North Carolina limited liability company, Villa Enterprises Management Ltd., Inc. and Villa Restaurant Group, LLC and Villa Pizza, LLC a Delaware limited liability company, filed on November 2, 2017 in the Superior Court of New Jersey, Morris County (Docket No. L-2372-17) by a franchisee and its principal, seeking rescission of a franchise agreement and monetary damages based on claims for violation of the New Jersey Consumer Fraud Act, common law fraud and negligent misrepresentation. The defendants filed their answer and asserted a counterclaim against franchisees. The parties thereafter entered into a settlement agreement by which the defendants agreed to pay $60,000 and reduce royalties paid by franchisees or any transferee, and further agreed to attempt to negotiate a rental reduction from the landlord and also waived the right to receive a transfer fee or any balance owed under the parties purchase agreement. Except for the settlement agreement terms the provisions of the Franchise Agreement, sublease, purchase agreement and guaranty remain enforceable.

2. In January 2019, the Attorney General of the State of Washington initiated an investigation related to a provision in Washington franchise agreements which limited franchisees from hiring an employee who had worked for the Company or for other franchisees. In order to avoid cost of the investigation and of litigation, the Company entered into an Assurance of Discontinuance ("AOD") on May 14, 2019. By agreeing to the AOD the Company admitted no wrongdoing or liability and the Attorney General agreed the AOD resolved the investigation. On July 23, 2019 the Company provided the Attorney General certification it had complied with the terms of the AOD and the Attorney General's investigation was concluded.

3. Villa Pizza, LLC v. Park Mall Pizza Systems, Inc.; Southwest Pizza Systems, Inc.; Sierra Vista Pizza Systems, Inc.; Temecula Pizza Systems, Inc.; Short Pump Pizza Systems, Inc. filed in February 2010 in the Superior Court of New Jersey (Case No. L-483-10) for the recovery of unpaid royalties (breach of contract), breach of the covenant of good faith and fair dealing, quantum merit and unjust enrichment. In April 2010 the defendants filed a counterclaim for, breach of the implied covenant of good faith and fair dealing, negligent and fraudulent omissions violation of New Jersey Franchise Practices Act, violation of the California Franchise Relations Act and violation of the Florida Deceptive and Unfair Trade Practices Act. In October 2010, upon the filing of a motion to dismiss by Plaintiff, the counterclaim was withdrawn by consent. In December 2011, the Defendants received a court order allowing them to file another Counterclaim for breach of the Franchise Agreement and tortious interference with defendants' contractual relationship with one of its landlords. The case proceeded with discovery on the original complaint and the new Counterclaim. In October 2012, on Plaintiff's motion, Defendants' defenses were stricken and their counterclaim dismissed without prejudice for failure to comply with discovery obligations. On March 11, 2013 Plaintiff received an order of suppression and dismissal with prejudice. On September 18, 2013, Plaintiff received a final judgment in the amount of $738,872.99. Plaintiff also commenced a separate action in the Superior Court of New Jersey against these franchisees' principal, Barney Weinkle, and several of his other entities to pierce the corporate veil and recover against them the damages that Plaintiff obtained in the original case. The second case is Villa Pizza, LLC v. Weinkle et al. Docket No. MRS-L-2513-12. On June 10, 2013, the Court entered an Order dismissing Defendants' Counterclaim in its entirety with prejudice. Defendants failed to respond to Plaintiff's discovery, and on April 16, 2014, the Court entered an Order suppressing Defendants' Answer without prejudice and extending the discovery end date. On November 21, 2014, the Court entered an Order granting Defendants' counsel's motion to withdraw and an Order denying Plaintiff's motion to suppress Defendants' Answer with prejudice and enter default. In its Order, the Court gave Defendants a final opportunity to comply with its discovery obligations. Defendants failed to comply and on February 4, 2015, Plaintiff moved to suppress Defendants' Answer with prejudice. Plaintiffs obtained a final judgment against Defendants on June 5, 2015. Plaintiffs recorded and domesticated the Final Judgment in Broward County, Florida on November 4, 2015.

4. Villa Pizza, LLC, Everything Yogurt Brands, LLC and Villa Ristorante, Inc. v. Fast Casual Enterprises, LLC, Richard Kim, Timothy Tary and Jungwon Baeg filed October 2016 in the Superior Court of New Jersey, Morris County (MRS-L-2356-16) by Plaintiff based upon franchise agreements seeking monetary relief for unpaid fees rent and other payments. Plaintiff obtained a judgment by default against Fast Casual Enterprises, LLC January 10, 2018 in the amount of $239,544.78. In September 2018, Richard Kim and Timothy Tary entered into a Settlement Agreement with the Plaintiffs promising to pay a sum certain and failing to do so agreeing to a consent judgement.

C. AFFILIATE ACTIONS

Iraj Nezhadpour v. Villa Enterprises Management Ltd., filed in February 2012 in the Supreme Court of New York (Case No. Index No.: 001758/2012 for national origin discrimination, retaliatory termination, discrimination pursuant to NY Exec. Law 290), slander and libel and tortuous interference with a prospective business relationship. This litigation was settled on September 30, 2013 and a full release of all claims given to Defendant(s).

Other than the above actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

Villa's President, Biagio Scotto, was president of Villa Organizations Inc. which operated one store in Springville, MA and filed a Chapter 7 bankruptcy, case number 12-38697-MS in the United States Bankruptcy Court – District of New Jersey and received a discharge on March 19, 2013.

Villa's President, Biagio Scotto, was president of Villa Pizza Specialties, Inc., a Texas corporation, which operates one store in Texas and filed a Chapter 11 bankruptcy, case number 15-31057 in the United States Bankruptcy Court – District of New Jersey. That case was closed on February 14, 2017.

Other than the above, no bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Fee. We charge franchisees a standard initial franchise fee of $25,000.00 (outside the Continental United States [Alaska, Hawaii & U.S. Territories] the initial franchise fee is $35,000) due upon execution of the Franchise Agreement for the first Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen restaurant or Tony + Benny's restaurant. Our initial fee has ranged from $0 (in special circumstances where an exceptional employee becomes a Franchisee of a company-owned restaurant or where an exceptional employee or associate is given the opportunity to own a franchise and pay a higher royalty) to $35,000. We offer a special discount of 20% off the initial franchise fee of our Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen, and Tony + Benny's franchises for all our U.S. Military Veterans.

If you have not signed the necessary lease documentation within nine months after signing the Franchise Agreement, you or we may terminate the Franchise Agreement. In that event, we will refund 20% to 100% of the initial franchise fee depending on the costs and expenses we have incurred as long as you and your owners sign a general release satisfactory to us. If you fail to open the restaurant within six

months after taking possession of the site (or a different date if specified in the lease), we may terminate the Franchise Agreement. In that event we will refund 20% to 100% of the initial franchise fee depending on the costs and expenses we have incurred in connection with the franchise as long as you and your owners sign a general release satisfactory to us. There are no refunds under other circumstances.

You must make an initial deposit, after receiving this disclosure document at least 14 calendar days previously, in the sum of $12,500 (or 10% of the purchase prices if you are buying one of our company restaurants) for a single franchise restaurant location. A copy of the Deposit Agreement is included as Exhibit B-2 to this Disclosure Document. If we accept the deposit and we both sign the Deposit Agreement you may purchase a Franchise under the terms available at the time the deposit is made. The deposit will be applied to the initial Franchise Fee if the franchise is purchased within ninety (90) days from the date the deposit is accepted.

If you do not purchase a franchise (or complete the purchase of one of our available for sale company restaurants) within the ninety (90) day period we will refund fifty (50%) percent of the initial deposit within ten (10) days from the expiration of the ninety (90) day period. The deposit is applicable to the purchase by the depositing Party only, and is not assignable.

If you sublease the Premises from us or our affiliate, you also must pay a lease deposit before opening for business. We estimate that lease deposits will range from $2,500 to $10,000 depending upon the location and other factors. If we or our affiliate negotiate a lease for the restaurant on your behalf, which lease, in Villa's reasonable judgment, would be acceptable for the operation of a Villa restaurant, we may charge you a lease negotiation fee, which currently ranges from $0 to $50,000 depending on the location and extent of negotiations.

When submitting your site layout and working drawing implementing our plans and specifications for your Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's restaurant, you must pay us a non-refundable Plan Compliance Fee of $2,000.

Franchise Fee Incentive Program for Multi Unit Franchisees

For an existing Franchisee purchasing an additional Villa Pizza, Villa Fresh Italian Kitchen, or Tony + Benny's franchise, you will be eligible for the following Multi Unit discount:

2nd Franchise Location	20% discount on the then current initial franchise fee
3rd Franchise Location	25% discount on the then current initial franchise fee
4th Franchise Location	30% discount on the then current initial franchise fee
5th or more Franchise Location	50% discount on the then current initial franchise fee

The discount program does not apply to transfers. We also reserve the right to discontinue this program at any time.

Area Development Agreement

If you are qualified and enter into an Area Development Agreement with us, you must pay an initial Development Fee when you sign the Area Development Agreement with us. The amount of the Area Development Fee depends upon the number of restaurants to be opened. The Area Development Agreement requires an upfront payment of one-half of the total Initial Franchise Fee (based upon the number of restaurants being developed) and is due at the time of execution of the Deposit Agreement. For example, if 2 restaurants are developed under the Area Development Agreement within the Continental United States,

the Development Fee will be $50,000 USD ($25,000 USD per restaurant). One-half (or $25,000 USD) is due upon signing the Deposit Agreement. After paying the Development Fee (as explained above), at the time of executing each Franchise Agreement for each restaurant to be developed under the Area Development Agreement after the first one, you must pay the balance of the initial franchise fee. These fees are non refundable and are due and payable upon signing each Franchise Agreement.

ITEM 6
OTHER FEES

RESTAURANT CONCEPT ONLY

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS[1]
Continuing Royalty[2a]	6% of your gross revenues[3]	Weekly, by Tuesday of each week	We may offer a credit on continuing Royalty Fees of up to $2,500 for new Franchisee sponsorships[2b]
Local Advertising Fee[4]	1% of your gross revenues each calendar quarter	As incurred	
Advertising Fund Contribution[5]	Up to 3% of Gross Revenue	Weekly, by Tuesday of each week	We may, in the future, in our sole discretion, establish a fund to provide area, regional, national or international promotional programs.
Transfer Fee[6]	$10,000 or the greater of the Transfer Fee or Franchisor's actual costs	Upon transfer of the franchise	Franchisee and/or proposed transferee may pay the transfer fee, or they may apportion the fee between Franchisee and proposed transferee.
Sales commission	8% of the gross selling price of the restaurant, the franchise, and all related assets	Upon transfer of the franchise	Payable if Franchisor obtains the purchase for your restaurant
Renewal Fee	50% of the then current initial franchise fee	Before renewal	
Interest on Late Payments	Highest rate of interest permitted by law not to exceed 1.5% per month (maximum rate in California is 10% annually)	Immediately	This interest rate applies to any money you owe us after the due date and the interest will be charged until the amounts are paid in full. Interest is in addition to any late fees and service charges.
Service Charges and Late Fees[7]	$50 for late payments and NSF checks	Upon demand	
Audit	Will vary under circumstances	15 days after billing	If an audit reveals an understatement of gross revenues of 2% or more, you must reimburse us for the cost of the audit, including travel expenses, room and board, and compensation of the

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS[1]
			independent accountant and employees of the Franchisor
Insurance	Will vary under circumstances	As incurred	If you fail to obtain the required insurance coverage for your restaurant, we may obtain the coverage at your expense
Initial Training	No charge for the first 4 people; thereafter $100 for each person in excess of 4, per day	30 days after billing	There is no charge for 4 people to attend initial training. For each additional person we will charge this fee. You also must pay all personal expenses including travel, food, and lodging costs
Additional Assistance[8]	$100 for each person per day	30 days after billing	We reserve the right to charge for additional assistance and ongoing training.
Supplier Approval Charge	Will vary under circumstances	30 days after billing	The charge will not be more than the cost of the inspection and testing
Attorneys' Fees and other costs	Will vary under circumstances	As incurred	You must pay all costs reasonably incurred in enforcing the Franchise Agreement, defending and/or settling matters other than liabilities caused by the Franchisor's own gross negligence or willful action.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your franchise operations
Plan Compliance Fee[9]	$2,000	10 days from notice	See Note 9

NOTE 1: All fees are uniformly imposed, collected and payable to us. All fees are nonrefundable.

NOTE 2a: If Royalty fees and/or Advertising Fund contributions are not paid when due, the Franchisor has the right to deduct from the franchisee's account an amount equal to the required Royalty fee and/or Advertising Fund contribution. This amount is based on the average weekly gross revenues attained by the franchisee during the previous one-year period or, if the franchisee's restaurant has not been open for a full year, during such period, as the restaurant has been open.

NOTE 2b: We currently have a new Franchisee Sponsorship Program that allows you to receive a check for Two-Thousand-Five Hundred ($2,500) Dollars when you sponsor one new Franchisee who we approve in our sole and absolute discretion as a Franchisee and who executes our then current Franchise Agreement and all other required franchise documents within twelve (12) months of the date you refer the prospect to us. To qualify, the prospect must not have previously contacted us about a franchise nor ever been a sponsored prospect before or who owns or shares ownership in an existing restaurant and after executing our Franchise Agreement and other related documents the Franchisee you referred must open the franchise restaurant for business. This sponsorship program only applies to the Restaurants described in Item 7. We reserve the right

to discontinue this program at any time, however, we will honor any sponsorship made during the existence of the program.

NOTE 3: The term "gross revenues" means total revenues from sales made in or through the restaurant, less sales tax required by law.

NOTE 4: Advertising expenditures include amounts spent for advertising media, such as television, radio, newspaper, billboards, posters, direct mail, and flyers. Advertising expenditures do not include amounts spent for items which the Franchisor deems inappropriate for meeting the minimum advertising requirement, including permanent on-premises signs, lighting, delivery vehicle storage, premiums, discounts, and employee incentive programs.

NOTE 5: Prior to the establishment of the Advertising Fund, we will notify you 30 days in advance of our intention to institute the fund.

NOTE 6: If the Franchisor exercises its right to purchase, the transfer fee will be waived.

NOTE 7: The Franchisor has the right to assess service charges for any checks that are returned for insufficient funds and late charges if permitted by applicable law.

NOTE 8: The Franchisor will not charge you for operating assistance unless you fail to comply with any provision of the Franchise Agreement, or fail to maintain the standards of quality we set. In those circumstances, we have the right to assign a person to your restaurant to train your employees, and to ensure the standards of quality and service are maintained. You are responsible for that person's travel and living expenses. We also have the right to make reasonable charges for forms and other materials provided to you in connection with this assistance.

NOTE 9: If you fail to properly engage an approved architect and engineer or submit for Our prior approval site layout and working drawings, we may, in our sole discretion, agree to review unapproved plans, layouts and drawings and charge a Plan Compliance Fee of $2,000.

ITEM 7
ESTIMATED INITIAL INVESTMENT

ONE FOOD COURT LOCATION

The following chart provides an estimate of your initial investment for a Villa Pizza restaurant, Villa Fresh Italian Kitchen restaurant, Villa Italian Kitchen restaurant or a Tony + Benny's located in a food court.

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee [1]	$25,000 - $35,000	Lump sum	Upon signing the Franchise Agreement	Franchisor
Opening Inventory	$4,000 - $7,500	Lump sum	Before opening	Various suppliers
Lease Deposit [2]	$2,500 - $10,000	Lump sum	Upon signing the Lease	To us, our affiliate or Landlord

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Lease Negotiation Fee [3]	$0 - $50,000	Lump sum	Upon demand	To us or our affiliate
Utility Installation and Deposits [4]	$200 - $2,000	As incurred	As incurred	Utility companies
Leasehold Improvements	$125,000 - $350,000	As incurred	As incurred	Contractors and suppliers
Advertising and Marketing	$3,000	Lump sum	15 days before opening	Advertising agency
Insurance [5]	$1,200 - $4,000	Lump sum	Before opening	Insurance broker or company
Office Equipment and Supplies	$550 - $1,500	As incurred	As incurred	Various suppliers
Equipment Package [6]	$125,000 - $140,000	Lump sum	Before opening	Contractors and suppliers
Training Expenses [7]	$2,500 - $4,000	As incurred	During training	Hotels, airlines, etc.
Professional Fees, Licenses & Permits [8]	$10,000 - $25,000	As incurred	As incurred	Outside contractor
Additional Funds – (three months) [9]	$4,000 - $10,000	As incurred	As incurred	Employees, suppliers, utilities, etc.
Plan Compliance Fee[10]	$0 – $2,000	As incurred	If required, 10 days from Notice	To us or our affiliate
TOTAL: $302,950 to $644,000 [11]				

NOTE 1 The initial franchise fee is discussed in detail in Item 5. We offer a special discount of 20% off the initial franchise fee of our Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's franchises for all our U.S. Military Veterans.

NOTE 2 You will need to purchase or lease a site of approximately 600 to 900 square feet.

NOTE 3 If the Franchisor, or one of its affiliates negotiates a lease for the premises on your behalf, which lease, in the Franchisor's reasonable judgment, would be acceptable for the operation of a Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's restaurant, you may have to pay the Franchisor a lease negotiation fee, which may include both legal costs (including time spent by in-house counsel) and brokerage fees.

NOTE 4 This item does not include rent deposits for leased premises. In some areas, some utility companies do not require utility deposits. Where required, these deposits are generally refundable.

NOTE 5 The insurance you must maintain is described in Item 8. Our estimate does not include other insurance policies you may have to maintain under the terms of your lease. The unearned portions of the insurance premiums are generally refundable.

NOTE 6 This sum includes all necessary equipment and fixtures, signs, beverage systems, menu display boards, cash registers and related items.

NOTE 7 Travel and living expenses while attending the Franchisor's training programs are not included

in the fees you pay to the Franchisor. At the present time, we provide training of approximately three to five weeks duration in the Virginia or New Jersey area and other certified training locations throughout the country, subject to change from time to time at our discretion. Hotel, food and local travel expenses range from about $100 to $200 per day.

NOTE 8 This expense includes architectural fees, legal fees, accounting services, licenses, permits and administrative expenditures.

NOTE 9 This is an estimate, based on our experience of opening and operating Villa Pizza, Villa Fresh Italian Kitchen restaurants, and Villa Italian Kitchen restaurants of your working capital requirements for the first three (3) months of operations. Working capital for the first three (3) months is estimated to range between $4,000 and $10,000 and includes general operating expenses, such as lease payments, inventory, payroll, payroll expenses, facility expenses, insurance, pest control, security, repairs and maintenance, and complimentary sales and other costs. These figures are estimates and we cannot assure you that you will not have additional expenses in starting the restaurant. Your actual cost will depend on factors such as your management skill, experience, and business acumen; local economic conditions; the local market for the restaurant; the prevailing wage rate; competition in the market place; and the sales level reached during the start-up phase. These amounts do not include any estimates for any debt service.

NOTE 10 If you fail to properly engage an approved architect and engineer or submit for our prior approval site layout and working drawings, we may, in our sole discretion, agree to review unapproved plans, layouts and drawings and charge a Plan Compliance Fee of $2,000.

NOTE 11 The total estimated initial investment does not include real estate and related costs.

Except as otherwise noted, none of these payments are refundable. These payments are only estimates and your costs may be higher, depending on your particular circumstances, for example whether you are located within an airport, casino, transportation area or some other non-traditional location. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a franchise. We do not offer any financing for your initial investment. The availability and terms of financing with third-party lenders will depend on factors such as the availability of financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

ONE IN-LINE RESTAURANT

The following chart provides an estimate of your initial investment for an in-line Villa Pizza restaurant, Villa Fresh Italian Kitchen restaurant, Villa Italian Kitchen restaurant or a Tony + Benny's restaurant.

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee [1]	$25,000 - $35,000	Lump sum	Upon signing the Franchise Agreement	Franchisor

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Opening Inventory	$4,000 - $7,500	Lump sum	Before opening	Various suppliers
Lease Deposit [2]	$2,500 - $10,000	Lump sum	Upon signing the Lease	Landlord
Lease Negotiation Fee [3]	$0 - $50,000	Lump sum	Upon demand	To us or our affiliate
Utility Installation and Deposits [4]	$200 - $2,000	As incurred	As incurred	Utility companies
Leasehold Improvements	$250,000 - $650,000	As incurred	As incurred	Contractors & suppliers
Advertising and Marketing	$3,000	Lump sum	15 days before opening	Advertising agency
Insurance [5]	$1,200 - $4,000	Lump sum	Before opening	Insurance broker or company
Office Equipment and Supplies	$1,500 - $3,500	As incurred	As incurred	Various suppliers
Equipment Package –[6]	$125,000 - $175,000	Lump sum	Before opening	Contractors & suppliers
Training Expenses [7]	$2,500 - $4,000	As incurred	During training	Hotels, airlines, etc.
Professional Fees, Licenses & Permits [8]	$15,000 - $55,000	As incurred	As incurred	Outside contractor
Additional Funds – (three months) [9]	$6,000 - $15,000	As incurred	As incurred	Employees, suppliers, utilities, etc.
Plan Compliance Fee[10]	$0 - $2,000	As incurred	If required, 10 days from Notice	To us or our affiliate
TOTAL: $435,900 - $1,016,000[11]				

NOTE 1 The initial franchise fee is discussed in detail in Item 5. We offer a special discount of 20% off the initial franchise fee of our Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's franchises for all our U.S. Military Veterans.

NOTE 2 You will need to purchase or lease a site of approximately 1,200 to 3,000 square feet.

NOTE 3 If the Franchisor or one of its affiliates negotiates a lease for the premises on your behalf, which lease, in the Franchisor's reasonable judgment, would be acceptable for the operation of a Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's restaurant, you may have to pay the Franchisor a lease negotiation fee, which may include both legal costs (including time spent by any in-house counsel) and brokerage fees.

NOTE 4 This item does not include rent deposits for leased premises. In some areas, some utility companies do not require utility deposits. Where required, these deposits are generally refundable.

NOTE 5 The insurance you must maintain is described in Item 8. Our estimate does not include other insurance policies you may have to maintain under the terms of your lease. The unearned portions of the insurance premiums are generally refundable.

NOTE 6 This sum includes all necessary equipment and fixtures, signs, beverage systems, menu display boards, cash registers and related items.

NOTE 7 Travel and living expenses while attending the Franchisor's training programs are not included in the fees you pay to the Franchisor. At the present time, we provide training of approximately three to five weeks duration in the Virginia or New Jersey area and other certified training locations throughout the country, subject to change from time to time at our discretion. Hotel, food and local travel expenses range from about $100 to $200 per day.

NOTE 8 This expense includes architectural fees, legal fees, accounting services, licenses, permits and administrative expenditures.

NOTE 9 This is an estimate, based on our experience of opening and operating Villa Pizza, Villa Fresh Italian Kitchen restaurants, and Villa Italian Kitchen restaurants, of your working capital requirements for the first three (3) months of operations. Working capital for the first three (3) months is estimated to range between $6,000 and $15,000 and includes general operating expenses, such as lease payments, inventory, payroll, payroll expenses, facility expenses, insurance, pest control, security, repairs and maintenance, and complimentary sales and other costs. These figures are estimates and we cannot assure you that you will not have additional expenses in starting the restaurant. Your actual cost will depend on factors such as your management skill, experience, and business acumen; local economic conditions; the local market for the restaurant; the prevailing wage rate; competition in the market place; and the sales level reached during the start-up phase. These amounts do not include any estimates for any debt service.

NOTE 10 If you fail to properly engage an approved architect and engineer or submit for our prior approval site layout and working drawings, we may, in our sole discretion, agree to review unapproved plans, layouts and drawings and charge a Plan Compliance Fee of $2,000.

NOTE 11 The total estimated initial investment does not include real estate and related costs.

Except as otherwise noted, none of these payments are refundable. These payments are only estimates and your costs may be higher, depending upon your particular circumstances, for example whether you are located within an airport, casino, transportation area or some other non-traditional location. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a franchise. We do not offer any financing for your initial investment. The availability and terms of financing with third-party lenders will depend on factors such as the availability of financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

YOUR ESTIMATED INITIAL INVESTMENT FOR AREA DEVELOPERS

Type of Expenditure	Amount	Method of Payment	When Due	To whom payment is to be made
Area Development Fee(Note 1)	$50,000 - $70,000	One Installment	On Signing Deposit Agreement	Us

Type of Expenditure	Amount	Method of Payment	When Due	To whom payment is to be made
Legal and Accounting	$2,500 - $10,000	As third party specifies	As Incurred	Attorney, Accountant
Additional Funds	$20,000 - $50,000	As Supplier requires	Monthly except bi-weekly payroll	Start-up capital, employees
Total (Note 1,2,3,4)	$72,500- $130,000 (excluding real property)			

Note 1: The Area Development Fees listed above are for two (2) locations which are the minimum number of locations we require to enter into an Area Development Agreement. Inside the Continental U.S., the total investment is $72,500 to $110,000 USD for two (2) locations ($25,000 USD initial franchise fee for each location). Outside the Continental U.S. [Alaska, Hawaii and U.S. Territories], the total investment is $92,500 to $130,000 USD for two (2) locations ($35,000 USD initial franchise fee for each location). The maximum number of units we will contract for under the Area Development Agreement is negotiated and dependent upon the territory requested.

Note 2: If you participate in the Area Development Program, you must also own and operate multiple franchised units. Included in the amount set forth is the initial franchise fee for the first franchised restaurant concept ($35,000 USD when located outside of the Continental U.S. [Alaska, Hawaii and U.S. Territories]) and $35,000 USD for the second location, of which one-half of the total initial franchise fee is due upon signing the Deposit Agreement ($35,000 USD) and the balance of the initial franchise fee for the second location (in this example would be $35,000 USD) is paid upon signing the Franchise Agreement.

Note 3: All fees payable to us are fully earned when paid and non-refundable.

Note 4: This Area Development investment does not include your estimated initial investment for beginning operation of each franchised restaurant. Those costs are set out in Item 7.

Except as otherwise noted, none of these payments are refundable. These payments are only estimates and your costs may be higher, depending on your particular circumstances, for example whether you are located within an airport, casino, transportation area or some other non-traditional location. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a franchise. We do not offer any financing for your initial investment. The availability and terms of financing with third-party lenders will depend on factors such as the availability of financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

To ensure that uniform and high standards of quality and service are maintained, you must operate your restaurant in strict conformity with our methods, standards and specifications and you may purchase goods, services, supplies, fixtures, equipment and inventory only from suppliers we have approved ("Approved Supplier"). Neither we nor persons affiliated with us represent the only approved suppliers. We do not have required purchases or leases in which we derive revenue, rebates or other material consideration. The cost of equipment purchased in accordance with specifications represents between approximately 17% and 41% of your total purchases in connection with the establishment of your restaurant. Currently, one of our affiliates may provide lease negotiation services and/or sublease the premises to you. We formulate and modify, at our sole discretion, specifications and standards we impose on franchisees and suppliers. Specifications and standards are issued to franchisees through the Operations & Training Manual(s) and to suppliers by written agreement.

We attempt to negotiate purchase arrangements with suppliers (including price terms) for the benefit of all Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's restaurants, including those owned by franchisees; however, we (or our affiliates) have the right to retain 100% of all discounts, rebates, commissions or other consideration paid by Approved Suppliers and to use them for whatever purposes we or our affiliates elect, and you may claim no rights thereto. The Approved Suppliers may pay us an administrative fee which averages approximately 7% of sales by Approved Suppliers to the Franchised Business. The fee is based on sales to the Franchised Business in order to reimburse us for our costs incurred in connection with the administration of the distribution system and product liability requirements. We do not provide material benefits (*e.g.*, renewal or additional franchises) to a franchisee based on his use of designated or Approved Suppliers. If you want to use another supplier, you must make a written request to us for approval, which approval will not be unreasonably withheld. You must obtain approval in writing. During the fiscal year ended December 27, 2020 our affiliates derived revenue of approximately $550,000 of our total revenues from these miscellaneous purchases. None of Our officers own any interest in any supplier.

There are no franchisee purchasing or distribution cooperatives.

Items We Supply or Derive Revenue From

Neither we nor any of our affiliates derived revenues last year from any lease arrangements with franchisees. From time to time we collect monies for miscellaneous items such as product purchases, etc. or an advertising item for a specific marketing campaign.

An Approved Supplier of beverage products has agreed, subject to certain conditions, to pay our affiliate, Villa Management, rebates based on purchases from company-owned Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's restaurants, as well as purchases from our Franchisees who choose to sell such supplier's beverage products exclusively. (Our affiliate has agreed to sell such supplier's products exclusively through December 31, 2021 with respect to company-owned restaurants.) Under this program, our Affiliate receives from this Approved Supplier: (1) rebate to be used for various marketing and promotional programs aggregating greater than $5.00 per gallon of post-mix products, of which we will remit to you $1.59 per gallon with respect to your purchases, if you participate; (2) a price protection rebate equal to the amount, if any, by which gross weighted average national account prices increase by a certain percentage over the prior year; (3) a $2,500 vendor rebate for each new restaurant that sells the

designated vendor's beverage products exclusively and remains open for a contractually agreed period, which rebate we will use in our discretion for marketing and grand opening support of your restaurant; (4) growth incentive rebate based upon a per gallon post mix product purchases by the entire company-owned and franchise system and per case of packaged beverage products that are purchased by the entire company owned and franchise system and (5) rebates of $1.35 per case of packaged beverage products, which are to be used for certain marketing programs. Except as described above, Our Franchisees which participate in the Beverage Program will be able to receive beverage equipment on loan and at a per gallon cost from the supplier for the term of their franchise or duration of the Beverage Agreement, whichever is first to occur. Franchisees will not receive a portion of the rebates described in Nos. (2) and (5) above, because the amounts involved, if received at all, are so *de minimis*, that the accounting and calculation involved would be extremely difficult and costly. In addition, the rebates described in No (5), above, will not be shared with our Franchisees, but will be used in their entirety to cover system-wide marketing expenditures. As noted above, under the Franchise Agreement, you have no contractual right to any of these rebates, and we may use them at our discretion.

Site Selection

You must select a site for your restaurant that conforms to our standard site selection criteria and which we accept or reject based upon either ours or an affiliates experience and expertise in operating Villa Pizza restaurants, Villa Fresh Italian Kitchen restaurants, Villa Italian Kitchen restaurants and Tony + Benny's restaurants.

Lease of Premises

We have the right to approve the terms of any lease or sublease for the premises of your restaurant. Typically, one of our affiliates will execute a mutually satisfactory lease, and you may execute a sublease on substantially the same terms. There may be instances where we authorize you to execute a lease with the owner of the premises that is acceptable to both you and us, along with a conditional assignment of lease in favor of us or one of our affiliates. Any lease that you sign must be exclusively for the operation of a Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's restaurant, and must provide that upon termination or expiration of the franchise, for any reason, the Franchisor or one of its affiliates will have the right, but not the obligation, to assume the lease, and replace you as tenant. If we exercise that right, we will fully indemnify you from all liability for future rent and all other future obligations under the lease (though not from any liability for unpaid rent or any then-existing liabilities or obligations under the lease). You must agree to sign any documents required to assign the lease to us or our designee.

Development of the Premises

You are responsible for developing the restaurant and for all expenses associated with it. Promptly after obtaining possession of the site for the restaurant, you must obtain all required zoning changes, all required building, driveway, utility, health, sanitation and sign permits. You also must complete development of and have the restaurant ready to open and begin operations within a reasonable time, but not more than six months unless extended by us, or for a shorter or longer time period as specified in the lease, after you possess the site. We must inspect and approve your restaurant before opening.

Purchase or Lease of Equipment, Furniture, Fixtures and Signs

The equipment, furniture, fixtures, and exterior and interior signs required for the restaurant must conform to our specifications. Specifications may include minimum standards for delivery, performance, designs and appearance, and local zoning, sign and other restrictions. You may purchase or lease original and replacement equipment, furniture, fixtures and signs meeting our specifications from sources we have approved. You must notify us, before dealing with any sources which we have not previously approved, and

we may require submission of sufficient specifications, photographs, drawings and/or information and samples to determine whether those items meet our specifications. We, at our sole option, may provide you with specifications and minimum standards for all or portions of the restaurant's construction, design and layout, which you must follow.

Food Products, Beverages, Supplies and Materials

Your restaurant may use and/or offer for sale only food products, beverages, ingredients, uniforms, packaging materials, menus, forms, labels and other supplies from suppliers we have approved in writing. If you want to purchase any items from a supplier other than us, or a supplier who we have not approved, you must submit to us a written request for approval, or request that the supplier does so. These requests must contain a covenant to conform, at all times, to our standards and specifications in effect from time to time.

We may require, as a condition of the supplier's approval, that our representative be permitted to inspect its facilities, and that it deliver samples, at our option, to us for testing. The samples must demonstrate, to our satisfaction, an ability to meet our standards and specifications. Either you or the supplier seeking approval must pay us a charge, to be not more than the cost of the inspection and testing, and we will not be liable for damage to any sample that may result from the testing process.

The supplier must also demonstrate to us the existence of quality controls, and the financial and managerial capacity to supply your needs promptly and reliably. We reserve the right, and the supplier must agree, as a condition to our approval, at our option, to allow us to re-inspect the facilities and to retest the products at any time, without prior notice and without liability, and regardless of any contractual arrangement between you and the supplier. We generally will notify you of our approval or disapproval of a supplier you propose within 30 days after you submit the necessary information to us. We may revoke our approval if the supplier has failed to continue to meet any of our criteria.

We reserve the right to be either the sole source of supply, or the sole designator of suppliers who will provide food products, ingredients or mixes involving trade secrets, confidential formulae or confidential recipes. We will have no obligation to release any trade secret, confidential formulae or confidential recipe to you or any other supplier. We have the right to profit from those sales.

Specifications, Standards and Procedures

You agree to operate exclusively as a Villa Pizza restaurant, Villa Fresh Italian Kitchen restaurant, Villa Italian Kitchen restaurant or Tony + Benny's restaurant, in strict conformity with the Operations & Training Manual(s), and not to engage in any other type of business at the franchised location. You must equip, maintain, staff and operate the restaurant strictly in accordance with the methods, procedures and techniques We, from time to time, establish and publish in the Operations & Training Manuals or otherwise. You must maintain the franchise premise, and its appearance, in a clean and orderly manner, consistent with the operation of a quality Villa Pizza restaurant, Villa Fresh Italian Kitchen restaurant, Villa Italian Kitchen restaurant or Tony + Benny's restaurant, and in accordance with Our directives, which We deem necessary to protect the standards of quality and uniformity We establish for the System. You also must conform to all standards of quality and service that We prescribe, to sustain the good will and prestige that the proprietary marks enjoy with the public.

We reserve the right, in Our sole discretion, to modify Our System, including the adoption and use of new or modified logos, trade names, service marks or copyrighted materials, new food items, new products, new techniques or new equipment. You recognize Our right to make any such modifications or changes and agree to accept, implement, use and display such changes and modifications at Your expense. You agree that

You will make all changes or modifications that We may require, within a reasonable time after notice from Us.

Advertising by Franchisee

You may not engage in any advertising program or use any other advertising, including local advertising placed on television, print or any other media, or prepare or use any marketing materials, unless We have approved it in writing.

Insurance

You must maintain in force, naming us as an additional insured, at a minimum the following insurance:

1. Property insurance on a "Special Form" perils basis, covering the full replacement value of the Franchised Restaurant and all of its Business Personal Property. Policy shall carry a Replacement Cost Valuation provision, a prescribed Amount endorsement, (no coinsurance) and a deductible not to exceed $2,500. Amount of coverage shall be not less than the full replacement cost of all such property. We may request, from time to time, a reasonable increase in the amount of such property insurance in order to account for inflationary trends.

2. Equipment Breakdown covering the full replacement value of the Franchised Restaurant equipment, including business interruption resulting from such breakdown.

3. Business Interruption insurance, in sufficient amount to cover net profit plus continuing expenses (including payments to us for loss of royalties, advertising fees and other required remittance due under our Franchise Agreement for a period of six months) for a period of at least one year, as a result of any insurable interruption in Franchisee's business operations.

4. Crime insurance, to include Employee Dishonesty, Money & Securities, Counterfeit Currency and Forgery & Alteration.

5. Comprehensive General Liability insurance, including premises/ operations, products/completed operations, liquor liability if applicable, contractual liability, and liability for the acts of independent contractors, with Bodily Injury/Property Damage Liability limits of not less than One Million Dollars ($1,000,000.00) Per Occurrence and Two Million Dollars ($2,000,000) Per Location Aggregate. Employee Benefit Liability to be included.

6. Workers' Compensation/Employer's Liability insurance, as well as such other insurance as may be required by statute or regulation of the state or locality in which the Franchised Restaurant is located and operated.

7. Comprehensive Automobile Liability insurance covering both owned and non-owned vehicles owned and/or operated by Franchisee, with limits of not less than One Million Dollars ($1,000,000) Bodily Injury/Property Damage liability or, in the alternative, One Million Dollars ($1,000,000) Bodily Injury and Two Hundred Fifty Thousand ($250,000) Property Damage Liability.

8. Commercial Umbrella Liability insurance, with limits of not less than Two Million Dollars ($2,000,000.00) Per Occurrence and Two Million Dollars ($2,000,000) Aggregate, and arranged to cover over all above primary underlying coverages without gap.

9. Contractor's Insurance. In connection with any construction, renovation, refurbishing, or remodeling of the restaurant, Franchisee will cause the general contractor to maintain Comprehensive General Liability insurance (including products/completed operations and independent contractors coverage) with limits of at least One Million Dollars ($1,000,000.00) Per Occurrence and One Million Dollars ($1,000,000) Aggregate, naming FRANCHISOR as an additional insured; Comprehensive Automobile Liability; Workers' Compensation; and such other insurance as may be required by law. In the event of new construction, the general contractor shall maintain Builders' Risk coverage on a "Special Form" perils basis, sufficient to cover the completed value of such new construction, naming FRANCHISEE as additional insured.

10. Rental value insurance (in an amount sufficient to cover the rents and other fees due the landlord and/or Merchants' Association under the lease, if any, during any period of business interruption or inability to operate to operate the Franchised Restaurant) or such greater amounts of insurance as required by the lease for the Franchised Restaurant.

11. Sign coverage for 100% replacement value of sign.

12. Coverage enhancements:

- Personal Property off Premises
- Property in Transit
- Ordinance or Law
- Spoilage of Perishable Goods
- Off-premises Power Interruption
- Food Spoilage/Contamination
- EDP Equipment and software
- Fine Arts
- Personal Effects
- Valuable Papers and Records
- Outdoor Signs
- Interior Glass
- Fire Suppression System Recharge
- Sewer or Drain Backup
- Accounts Receivable
- Cyber Liability & Expense Reimbursement
- Trade Name Restoration

13. You shall carry and additional insurance covering such additional risks or providing higher limits as we may request. For instance, we may require you to have Employer Practices Liability Insurance (EPLI) and name us an additional insured.

All insurance policies must be issued by carriers rated not less than A-IX by Best's Rating Guide (or equivalent) we have approved and who are authorized to do business in the state where the restaurant is located, must contain the types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time, must name us, our designees and our affiliates as additional insureds, must provide for 30 days' prior written notice to us of any material modification, cancellation or expiration of such policy and must include all other provisions we may require from time to time. Franchisee shall deliver copies of policies or certificates of insurance 7 days prior to opening the Restaurant for business.

Computer Equipment

You must purchase or lease an approved Point of Sale system for your restaurant. You may substitute alternate equipment only if approved by us. You may not use any hardware and/or software without our prior approval. (See Item 11).

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 STANDARD AGREEMENT	SECTION IN AREA DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
a	Site selection and acquisition/lease	§3 Sublease in its entirety	§5	Items 8 and 11
b	Pre-Opening purchases/leases	§§3, 4; Sub-Lease Agreement in its entirety	§§3,4,5 and 6	Items 6,7, 8 and 11
c	Site development and other pre-opening requirements	§§4, 5	§§3 and 5	Items 7, 8 and 11
d	Initial and ongoing training	§7	None	Items 6,7 and 11
e	Opening	§3	§§2,3 and 4	Items 7 and 11
f	Fees	§§19, 20, 21, 35, 42; § 7 of Sub-Lease Agreement	§4	Items 5, 6 and 7
g	Compliance with standards and policies/Operations & Training Manual	§§4, 9, 13	§§3,5,7 and 8	Items 8 and 11
h	Trademarks and proprietary information	§§16, 17 ,18	§§7 and 8	Items 13 and 14
i	Restrictions on products/services offered	§22	§§3,5,7 and 8	Items 8 and 16
j	Warranty and customer service requirements	§9	None	Item 8

	OBLIGATION	SECTION IN STANDARD AGREEMENT	SECTION IN AREA DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
k	Territorial development and sales quotas	Not Applicable	§§2,3 and 5	Not Applicable
l	Ongoing product / service purchases	§22	§§3,5 and 8	Item 8
m	Maintenance, appearance and remodeling requirements	§6	§§3,4,6 and 8	Item 8
n	Insurance	§15	§§3 and 12	Items 6,7 and 8
o	Advertising	§21	§§3,7 and 8	Items 6,7,8 and 11
p	Indemnification	§41	§12	Item 6
q	Owner's participation / management / staffing	§§8, 14, 40	§6	Item 15
r	Records/reports	§§10, 11, 12, 44(m)	§§3,4,5 and 10	Item 8
s	Inspections/Audits	§23	§§3,4,5 and 10	Item 6
t	Transfer	§§28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38; §9(e) of Sublease	§11	Items 6 and 17
u	Renewal	§2	§2 and 3	Item 6 and 17
v	Post termination obligations	§25; §11 of Sublease	§9 and 10 and Exhibits 2A & 2B	Item 17
w	Non-competition covenants	§§14, 27	§7,10 and 13	Item 8 and 17
x	Dispute Resolution	§§44(e), 44(f), 44(h), 44(i); § 19 of Sublease	§13	Item 17
y	Release of Existing Liability	§44(j)	Not Applicable	Not Applicable

ITEM 10
FINANCING

We do not offer direct or indirect financing to you nor do We or any of Our affiliates receive any direct or indirect payments or other consideration from any person for the placement of financing with a lender, although we will cooperate with the Small Business Administration approved lenders and will work

with You to help You process SBA funding through any approved lender. We do not customarily guarantee any of your notes, leases, or other obligations to third parties although our affiliate has, from time to time, given certain limited guaranties on leases (but there is no obligation to do so). In certain limited situations, our affiliate may provide a limited guaranty of your lease with a third party, if you have acceptable credit and it is the only way to obtain an exceptional location.

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

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

Pre-Opening Obligations (Standard)

We will provide the following pre-opening assistance:

1. We will provide you with assistance in choosing and evaluating a location. Franchise Agreement, Section 3);

2. We will also provide guidance to you in developing your restaurant. We will provide you with specifications for inventory and supplies, equipment, furniture, fixtures, and related elements of decor, and the exterior and interior signs required for the restaurant. (Franchise Agreement, Section 4);

3. We will provide initial training to you (or your principal owner) and your full-time Restaurant Manager. This training is described in detail later in this Item. (Franchise Agreement, Section 7);

4. We will loan to you a copy of our confidential Operations & Training Manual (Franchise Agreement, Section 13). The table of contents is attached to this Disclosure Document as Exhibit D.

Time To Open

We estimate the time from the date you sign the Franchise Agreement to the date you open your restaurant to be between six and nine months. If you do not sign a lease for the selected site within nine months of the signing the Franchise Agreement, you or we may terminate the Franchise Agreement. However, this time estimate may vary depending on numerous factors including location, acquisition or lease of a suitable site, construction schedules and financing.

Obligations After Opening (Standard)

We will provide the following assistance during the operation of your restaurant:

1. We will provide the periodic operating assistance to you with regard to the System, including improvements and changes that we determine are necessary. This assistance may include food preparation and supplying menus and food recipes, preparation and requirements, advertising and promotions, and evaluating and testing new food developments. [Franchise Agreement, Section 9(a)];

2. We may furnish, from time to time, other manuals, business information and literature as we determine will be helpful in improving the operation of the restaurant. [Franchise Agreement, Section 9(b)];

3. We will provide additional instructional and training materials that we determine may be helpful in improving the operation of your restaurant. [Franchise Agreement, Section 9(b)];

Electronic Point of Sale and Computer Equipment (Standard)

You will need to purchase or lease a Point of Sale (POS) system in order to operate the Franchised Business. You may substitute alternate equipment only if approved by us. We reserve the right to require that this system be upgraded on a system-wide basis at any time. There is no limit on the frequency or cost of this obligation. All franchisees are required to have internet capability available. The cost of purchasing the Point of Sale system ranges from $10,000 to $15,000. If you lease the Point of Sale System Your lease cost will vary upon the length of term leased, Your credit and other factors used by leasing companies. You will need to purchase the managed services (menu and database) for your Point of Sale System from the approved supplier, which fees are approximately $800 - $1,000 per year.

The Point of Sale (POS) system will generate information with regard to sales including, but not limited to, continuity of transactions, sales tax information, and product mix information. We may require electronic transmission of this information We may have independent access to this information and data. In order to operate the current Oracle/Simphony Point of Sale system, certain employee personal information must be provided to set up employee data in the Point of Sale System. We will: (i) use reasonable and appropriate measures to safeguard the security of the personal information, including providing access to the personal information only to those responsible for the operation and maintenance of the Point of Sale system, who have a need for such access, (ii) use that personal information only for purposes related to the operation of the Point of Sale system, and (iii) not disclose that personal information except as required under applicable law.

There may be a maintenance/help desk fee of approximately $1,100 - $1,500 per year for the Point of Sale system. There may be a SAAS (Software As A Service) fee of approximately $750 per year, per terminal for the Point of Sale software license.

You may also need to purchase a digital menu board from an approved supplier. There may be a periodic fee to change promotions and pricing of approximately $600 per year.

You must provide the assistance the Franchisor requires to connect your computer system with its computer system or the computer system of a third party data collection service we designate. The Franchisor may retrieve and use the data and information from your computer system as the Franchisor, in its sole discretion, deems desirable, and you must bear the cost of telephonic retrieval. In view of the contemplated interconnection of computer systems and the necessity that our systems be compatible with each other, you must purchase, lease and/or license any additional software or hardware necessary to complete the interconnection between your computer and our computer.

To ensure full operational efficiency and optimum communication capability between and among computer systems, you must, at your expense, keep your computer systems in good condition, and promptly install all additions, changes, modifications, substitutions or replacements to hardware, software, telephone and power lines, and other computer-related facilities, as the Franchisor directs. The cost of maintaining your computer system is estimated to be between zero and fifteen-hundred dollars ($0 and $1,500) a year. The cost of purchasing or leasing your computer system is set out above.

Site Selection

Site selection criteria is based upon which concept you choose. Your selection of a site for your restaurant is however subject to our acceptance. If you choose the Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's concepts, at our option, you must either sublease, on essentially the same terms, the location for which we or one of our affiliates have executed a mutually acceptable lease with the owner of the premises, or you must execute a lease with the owner of the premises that is acceptable to both you and us, along with a conditional assignment of the lease in favor of us or one of our affiliates. In approving a site, we consider a variety of factors including general location, size and physical characteristics of the site. We generally will notify you of our approval or disapproval of a site you select within 30 days after you submit the necessary information to us. If we are unable to decide upon a mutually acceptable location, we will not grant you a franchise.

Neither our site selection guidelines and requirements, our approval of the premises nor any information communicated to you about the premises will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for a restaurant. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise for a Villa Pizza restaurant, Villa Fresh Italian Kitchen restaurant, Villa Italian Kitchen restaurant or Tony + Benny's restaurant, as applicable, at the site. You may not relocate your restaurant without first obtaining our written consent.

If you will operate an in-line restaurant, you must begin construction of your restaurant within 45 days from the date of approval by appropriate authorities of the structural plans, and must fully complete the restaurant within 180 days after construction has begun, as long as you are not prevented from beginning construction or completing the restaurant within that time by the occurrence of war, strike, lockout, governmental regulation, fire, Act of God or other force of nature directly affecting your ability to perform. You agree to open and begin operation of your restaurant no later than 30 days following completion of your restaurant.

Training

Before opening your restaurant, you (or your principal owner) and the full-time Restaurant Manager must successfully complete an initial training program to our satisfaction. We will train four people without charge, but we have the right to charge for additional people to attend initial training.

The initial training program consists of hands-on training covering all phases of restaurant operations, including food and inventory purchasing, food preparation, equipment operation and maintenance, relations with employees and customers, basic techniques of management and merchandising, and preparation of records and reports. The in-store training for all concepts is usually conducted at a Villa Pizza, Villa Fresh Italian Kitchen or Villa Italian Kitchen restaurant in The Outlets at Bergen Town Center, Paramus, NJ or Orlando Premium Outlets, Orlando, FL or another certified training center in the U.S. for a period of time between three and five weeks, depending on the background and experience of the person being trained. Training is conducted according to our training schedule, which is usually monthly. Generally, training begins approximately five weeks before opening your restaurant, but it must be completed during the 30 days preceding the opening of your restaurant.

As of the date of this Disclosure Document, training is conducted by our staff consisting of Villa Pizza, Villa Fresh Italian Kitchen or Villa Italian Kitchen restaurant management personnel. Our training is supervised by Kelly Hernandez, who has over 8 years of experience, and individual instructors generally have 3 to 15 years experience in restaurant operations.

You must replace any manager who fails to successfully complete a training program or who

otherwise is not qualified to manage your restaurant. As described in Item 6, you will be responsible for all compensation and expenses (including travel, meals and lodging) incurred in connection with any training programs. Neither you nor your employees will receive any compensation from us for services performed during training.

Instructional materials for the initial training program include the Operations & Training Manual, the Recipe Manual, and standard forms. The subjects covered and approximate hours of on-the-job training are described in the following chart:

STANDARD TRAINING PROGRAM

SUBJECT	HOURS OF ON-THE-JOB TRAINING	HOURS OF CLASSROOM TRAINING	LOCATION
Food and Inventory Purchases	6 hours	1 – 2 hours	Paramus, NJ or Orlando, FL or another certified training center
Preparation and Service of Foods and Beverages	35 hours	1 – 2 hours	Paramus, NJ or Orlando, FL or another certified training center
Operating of restaurant Equipment	35 hours	1 – 2 hours	Paramus, NJ or Orlando, FL or another certified training center
Relations with Employees and Customers	15 hours	1 – 2 hours	Paramus, NJ or Orlando, FL or another certified training center
Merchandising and Management Skills	35 hours	1 – 2 hours	Paramus, NJ or Orlando, FL or another certified training center
Preparation of Records and Reports	7 hours	1 – 2 hours	Paramus, NJ or Orlando, FL or another certified training center

You (or your principal owner), or your Restaurant Manager and any replacement Restaurant Managers must attend additional training programs, sales meetings, operations meetings and conventions that we specify. You will be responsible for all expenses you and your employees incur when attending these programs and meetings. In addition to training programs, we will provide additional assistance at your request. We reserve the right to charge you for the additional assistance as described in Item 6. In addition, you must provide for your own transportation, housing and living expenses if required.

You may also be required to subscribe to our iLEARN Center through a contract with an Approved Supplier that provides additional training tools (i.e. chapters, videos, roadmaps). There may be a service fee paid directly to the Approved Supplier. The service fee currently is approximately $20.00 per month. You may access this service by computer or tablet.

Advertising

We currently do not have an Advertising Fund but have the right to initiate this Fund upon a 30 day notice to you and collect a maximum of 3% of gross revenue. The fee for the Advertising Fund will be due at the same time royalty fees are paid, Tuesday of each week. (See Item 6). Restaurants which we and our affiliates own are not required to contribute to the Advertising Fund. Some third party vendors may contribute advertising allowances to the Advertising Fund. The Advertising Fund will not spend any money on advertising that is principally a solicitation for the sale of franchises. We will maintain one separate Advertising Fund for all Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's restaurants.

We will have sole discretion over all aspects of programs financed by the Advertising Fund, including national or regional media, creative concepts, materials and endorsements of marketing and advertising programs. Although the Advertising Fund is intended to maximize general recognition and patronage of the Marks (and other marks relating to the type of restaurant to be franchised) for the benefit of all Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's restaurants, as applicable, we cannot assure you that any particular restaurant will benefit directly or pro-rata from the placement of advertising. The Advertising Fund may be used to pay for the cost of preparing and producing marketing and advertising materials and programs we select, including video, audio and written advertising materials, and for the cost of mystery shopper and employing advertising agencies and supporting market research activities. We may furnish you with marketing, advertising and promotional materials at cost, plus any related administrative, shipping, handling and storage charges.

The Advertising Funds for Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's restaurants will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs and overhead we may incur in activities related to the administration of the Advertising Funds and its programs, including conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Advertising Funds. All disbursements from the Advertising Funds will be made first from income and then from contributions. We may spend in any fiscal year an amount greater or less than the aggregate contributions of all restaurants to the Advertising Funds in that year, and the Advertising Funds may borrow from us or other lenders to cover deficits in the Advertising Funds. We may cause the Advertising Funds to invest any surplus for future use by the Advertising Funds. We will prepare annually a statement of monies collected and costs incurred by the Advertising Funds ("annual statement") and furnish you a copy upon your written request. You have no audit rights with respect to this annual statement. Except as otherwise expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation with respect to the establishment, direction or administration of the Advertising Funds. We do not act as trustee or in any other fiduciary capacity with respect to the Advertising Funds.

With the funds of the Advertising Fund, we will advertise Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's restaurants, as applicable, in various media, including television, radio, magazine, newspaper, billboards, transit and aerial advertising. Our advertising is developed both by outside advertising agencies and our in-house advertising department. To date, most of our advertising has been local.

Advertising Cooperatives

We currently do not have an advertising council. You are not required to participate in any advertising cooperative and we do not anticipate requiring cooperatives in the future. You must spend 1% of your gross revenues each calendar quarter on advertising and promoting your restaurant ("Local Advertising Fee"). Any

and all advertising must be approved by us in writing. The Local Advertising Fee is included as part of your contribution to any Advertising Fund we may establish. Advertising expenditures do not include amounts spent for items which the Franchisor deems inappropriate for meeting the minimum advertising requirement, including permanent on-premises signs, lighting, delivery vehicle storage, premiums, discounts, and employee incentive programs.

Advertising General

You may not engage in any advertising including all local advertising or marketing unless and until it is previously approved by us in writing.

You are restricted from advertising using our domain name on the Internet or World Wide Web except in accordance with our written policies and guidelines.

Maintenance

There are no optional or required maintenance update, upgrade or support contracts.

ITEM 12
TERRITORY

We grant you the right to operate one restaurant under the Marks at a specific location to be approved by us. You have no territorial or exclusive rights and We have the right to own, operate, and license others to own and operate Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's restaurants anywhere, including in the vicinity and market area of your restaurant. You may also compete against "Instant Replay – Villa Pizza" units if your restaurant is located within the State of Nevada. (See Item 1). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You may not conduct your franchised restaurant at any site other than the premises, or relocate your restaurant without our prior written consent. The Franchise Agreement does not provide you with any options, rights of first refusal, or similar rights to acquire additional franchises.

Except for rights expressly granted to you under the Franchise Agreement, we and our affiliates retain all of our respective rights and discretion with respect to the Villa Marks, the System or Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's restaurants anywhere in the world and to engage in any other business, including the right to:

(a) operate, and grant others the right to operate, Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's restaurants at locations and on terms and conditions we deem appropriate;

(b) sell any products or services under the Villa Marks or under any other trademarks, service marks or trade dress, through other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing in which case we do not pay you any compensation; and

(c) operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Marks, under terms and conditions we deem appropriate.

The Franchise Agreement does not grant you a right to maintain a World Wide Web site without our prior approval, which we may withhold at our sole discretion, nor does the Franchise Agreement grant you a right to use other channels of distribution, such as catalog sales, telemarketing or other direct marketing sales

outside of your restaurant location.

Area Development Agreement

We may, but are not required to, enter into an Area Development Agreement with you which provides for the non-exclusive right to develop a specified number of franchised units within a defined geographic area (the "Development Area") over a specified term. An Area Development Fee for the Development Area is required, as well as Initial Franchise Fees for each franchised unit developed. You must enter into the then-current Franchise Agreement for each franchised unit established under the Area Development Agreement. You are not entitled to additional development rights beyond those specified in the Area Development Agreement. You are responsible for submitting a complete site report for each franchised unit. Each site is subject to our approval which will not be unreasonably withheld. We also have the right to refuse to grant a franchise for proposed franchised unit if you do not meet financial criteria established by us.

Area Development Agreement: Minimum Development Quota

Your Area Development Agreement will contain a Minimum Development Quota specifying a series of Development Periods, the number of franchised units you must open during each Development Period and the cumulative number of franchised units you must have opened through the end of the Development Period in question. Franchised units will not count towards meeting the Minimum Development Quota for any Development Period until they have been fully constructed, developed and have opened operations in accordance with their respective franchise agreements with us. We determine if any franchised unit has "opened" for purposes of meeting the Development Schedule and any Minimum Development Quota for any Development Period. If a franchised unit is permanently closed after having been opened, you must develop and open a substitute franchised unit within one year from the date of its permanent closing separate and apart from the Development Schedule.

Rights We Reserve: Area Development Agreement

We retain (in our sole discretion) the right to:

1. establish and grant to other franchisees the right to establish, franchised units anywhere outside or inside the Development Area, on such terms and conditions as we deem appropriate;

2. operate and grant franchises to others to operate businesses, whether inside or outside the Development Area,

3. operate and grant franchises to others to operate businesses, or provide other services, whether inside or outside the Development Area, that do not use any of the Marks;

4. market and sell, inside and outside of the Development Area, through channels of distribution other than those franchised (like Internet, e-commerce, mail order or grocery, retail or convenience stores or through special purpose sites like airports, stadiums, theme parks, etc.), goods and services competitive with goods and services offered by our franchised units, under the Marks or under trade names, service marks or trademarks other than Marks, without any compensation to you;

5. purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business facilities, and that following this activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than, while the Area Development Agreement is in effect, the Marks, regardless of the location of these businesses and/or facilities, which may be within the

Development Area or immediately outside its border.

Default Under the Area Development Agreement

We have the right to terminate an Area Development Agreement if you default under its terms or under the terms of any Franchise Agreement or other agreement you have with us. If you do not achieve the Minimum Development Quota specified in the Area Development Agreement, we, in our sole control, may:

1. terminate the Area Development Agreement;

2. grant you an extension under the Development Schedule for such time period as we specify for a non-refundable extension fee equal to the balance of the Franchise Fees for the number of franchised units that are to be opened under the Development Schedule but are not yet under construction and are behind the required time table of the Development Schedule; or

3. reduce the Development Area and the Development Schedule to a size and magnitude that we estimate you are capable of operating otherwise in accordance with the Area Development Agreement.

ITEM 13
TRADEMARKS

Status of Principal Marks

Our principal marks are VILLA PIZZA, VILLA PIZZA and design, VILLA ITALIAN KITCHEN VILLA FRESH ITALIAN KITCHEN, and TONY + BENNY'S.

As used in this disclosure document and our Franchise Agreement, the term "Trademarks" includes trademarks, service marks, trade names, logos and commercial symbols and also includes other intellectual property.

Villa Holding owns the registrations of the following principal marks listed on the Principal Register of the U.S. Patent and Trademark Office:

Marks	Registration/Application Number	Registration Date
Villa Pizza®	Registration No. 1,749,093	01/26/93
Villa Pizza and Design®	Registration No. 1,699,602 Registration No. 1,401,644	07/07/92 07/15/86
Villa Pizza Delicious Italian Food From Our Family to Yours	Registration No. 1,827,830	06/17/14
Villa Pizza Pasta Stromboli Pizza Salads (and Design)	Registration No. 2,897,496	10/26/04
Villa Pizza Pasta Stromboli Salads (and Design)	Registration No. 3,316,626	10/23/07

Villa Fresh Italian Kitchen	Registration No. 3,146,774	09/19/06
Villa Italian Kitchen	Registration No. 4,269,655	01/01/13
Villa and Design	Registration No. 4,494,987	03/11/14

Villa Holding owns the registrations of the following principal mark listed on the Principal Register of the U.S. Patent and Trademark Office:

Mark	**Registration/Application Number**	**Registration Date**
TONY + BENNY'S	Registration No. 5,166,094	03/21/17

All required affidavits and renewals have been filed.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the marks described above.

We and Villa Holding have signed an Amended and Restated Trademark and Service Mark License Agreement dated March 19, 2001, and last amended August 17, 2016 under which Villa Holding has authorized us to use the above marks and to sublicense the marks to franchisees. The term of the agreement is indefinite. The agreement may be terminated by either party without cause on 60 days notice. Villa Holding may terminate the agreement immediately in the event of our bankruptcy or insolvency. The agreement may be modified in writing signed by both parties.

There are no agreements that significantly limit our right to use or license the use of the marks in a manner material to the franchise. We do not know of any infringing uses that could materially affect your use of the Marks.

Franchise Agreement

The Franchise Agreement grants you the right to operate a Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's restaurant under the Marks designated in the Franchise Agreement and any other marks we authorize. If we believe, in our sole discretion, that it is advisable for us or you to modify or discontinue use of any Mark or use one or more additional or substitute trademarks, service marks or trade dress, you must comply with our directions.

You must use all names and Marks in full compliance with rules we prescribe from time to time. You may not use any name or Mark as part of any corporate name or other business name or with any prefix, suffix or other modifying words, terms, designs or symbols, other than logos the Franchisor licenses to you. In addition, you may not use any name or Mark in connection with the sale of any unauthorized product or service or in any other manner that the Franchisor has not explicitly authorized in writing.

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark. We or our affiliates will have sole discretion to take any action we deem appropriate.

You may not use any of our Marks on the World Wide Web and must obtain our permission and approval for all Internet domain names and/or home page addresses.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise.

We and/or our affiliates claim copyright protection for our Operations & Training Manuals and printed advertising and promotional materials. We have not registered the materials to which we claim copyright protection.

We also consider certain information, knowledge and know-how concerning the Franchisor and the System to be trade secrets and proprietary information, including the program of accounting, identification, schemes, specifications, standards, management systems, recipes, menus, techniques, financial information (such as product costs and sources of supply), Operations & Training Manuals and business operations and procedures that would, if used by others, give other people a substantial competitive advantage presently enjoyed by the Franchisor.

You may not, without our prior written consent, disclose, use, or permit the use of any part of the System except as may be required by law or as authorized in the Franchise Agreement. You must use your best efforts to prevent any employee from using the System and any of the Villa Marks, or from operating a restaurant that is substantially similar to any Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's restaurant.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Villa Holding has licensed us to use, and sublicense our franchisees to use, certain trade secrets and proprietary information under the Trademark and Service Mark License Agreement described in Item 13. Otherwise, there are no agreements currently in effect that significantly limit our right to use or authorize you to use the copyrighted materials or proprietary information. Further, there are no infringing uses actually known to us that could materially affect your use of the copyrighted materials or proprietary information in any state. Except as noted above, we are not required by any agreement to protect or defend copyrights or confidential information, although we or our affiliates will do so when this action is in the best interest of our franchise system.

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

You (or your Manager) shall exert your full-time and best efforts during business hours to the management of your restaurant. Your restaurant at all times must be under the direct supervision of a full time Manager (who may be you) who has completed our training program to our satisfaction. Your Manager need not have an equity interest in the franchised business.

Any person actively involved in the management of your franchise must enter into a "Confidentiality and Non-Competition Agreement" which shall be approved by us. If after a confidentiality and non-

competition agreement is entered into you have reason to believe that any such person has violated the provisions of the "Confidentiality and Non-Competition Agreement", you must notify us immediately and cooperate with us to protect us against infringement or other unlawful use of the proprietary marks or the System.

If you are a partnership, corporation, limited liability company, or other legal entity, each owner must undertake to be personally bound, jointly and severally, by your obligations under the Franchise Agreement, if any. A copy of the guaranty is attached to the Franchise Agreement as Exhibit D.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell all food, menu items and other products and services the Franchisor requires. You are not restricted as to the customers whom you may serve at the restaurant.

Your franchise may not offer any products or services we have not authorized for Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen, or Tony + Benny's restaurants without our prior written approval. We have the right to change the types of authorized goods and services, and there are no limits on our right to make changes. You may not use your restaurant for any purpose other than the operation of a Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen, or Tony + Benny's restaurant, as applicable, in compliance with the Franchise Agreement. Telephone booths, newspaper racks, jukeboxes, gum machines, games, rides, or any coin vending machines may not be installed on the premises without our written approval.

You must at all times maintain sufficient food, supplies, and personnel to operate the restaurant at its maximum capacity and efficiency.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP PROVISION		SECTION IN STANDARD AGREEMENT	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
a.	Length of the franchise term	§2 §1 of Sublease	§2.1 and §3.3	Term of the Standard Franchise Agreement begins on execution of Franchise Agreement and ends on the earlier of 10 years from the opening of the Restaurant or the termination or expiration of the Lease. The term of the Sub-Lease is equal to the original term of the Lease less one day,

THE FRANCHISE RELATIONSHIP PROVISION		SECTION IN STANDARD AGREEMENT	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
				commencing on the date you take possession. Possession is defined as the date you take actual possession of the Premises, but not later than 60 days after your graduation from our initial training program.
b.	Renewal or extension of the term	§2	§2.2-§2.4	May be granted renewal of franchise for one additional term under terms of then-current franchise agreement.
c.	Requirements for you to renew or extend	§2	§2.2	"Renewal" means the right upon meeting conditions in Section 2 of the Franchise Agreement to an additional term. Your Lease must have a term that is longer than the Renewal term in order for the Franchise Agreement to be renewed. Also, renewal requires you to sign our then current franchise agreement which may have terms materially different from the original franchise agreement. If you give notice within 12 months of expiration, are not in default under the current Franchise Agreement, sign the new Franchise Agreement, including general release and guaranty, maintain possession of the Premises, upgrade the restaurant to our then current standards.
d.	Termination by you	§3(b)	None	If the restaurant lease is not signed within 9 months after the execution of the Franchise Agreement, you may

THE FRANCHISE RELATIONSHIP PROVISION		SECTION IN STANDARD AGREEMENT	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
				terminate the Franchise Agreement. There is no refund of the Initial Franchise Fee.
e.	Termination by us without cause	§3(b)	None	If the lease is not signed within 9 months after the execution of the Franchise Agreement, we may terminate the Franchise Agreement.
f.	Termination by us with cause	§24 §11 of Sublease	§9	We can terminate for specified causes.
g.	"Cause" defined - defaults which can be cured	§24(b) § 11 of Sublease	§9	You have 24 hours to cure health violations; 10 days to correct delinquent payments due us; 30 days to correct delinquent payments due to suppliers; 30 to cure breaches of Franchise Agreement; 3 or more times within a period of 12 months to comply with Franchise Agreement after notice. Failure to make payment under the Franchise Agreement is a default under the Sub-Lease.
h.	"Cause" defined - defaults which cannot be cured	§24(a) §11 of Sublease	§9	Includes insolvency, failure to open or abandonment of business, cancellation of lease, misrepresentations, conviction of a felony, unauthorized transfer, unauthorized disclosure of Confidential Information. Termination of Franchise Agreement constitutes termination of Sub-Lease.
i.	Your obligations on	§25	§10	Discontinue use of Marks and confidential information; de-identify

THE FRANCHISE RELATIONSHIP PROVISION		SECTION IN STANDARD AGREEMENT	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
	termination/non-renewal			your business; return all confidential materials; notify telephone company; pay all monies owed us; vacate and surrender the Premises.
j.	Assignment of contract by us	§28	§11.1	No restriction on our right to transfer or assign.
k.	"Transfer" by you - definition	§29	§11.2	Includes sale transfer, assignment or other disposition of the agreement rights, or other ownership interest in franchisee.
l.	Our approval of your transfer	§28, §30, §31, §32, §33 § 9(c) of Sublease	§11.2 and §11.3	We have the right to approve all transfers but will not unreasonably withhold approval if certain conditions are satisfied. You may not assign, sublet or part with possession of the Premises without Sub-Lessor's consent.
m.	Conditions for our approval of transfer	§28, §31, §32, §33, §34, §35	§11.4	Transferee must qualify; complete training and sign new or existing franchise agreement; you must subordinate debts and sign a general release and non-compete agreement; remodel restaurant; sales commission must be paid; transfer fee must be paid by Franchisee and/or the proposed transferee as negotiated by the Franchisee and proposed transferee.
n.	Our right of first refusal to buy your business	§28	§11.5	We can match any bona fide offer for your business within 30 days from delivery of a complete and accurate

THE FRANCHISE RELATIONSHIP PROVISION		SECTION IN STANDARD AGREEMENT	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
				copy of offer.
o.	Our option to buy your business	§26	None	We may acquire your restaurant, by giving you notice within 10 days of termination/expiration, at fair market value.
p.	Your death or disability	§28	§11.6	Upon the request of your personal representative, we may provide a manager to operate the business at the representative's expense. Your business may be transferred subject to our approval.
q.	Non-competition covenants during term of franchise	§14	§7.3	No involvement in any competing business.
r.	Non-competition covenants after franchise is terminated or expires	§27	§10.2 and §13.5 (b)	You may not own or provide services/advice to any competing business or any entity which franchises or licenses an Italian style restaurant business or pizzeria for 2 years within 5 miles of any Villa Pizza or Villa Fresh Italian Kitchen, Villa Italian Kitchen restaurant.
s.	Modification of the Agreement	§34(k) §16 of Sublease	§13.5 (h)	No modification except by written agreement signed by both parties. However, Operations & Training Manual is subject to change by us. Sublease may not be modified without Sublessor's consent.
t.	Integration/merger clause	§34(k) §15 of Sublease	§13.5 (h)	Only the terms of the franchise agreement, including Operations & Training Manual, are binding (subject to state

THE FRANCHISE RELATIONSHIP PROVISION		SECTION IN STANDARD AGREEMENT	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
				law); any other oral or written promises may not be enforceable, provided however, no provision in the Franchise Agreement shall contradict any representations made in this FDD. Sub-Lease supersedes all prior oral and written agreements with respect to the subject matter of the Sub-Lease, provided however, no provision in the Sub-Lease shall contradict any representations made in this FDD.
u.	Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable	Not Applicable
v.	Choice of forum	§3(f) of the Franchise Agreement	§13.5 (a)	In Federal Court, the U.S. District Court in the Newark vicinage of New Jersey or in State Court, if by Franchisor Morris, Essex or Union County, New Jersey or if by Franchisee, in Morris County, New Jersey. Franchisor may initiate injunctive relief in any court of competent jurisdiction pursuant to the Franchise Agreement or Area Development Agreement. .*****
w.	Choice of law	§3 (f) §19 of Sublease	§13.5 (a)	Except to the extent governed by the U.S. Trademark Act, New Jersey law applies generally, except for applicable franchise laws of other states. Laws of the state in which the Premises are located governs the Sub-Lease.*****

THE FRANCHISE RELATIONSHIP PROVISION		SECTION IN STANDARD AGREEMENT	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
y.	Other	Not Applicable	Not Applicable	Not Applicable

*****Certain states may require different or additional disclosures (see Exhibit H) or revisions to the agreements (see Exhibit I) with respect to the choice of forum and choice of law provisions in the Franchise Agreement. The provision of the Franchise Agreement that provides for termination upon bankruptcy may not be enforceable under federal bankruptcy law (110. S.C. § 101 et. seq.)

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the sale of our franchises.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not project sales, cost or profits of Our franchised Villa Pizza restaurants, Villa Fresh Italian Kitchen, Villa Italian Kitchen restaurants, or Tony + Benny's restaurants except as provided below in our historic financial performance representation.We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, cost, income or profits of a Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen, or Tony + Benny's restaurant. Actual results vary from restaurant to restaurant and we cannot estimate the results of any particular franchise.

Affiliate Restaurants

Description	2018	2019	2020
Total Restaurants	125	117	36
Restaurants Open 1 or More Years	124[(1)]	114[(2)]	36[(3)]
Avg. # Months Closed in Calendar Year	0	0	4[(4)]
Unaudited Annual Gross Sales - High	$3,147,104	$3,391,587	$774,453[(4)]
Unaudited Annual Gross Sales - Average	$ 561,478	$ 603,037	$400,473[(4)]
Unaudited Annual Gross Sales - Median	$ 444,961	$ 464,154	$372,097[(4)]
Unaudited Annual Gross Sales – Low	$ 115,154	$ 109,023	$111,025[(4)]
# Restaurants Surpassing Unaudited Average Annual Gross Sales	37	33	13
% Restaurants Surpassing Unaudited Average Annual Gross Sales	30%	29%	36%
Average Food and Paper Cost	25.04%	24.69%	24.11%
Average Labor Cost	31.03%	31.71%	43.07%

Note 1: During the calendar year 2018, our affiliates operated 125 Villa Pizza, Villa Fresh Italian Kitchen and Villa Italian Kitchen restaurants. Of the 125 restaurants, 124 were open for one year or more. The 124 reporting restaurant figures are above.

Note 2: During the calendar year 2019, our affiliates operated 117 Villa Pizza, Villa Fresh Italian Kitchen and Villa Italian Kitchen restaurants. Of the 117 restaurants, 114 were open for one year or more. The 114 reporting restaurant figures are above.

Note 3: During the calendar year 2020, our affiliates operated 36 Villa Pizza, Villa Fresh Italian Kitchen and Villa Italian Kitchen restaurants, which were open for one year or more. The 36 reporting restaurant figures are above.

Note 4: On March 11, 2020, the World Health Organization characterized COVID-19 as a global pandemic. In addition, most states in the United States declared a state of emergency resulting in a global economic downturn. Due to the COVID-19 pandemic, our affiliate restaurants were impacted by governmental required closures, capacity restrictions, reduced operating hours, limited-service measures, extensive safety protocols, and consumer behavior adjustments which resulted in these affiliate restaurants being closed an average of four (4) months in calendar year 2020.

Domestice Franchise Restaurants

Description	2018	2019	2020
Total Restaurants	62	54	44
Reporting Restaurants Open 1 or More Years	54[5]	47[6]	30[7]
Avg. # Months Closed in Calendar Year	0	0	3[8]
Unaudited Annual Gross Sales - High	$3,623,826	$3,992,904	$2,116,998[8]
Unaudited Annual Gross Sales - Average	$ 771,945	$ 793,636	$ 433,941[8]
Unaudited Annual Gross Sales - Median	$ 511,296	$ 541,113	$ 288,922[8]
Unaudited Annual Gross Sales – Low	$ 167,996	$ 188,841	$ 92,800[8]
# Restaurants Surpassing Unaudited Average Annual Gross Sales	18	15	10
% Restaurants Surpassing Unaudited Average Annual Gross Sales	33%	32%	33%

Note 5: During the calendar year 2018 the domestic franchise system operated 62 Villa Pizza, Villa Fresh Italian Kitchen and Villa Italian Kitchen restaurants. Of the 62 domestic franchise restaurants, 61 were open for one year or more. Of the 61 domestic franchise restaurants, 1 did not have a sales report for calendar year 2018 and 6 others are seasonal restaurants and did not have sales reports for calendar year 2018. The 54 reporting restaurant figures are above.

Note 6: During the calendar year 2019 the domestic franchise system operated 54 Villa Pizza, Villa Fresh Italian Kitchen and Villa Italian Kitchen restaurants. Of the 54 domestic franchise restaurants, 47 were open for one year or more. Of the 54 domestic franchise restaurants, 1 did not have a sales report for calendar year 2019 and 6 others are seasonal restaurants and did not have sales reports for calendar year 2019. The 47 reporting restaurant figures are above.

Note 7: During the calendar year 2020 the domestic franchise system operated 44 Villa Pizza, Villa Fresh Italian Kitchen and Villa Italian Kitchen restaurants. Of the 44 domestic franchise restaurants, 35 were open for one year or more. Of the 35 domestic franchise restaurants, 1 did not have a sales report for calendar year 2020 and 4 others are seasonal restaurants and did not have sales reports for calendar year 2020. The 30 reporting restaurant figures are above.

Note 8: On March 11, 2020, the World Health Organization characterized COVID-19 as a global pandemic. In addition, most states in the United States declared a state of emergency resulting in a global economic downturn. Due to the COVID-19 pandemic, our domestic franchise restaurants were impacted by governmental required closures, capacity restrictions, reduced operating hours, limited-service measures, extensive safety protocols, and consumer behavior adjustments.

There is a difference between the above affiliate restaurants and the franchise restaurants. Affiliate restaurants did not pay an initial franchise fee nor did they pay royalty fees or a national advertising fund fee, otherwise, there was no material difference.

The term "Gross Sales" means all revenues generated by the Restaurant conducted upon, from or with respect to the Restaurant, whether such sales are evidenced by cash, check, credit, charge, account or exchange. Gross Sales includes, without limitation, monies or credit received from the sale of food and merchandise, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Restaurant, including without limitation such off-premises services as catering and delivery. Gross Sales does not include the sale of food or merchandise for which refunds have been made in good faith to customers, nor does it include sales, meals, use or excise tax imposed by a governmental authority directly on sales and collected from customers; provided that the amount for such tax is added to the selling price or absorbed therein, and is actually paid by the owner to such governmental authority.

Your individual financial results are likely to differ substantially from the above information of our affiliate Villa Pizza, Villa Fresh Italian Kitchen, and Villa Italian Kitchen restaurants stated in this Financial Performance Representation. In addition, the above average annual gross sales figures DO NOT reflect the costs of sales, operating expenses or other cost and expenses that must be deducted from the average annual gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised restaurant. Franchisees listed in this Franchise Disclosure Document may be one source of this information.

Historical costs do not necessarily correspond to future costs because of factors such as pandemics, inflation, changes in minimum wage laws, location, financing, construction costs, lease-related costs such as rent, CAM charges, taxes, interest, insurance, and utilities vary from franchise business to franchise business. All information should be evaluated in light of current market conditions including such cost and price information as may then be available.

Some restaurants have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Villa Pizza, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally in or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Villa Pizza, LLC, 25 Washington Street, Morristown, New Jersey 07960, (973) 285-4800, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System Wide Outlet Summary
(Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's)
For Years 2018, 2019 and 2020

Outlet Type	Year	Outlets at Start of Year	Outlets at the End of the Year	Net Change
Franchised	2018	90	86	-4
	2019	86	78	-8
	2020	78	65	-13
Company-Owned	2018	135	125	-10
	2019	125	117	-8
	2020	117	37	-80
Total Outlets	**2018**	**225**	**211**	**-14**
	2019	**211**	**195**	**-16**
	2020	**195**	**102**	**-93**

Table No. 2

Transfers of Franchised Outlets From Franchisees to New Owners
(Other than the Franchisor)
(Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's)
For Years 2018, 2019 and 2020

State	Year	Number of Transfers		State	Year	Number of Transfers
Florida	2018	1		**TOTALS**	**2018**	**1**
	2019	0			**2019**	**0**
	2020	0			**2020**	**0**

Table No. 3

Status of Franchised Outlets
(Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's)
For Years 2018, 2019 and 2020

Location	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Alabama	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
Alaska	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
Arkansas	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
California	2018	6	0	0	0	0	0	6
	2019	6	0	0	1	2	0	3
	2020	3	0	0	0	0	0	3
Colorado	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	1	0	0	0	2
Florida	2018	10	0	0	0	0	0	10
	2019	10	0	0	0	0	0	10
	2020	10	1	0	0	0	0	11
Georgia	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Illinois	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	1	0	0	0
Indiana	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
Louisiana	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
Maryland	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
	2020	4	1	0	1	0	0	4
Michigan	2018	1	0	0	0	0	0	1
	2019	1	0	0	1	0	0	0
	2020	0	1	0	0	0	0	1

Location	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Minnesota	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	1	0	0
	2020	0	0	0	0	0	0	0
Mississippi	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Missouri	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	1	1
	2020	1	0	0	0	0	0	1
Nevada	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	0	5
	2020	5	0	0	1	0	0	4
New Hampshire	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
New Jersey	2018	5	0	0	0	0	0	5
	2019	5	1	0	0	0	0	6
	2020	6	0	0	0	0	0	6
New York	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	0	7
	2020	7	1	0	5	0	1	2
Ohio	2018	1	0	0	1	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
Oregon	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
Pennsylvania	2018	1	0	0	1	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
Tennessee	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Texas	2018	5	0	0	2	0	0	3
	2019	3	0	0	0	0	1	2
	2020	2	1	0	0	0	1	2
Utah	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	2	0
Virginia	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1

Location	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Washington	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	2	0
Wisconsin	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
State Total	**2018**	**67**	**0**	**0**	**4**	**0**	**0**	**63**
	2019	**63**	**1**	**0**	**2**	**3**	**3**	**56**
	2020	**56**	**11**	**1**	**8**	**0**	**10**	**48**
Country	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Terminations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Italy	2018	9	1	0	0	0	0	10
	2019	10	1	0	2	0	0	9
	2020	9	0	0	0	0	0	9
Mexico	2018	9	0	0	1	0	0	8
	2019	8	0	0	0	0	0	8
	2020	8	0	0	3	0	0	5
Azerbaijan	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
Egypt	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	2	0
Country Total	**2018**	**23**	**1**	**0**	**1**	**0**	**0**	**23**
	2019	**23**	**1**	**0**	**2**	**0**	**0**	**22**
	2020	**22**	**0**	**0**	**3**	**0**	**2**	**17**
Grand Total	**2018**	**90**	**1**	**0**	**5**	**0**	**0**	**86**
	2019	**86**	**2**	**0**	**4**	**3**	**3**	**78**
	2020	**78**	**11**	**1**	**11**	**0**	**12**	**65**

Exhibit E – lists the names of all current franchisees and the addresses and telephone numbers of their restaurants as of December 31, 2020.

Exhibit F – lists the name, city, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the 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. If you buy this franchise, your contact information may be disclosed to buyers when you leave the franchise system.

In the last three years there have been no current or former franchisees to sign confidentiality clauses. In some instances former franchisees sign provisions restricting their ability to speak openly about their

experience with Us. You may wish to speak with current and former franchisees, but be aware that not all franchisees will be able to communicate with you.

There are no trademark specific franchisee organizations associated with the franchise system which we created, sponsored or endorsed, or any independent franchisee organizations that have asked to be included in this Disclosure Document,

We have not created nor sponsored nor endorsed any Franchisee Organizations.

Table No. 4

Status of Company-Owned Outlets
For Years 2018, 2019 and 2020

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End Of The Year
Arizona	2018	7	0	0	0	0	7
	2019	7	0	0	0	0	7
	2020	7	0	0	6	0	1
California	2018	10	0	0	0	0	10
	2019	10	0	2	0	0	12
	2020	12	0	0	4	0	8
Colorado	2018	4	0	0	0	0	4
	2019	4	0	0	0	0	4
	2020	4	0	0	4	0	0
Connecticut	2018	1	0	0	1	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
Florida	2018	15	0	0	1	0	14
	2019	14	0	0	2	0	12
	2020	12	0	0	9	1	2
Georgia	2018	4	0	0	1	0	3
	2019	3	0	0	0	0	3
	2020	3	0	0	3	0	0
Illinois	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
	2020	3	0	0	2	0	1
Indiana	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
Iowa	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
	2020	3	0	0	3	0	0
Kansas	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End Of The Year
Kentucky	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
Louisiana	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
	2020	3	0	0	2	1	0
Maine	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
Maryland	2018	5	0	0	2	0	3
	2019	3	0	0	0	0	3
	2020	3	0	0	2	1	0
Massachusetts	2018	2	0	0	0	0	2
	2019	2	0	0	1	0	1
	2020	1	0	0	1	0	0
Michigan	2018	2	0	0	0	0	2
	2019	2	0	0	1	0	1
	2020	1	0	0	0	1	0
Minnesota	2018	3	0	0	0	0	3
	2019	3	0	1	0	0	4
	2020	4	0	0	4	0	0
Missouri	2018	1	0	0	1	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
Nevada	2018	5	0	0	0	0	5
	2019	5	0	0	0	0	5
	2020	5	0	0	2	0	3
New Jersey	2018	5	0	0	0	0	5
	2019	5	0	0	2	0	3
	2020	3	0	0	1	0	2
New Mexico	2018	1	0	0	1	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
New York	2018	6	0	0	2	0	4
	2019	4	0	0	0	0	4
	2020	4	0	0	1	0	3
North Carolina	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
	2020	3	0	0	2	0	1
Ohio	2018	5	0	0	0	0	5
	2019	5	0	0	1	0	4
	2020	4	0	0	2	2	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End Of The Year
Oklahoma	2018	3	0	0	1	0	2
	2019	2	0	0	1	0	1
	2020	1	0	0	1	0	0
Oregon	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
Pennsylvania	2018	9	0	0	0	0	9
	2019	9	0	0	1	0	8
	2020	8	0	0	5	2	1
Rhode Island	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
South Carolina	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
South Dakota	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
Tennessee	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
Texas	2018	16	0	0	0	0	16
	2019	16	0	0	2	0	14
	2020	14	0	0	4	1	9
Virginia	2018	4	0	0	0	0	4
	2019	4	0	0	0	0	4
	2020	4	0	0	2	0	2
Washington	2018	5	0	0	0	0	5
	2019	5	0	0	0	0	5
	2020	5	0	0	1	0	4
Wisconsin	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	1	0
State Total	**2018**	**135**	**0**	**0**	**10**	**0**	**125**
	2019	**125**	**0**	**3**	**11**	**0**	**117**
	2020	**117**	**0**	**0**	**70**	**10**	**37**

Table No. 5

Projected Openings As Of December 31, 2020
(Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen and Tony + Benny's)

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
New Jersey	0	0	1
New York	0	1	0
TOTAL	**0**	**1**	**1**

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit G to this Disclosure Document are the following: Audited financial statements for the fiscal year ended December 27, 2020, December 29, 2019, and December 30, 2018.

ITEM 22
CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

1. Standard Franchise Agreement (Exhibit B-1)
2. Deposit Agreement
3. Deposit Agreements (Exhibit B-3(A) & Exhibit B-3(B)
4. Area Development Agreement (Exhibit B-4)
5. Sub-Lease Agreement (Exhibit C)

ITEM 23
RECEIPT

Exhibit K of the disclosure document is a detachable document, in duplicate, acknowledging receipt of this disclosure document by a prospective franchisee. You should sign both copies of the Receipt. Retain one copy of the Receipt for your records and return the other signed copy to Villa Pizza.

EXHIBIT A
to Disclosure Document

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE	ADDRESS	PHONE
California - Los Angeles	320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105	213-576-7500
California - Sacramento	1515 K Street, Suite 200 Sacramento, CA 95814-4017	916-445-7205
California - San Diego	1350 Front Street, Room 2034 San Diego, CA 92101-3697	619-525-4233
California - San Francisco	One Sansome Street, Suite 600 San Francisco, CA 94104-4428	866-275-2677
Hawaii	335 Merchant Street, Room 203 Honolulu, HI 9813-2921	808-586-2722
Illinois	500 South Second Street Springfield, IL 62706	217-782-4465
Indiana	302 W. Washington Street, Room E-111 Indianapolis, IN 46204	317-232-6681
Maryland Securities Commissioner Office of the Attorney General	200 St. Paul Place, Baltimore, MD 21202-2020	410-576-6360
Michigan	670 Law Building Lansing, MI 48913	517-373-7117
Minnesota	85 7th Place East, Suite 280 St. Paul, MN 55101-2198	651-539-1600
New York Administrator: New York State Department of Law Investor Protection Bureau Agent for Service of Process Secretary of State	 28 Liberty Street, 21st. Floor New York, NY 10005 99 Washington Avenue Albany, NY 12331-0001	 212-416-8236 212-416-8211
North Dakota	600 East Boulevard Avenue, 5th Floor Bismarck, ND 58505	701-328-4712
Oregon	Labor & Industries Building Salem, OR 97310	503-378-4387
Rhode Island	1511 Pontiac Avenue Cranston, RI 02920	401-277-3048
South Dakota Division of Insurance Securities Regulation	124 S. Euclid Ave., Suite 104 Pierre, SD 57501	605-773-3563
Virginia	1300 E. Main Street, 1st Floor Richmond, VA 23219	804-371-9051
Washington	150 Israel Road, SW Tumwater, WA 98501	360-902-8760
Wisconsin	345 W. Washington Ave., 4th Floor Madison, WI 53703	608-266-8557

EXHIBIT B-1
to Disclosure Document

STANDARD FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT
SUMMARY PAGE

I. Restaurant Location: ("Restaurant Location"):

II. Franchisor: ("Franchisor"):

Name: Villa Pizza, LLC
State of Formation: Delaware
Address: 25 Washington Street, Morristown, NJ 097960

III. Franchisee ("Franchisee"):

Name:
Contact Information:
State of Formation (if applicable):

IV. Guarantors (individually and collectively "Guarantors"):

Name:
Contact Information:
State of Formation (if applicable):

V. Initial Franchise Fee ("Initial Franchise Fee"):
Amount & Date received:
Balanced owed:

VI. Date of Franchise Agreement ("Date of Franchise Agreement"):

VII. Licensed Mark (individually or collectively "Mark" or "Marks"):

VIII. Franchisee's Existing Locations ("Franchisee's Existing Locations"):

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FRANCHISE AGREEMENT

THIS AGREEMENT made on the Date of the Franchise Agreement by and between Franchisor and Franchisee as each such capitalized term is defined in the Summary Page of this Agreement.

W I T N E S S E T H:

WHEREAS, Franchisor and its affiliates, as the result of the expenditure of time, skill, effort and money, have developed and own a distinctive format relating to the establishment and operation of Villa Pizza restaurants, Villa Fresh Italian Kitchen restaurants, Villa Italian Kitchen restaurants, and Tony + Benny's restaurants, (individually and collectively, "Villa Restaurant(s)" or "Restaurants") featuring, among other things, pizza, pasta and various Italian specialties.

WHEREAS, Franchisor and its affiliates have developed a comprehensive system for the establishment and operation of Restaurants, including distinctive exterior and interior design, decor, color scheme and furnishings; uniform standards, specifications and procedures for operations; quality and uniformity of products and services offered; procedures for management and inventory control; training and assistance and advertising and promotional programs (collectively, "the System"), all of which may be changed, improved and further developed by Franchisor from time to time; and

WHEREAS, Franchisor's affiliate is the sole and exclusive owner of the entire right, title and interest, together with all the good will connected therewith, in and to the Marks on the Summary Page of the Franchise Agreement and all other trademarks, service marks, trade dress, logos and slogans now or in the future used in conjunction with the operation of the Restaurants (collectively, "Marks") as well as all other intellectual property rights used in connection with Restaurants; and

WHEREAS, Franchisee acknowledges having read this Agreement and Franchisor's Franchise Disclosure Document. Franchisee understands the terms of this Agreement and accepts them as being reasonably necessary to maintain the uniformity of Franchisor's high quality standards at all Restaurants in order to protect the goodwill of the Marks and the integrity of the System. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that the restaurant industry is highly competitive, with constantly changing market conditions. Franchisee recognizes that the nature of Restaurants may change over time, that an investment in a Restaurant involves business risks and that the success of the venture is largely dependent on Franchisee's own business abilities, efforts and financial resources. Franchisee has not received or relied on any guaranty or assurance, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement; and

WHEREAS, Franchisee desires to obtain a franchise to operate a Restaurant, at the Restaurant Location, and Franchisor is willing to grant such franchise to Franchisee on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto, intending to be legally bound, in consideration of the mutual agreements, covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy whereof is hereby acknowledged, do hereby agree as follows:

1. APPOINTMENT

Franchisor hereby grants to Franchisee the right, and Franchisee hereby assumes the obligation, to operate one (1) restaurant using the System and the Marks at the Restaurant Location. The franchise granted hereby is for a specific location only. Franchisee has no territorial or exclusive rights whatsoever, and Franchisor has the unfettered right to own, operate and license others to own and operate Restaurants anywhere, including in the vicinity and market area of the Restaurant Location.

Franchisor reserves the right, in its sole discretion, to modify its System, including the adoption and use of new or modified logos, trade names, trademarks, service marks or copy-righted materials, new food items, new products, new techniques or new equipment. Franchisee recognizes Franchisor's right to make any such modifications or changes and agrees to accept, implement, use and display such changes and modifications at Franchisee's expense as if they were part of this Franchise Agreement at the time of the execution hereof. Franchisee, within a reasonable time, will make such expenditures as such changes or modification may require.

Except as otherwise expressly provided in this Agreement, Franchisor and its affiliates retain all rights and discretion with respect to the Marks, the System and Restaurants anywhere in the world and the right to engage in any other business whatsoever, including the right to: (a) operate, and grant to others the right to operate, Restaurants at such locations and on such terms and conditions as Franchisor deems appropriate; (b) sell any products or services under the Marks or under any other trademarks, service marks or trade dress, through other channels of distribution; and (c) operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Marks, pursuant to such terms and conditions as are deemed appropriate.

2. TERM AND RENEWAL

2.01 Term. The term of this Agreement shall begin on the Date of Franchise Agreement by both parties and end on the sooner to occur of (the "Term): (a) the tenth (10th) anniversary of the opening date of the Restaurant; or (b) the termination or expiration of the lease or sublease for the Premises (the lease or sublease referred to herein as the "Lease").

2.02 Right to Renew. Franchisee shall have the right to renew the franchise for one (1) term, provided:

(a) Franchisee gives Franchisor written notice of exercise at least nine (9) months, but not more than twelve (12) months prior to expiration;

(b) Franchisee and its affiliates are not in default under this Agreement or any other agreements with Franchisor or any of its affiliates;

(c) Franchisee has not been in default at any time during the term of the Franchise Agreement, even if such a default was subsequently cured; and

(d) Franchisee is not a Lessee under a lease agreement with Franchisor, provided that Franchisor may in its sole discretion waive this provision; and

(e) Franchisee (and its owners) execute Franchisor's then-current form of Franchise Agreement, and all other agreements, legal instruments (including a general release and personal guarantees

by Franchisee's owners) and other documents customarily used by the Franchisor in the granting of franchises, which may vary materially from those presently in use. The Franchisee shall pay a renewal fee of fifty (50%) percent of the then current initial franchise fee in lieu of the initial franchise fee; and

(f) At the time of renewal, Franchisee maintains possession of the Premises and Franchisor requires that the equipment, fixtures, design and decor of the Restaurant be upgraded to meet the then existing specifications and standards of the Franchisor.

3. RESTAURANT LOCATION

This Agreement shall be subject to the availability of the Restaurant Location and, at Franchisor's option: (a) execution by Franchisor or one of its affiliates and the owner of the Premises of the mutually satisfactory Lease and the execution by Franchisee of a sublease on substantially the same terms; or (b) execution by Franchisee of Lease with the owner of the Premises that is acceptable to both Franchisor and Franchisee, coupled with a Addendum to Lease in favor of Franchisor or one of its affiliates. The current form of Addendum to Lease is attached hereto as Exhibit B.

(a) The Restaurant shall be located at the Restaurant Location identified on the Summary Page (the "Premises").

Franchisee acknowledges that Franchisee selected the Premises subject to Franchisor's approval. Neither Franchisor's site selection guidelines and requirements, Franchisor's approval of the Premises, nor any information Franchisor may impart to Franchisee about the Premises, constitutes a warranty or representation of any kind, express or implied, that the Restaurant will be profitable or successful. Franchisor's approval of the Premises merely signifies that Franchisor authorizes Franchisee to operate a Restaurant at that site. Franchisee is solely responsible for the selection of an appropriate site for the Restaurant. If Franchisor or one of its affiliates negotiates a lease for the Premises on Franchisee's behalf, which lease, in Franchisor's reasonable judgment, would be acceptable for the operation of a Restaurant, Franchisee must pay Franchisor a reasonable lease negotiation fee, which may include both legal costs (including time spent by any in-house counsel) and brokerage fees.

(b) If the appropriate lease documentation, as above described, is not signed within nine (9) months after the execution of this Agreement, at the option of either the Franchisee or Franchisor, this Agreement, and related agreements, if any, may be terminated. In such event, the Initial Franchise Fee specified in Paragraph 19 herein shall be refunded to the Franchisee, less the costs and expenses incurred by Franchisor, including its expenses in connection with the search for a site, travel and living expenses and legal and other related expenses. Such refund will be made by Franchisor within seven (7) business days (unless a shorter period is prescribed by applicable law) after receipt of written notice from the Franchisee of the exercise of its option to terminate this Agreement (and related agreements), along with a general release satisfactory to Franchisor duly executed by Franchisee and its owners, or immediately by Franchisor, if it exercises its option to terminate. Unless required to do so by any applicable law, such refund will be without interest.

(c) If, for any reason, Franchisee has not opened the Restaurant within six (6) months after the date possession of the Premises has been made available to Franchise, or such different date if specified in the lease, Franchisor may terminate this Agreement at any time thereafter and prior to the opening of the Restaurant, by giving written notice of termination to Franchisee. If this Agreement is terminated pursuant to these provisions, Franchisee shall reimburse Franchisor for its costs and expenses in connection with this franchise including, but not limited to, expenses incurred in connection with the

search for a site, advertising and negotiating the lease for the Restaurant, construction expenses, if any, incurred by Franchisor and expenses incurred in training the Franchisee and its employees including travel and living expenses, compensation of employees of Franchisor and legal fees and expenses incurred. Franchisor will refund the Initial Franchise Fee after deducting such sums from the Initial Franchise Fee, provided Franchisee and its owners shall have executed and delivered a general release satisfactory to Franchisor.

(d) Any Lease entered into by Franchisee shall be exclusively for the operation of a Restaurant, and shall provide that upon termination or expiration of the franchise, for any reason, Franchisor or one of its affiliates shall have the right, but not the obligation, to be assigned and to assume the Lease, and replace Franchisee as tenant. Franchisee shall, upon the exercise of that right by Franchisor, be fully indemnified by Franchisor from all liability for future rent and all other future obligations under the lease (though not from any liability for unpaid rent or any then existing liabilities or obligations under the lease). Franchisee agrees to execute any documents required to assign such Lease to Franchisor or to a designee of Franchisor.

(e) The Franchisee may operate the Restaurant only at the Premises. The Franchisee may sell to anyone, at retail only, prepared food of the character, and meeting the quality standards contemplated in this Agreement, provided that all sales are from the Premises. Franchisee may not open or operate the Restaurant from another location, and may not engage in any other type of business at or from the Premises.

4. SPECIFICATIONS OF EQUIPMENT

Franchisee shall conform to Franchisor's specifications with respect to the equipment, furniture, fixtures and exterior and interior signs required for the Restaurant. Specifications may include minimum standards for delivery, performance, designs and appearance and local zoning, sign and other restrictions. Franchisee may purchase or lease original and replacement equipment, furniture, fixtures and signs meeting such specifications from sources previously approved by Franchisor. Franchisee will notify Franchisor, prior to dealing with any sources which have not been previously approved by Franchisor, and Franchisor may require submission of sufficient specifications, photographs, drawings and/or information and samples to determine whether such items of equipment, furniture, fixtures or signs meet its specifications. Franchisor shall advise Franchisee, within a reasonable time, whether such items of equipment, furniture, fixtures or signs meet its specifications. Franchisor, at its sole and exclusive option, may provide Franchisee with specifications and minimum standards for all or portions of the Restaurant's construction, design and layout, which Franchisee agrees to follow. There are no warranties except where applicable, the warranty of a manufacturer. Franchisor has not and does not make any express or implied warranties, including, but not limited to, the implied warranty of merchantability and fitness for a particular purpose. In no event will Franchisor be responsible for or liable for any special, incidental, indirect, or consequential damages for any loss of profit or revenue, even if advised of the possibility of such damage.

5. RESTAURANT DEVELOPMENT

Franchisee is responsible for the construction and development of the Restaurant. Within a reasonable amount of time after Franchisee executes this Agreement and upon Franchisee’s written request, Franchisor will provide to Franchisee the most current specifications for the design and general layout of the Restaurant. Prior to commencing construction, Franchisee must comply, to Franchisor’s sole satisfaction, with the following:

(a) Franchisee must engage an approved architect and engineer to prepare a site layout and working drawings for construction of the Restaurant, and submit to Franchisor a statement identifying the architect and engineer, describing the qualifications of each.

(b) Franchisee must submit to Franchisor for its approval, a site layout and working drawings adopting Franchisor's then-current plans and specifications for constructing, equipping, fixturing and furnishing the Restaurant at the approved site in compliance with all applicable laws, regulations and ordinances (the "Plans"). The Plans must not be materially changed or modified without Franchisor's prior written consent: a change is material if it (1) affects the structural integrity of the Restaurant, (2) changes the appearance, location, size or quality of the Restaurant, (3) affects the appearance, furnishings or fixturizing of the Restaurant or (4) causes the Restaurant to deviate from the standards then established for the System. Franchisor's approval of the Plans constitutes only a representation that the Plans comply with Franchisor's then-current plans and specifications for construction; such approval does not equate or constitute Franchisor's representation of compliance with Franchisee's landlord's construction criteria, if applicable, or state or local building requirements, for which Franchisee is solely responsible.

(c) Franchisee must employ an approved general contractor to construct the Restaurant and complete all improvements and submit to Franchisor a statement identifying the general contractor and describing the general contractor's qualifications and financial responsibility.

(d) Franchisee must obtain all permits, certificates and licenses required for construction and completing improvements to the Restaurant, including without limitation, those required by applicable zoning, access, utility, sign, building, health, safety, environmental laws, ordinances, rules and regulations.

(e) Should Franchisee fail to comply with any of the requirements set forth hereinabove in paragraphs (a) and (b), Franchisor, in its sole discretion, may agree to review the site layout and working drawings and require Franchisee to pay a Two Thousand Dollar ($2,000) Plan Compliance Fee within ten (10) days of notice from Franchisor.

Neither Franchisor's approval of an architect chosen by Franchisee nor providing Franchisee with Franchisor's then current plans and specifications for constructing, equipping, fixturing and furnishing the Restaurant, nor any information which Franchisor may impart to Franchisee shall constitute a warranty or representation of any kind, either expressed or implied, that the Restaurant will be profitable or successful.

(f) Signage. Franchisee's signage must comply with all state and local laws and ordinances. The signage must also incorporate the specific letter style, curvature, approved colors and trademark associated with Franchisor's logo. Franchisee must not use a sign that deviates from the standard logo unless and until Franchisee has submitted a request for such deviation to Franchisor in writing with drawings and Franchisor has approved such deviation in writing. If Franchisee employs any signage that does not comply with this Agreement, Franchisee will be in material breach of this Agreement.

6. RESTAURANT REFURBISHING

Franchisee agrees to effect such remodeling, updating and/or refurbishing of the Restaurant, in addition to regular maintenance and repair, from time to time, as is required by Franchisor in order to maintain or improve the appearance and efficient operation of the Restaurant and/or increase its business potential.

7. TRAINING

(a) Prior to commencement of the initial training, the following events must occur:

(i) All applicants for training must be approved by Franchisor, which will not withhold its approval without good cause;

(ii) This Agreement, and any related agreements, must be executed by Franchisee and Franchisor;

(iii) Franchisee and the lessor, or if there is an approved sublease, the sublessor, of the Premises must have executed the Lease or if appropriate, the sublease, for the Premises, and Franchisee shall have provided a copy of its Lease or approved sublease to Franchisor;

(iv) All outstanding amounts of money due and owing to Franchisor, or others, in connection with the franchise, must be paid.

(b) Training shall commence approximately five (5) weeks prior to the scheduled opening date of the Restaurant, and shall last for a period of approximately three to five (3-5) weeks.

(c) Training is mandatory for Franchisee (or its principal owner) and Franchisee's full-time restaurant manager ("Restaurant Manager"), and must be completed to Franchisor's satisfaction before the Restaurant may be opened.

(d) All trainees, including Franchisee (or its principal owner) shall, at Franchisee's cost and expense, attend Franchisor's training program at such times, and at such places as specified by Franchisor. During the training program Franchisee (or its principal owner), and its Restaurant Manager, shall receive instruction, training and education in the operation of the Restaurant. Franchisee acknowledged that Franchisor provides no training on human resource or administration issues. Franchisor shall train up to four (4) persons without charge, but reserves the right to impose reasonable charges for additional persons to attend initial training. Franchisee shall bear all personal expenses during the training program including, but not limited to, compensation, travel, food and lodging costs.

(e) Franchisee shall implement a training program for employees of the Restaurant, in accordance with training standards and procedures prescribed by Franchisor, from time to time. Franchisee may additionally be required to subscribe to Franchisor's iLEARN Center provided by an approved vendor and pay the approved vendor a monthly subscription fee. Upon notice from Franchisor, Franchisee will immediately subscribe with the approved vendor to our iLEARN Center. Franchisee acknowledged that Franchisor provides no training on human resource or administration issues. Franchisee shall maintain, at all times during the Term of this Agreement, a staff of trained employees sufficient to operate the Restaurant in accordance with this Agreement. Franchisee agrees not to employ any person who is required to complete a training program, but who fails or refuses to do so.

(f) Franchisee is responsible for hiring all employees of the Restaurant and is exclusively responsible for the terms of their employment, including their compensation and training. Franchisee is solely responsible for all employment decisions for the Restaurant, including those related to hiring, firing, remuneration, personnel policies, benefits, record keeping, supervision and discipline, and regardless of whether advice was received from Franchisor on these subjects.

(g) Franchisee (or its principal owner), or its Restaurant Manager, and any replacement Restaurant Managers shall attend additional training programs, sales meetings, operations meetings and conventions, as Franchisor may, from time to time, direct. Franchisor reserves the right to impose reasonable fees for such additional training. All expenses of Franchisee incurred in connection with attendance at training programs, sales meetings, operations meetings and conventions shall be borne solely by Franchisee.

8. OPERATION AND MANAGEMENT OF THE RESTAURANT

(a) In order to maintain the high quality and uniform standards associated with the System, and to promote and protect Franchisor's good will and reputation, Franchisee agrees:

(i) To operate the Restaurant exclusively Restaurant under the Marks, in strict conformity with the Confidential Operations & Training Manual referred to in Paragraph 13, and not to engage in any other type of business at the Premises;

(ii) To sell all food, menu items and other products required by Franchisor, and not to sell any other food, menu items or products at the Premises;

(iii) To equip, maintain, staff and operate the Restaurant strictly in accordance with the methods, procedures and techniques as are, from time to time, established by Franchisor in its Confidential Operations & Training Manual or otherwise;

(iv) To vigorously and aggressively promote the business, by making use of the advertising, sales promotion and merchandise materials and programs developed and prescribed, from time to time, by Franchisor.

(v) To keep the Restaurant open for business the minimum number of days per week, and hours per day, prescribed by Franchisor, from time to time, or as required by the Lease, if different from those prescribed by Franchisor;

(vi) To keep and maintain the Restaurant, and its appearance, in a clean and orderly manner, consistent with the Confidential Operations & Training Manual, and in accordance with the directives of Franchisor, which Franchisor deems necessary to protect the standards of quality and uniformity established by it for the System;

(vii) To comply, at all times, with Federal, State, City and other local laws, regulations and ordinances;

(viii) To maintain, at all times, sufficient food, supplies and personnel to operate the Restaurant at maximum capacity and efficiency;

(ix) To file or register, as an assumed name, the Marks, as may be appropriate when utilized in connection with the operation of the Restaurant, and any such required filings shall clearly indicate, and shall not be construed as granting Franchisee any right, title or interest, other than the license to use such names as granted in this Agreement, in or to such names;

(x) To operate the Restaurant under the Mark(s), as determined and instructed by Franchisor, and under no other name. However, such usage shall not be construed as granting Franchisee

any right, title or interest in such names other than pursuant to the terms and conditions contained in the license granted in this Agreement;

(xi) To use and display the Marks prominently and in such manner as may, from time to time, be directed, in writing, by Franchisor and not to use or display any other trade name, trademark, service mark, logo or designation;

(xii) To deal fairly and honestly with the public and with Franchisor;

(xiii) To require the Restaurant Manager to devote his full-time and best efforts to the operation of the Restaurant;

(xiv) To pay, when due, any fines fees, penalties and taxes in connection with the operation of the Restaurant;

(xv) To conform to all standards of quality and service prescribed by Franchisor, so as to sustain the good will and prestige that the Marks enjoy with the public.

(b) Franchisee shall serve all the specified menu items described in Franchisor's Confidential Operations & Training Manual, except insofar as Franchisor may, in writing, consent to the elimination of one or more of such menu items. All menu items shall be prepared and served in accordance with the recipes and specifications contained in such Confidential Operations & Training Manual, or as otherwise directed by Franchisor, from time to time. Without the prior written approval of Franchisor, no foods or beverages other than such specified menu items will be served by such Restaurant.

(c) If Franchisee shall, in any way, fail to maintain the standards of quality or service established by Franchisor, Franchisor shall have the right (in addition to its rights under Paragraph 24) to assign to such Restaurant such person or persons as it deems necessary for the training of Franchisee's employees, and to insure that standards of quality and service are maintained. The standards of quality of service however, do not include any personnel policies or procedures. We do not offer nor dictate Franchisee's employment matters relating to hiring, firing, wages, discipline or other human resource policies and procedures. Franchisor's actual costs for each such person so assigned to such Restaurant, plus travel and living expenses, shall be paid by Franchisee.

(d) Telephone booths, newspaper racks, juke boxes, gum machines, games, rides, or any coin vending machines will not be installed on the Premises without the written approval of Franchisor.

9. OPERATING ASSISTANCE

(a) Franchisor will furnish to Franchisee such operating assistance, in connection with the operation of the Restaurant as Franchisor determines, from time to time, to be necessary. Operating assistance does not include your employment matters relating to hiring, firing, wages, discipline or other human resource policies or procedures and upon our request, you will obtain signed acknowledgements from your employees acknowledging that they are employed solely by Franchisee. Operating assistance may include advice and guidance with respect to:

(i) Food preparation and supplying menus, recipes and food required by Franchisee in its operations;

(ii) Formulating advertising and promotional programs;

(iii) Evaluating and testing of new food developments and other improvements in the System, and in Franchisee's Restaurant.

(b) Franchisor will furnish to Franchisee the Confidential Operations & Training Manual described in Paragraph 13, and other instructional and training material needed to provide guidance in the methods, procedures, recipes and techniques for operating the Restaurant. Franchisor may furnish, from time to time, such other manuals, business information and literature, as Franchisor determines will be helpful in improving the operation of the Restaurant.

(c) Franchisor may advise Franchisee, from time to time, of any operating problems experienced at the Restaurant, which problems are disclosed in reports submitted to or inspections made by Franchisor. Franchisee may be required to correct these problems within seven (7) days, unless same pertain to violations of a health ordinance, in which case those problems must be corrected within twenty-four (24) hours after their occurrence.

(d) Except as otherwise provided herein, Franchisor will not charge Franchisee for such operating assistance, provided, however, that Franchisor shall have the right to make reasonable charges for forms and other materials supplied to Franchisee, and for special operating assistance made necessary, in the judgment of Franchisor, as a result of Franchisee's failure to comply with any provision of this Agreement or the Confidential Operations & Training Manual or any specification, standard or other operating procedure prescribed by Franchisor.

10. BOOKKEEPING AND RECORDS/COMPUTER SYSTEMS

Franchisee shall establish a bookkeeping and record keeping system, maintaining full, complete and proper books, records and related source documents in accordance with generally accepted accounting principles, and such other and additional requirements as may be required by Franchisor, from time to time, in order to accommodate any changes in accounting and/or bookkeeping systems as may be established relating, without limitation, to the use and retention of sales checks, cash register tapes or point-of-sale system receipts, purchase orders, invoices, payroll records, check stubs, sales tax records and returns, cash receipts and disbursements, journals and general ledgers and such other records as are normally maintained by a restaurant business which is similar to Restaurants, and as may be required by Federal and State laws, rules and regulations. All such books and records shall be maintained at the Premises. Franchisee, and all of Franchisee's employees or agents who perform a cashier function, shall record, at the time of each sale, in the presence of the customer (and provide the customer with a receipt therefore), all receipts from such sale or other transaction, whether for cash or credit, on a non-resettable cash register or point-of-sale system having a cumulative total, which shall be sealed in a manner approved by Franchisor, and which shall possess such other features as may be required by Franchisor.

Franchisee may be required to purchase, lease and/or license at its expense such computer hardware and software, required dedicated telephone and power lines, modems, printers, and other computer-related accessories or peripheral equipment as Franchisor may specify from time to time, for the purpose of, among other functions, recording Gross Revenues and performing other management information and reporting functions. Franchisee agrees not to use any hardware and/or software in the operation of the Restaurant without Franchisor’s express prior approval, which approval will not be unreasonably withheld.

Franchisee agrees to provide such assistance as may be required to connect its computer system

with Franchisor's computer system or the computer system of a third party data collection service designated by Franchisor. Franchisor has the right to retrieve and use such data and information from Franchisee's computer system as Franchisor, in its sole discretion, deems desirable, with the cost of such telephonic retrieval to be borne by Franchisee. In view of the contemplated interconnection of computer systems and the necessity that such systems be compatible with each other, Franchisee agrees to purchase, lease and/or license such other hardware or software necessary to complete the interconnection between franchisee's computers and Franchisor's computers.

To ensure full operational efficiency and optimum communication capability between and among computer systems, Franchisee agrees at its expense, to keep its computer systems in good condition, and to promptly install such additions, changes, modifications, substitutions or replacements to hardware, software, telephone and power lines, and other computer-related facilities, as Franchisor directs.

Franchisee acknowledges that in order to operate the current Oracle/Simphony Point of Sale system, certain employee personal information must be provided to set up employee data in the Point of Sale System. We will: (i) use reasonable and appropriate measures to safeguard the security of the personal information, including providing access to the personal information only to those responsible for the operation and maintenance of the Point of Sale system, who have a need for such access, (ii) use that personal information only for purposes related to the operation of the Point of Sale system, and (iii) not disclose that personal information except as required under applicable law.

11. FINANCIAL STATEMENTS

If requested, Franchisee shall submit to Franchisor, within thirty (30) days of the end of each month, unaudited statements of profit and loss of the Restaurant for the preceding month and year to date, and, within ninety (90) days from the close of Franchisee's fiscal year, a profit and loss statement and a balance sheet from the close of each such year, each prepared in accordance with generally-accepted accounting principles. If requested by Franchisor, the year-end financial statements shall be audited by an independent certified public accountant.

12. INFORMATION FROM SUPPLIERS

The Franchisee agrees that Franchisor may receive information directly from the Franchisee's suppliers with regard to the purchase of supplies, materials and merchandise. The signing of this Agreement is deemed sufficient authorization and/or release necessary to obtain such information.

13. MANUALS

Franchisor will provide a Confidential Operations & Training Manual containing mandatory and suggested standards, standard operating procedures and rules prescribed from time to time by the Franchisor, and a Recipe Manual containing mandatory and suggested menus, recipes and specifications. The Recipe Manual shall be deemed part of the Confidential Operations & Training Manual. These manuals are "on loan" to Franchisee for the term of this Agreement and must be returned upon termination or expiration of this Agreement. Franchisee shall not, at any time, copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person(s). These manuals shall, at all times, remain the sole property of Franchisor and shall, at all times, be kept in a secure place on the Premises. Franchisee shall, at all times insure that the manuals are kept current and up to date. In the event of any dispute as to the contents of the manuals, the terms of the master copies of the manuals maintained by Franchisor at Franchisor's home office shall be controlling.

The Franchisor will have the right to add to and make operations updates to promote the uniform and efficient operation of all Restaurants, provided that no such additions or modifications will alter the Franchisee's fundamental status and rights under this Agreement. The Franchisee agrees to comply with the provisions of such manuals and operations updates. The term "Confidential Operations & Training Manual" also includes alternative or supplemental means of communicating such information by other media which specifically reference that they are to be considered to be part of the Confidential Operations & Training Manual, including bulletins, e-mails, videotapes, audio tapes, compact discs, computer diskettes and CD ROMs.

14. FRANCHISEE, MANAGER AND EMPLOYEES

(a) The Restaurant shall at all times be under the direct supervision of a Restaurant Manager (who may be the Franchisee) who has completed Franchisor's training program to Franchisor's specifications, and devotes his/her full time and effort, during business hours, to the management of the Restaurant.

(b) Unless otherwise specified, the term "Confidants" as used in this Paragraph and sub-paragraphs (b) (c), (d) and in Paragraph 27 (a) shall include collectively and individually, any individual who is the Franchisee and all officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of Franchisee, and any corporation directly or indirectly controlling Franchisee, if Franchisee is a corporation and the general partners, members and any limited partner (including any corporation and the officers, directors and holders of a beneficial interest of five percent (5%) or more of securities, of a corporation which controls, directly or indirectly, any general or limited partner), if Franchisee is a partnership). The Confidants acknowledge that, pursuant to this Agreement, they may have access to confidential information including, without limitation, information regarding the promotional, operational, sales and marketing methods and techniques of Franchisor and the System, and accordingly covenant that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Confidants will not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person, persons or legal entity:

(i) Divert, or attempt to divert any business, or customer of the Restaurant, to any competitor or to any other Italian or pizzeria type restaurant operation, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the good will associated with the Marks and the System; or

(ii) Own, maintain, advise, help, invest in or make loans to, be employed by, engage in or have any interest in any business (including any business operated by Franchisee prior to entry into the Agreement) that operates a restaurant which, in whole or in part, sells the same or similar types of food and beverages as Franchisor or any of its franchisees, including any Italian or pizzeria-type restaurant. This section shall not be applicable to Franchisee's existing locations set forth on Schedule 1 to Summary Page, if any.

(c) Confidants shall hold in confidence the System, and all parts thereof, and shall not disclose the System, or any part thereof, to any person, entity, firm or corporation. It is understood and agreed that the System is a program of accounting, identification, schemes, specifications, standards, management systems, recipes, menus, techniques, financial information (such as product costs and sources of supply), and business operations and procedures that would, if used by other persons, firms or corporations, give such other persons, firms or corporations a substantial competitive advantage that is presently enjoyed by Franchisor, each of which Confidants acknowledge is a trade secret of, and proprietary

to, Franchisor and/or its affiliate. Confidants accordingly agree that they shall not, at any time during the term of this Agreement or after termination, expiration or non-renewal of this Agreement, without Franchisor's prior written consent, disclose (except to such employees or agents as must have access to such information in order to construct or operate the Restaurant) or use, or permit the use of, the System or any part thereof, except as may be required by applicable law or as authorized by this Agreement.

(d) Confidants shall, at all times, treat as confidential the Confidential Operations & Training Manual and other manuals or materials designated for use within the System, and such other information as Franchisor may designate, from time to time, for confidential use in conjunction with the System, as well as all other trade secrets, confidential information, knowledge and know-how concerning the construction or operation of the Restaurant that may be imparted to, or acquired by Confidants from time to time in connection with this Agreement, and shall use diligent efforts to keep such information confidential. The Confidential Operations & Training Manual, and any other manuals or materials designated for use with the System, and all confidential information and trade secrets shall, at all times, be deemed to be, and shall remain the sole property of Franchisor and/or its affiliates, and Franchisee shall acquire no right, title or interest therein by virtue of authorization pursuant to this Agreement, to possess and use the same. Confidants acknowledge that the unauthorized use or disclosure of such confidential information and trade secrets will cause incalculable and irreparable injury to Franchisor and its affiliates. Confidants accordingly agree that they shall not, at any time, whether during the term of this Agreement or after termination, expiration or non-renewal hereof, without Franchisor's prior written consent disclose, except to such employees or agents as must have access to such information in order to construct or operate the Restaurant, or use or permit the use, except and only to the extent as may be required by applicable law or authorized by this Agreement, any confidential information or trade secrets, in whole or in part, or otherwise make the same available to any unauthorized person or source.

(e) Franchisee shall cause any person who is actively involved in the management of the Restaurant at the time of employment, to enter into a "Confidentiality and Non-Competition Agreement". Franchisee shall use its best efforts to prevent any such person from using, in connection with the operation of any restaurant (other than the Restaurant and any other Franchisor Restaurants operated by Franchisee) wherever located, the System and any of the Marks, or from operating any restaurant that looks like, copies or imitates any Restaurant, or is operated in a manner tending to have such effect. If Franchisee has reason to believe that any such person has violated the provisions of such Confidentiality and Non-Competition Agreement, Franchisee shall notify Franchisor and shall cooperate with Franchisor to protect Franchisor against infringement or other unlawful use of the Marks or the System, including but not limited to the prosecution of any lawsuits if, in the judgment of counsel for Franchisor, such action is necessary or advisable.

(f) Franchisee agrees to comply with, and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with, Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war (the "**Anti-Terrorism Laws**"). In connection with such compliance Franchisee certifies, represents and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's employees or any "blocking" of Franchisee's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Franchisee has entered into with Franchisor or any of our affiliates, in accordance with the termination provisions of this Agreement.

15. INSURANCE

(a) 1. Property insurance on a "Special Form" perils basis, covering the full replacement value of the Franchised Restaurant and all of its Business Personal Property. Policy shall carry a Replacement Cost Valuation provision, a prescribed Amount endorsement, (no coinsurance) and a deductible not to exceed $2,500. Amount of coverage shall be not less than 90% of the full replacement cost of all such property. FRANCHISOR may request, from time to time, a reasonable increase in the amount of such property insurance in order to account for inflationary trends.

2. Equipment Breakdown covering the full replacement value of the Franchised Restaurant equipment, including business interruption resulting from such breakdown.

3. Business Interruption insurance, in sufficient amount to cover net profit plus continuing expenses (including payments to Franchisor for loss of royalties and other required remittance) for a period of at least one year, as a result of any insurable interruption in Franchisee's business operations.

4. Crime insurance, to include Employee Dishonesty, Money & Securities, Counterfeit Currency and Forgery & Alteration. Limits to vary by FRANCHISEE needs.

5. Comprehensive General Liability insurance, including premises/ operations, products/completed operations, liquor liability if applicable, contractual liability, and liability for the acts of independent contractors, with Bodily Injury/Property Damage Liability limits of not less than One Million Dollars ($1,000,000.00) Per Occurrence and Two Million Dollars ($2,000,000) Per Location Aggregate. Employee Benefit Liability to be included.

6. Workers' Compensation/Employer's Liability insurance, as well as such other insurance as may be required by statute or regulation of the state or locality in which the Franchised Restaurant is located and operated.

. 7. Comprehensive Automobile Liability insurance covering both owned and non-owned vehicles owned and/or operated by Franchisee, with limits of not less than One Million Dollars ($1,000,000) Bodily Injury/Property Damage liability or, in the alternative, One Million Dollars ($1,000,000) Bodily Injury and Two Hundred Fifty Thousand ($250,000) Property Damage Liability.

8. Commercial Umbrella Liability insurance, with limits of not less than Two Million Dollars ($2,000,000.00) Per Occurrence and Two Million Dollars ($2,000,000) Aggregate, and arranged to cover over all above primary underlying coverages without gap.

9. Contractor's Insurance. In connection with any construction, renovation, refurbishing, or remodeling of the restaurant, Franchisee will cause the general contractor to maintain Comprehensive General Liability insurance (including products/completed operations and independent contractors coverage) with limits of at least One Million Dollars ($1,000,000.00) Per Occurrence and One Million Dollars ($1,000,000) Aggregate, naming Franchisor as an additional insured; Comprehensive Automobile Liability; Workers' Compensation; and such other insurance as may be required by law. In the event of new construction, the general contractor shall maintain Builders' Risk coverage on a "Special Form" perils basis, sufficient to cover the completed value of such new construction, naming Franchisee as additional insured.

10. Rental value insurance (in an amount sufficient to cover the rents and other fees due the landlord and/or Merchants' Association under the lease, if any, during any period of business interruption or inability to operate to operate the Franchised Restaurant) or such greater amounts of insurance as required by the lease for the Franchised Restaurant.

11. Sign coverage for 100% replacement value of sign.

12. Coverage enhancements to include:

- Personal Property off Premises
- Property in Transit
- Ordinance or Law
- Spoilage of Perishable Goods
- Off-premises Power Interruption
- Food Spoilage/Contamination
- EDP Equipment and software
- Fine Arts
- Personal Effects
- Valuable Papers and Records
- Outdoor Signs
- Interior Glass
- Fire Suppression System Recharge
- Sewer or Drain Backup
- Accounts Receivable
- Cyber Liability & Expense Reimbursement
- Trade Name Restoration

13. You shall carry any additional insurance covering such additional risks providing higher limits as Franchisor may request. For instance, we may require you to have Employer Practices Liability Insurance (EPLI) and name Franchisor as an additional insured.

(b) All policies of insurance required under this section shall be in such form, and such amounts as Franchisor shall reasonably determine, and with such companies, rated not less than A- by Best's Rating Guide (or equivalent) duly authorized to do business in the state where the Restaurant is located, and shall protect, as named and/or additional insureds, Franchisee, Franchisor and any other party designated by Franchisor. Franchisee shall furnish Franchisor and other named and/or additional insureds, and all other persons designated by Franchisor, with certificates issued by each of Franchisee's insurers indicating that all required insurance are in full force and effect and will not be terminated or changed without at least thirty (30) days prior notice thereto.

(c) Should Franchisee fail, or neglect to obtain or maintain, in continuous full force and effect, the insurance coverage required by this Agreement, or by the terms and conditions of the Lease then, and in such event, at its exclusive option and without prior notice to Franchisee, Franchisor may purchase and obtain the required insurance coverage, and Franchisee hereby specifically agrees to pay to Franchisor its costs and expenses in purchasing, obtaining and maintaining such coverage.

(d) Franchisee shall deliver copies of all such insurance policies or certificates of insurance, to Franchisor seven (7) days prior to the opening for business of the Restaurant. Upon failure of the Franchisee to deliver to Franchisor copies of such insurance policies or certificate of insurance within

the required time then, and in such event, at its option and without prior notice to Franchisee (in addition to its rights under Paragraph 24 hereof), Franchisor may purchase and obtain the required insurance coverage, and Franchisee hereby specifically agrees to pay to Franchisor its costs and expenses in purchasing, obtaining and maintaining such coverage.

(e) In any event, regardless of the provisions of this Paragraph 15, Franchisee shall indemnify, defend and hold Franchisor harmless against any loss, claim, action or award that would be covered by such insurance.

16. THE MARKS AND INTERNET

(a) Franchisee acknowledges that Franchisor's affiliate is the owner of all right, title and interest in and to the Marks. Franchisor has obtained the right from its affiliate to license Franchisee to use the Marks, in accordance with the terms and conditions of this Agreement. Franchisee's right to use the Marks is derived solely from this Agreement and is limited to conducting business pursuant to and in compliance with this Agreement. Franchisee's unauthorized use of any of the Marks constitutes a breach of this Agreement and an infringement of Franchisor's affiliate's rights to the Marks. This Agreement does not confer on Franchisee any goodwill or other interests in the Marks. Franchisee's use of the Marks and any goodwill established thereby inures to Franchisor's affiliate's exclusive benefit.

(b) Franchisee agrees to use each such Mark identified on the Summary Page ("Licensed Mark") only in compliance with rules prescribed from time to time by Franchisor. Franchisee shall not use any of the Marks as part of any corporate name, or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Franchisee hereunder), nor may Franchisee use any of the Marks in connection with the sale of any unauthorized product or service or in any manner not explicitly authorized in writing by Franchisor.

(c) Franchisee shall immediately notify Franchisor of any apparent infringement or challenge to Franchisee's use of the Marks. Franchisor shall have sole discretion to take such action as it deems appropriate.

(d) If it becomes advisable at any time in the sole discretion of Franchisor for Franchisee to modify or discontinue use of any of the Marks and/or use one or more additional or substitute marks, Franchisee agrees to do so, and the sole obligation of Franchisor, in any such event, shall be to reimburse Franchisee for the direct costs of complying with its obligation.

(e) Franchisee shall not contest, directly or indirectly, Franchisor's or Franchisor's affiliate's ownership, title, right or interest in any proprietary mark, trade secret, method, procedure or advertising technique that is part of the System, or contest Franchisor's or Franchisor's affiliate's sole rights to register, use or license such marks, trade secrets, methods, procedures and techniques or any other trademark, service mark, logo or trade name which are developed by Franchisor or its affiliates and are derivatives of the Franchisor Marks which are related to Franchisor's business.

(f) All provisions of this Agreement applicable to the Marks, shall apply to any trade names, trade and service marks, logos and other commercial symbols, and any patents or copyrights hereafter licensed to Franchisee by Franchisor.

(g) Franchisee may not maintain a World Wide Web site or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the Restaurant without

Franchisor's prior written approval, which Franchisor may withhold for any reason or no reason. Franchisee agrees to submit to Franchisor for approval before use true and correct printouts of all Web site pages Franchisee proposes to use in its Web site in connection with the Restaurant. Franchisee understands and agrees that Franchisor's right of approval of all such Web materials is necessitated by the fact that such Web materials will include and be inextricably lined with Franchisor's Marks. Franchisee may only use material which Franchisor has approved. Should Franchisor grant Franchisee the right to establish a Web site, Franchisee's Web site must conform to all of Franchisor's Web site requirements, whether set forth in its Manual or otherwise. Franchisee agrees to provide all hyperlinks or other links that Franchisor requires. If Franchisor grants approval for a Web site, Franchisee may not use any of the Marks at the site except as Franchisor expressly permits. Franchisee may not post any of Franchisor's proprietary, confidential or copyrighted material or information on its Web site without Franchisor's prior written permission. If Franchisee wishes to modify its approved site, all proposed modifications must also receive Franchisor's prior written approval. Franchisee explicitly understands that it may not post on its Web site any material which any third party has any direct or indirect ownership interest in (including, without limitation, video clips, photographs, sound bites, copyrights test, trademarks or service marks, or any other text or image which any third party may claim intellectual property ownership interests in). Franchisee agrees to list on its Web site, should Franchisor ever grant Franchisee the right to have a Web site, any Web site maintained by Franchisor, and any other information Franchisor requires in the manner Franchisor dictates. Franchisee agrees to obtain Franchisor's prior written approval for any Internet domain name and/or home page address. The requirement for Franchisor's prior approval set forth in this Paragraph will apply to all activities on the Internet or other communications network to be conducted by Franchisee, except that Franchisee may maintain one or more E-mail addresses and may conduct individual E-mail communications without Franchisor's prior written approval. Franchisee agrees to obtain Franchisor's prior approval as provided above if Franchisee proposes to send advertising to multiple addressees via E-mail.

17. USE OF MARKS

(a) Franchisor shall have the right to control, and Franchisee hereby grants to Franchisor the right to control the form and manner in which the Marks are used by Franchisee upon, or in connection with, any and all stationery, business cards, advertisements, press releases, brochures, coupons, packages, labels, menus, tags or other printed material used in the advertising or sale of Franchisee's services or products. Franchisee shall not use any of the Marks in connection with any social media networking, including but not limited to, any postings on a social media site or social media network sites nor with the performance or sale of any unauthorized services or products or in any other manner not expressly authorized in writing by Franchisor. Additionally, Franchisee shall, prior to any use of the Marks, submit to Franchisor specimens for approval of use of any and all such stationery, business cards, advertisements, press releases, brochures, coupons, packages, labels, menus, tags or other printed material. Franchisee agrees to discontinue the use of any and all such stationery, business cards, advertisements, press releases, brochures, coupons, packages, labels, menus, tags or other printed material which is not, or ceases to be, approved by the Franchisor except that previously approved printed material in stock which may be used for a period of two (2) months.

(b) The Marks, where it is reasonable to do so, shall be composed of capital letters entirely or otherwise distinguished from the accompanying text to make clear that the word is a service mark and/or trademark. Franchisee agrees to apply appropriate trademark notices as prescribed under law. An encircled capital letter "R" shall be used next to those Marks which are federally registered and are being used in the United States of America or internationally; the letters "SM" shall be used next to those Marks which are not yet federally registered but are being used in the United States of America or internationally.

(c) Any stationery, business cards, advertisements, press releases, brochures, coupons, packages, labels and tags or other printed material provided by Franchisee, including cooperative advertising, and any labels applied by Franchisee and bearing the Marks, shall at all times clearly identify Franchisee to the public as the source of such services and/or products and that Franchisee is using the Marks under license by affixing the following legend:

"Trademark (or Service Mark) of Villa Holding, LLC"

18. IMPROPER USE

The Franchisee shall immediately report, in writing to Franchisor, any unauthorized use of any Mark which comes to the Franchisee's attention. Franchisee shall promptly report to Franchisor particulars of any use by any third party of a trade name or mark which Franchisee might reasonably believe amounts to infringement of any of the Marks or to unfair competition or palming-off at common law. If it comes to the notice of the Franchisee that any third party alleges that registrations of the Marks are invalid, or that use thereof infringes any rights of that party or that the Marks are open to any other form of attack, Franchisee shall not make any admissions but shall immediately, in writing, report the matter to Franchisor. Franchisor shall have complete authority relating to the conduct of all proceedings involving the Marks to which it is a party. The Franchisee shall, if requested by Franchisor, cooperate with Franchisor in precluding the unauthorized use of any Mark.

19. INITIAL FRANCHISE FEE

The Franchisee shall pay Franchisor a total Initial Franchise Fee stated on the Summary Page payable in full at the time of execution and delivery of this Agreement.

The Initial Franchise Fee is fully earned when paid, and non-refundable except as otherwise expressly provided herein.

Unless required to do so by applicable law, no refund by Franchisor shall bear any interest nor will Franchisor deposit the Initial Franchise Fee, or any part thereof, in any escrow, trust or such similar account.

20. SYSTEMS FEE (ROYALTY)

(a) Franchisee agrees to pay Franchisor a Systems Fee ("Royalty") of six percent (6%) of the gross revenues derived by, from, in or through the Restaurant, payable weekly by Tuesday of each week on gross revenues for the preceding calendar week (i.e. Monday through Sunday period), together with a sales report showing the computation thereof on such forms or reports as Franchisor shall designate or require.

(b) The term "gross revenues" shall, for all purposes of this Agreement, mean the total revenues from all sales made by, from, in or through the Restaurant, deducting only sales tax therefrom and excluding only such revenues, if any, as may be required by applicable law.

(c) If Royalty fees and/or Advertising Fund contributions are not paid when due, Franchisor has the right to deduct from Franchisee’s account an amount equal to the required Royalty and/or Advertising Fund contribution, as applicable, based on the average weekly gross revenues attained by Franchisee during the previous one (1) year period, or, if Franchisee’s Restaurant has not been open for a

full year, during such period that the Restaurant has been open. If, however, Franchisee subsequently provides Franchisor with the sales report required pursuant to Paragraph 20(a), Franchisor shall debit or credit Franchisee's account, as applicable, for the difference between the amount previously deducted by Franchisor and the amount actually owed pursuant to such sales report. In addition, the Franchisee shall pay the Franchisor the highest contract interest rate permitted by law, not to exceed one and one-half percent (1.5%) interest per month, pro-rated, on any overdue amounts until said amounts are paid in full. Franchisor has the right to assess service charges for any checks that are returned for insufficient funds and late charges if permitted by applicable law. However, Franchisee's failure to pay Royalties and other amounts due hereunder constitutes grounds for termination of this Agreement, as provided in Paragraph 24.

(d) All payments to Franchisor hereunder shall be effected, at Franchisee's cost, through electronic debit/credit transfer of funds. Franchisee agrees to give Franchisor authorization in such form as Franchisor designates, for direct debits from Franchisee's Restaurant bank account. Under this procedure, Franchisee authorizes Franchisor to initiate debt entries and/or credit correction entries to Franchisee's bank account for withdrawal no later than Tuesday following the week from which the Royalty Fee is calculated. Franchisee further agrees to execute any Franchisor required documents to implement this automated bank draft provision. Franchisee further agrees to immediately initiate the automated bank draft in favor of Franchisor with Franchisee's financial institution where Franchisee's restaurant bank account is located using the form attached as Exhibit "F" or similar form acceptable to Franchisee's financial institution or programs that Franchisor specifies from time to time, and Franchisee agrees to sign such documents (including independent transfer authorizations) and do such things as Franchisor deems necessary to facilitate electronic transfers of funds.

(e) The six percent (6%) Royalty and advertising fee are not refundable under any circumstances.

(f) Franchisor may apply any of Franchisee's payments to Franchisor to any of Franchisee's past due indebtedness for Royalties, Advertising Fund contributions, purchases of products or supplies or any other past due indebtedness to Franchisor or any of Franchisor's affiliates, notwithstanding any contrary designation by Franchisee. Franchisee agrees that all such payments will be made as and when due without any setoff, deduction or prior demand therefore.

(g) In the event any taxing authority, wherever located, imposes any tax, levy or assessment on any payment Franchisee makes to Franchisor, Franchisee must, in addition to all payments due to Franchisor, pay such tax, levy or assessment.

21. ADVERTISING FEES

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

(a) In addition to the Royalty described in the preceding paragraph, Franchisor may in its sole discretion, require Franchisee to pay to Franchisor at the same time and in the same manner as set forth in Paragraph 20 (d) a contribution to the Advertising Fund, on Tuesday of each week, a sum equal to an amount up to and including three percent (3%) of gross revenues during the preceding calendar week. The weekly advertising fee will be implemented by Franchisor notifying Franchisee thirty (30) days in advance of Franchisor's intention to institute the Advertising Fund and Franchisor shall further notify Franchisee of the percent of gross revenue to be paid.

(b) Franchisor will administer the fund ("the Advertising Fund") for the creation and development of advertising, marketing and related programs. Franchisor will have sole discretion over all aspects of programs financed by the Advertising Fund, including creative concepts, media, materials and endorsements of marketing and advertising programs. Although the advertising and marketing programs funded by the Advertising Fund are intended to maximize general recognition and patronage of the Marks (and other marks relating to the type of restaurant to be franchised hereunder) for the benefit of all Restaurants operating under the Marks, Franchisor cannot assure Franchisee that the Restaurant will benefit directly or pro-rata from the placement of advertising. The Advertising Fund may be used to pay for the cost of preparing and producing marketing and advertising materials and programs selected by Franchisor, including video, audio and written advertising materials, and for related costs such as employing advertising agencies and market research activities. Franchisor may furnish Franchisee with marketing, advertising and promotional materials at cost, plus any related administrative, shipping, handling and storage charges.

(c) The Advertising Fund will be accounted for separately from Franchisor's other funds and will not be used to defray any of Franchisor's general operating expenses, except for reasonable salaries, administrative costs and overhead Franchisor may incur in activities related to the administration of the Advertising Fund and its programs, including collecting and accounting for contributions to the Advertising Fund. The Restaurants which Franchisor and its affiliates own are not required to contribute to the Advertising Fund. All disbursements from the Advertising Fund shall be made first from income and then from contributions. Franchisor may spend in any fiscal year an amount which is more or less than the aggregate contributions to the Advertising Fund in that year, and the Advertising Fund may borrow from Franchisor or other lenders to cover deficits or cause the Advertising Fund to invest any surplus for future use. Franchisor will prepare annually a statement of monies collected and costs incurred by the Advertising Fund and furnish Franchisee a copy upon Franchisee's written request. Except as otherwise expressly provided in this Paragraph 21, Franchisor assumes no liability or obligation with respect to the establishment, direction or administration of the Advertising Fund. Franchisor does not act as trustee or in any other fiduciary capacity with respect to the Advertising Fund.

(d) Franchisee agrees to spend on advertising and promoting the Restaurant at least one percent (1%) of gross revenues (or such lesser amount as Franchisor may establish from time to time) during each calendar quarter beginning on the date of this Agreement. For these purposes, advertising expenditures include: (i) amounts contributed to any Advertising Fund established by Franchisor pursuant to this Paragraph 21; and (ii) amounts spent for advertising media, such as television, radio, newspaper, billboards, posters, direct mail and flyers. Advertising expenditures do not include amounts spent for items which Franchisor, in its reasonable judgment, deems inappropriate for meeting the minimum advertising requirement, including permanent on-premises signs, lighting, delivery vehicle signage, premiums, discounts, and employee incentive programs.

(e) Franchisee shall not engage in any advertising program or use any other advertising, including local advertising placed on television, print or any other media, or prepare or use any marketing materials, whether at its own expense or otherwise, unless and until it has been approved in writing by Franchisor.

(f) Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Restaurants operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market

areas, and advertising agencies, the standards and specifications established by Franchisor shall be final and binding upon Franchisee.

22. PURCHASE OF SUPPLIES

Franchisee shall purchase all food products, beverages, ingredients, uniforms, packaging materials, menus, forms and other supplies, from suppliers, contractors and purveyors approved in writing by Franchisor. If Franchisee desires to purchase any such items from a supplier, contractor or purveyor other than Franchisor, or a supplier, contractor or purveyor who has been approved by Franchisor, Franchisee shall submit to Franchisor a written request for approval, or shall request the supplier, contractor or purveyor to do so, both of which requests shall contain a covenant to conform, at all times, to Franchisor's standards and specifications in effect from time to time.

Franchisor shall have the right to require, as a condition of its approval, that its representative be permitted to inspect the supplier, contractor or purveyor's facilities, and that samples be delivered, at Franchisor's option, to Franchisor for testing, and that such samples demonstrate, to Franchisor's satisfaction, an ability to meet Franchisor's standards and specifications. A charge, not to exceed the cost of such inspection and testing, shall be paid by the Franchisee or by the supplier, contractor or purveyor seeking approval, and Franchisor shall not be liable for damage to any sample that may result from the testing process.

The supplier, contractor or purveyor must also demonstrate to Franchisor the existence of quality controls, and the financial and managerial capacity to supply Franchisee's needs promptly and reliably. Franchisor reserves the right, and the supplier, contractor or purveyor shall agree thereto as a condition to Franchisor's approval thereof, at its option, to reinspect the facilities and to retest the products of any such approved supplier, contractor or purveyor at any time, without prior notice and without liability, and regardless of any contracted arrangement between Franchisee and the supplier, contractor or purveyor, to revoke its approval if the supplier, contractor or purveyor has failed to continue to meet any of the foregoing criteria.

Franchisor reserves for itself the absolute right to be either the sole source of supply, or the sole designator of suppliers, contractors or purveyors who will provide food products, ingredients or mixes involving trade secrets, confidential formulae or confidential recipes, and shall have no obligation to release any trade secret, confidential formulae or confidential recipe to the Franchisee or any other supplier, contractor or purveyor. Franchisor shall have the right to profit from such sales.

There are no warranties except where applicable, the warranty of a manufacturer. Franchisor has not and does not make any express or implied warranties, including, but not limited to, the implied warranty of merchantability and fitness for a particular purpose. In no event will Franchisor be responsible for or liable for any special, incidental, indirect, or consequential damages for any loss of profit or revenue, even if advised of the possibility of such damage.

If Franchisor does disclose trade secrets or other confidential and proprietary information to a supplier, contractor or purveyor the supplier, contractor or purveyor shall be required to execute Franchisor's standard form of Confidentiality and Non-Competition Agreement, as a condition to Franchisor's disclosure or delivery of such information.

Any and all supplier and/or manufacturer discounts and rebates obtained by Franchisor shall be the sole property of Franchisor, and Franchisee does not claim any ownership rights thereto.

23. INSPECTION

(a) To determine whether Franchisee is complying with this Agreement including all operational standards of the Confidential Operations & Training Manual, Franchisor, through its employees, accountants, attorneys and any other agents named by Franchisor, shall have the right, at any time during business hours, and without prior notice to Franchisee, to enter the Restaurant and inspect same. Such rights of inspection shall include the right to:

(i) Visually inspect and observe the Restaurant;

(ii) Observe and video tape the operation of the Restaurant for such consecutive or intermittent periods as Franchisor deems appropriate;

(iii) Remove samples of any food and beverage products, supplies, consumables or other products for testing or analysis;

(iv) Interview personnel and guests of the Restaurant;

(v) Inspect and copy any books, records and documents relating to the operation of the Restaurant, including all accounting and employee records and books of account.

(b) Franchisor shall notify Franchisee, in writing, of any deficiencies which are disclosed by such inspections, and may notify Franchisee of problems which are brought to Franchisor's attention.

(c) Franchisee shall correct at its own expense any deficiencies or problems within seven (7) days of receipt of notice of deficiency or problem, unless same pertain to violations of a health, sanitation or safety law or ordinance, in which case such violation will be corrected immediately, but in all events within twenty-four (24) hours.

(d) Such inspections shall be made at Franchisor's expense, provided that if Franchisor makes more than one inspection within any twelve (12) month period during the term of this Agreement in connection with Franchisee's failure to comply with this Agreement, Franchisor shall have the right to charge Franchisee for the costs of making all further inspections in connection with such failure to comply including, without limitation, travel expenses, room and board and compensation of Franchisor's employees.

(e) Franchisor shall have the right to audit, or cause to be audited Franchisee's books and records, including sales reports and financial statements. If any such audit shall disclose that Franchisee understated or underreported the gross revenues of the Restaurant for any period or periods, Franchisee shall pay to Franchisor, within fifteen (15) days after receipt of the audit report, the understated or underreported Royalty, plus any related, understated advertising fee, together with interest thereon at the highest contract interest rate permitted by law, not to exceed one and one-half percent (1.5%) interest per month, pro-rated, on any overdue amounts calculated from the date when said fees should have been paid, to the date of actual payment. Further, if such understatement for any period or periods shall be two (2%) percent or more of the originally reported gross revenues for such period or periods, Franchisee shall reimburse Franchisor for the cost of such audit including, without limitation, the charges of any independent accountant, and the travel expenses, room and board and compensation of such accountant and of employees of Franchisor.

24. DEFAULT AND TERMINATION

(a) Immediate Termination. Franchisee shall be in material breach of this Agreement, and this Agreement will automatically terminate without notice, at Franchisor's discretion, if Franchisee becomes insolvent by reason of its inability to pay its debts as they mature; if Franchisee is adjudicated bankrupt or insolvent; if Franchisee files a petition in bankruptcy, reorganization or similar proceedings under the bankruptcy laws of the United States or has such a petition filed against it which is not discharged within thirty (30) days; if a receiver or other custodian, permanent or temporary, is appointed for Franchisee's business, assets, property; if Franchisee requests the appointment of a receiver or makes a general assignment for the benefit of creditors; if final judgment against Franchisee in the amount of Twenty-Five Thousand Dollars ($25,000) or more remains unsatisfied of record for thirty (30) days or longer; if Franchisee's bank accounts, property or accounts receivable are attached; if execution is levied against Franchisee's business or property; if suit is filed to foreclose any lien or mortgage against any of Franchisee's assets and such suit is not dismissed within thirty (30) days; or if Franchisee voluntarily dissolves or liquidates or has a petition filed for corporate or partnership dissolution and such petition is not dismissed within thirty (30) days.

(b) Termination Upon Notice. In addition to Franchisor's right to terminate pursuant to other provisions of this Agreement and under applicable law, Franchisor has the right to terminate this Agreement, effective upon delivery of notice of termination to Franchisee, if Franchisee or any individual owners, partners, officers, stockholders (and the stockholder(s) of the stockholder, if the stockholder is a corporation), members or affiliates:

(i) abandons or fails to actively operate the Restaurant for three (3) consecutive days;

(ii) surrenders or transfers control of the operation of the Restaurant without Franchisor's prior consent;

(iii) makes any material misstatement or omission in an application for a Restaurant or in any other information provided to Franchisor;

(iv) suffers cancellation or termination of the Lease or Sublease;

(v) is convicted of, or pleads no contest to, a felony or other crime or offense that Franchisor reasonably believes may adversely affect the goodwill associated with the Marks;

(vi) makes an unauthorized transfer of this Agreement;

(vii) makes any unauthorized use or disclosure of any confidential information or uses, duplicates or discloses any portion of the Confidential Operations & Training Manual in violation of this Agreement;

(viii) fails or refuses to comply with any mandatory specification, standard or operating procedure prescribed by Franchisor relating to the cleanliness or sanitation of the Restaurant or violates any health, safety or sanitation law, ordinance or regulation and does not correct such failure or refusal within 24 hours after written notice thereof is delivered to Franchisee;

(ix) fails to report accurately gross revenues or to make payment of any amounts due

Franchisor or any of Franchisor's affiliates, and does not correct such failure within ten (10) days after written notice of such failure is delivered to Franchisee;

(x) fails to make a timely payment of any amount due to a supplier unaffiliated with Franchisor (other than payments which are subject to bona fide dispute), and does not correct such failure within 30 days after Franchisor delivers to Franchisee notice of such failure to comply;

(xi) fails to comply with any other provision of this Agreement, or any other franchise agreements with Franchisor or its affiliates, or any mandatory specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within thirty (30) days after notice of such failure to comply is delivered to Franchisee; or

(xii) fails on three (3) or more separate occasions within any period of twelve (12) consecutive months to submit when due reports or other data, information or supporting records or to pay when due Royalties, contributions to the Advertising Fund or other payments due Franchisor, any of Franchisor's affiliates or any unaffiliated suppliers or otherwise fails to comply with this Agreement, whether or not such failure is corrected after notice is delivered to Franchisee.

25. OBLIGATIONS UPON EXPIRATION, TERMINATION OR NON-RENEWAL

Upon expiration, termination or cancellation of this Agreement, the Franchisee shall immediately cease to use any of the Marks. The Franchisee shall also refrain from taking any action which might suggest that the Franchisee has any authority to continue to act as a Franchisee of the Franchisor. The Franchisee shall immediately pay all sums owed to Franchisor. Subject to Paragraph 26 hereof, upon expiration, termination or cancellation of this Agreement;

(a) Franchisee agrees to pay Franchisor, within seven (7) days, such Royalty fees, Advertising Fund contributions and other charges as have then become due hereunder and are unpaid or to pay, immediately upon demand, those which thereafter become due as a result of any audit that may be conducted by Franchisor;

(b) Franchisee shall, on or before the last day of the term of this Agreement, take all responsible steps to remove any reference to any of the Marks wherever such reference may exist;

(c) Franchisee will take such action as may be required, to cancel all assumed name or equivalent registrations relating to the use of any of the Marks by Franchisee, and to notify the telephone company and all listing agencies, of the termination, expiration or non-renewal of Franchisee's right to use all telephone numbers and all classified and other directory listings for the Restaurant, and to authorize same to transfer to Franchisor, or its designee, all such numbers and directory listings. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole rights to and interest in all telephone numbers and directory listings associated with the Marks, and authorizes Franchisor to direct the telephone company, and all listing agencies, to transfer same to Franchisor or its designee. Should Franchisee fail to do so, the telephone company, and all listing agencies, may accept such direction pursuant to this Agreement, as conclusive of the exclusive rights of Franchisor in and to such telephone numbers and directory listings and its authority to direct their transfer;

(d) Franchisee agrees that he shall immediately remove all signs, trademarks, menu board, inserts, point of sale materials and all other items of decor and design, and all items of trade dress and trade style which would, or would tend to, identify the franchised location as a facility associated with

Franchisor, and shall cease any use of the Marks and System, and shall return to Franchisor, such signs, manuals, plans and forms furnished to Franchisee by Franchisor, and discontinue using all unused letterhead, business cards, invoices, business forms, etc., which set forth any of the Marks;

(e) Franchisee shall return all confidential manuals, including without limitation the Confidential Operations & Training Manual, to Franchisor;

(f) Franchisee shall cease doing business under the Marks and refrain from identifying himself as a franchise operating under the Marks;

(g) Franchisee shall relinquish all interest, of every kind and description, that it has in the Restaurant and in the lease and, thereafter, upon demand by Franchisor, Franchisee shall vacate and surrender to Franchisor the Premises;

(h) Franchisor shall continue to have the right to have all books, records and accounts of the Franchisee examined by Franchisor's employees or auditors or other agents, to determine whether all sums required to be paid to Franchisor under this Agreement have, in fact, been paid through the date of such termination or expiration. If such examination reveals any underpayment, then Franchisee shall remit any deficiencies thereof to Franchisor, upon demand, with interest as provided in Paragraph 23 (e) hereof;

(i) Those provisions which would, by their nature, continue for some period of time, including a covenant not to compete, shall survive the expiration, termination, or cancellation of this Agreement;

(j) Franchisor may offer to purchase from the Franchisee any non-personalized inventory, supplies, and equipment. If purchased, such non-personalized inventory, supplies and equipment shall be delivered to a location specified by Franchisor.

(k) Franchisor shall have the right (but not the duty) to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase any or all improvements, equipment, advertising and promotional materials, inventory, and menus and other items located on the Premises, at Franchisee's cost or fair market value, whichever is less. If the parties cannot agree on the fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor and his/her determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee under this Agreement, and the cost of the appraisal, if any, against any payment therefore.

(l) If requested by Franchisor, Franchisee shall assign the Lease, if any, for the Premises to Franchisor. If the Premises are owned by Franchisee, or any person with an interest in Franchisee, if Franchisee is a corporation or partnership or limited liability company, and Franchisee or such person desires at any time within one (1) year following termination of this Agreement to accept any bona fide offer to purchase its interest in the Premises from a third party, Franchisee or such person shall notify Franchisor in writing of each such offer, and Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to Franchisee or such person that Franchisor or its nominee intends to purchase Franchisee's or such person's interest on the same terms and conditions offered by the third party. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Villa or its nominee as in the case of an initial offer.

26. FRANCHISOR'S RIGHT TO PURCHASE BUSINESS

Upon termination or expiration (without renewal) of this Agreement, Franchisor has the right, exercisable by giving notice thereof ("Appraisal Notice") within 10 days after the date of such termination or expiration, to require a determination of the "Fair Market Value" (as defined below) of all the tangible assets of the Restaurant which Franchisee owns, including inventory of non-perishable products, materials, supplies, furniture, equipment, signs, and any and all leasehold improvements, fixtures, building and land, but excluding any cash and short-term investments and any items not meeting Franchisor's specifications for Restaurants (the "Purchased Assets"). Upon such notice, Franchisee may not sell or remove any of the tangible assets of the Restaurant from the Premises and must give Franchisor, its designated agents and the "Appraiser" (as defined below) full access to the Restaurant and all of Franchisee's books and records at any time during customary business hours in order to conduct inventories and determine the purchase price for the Purchased Assets.

The Fair Market Value shall be determined by good faith negotiations between Franchisee and Franchisor to establish the amount which an arm's length purchaser would be willing to pay for the Purchased Assets, assuming that the Purchased Assets would be used for the operation of a Restaurant under a valid franchise agreement reflecting the then-current (or if Franchisor is not offering franchises at that time, then the most recent) standard terms upon which Franchisor offers franchises for Restaurants, less the cost of any required remodeling in the event the determination is made upon expiration of the Term. Under no circumstances will any value be attributed to any goodwill associated with any Franchisor Mark. If Franchisee and Franchisor are unable to agree on the Fair Market Value of the Purchased Assets within fifteen (15) days after the Appraisal Notice, then Fair Market Value will be determined by a reputable accounting firm (other than a firm which conducts audits of Franchisor's financial statements) selected by Franchisor who has experience in the valuation of restaurant businesses (the "Appraiser"). Franchisor will notify Franchisee of the identity of the Appraiser, who will make his determination and submit a written report ("Appraisal Report") to Franchisee and Franchisor as soon as practicable, but in no event more than sixty (60) days after his appointment. Each party may submit in writing to the Appraiser its judgment of Fair Market Value (together with its reasons therefore); however, the Appraiser shall not be limited to these submissions and may make such independent investigations as he reasonably determines to be necessary. The Appraiser's fees and costs shall be borne equally by the parties hereto.

Franchisor has the option, exercisable by delivering notice thereof within thirty (30) days after submission of the Appraisal Report (or the date that an agreement is reached, if the parties agree to the Fair Market Value), to purchase the Purchased Assets at the Fair Market Value. Franchisor shall have the unrestricted right to assign this option to purchase separate and apart from the remainder of this agreement.

If Franchisor exercises its option to purchase, sixty percent (60%) of the purchase price for the Purchased Assets will be paid in cash at the closing, which will occur at the place, time and date Franchisor designates, but not later than 60 days after the exercise of its option to purchase the Purchased Assets. At the closing, Franchisor will be entitled to all warranties, title insurance policies and other closing documents and post-closing indemnifications as Franchisor reasonably requires, including: (a) instruments transferring good and merchantable title to the Purchased Assets, free and clear of all liens, encumbrances, and liabilities, to Franchisor or its designee, with all sales and other transfer taxes paid by Franchisee; and (b) an assignment of all leases of tangible assets used in the operation of the Restaurant, including land, building and/or equipment (or if an assignment is prohibited, a sublease to Franchisor or its designee for the full remaining term and on the same terms and conditions as Franchisee's lease, including renewal and/or purchase options), provided, however, that if any of Franchisee's owners or affiliates directly or indirectly owns the land, building and/or equipment of the Restaurant, Franchisee will, at Franchisor's option, cause such owner or affiliate to grant to

Franchisor a lease at reasonable and customary rental rates and other terms prevailing in the community where the Restaurant is located. Any dispute concerning the rental rates and terms of such lease shall be resolved by the Appraiser. Twenty percent (20%) of the purchase price (plus accrued and unpaid interest on the unpaid balance, at the Prime Rate, as defined below, from and after the closing date) shall be payable on the first anniversary of the closing date, and the remaining twenty percent (20%) of the purchase price (plus accrued and unpaid interest on the unpaid balance, at the Prime Rate, from and after the closing date) shall be payable on the second anniversary of the closing date. The "Prime Rate" shall be the published prime rate as of the date of closing of The Chase Manhattan Bank or any other national bank Franchisor selects.

If Franchisee cannot deliver clear title to all of the assets, or if there are other unresolved issues, the closing of the sale may, at Franchisor's option, be accomplished through an escrow on such terms and conditions as Franchisor deems appropriate, including the making of payments, to be deducted from the purchase price, directly to third parties in order to obtain clear title to any of the Purchased Assets. Further, Franchisee and Franchisor shall comply with any applicable Bulk Sales provisions of the Uniform Commercial Code as enacted in the state where the Premises are located and all applicable state and local sales and income tax notification and/or escrow procedures. Franchisor has the right to set off against and reduce the purchase price by any and all amounts owed by Franchisee or any of its owners or affiliates to Franchisor or any of its affiliates.

Upon delivery of the Appraisal Notice and pending (a) determination of Fair Market Value, (b) Franchisor's option period, and (c) the closing of the purchase, Franchisor may authorize continued temporary operations of the Restaurant pursuant to the terms of this Agreement, subject to the supervision and control of one or more of its appointed managers.

27. RESTRICTIVE COVENANTS

(a) Post Term Covenant Not to Compete. If this Agreement is terminated in accordance with the provisions of this Agreement, or by mutual agreement of the parties hereto, or if this Agreement expires, Confidants agree that for a period of two (2) years commencing on the effective date of termination or expiration, Confidants will not engage, directly or indirectly, as an owner, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in an Italian style restaurant business or pizzeria business: (a) located at the Premises; (b) located within a five (5) mile radius of the Premises; or (c) within a five (5) mile radius of any other Villa Pizza restaurant, Villa Fresh Italian Kitchen restaurant, Villa Italian Kitchen restaurant, or Tony + Benny's restaurant, whether same is operated by Franchisor, an affiliate or subsidiary thereof, or by another franchisee under any of the Marks. Ownership of less than five percent (5%) of the outstanding voting stock of any class of stock of a publicly traded corporation will not, by itself violate this Paragraph 27(a). To the extent that this paragraph is judicially determined to be unenforceable by virtue of its scope in terms of area or length of time, but may be made enforceable by reductions of either or both thereof, Confidants and Franchisor agree that the same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. This Paragraph shall not be applicable to Franchisee's existing locations set forth on the attached Schedule 1 to Summary Page.

(b) Information Exchange. All ideas, concepts, methods and techniques useful to a restaurant business, whether or not constituting protectable intellectual property that Franchisee creates or that are created on Franchisee's behalf, shall be promptly disclosed to Franchisor. If Franchisor adopts any of them as part of the System, they will be deemed to be Franchisor's sole and exclusive property (without compensation to Franchisee) and deemed to be works made-for-hire for Franchisor. Franchisee agrees to sign whatever assignment or other documents Franchisor requests to evidence Franchisor's ownership or

to assist Franchisor in securing intellectual property rights in such ideas, concepts, techniques or materials.

28. TRANSFERABILITY OF INTEREST

28.01 TRANSFER BY FRANCHISOR

Franchisor shall have the right to assign and transfer all rights under this Agreement, and such right shall inure to the benefit of Franchisor's successors or assigns.

28.02 TRANSFER BY FRANCHISEE

(a) Franchisee shall not transfer any rights or interest under this Agreement without the written consent of Franchisor, which consent shall not be unreasonably withheld (as provided by law and by this Agreement) provided that the Franchisee shall first have complied with the conditions in this Agreement to Franchisor's satisfaction.

(b) Prior to any proposed transfer of any rights or interests hereunder, the Franchisee shall provide Franchisor with the information necessary to satisfy Franchisor that the following conditions have been met:

(1) The proposed transferee is of good moral character, has a good credit rating, has reasonable and sound business experience equal to or greater than that of the Franchisee, has sufficient financial resources to operate the Restaurant and otherwise meets Franchisor’s standards for franchisees;

(2) The proposed transferee shall demonstrate to Franchisor that the transferee is able to operate the Restaurant being transferred;

(3) The proposed transferee (and its Owners), at Franchisor's option, shall have executed either a written assignment assuming all of the Franchisee's duties and obligations under this Agreement, or the transferee (and its Owners) shall execute a new Franchise Agreement and any other currently used agreements, on Franchisor's then-current forms;

(4) The Franchisee shall have paid in full and otherwise have satisfied all of the obligations owing to Franchisor at or prior to the closing of the transaction;

(5) If permitted by applicable law, Franchisee shall execute a general release, under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its affiliates and their respective directors, officers, shareholders, members, employees, and agents;

(6) The Franchisor must approve the economic terms and conditions of such transfer including, without limitation, that the price and terms of payment are not so burdensome as to affect adversely the transferee's operation of the Restaurant;

(7) If the Franchisee finances any part of the sale price of the transferred interest, the Franchisee and/or its owner agree that all obligations of the transferee under or pursuant to any promissory notes, agreements or security interests reserved by the Franchisee or its owners in the assets of the Restaurant or the Premises shall be subordinate to the transferee's obligations to pay Royalty fees, Advertising Fund contributions, and other amounts due to the Franchisor;

(8) The Franchisee must make such repairs and renovations to the Premises to conform to Franchisor's then-current standards for design, trade dress, decor, and equipment;

(9) The proposed transferee, at his expense, shall agree to attend Franchisor's training program;

(10) If the transferee is a corporation, partnership, or other association, or if the transferee is more than one person, the provisions of Paragraphs 27, 28.02 and 29 shall apply to each principal or person. Franchisor may also require satisfactory proof that transferee is properly authorized to enter into the transaction and to perform the obligations of this Agreement; and

(11) The Franchisee has paid to Franchisor a sales commission of eight (8%) percent of the gross selling price of the Restaurant, the franchise, and all related assets (if Franchisor obtained the purchaser (transferee) for the Franchisee).

28.03 ADDITIONAL TRANSFEREES

If the Franchisee is a corporation, partnership, association or venture by more than one person, changes in the shareholders, members, partners, associates or participants, in terms of ownership interest or number of shareholders, members, partners, associates, or participants, shall be deemed a transfer of this Agreement and shall require Franchisor's approval, which shall not be unreasonably withheld (as provided in this Agreement).

28.04 CORPORATE / LIMITED LIABILITY COMPANY / TRANSFEREE

If a proposed transferee is a corporation, limited liability company or association, each shareholder or member of the entity shall jointly and severally guarantee the performance and full payment of the obligations under this Agreement.

28.05 PARTNERSHIP TRANSFEREE

If a proposed transferee is a partnership, each partner, whether general or limited, shall jointly and severally guarantee the performance and full payment of the obligations under this Agreement.

28.06 TIME LIMITATION

Any proposed transfer under Paragraph 28.02 shall be deemed to have expired if not completed within ninety (90) days after Franchisor has waived its right of first refusal.

28.07 TRANSFER FEE

The Franchisee shall pay, prior to an approved transfer of the franchise, a transfer fee of Ten Thousand Dollars ($10,000). Provided however, if Franchisor’s cost to complete the transfer exceeds $10,000, then in that event, Franchisee shall pay Franchisor’s actual cost to cover Franchisor’s expenses with regard to any proposed transfer under this provision upon ten (10) day notice to Franchisee by Franchisor. If Franchisor exercises its rights to purchase, then such fee shall be waived, but in all other proposed transfers, the fee shall be paid by the Franchisee.

28.08 DEATH OF FRANCHISEE

In the event of the death of the Franchisee, or the death of a shareholder, member, participant or partner of the Franchisee, Franchisor approval is required for the transfer of the franchise interest to the Franchisee's spouse or children whether by will or intestacy, or to the disposition of the franchise interest by the decedent's fiduciary or personal representative, provided that the following conditions and terms shall be met prior to Franchisor giving any consent:

(a) The fiduciary or personal representative of the decedent and the distributee or transferees shall have met the conditions in Paragraph 28.02(b) herein.

(b) Franchisor shall have a right of first refusal as provided in Paragraph 28.10 herein only if the transfer is for legal consideration.

(c) Franchisor shall be provided with satisfactory proof of the authority of any fiduciary or personal representative and the right of any distributee to claim or receive an interest in the franchise.

(d) If the transferee is a corporation, association or partnership comprised of persons other than the decedent's surviving spouse and children, the transferee shall also comply with the provisions of Paragraphs 28.03, 28.04 and 28.05 herein.

28.09 OPERATION AFTER DEATH

At the request of the fiduciary or personal representative of a deceased Franchisee, Franchisor, if in its sole discretion deems it desirable, may provide a manager to operate the business. In such case, the manager's salary and expenses, including but not limited to, travel, room, board, meals and other direct expenses, shall be paid for by the deceased Franchisee's personal representative or fiduciary, but only in such person's representative capacity. Franchisor, upon fifteen (15) days' notice, may, with or without cause, remove its personnel (including the manager) from the franchised business and terminate the services under this paragraph.

28.10 FIRST REFUSAL

If Franchisee or any of its owners desires to transfer this Agreement for legal consideration, Franchisee or such owner must obtain a bona fide, executed written offer and earnest money deposit in the amount of at least five percent (5%) of the offering price from a responsible and fully disclosed purchaser and must deliver immediately to Franchisor a complete and accurate copy of such offer. If the offeror proposes to buy any other property or rights from Franchisee or any of its owners or affiliates (other than rights under other franchise agreements for Franchisor Restaurants) as part of the bona fide offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is disclosed to Franchisor, and the price and terms of purchase offered to Franchisee or its owners for the transfer of this Agreement must reflect the bona fide price offered therefore and may not reflect any value for any other property or rights.

Franchisor has the option, exercisable by notice delivered to Franchisee or its owners within thirty (30) days from the date of delivery of a complete and accurate copy of such offer to Franchisor, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that: (a) Franchisor may substitute cash for any form of payment proposed in such offer; (b) Franchisor's credit shall be deemed equal to the credit of any proposed purchaser; and (c) Franchisor will have not less than ninety (90) days from the option exercise date to consummate the transaction. Franchisor has the right to investigate

and analyze the business, assets and liabilities and all other matters it deems necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of its right of first refusal. Franchisor may conduct such investigation and analysis in any manner it deems reasonably appropriate and Franchisee and its Owners must cooperate fully with Franchisor in connection therewith.

If Franchisor exercises its option to purchase, Franchisor is entitled to purchase such interest subject to all representations and warranties, closing documents and indemnities as Franchisor reasonably may require. If Franchisor does not exercise its option to purchase, Franchisee or its Owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to Franchisor's approval of the transfer as provided in this Agreement, provided that if the sale to such offeror is not completed within ninety (90) days after delivery of such offer to Franchisor, or if there is a material change in the terms of the offer, Franchisee must promptly notify Franchisor and Franchisor will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the thirty (30) day period following Franchisee's notification of the expiration of the ninety (90) day period or the material change to the terms of the offer.

29. NO REPRESENTATIONS, WARRANTIES OR GUARANTEES

(a) Franchisor makes no warranties or guarantees, expressed or implied, to the Franchisee or to the Franchisee's customers with regard to any services, material, information, or supplies.

(b) Nothing in this Agreement shall be construed as:

(i) A warranty, guarantee, or representation by Franchisor as to the nature, significance, validity, or incontestability of the Marks or registrations thereof;

(ii) A warranty, guarantee, or representation by Franchisor that any use made of the Marks under this Agreement is or will be free from infringement of trademark rights of third parties;

(iii) A requirement that Franchisor shall file any trademark application, secure any trademark registration, or maintain any registration in force;

(iv) An agreement by Franchisor to bring or prosecute actions or suits against third parties for infringement of any of the Marks; or

(v) A statement, representation, or warranty of present or continuing value of any Mark, or creating any right whatsoever in or for Franchisee upon claimed or actual diminution of the value, significance, or importance of any of the Marks.

30. INDEPENDENT CONTRACTORS

Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence between the parties hereto. Franchisor and Franchisee, as between themselves, are and shall be independent contractors. Franchisee is solely responsible for hiring, supervising, and directing all of Franchisee's employees, for the payment and withholding of all payroll and other taxes imposed upon or determined by wages and salaries of such employees, and for complying with all applicable laws relating to worker's and unemployment compensation, occupational disease, disability and similar laws. Franchisor has no control over Franchisee's employees, including the terms and conditions of their employment.

If applicable law shall imply a covenant of good faith and fair dealing in this Agreement, the parties hereto agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply such covenant, Franchisee acknowledges and agrees that (a) this Agreement (and the relationship of the parties which is inherent from this agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with its explicit rights and obligations hereunder that may affect favorably or adversely Franchisee's interests; (b) Franchisor will use its judgment in exercising such discretion based on its assessment of its own interests and balancing those interests against the interests of the owners of Villa Restaurants generally (including Franchisor, and its affiliates and franchisees), and specifically without considering Franchisee's individual interests or the individual interests of any other particular franchisee; (c) Franchisor will have no liability to Franchisee for the exercise of its discretion in this manner, so long as such discretion is not exercised in bad faith toward Franchisee; and (d) in absence of such bad faith, no trier of fact in any legal action or arbitration proceeding shall substitute its judgment for Franchisor's judgment so exercised.

Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose whatsoever. Franchisee must conspicuously identify itself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of the Restaurant and must place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we may require from time to time.

Franchisee may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in Franchisor's name or on Franchisor's behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. Franchisor will not be obligated by or have any liability under any agreements made by Franchisee with any third party or for any representations made by Franchisee to any third party. Franchisor will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of Franchisee's business hereunder.

31. INDEMNIFICATION

Franchisee must indemnify, defend and hold harmless Franchisor, its affiliates and all their respective shareholders, members, directors, officers, employees, agents, successors and assigns against, and reimburse them for, any claim, liability, obligation, actual and consequential damages and all other liabilities arising from labor and employment law violations or liability for acts or omissions of Franchisee's employees or taxes asserted against or imposed on any of the foregoing indemnified parties arising directly or indirectly from the development or operation of the Restaurant, other than liabilities caused solely by Franchisor's own gross negligence or willful action. Franchisor will notify Franchisee within 30 days of the assertion of any such claim. Franchisor has the right to defend and/or settle any such matter in such manner it deems appropriate, without Franchisee's consent, and Franchisee must reimburse each of the foregoing indemnified parties for all costs reasonably incurred in defending and/or settling any such matter, including reasonable attorneys' fees (which shall include reasonable compensation for time spent by any in-house counsel). This section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

32. TAXES

Franchisor will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon the Restaurant, Franchisee's property or upon Franchisor, in

connection with sales made or business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee). Payment of all such taxes shall be Franchisee's responsibility. In the event of a bona fide dispute as to Franchisee's liability for taxes, Franchisee may contest its liability in accordance with applicable law. In no event, however, will Franchisee permit a tax sale, seizure, or attachment to occur against the Restaurant or any of its assets.

33. STEP-IN-RIGHTS

(a) If Franchisor determines in its sole judgment, or if default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, Franchisee authorizes Franchisor to operate the Restaurant for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies which Franchisor may have under this Agreement. In the sole judgment of Franchisor, Franchisor may deem Franchisee incapable of operating the Restaurant, if without limitation, Franchisee is absent or incapacitated by reason of illness or death; Franchisee has failed to pay when due all taxes and assessments against the premises or equipment used in connection with Franchisee's business; Franchisee has failed to pay when due any and all liens or encumbrances of every kind placed upon or against Franchisee's business property or Franchisee has failed to pay in a timely manner rent or monies owed suppliers, or other business expenses when they are due; or Franchisor determines that operational problems require that Franchisor operate the Restaurant for a period of time.

(b) Franchisor shall keep in a separate account all monies generated by the operation of the Restaurant, less the expenses of the business, royalties owed and including reasonable compensation and expenses for Franchisor's representatives. In the event of the exercise of the Step-In-Rights by Franchisor, Franchisee agrees to hold harmless Franchisor and Franchisor's representatives for all actions occurring during the course of such temporary operation. Franchisee agrees to pay all of Franchisor's reasonable attorney fees and cost incurred as a consequence of Franchisor's exercise of its Step-In-Rights.

34. MISCELLANEOUS

(a) Severability and Substitution of Provisions. Every part of this Agreement shall be considered severable. If for any reason any part of this Agreement is held to be invalid, that determination shall not impair the other parts of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographical area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, Franchisee and Franchisor agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

If any applicable law requires a greater prior notice of the termination of or refusal to enter into a successor franchise than is required hereunder, a different standard of "good cause", or the taking of some other action not required hereunder, the prior notice, "good cause" standard and/or other action required by such law shall be substituted for the comparable provisions hereof. If any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable under applicable law, Franchisor has the right, in its sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable.

*Nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

(b) Waiver of Obligations. Franchisor and Franchisee may by written instrument unilaterally waive or reduce any obligation of the other under this Agreement. Any waiver granted by Franchisor shall be without prejudice to any other rights Franchisor may have, will be subject to continuing review by Franchisor and may be revoked, in its sole discretion, at any time and for any reason, effective upon delivery to Franchisee of 10 days' prior notice. Franchisee and Franchisor shall not be deemed to have waived any right reserved by this Agreement by virtue of any custom or practice of the parties at variance with it; any failure, refusal or neglect by Franchisee or Franchisor to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by Franchisor to exercise any right, whether of the same, similar or different nature, with respect to other Restaurants; or the acceptance by Franchisor of any payments due from Franchisee after any breach of this agreement.

(c) Exercise of Rights. The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled to enforce by law. If Franchisee commits any act of default under the Agreement for which Franchisor exercises its right to terminate this Agreement, Franchisee shall pay to Franchisor the actual and consequential damages Franchisor incurs as a result of the premature termination of this Agreement. Franchisee acknowledges and agrees that the proximate cause of such damages sustained by Franchisor is Franchisee's act of default and not Franchisor's exercise of its right to terminate.

(d) Injunctive Relief. Franchisor may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. Franchisor may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and Franchisee's sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). Franchisee and each of its owners acknowledges that any violation of Paragraphs 14, 16, 17, 18, 25, 27 , 28.02(a) and 28.02(b) would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Accordingly, Franchisee and each of its owners consents to the issuance of an injunction prohibiting any conduct in violation of any of those sections and agrees that the existence of any claim Franchisee or any of its owners may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Paragraphs.

(e) Costs of Enforcement. If Franchisor asserts a claim or defends against a claim or files a counter-claim or cross claim in a judicial or arbitration proceeding for amounts Franchisee or any of its owners owe Franchisor or any of its affiliates, or if Franchisor enforces this Agreement or any provision in this Agreement in a judicial or arbitration proceeding, Franchisee agrees to pay Franchisor for all of its costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees (which shall include reasonable compensation for time spent by any in-house counsel or outside counsel on retainer). If Franchisor is required to engage legal counsel in connection with Franchisee's failure to comply with this Agreement or any provision of this Agreement, Franchisee must pay Franchisor for any attorneys' fees it incurs.

(f) Governing Law/Exclusive Jurisdiction. This Agreement shall be construed under the laws of the State of New Jersey, provided the foregoing shall not constitute a waiver of any of Franchisee's rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law, New

Jersey law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under New Jersey law, and if the Restaurant is located outside of New Jersey and such provision would be enforceable under the laws of the state in which the Restaurant is located, then such provision shall be construed under the laws of that state. Nothing in this Paragraph is intended to subject this agreement to any franchise or similar law, rule or regulation of the State of New Jersey to which it otherwise would not be subject.

Except as otherwise stated herein, any and all disputes among Franchisor, Franchisee and any or all of their respective owners, affiliates, officers, directors, shareholders, members, employees and agents shall be resolved in the State or Federal Courts of New Jersey (Morris County or Newark vicinage), and Franchisee and each of its owners irrevocably submits to the jurisdiction of such court and waives any objection any of them may have to either the jurisdiction of or venue in such court.

Franchisee hereby agrees that service of process may be made upon Franchisee in any proceeding relating to or arising out of this Agreement or any provision of this Agreement or the relationship created by this Agreement as follows:

(i). by any means allowed by New Jersey law or Federal law or the law of the jurisdiction in which the restaurant premises are located; and

(ii). service upon any employee at the restaurant premises who is over the age of eighteen (18); or

(iii). service upon an agent for service of process in the State of New Jersey, who is approved by Franchisor. Franchisee shall appointment an agent for service of process in the State of New Jersey within ten (10) days of the date this Agreement is executed by Franchisee; or

(iv). as otherwise agreed by the parties in writing.

(g) Successors and Assigns. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

(h) Limitations on Legal Actions. Except with respect to Franchisee's obligations regarding use of the Marks and the Confidential Information, Franchisor and Franchisee (and its owners) each waives, to the fullest extent permitted by law, any right to or claim for any punitive, special or exemplary damages against the other. Franchisee and each of its owners waives to the fullest extent permitted by applicable law, the right to recover consequential damages for any claim directly or indirectly arising from or relating to this Agreement.

Franchisee agrees that, for Franchisor's franchise system to function properly, Franchisor should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between Franchisee (and its owners) and Franchisor shall be considered unique as to its facts and shall not be brought as a class action, and Franchisee (and each of its owners) waives any right to proceed against Franchisor or any of its affiliates, officers, directors, employees, agents, successors and assigns by way of class action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving Franchisor and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues preclude such independent determination.

FRANCHISEE WAIVES ANY AND ALL RIGHTS, ACTIONS OR CLAIMS FOR RELIEF UNDER THE FEDERAL ACT ENTITLED "RACKETEER INFLUENCE AND CORRUPT ORGANIZATIONS", 18 U.S.C. §1961 *et seq.*

(i) Waiver of Jury Trial. THE PARTIES AGREE THAT ANY LEGAL ACTION IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, AND ALL PARTIES HERETO WAIVE ANY RIGHT TO HAVE ANY ACTION TRIED BY JURY.

(j) Release of Existing Liability. Franchisee hereby releases Franchisor and its affiliates, and their respective officers, directors, shareholders, members, employees, agents and assigns from and against any and all liability existing as of the date of this Agreement arising in connection with or relating to any agreements, whether written or oral, existing between Franchisor or its affiliates and Franchisee as of the date of this Agreement.

(k) Construction. The language of this Agreement shall be construed according to its fair meaning and not strictly against any party. The introduction, personal guarantees, exhibits and riders (if any) to this Agreement, as well as the Confidential Operations & Training Manual, are a part of this Agreement, which constitutes the entire agreement of the parties. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement that either party may or does rely on or that will have any force or effect. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. Nothing in this Agreement shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. This Agreement shall not be modified, except by written agreement signed by both parties, except that the Confidential Operations & Training Manual may be modified by Franchisor in accordance with the provisions of this Agreement.

The headings of sections are for convenience only and do not limit or construe their contents. The word "including" shall be construed to include the words "without limitation." The term "Franchisee" is applicable to one or more persons, a corporation, limited liability company or a partnership and its owners, as the case may be. If two or more persons are at any time Franchisee hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to Franchisor shall be joint and several. The term "affiliate" shall mean any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

(l) Approvals and Consents. Whenever this Agreement requires the approval or consent of either party, the other party shall make written request therefore, and such approval or consent shall be obtained in writing.

(m) Notices and Payments. All notices, requests and reports permitted or required to be delivered by this Agreement shall be deemed delivered: (i) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (ii) on the same day of the transmission by facsimile, telegraph or other reasonably reliable electronic communication system; (iii) 1 business day after being placed

in the hands of a commercial courier service for guaranteed overnight delivery; or (iv) five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All payments and reports required by this Agreement shall be sent to us at the address identified in this Agreement unless and until a different address has been designated by written notice. No restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind Franchisor, and its acceptance of any such payment shall not constitute an accord and satisfaction.

(n) Receipt of Disclosure Document and Agreement. Franchisee acknowledges that Franchisee received a complete copy of this Agreement and all related Attachments or Exhibits and agreements at least (7) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that Franchisee received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising" at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

(o) Patent Errors and Blanks. Franchisor may correct any and all patent errors and fill in all blanks in this Agreement or in any Collateral Schedule or Exhibit, consistent with the agreement of the parties.

(p) Privacy. Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("Privacy"), and shall comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between Franchisor's standards and policies pertaining to Privacy and applicable law, Franchisee shall: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice promptly of such conflict; and (c) and fully cooperate with Franchisor and Franchisor's counsel as Franchisor may request to assist Franchisor in Franchisor's determination regarding the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy within the bounds of applicable law.

(q) Facsimile Signatures. A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any amendments hereto. If Franchisee delivers a facsimile signature, Franchisee shall also deliver an original counterpart to Franchisor. If Franchisee delivers a facsimile signature, Franchisee is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

IN WITNESS WHEREOF, the parties hereto have caused this Franchise Agreement to be executed on the Agreement Date.

ATTEST

_____

FRANCHISOR:
VILLA PIZZA, LLC
A Delaware Limited Liability Company

By:_____

Name:_____

FRANCHISEE:

_____ (Signature)
WITNESS Name_____(Print)

_____ (Signature)
WITNESS Name_____(Print)

OR

FRANCHISEE:

_____ By: _____
WITNESS

Its: _____

EXHIBIT A
to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.

INTENTIONALLY OMITTED

EXHIBIT B
to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.

ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE (this "Addendum") dated _____, 20__ is entered into by and between _____ ("Landlord"), and _____ ("Tenant").

RECITALS

A. The parties have entered into a certain lease dated _____, 20__, (the "Lease") which pertains to the premises located at _____ (the "Premises").

B. Landlord acknowledges that Tenant intends a operate a Villa Pizza restaurant, or Villa Fresh Italian Kitchen restaurant, or Villa Italian Kitchen restaurant, or Tony + Benny's restaurant ("Villa Restaurant" or "Tony + Benny's Restaurant") in the Premises under a Villa Pizza, LLC Franchise Agreement (the "Franchise Agreement").

C. Landlord acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement under which Tenant plans to operate its business and that Tenant would not lease the Premises without this Addendum.

D. The parties now desire to amend the Lease in accordance with the terms and conditions in this Addendum.

AGREEMENT

NOW, THEREFORE, it is mutually agreed between Landlord and Tenant that, notwithstanding anything to the contrary in the Lease:

1. **Use of the Premise.** Tenant's right to use and occupy the Premises as a Villa Restaurant or Tony + Benny's Restaurant includes the right to sell those menu items from time to time specified under the terms of the Franchise Agreement and to engage in those activities and operations from time to time conducted by a Villa Restaurant or Tony + Benny's Restaurant.

2. **Tenant Improvements; Décor; Remodeling.** At the commencement of the Lease, Tenant will have the right to make all alterations and improvements to the Premises which are required by the plans and specifications for a Villa Restaurant or Tony + Benny's Restaurant, as those plans and specifications have been approved specifically by Villa Pizza, LLC for the Premises. During the term of the Lease (including any extensions or renewals of the Lease), Tenant will have the right to remodel the Premises from time to time according to the plans and specifications approved by Villa Pizza, LLC for each remodeling.

3. Signage.

3.1 Landlord approves the design, size, and specifications of the exterior signs (if more than one) described in Exhibit A to this Addendum, including the colors and open channel lettering (the "Approved Exterior Signs") (if there is one Approved Exterior Sign described in Exhibit A, then the term "Approved Exterior Signs" in this Addendum means that single Approved Exterior Sign).

3.2 Tenant will have the right to install and display (a) the Approved Exterior Signs on the exterior of the Premises and (b) all proprietary marks and signs on the interior of the Premises, as Tenant is, in each instance, required to do pursuant the terms of the Franchise Agreement. The placement of the Approved Exterior Signs on the exterior of the Premises will be as permitted by applicable building and zoning codes.

3.3 If Tenant desires to replace any of the Approved Exterior Signs with another exterior sign (the "Replacement Sign")**,** then Tenant will submit to Landlord the proposed design, size, placement and specifications of the Replacement Sign. The Replacement Sign is subject to the approval of Landlord, which approval will not be unreasonably withheld or delayed. Landlord may not withhold its approval of the Replacement Sign if each of the following conditions are met:

(a) (i) the Replacement Sign does not exceed the height and width of the Approved Exterior Sign being removed, (ii) the placement of the Replacement Sign on the exterior of the Premises is not materially different from that of the Approved Exterior Sign being removed, and (iii) the Replacement Sign conforms to applicable zoning and building codes; and

(b) Any material change to the Replacement Sign from the Approved Exterior Sign being removed involve color changes or changes to the logo or the size, design or style of the letters (it being acknowledged and agreed to by Landlord that the Replacement Sign may have neon tube, open channel lettering).

Once approved by Landlord, the Replacement Sign will be an "Approved Exterior Sign" for purposes of the Lease.

4. Assignment.

4.1 Tenant has the right to assign or sublease all of its rights, titles and interests in the Lease and Premises to Villa Pizza, LLC or its Designated Person at any time during the term of the Lease, including ant extensions or renewals of the Lease, without first obtaining Landlord's consent. "Designated Person" means, as designated by Villa Pizza, LLC in writing to Landlord, any affiliate of Villa Pizza, LLC or any franchisee of Villa Pizza, LLC

4.2 No assignment or sublease of the Lease and Premises pursuant to this Section 4 will (a) be effective until such time as Villa Pizza, LLC or its Designated Person gives the Landlord written notice of its acceptance of the assignment or sublease or (b) delegate to, or create in, Villa Pizza, LLC (or its Designated Person) any liability or responsibility for any acts, conditions or circumstances arising before the effective date of the assignment or sublease to Villa Pizza, LLC (or its Designated Person). Furthermore, nothing contained in this Addendum or in any other document (i) constitutes Villa Pizza, LLC. or its Designated Person a party to the Lease or a guarantor of the Lease or (ii) creates any liability or obligation on Villa Pizza, LLC (or, as applicable, its Designated Person) unless and until the Lease is assigned or subleased to, and accepted in writing by, Villa Pizza, LLC (or, as applicable, by its Designated Person).

4.3 In the event the Franchise Agreement between Villa Pizza, LLC and the Tenant shall expire or terminate, then the Tenant's rights pursuant to the Lease shall, at the option of Villa Pizza, LLC, be assigned and transferred to it provided that the Villa Pizza, LLC or its Designated Person shall assume and be liable for all of Tenant's obligations, duties, and liabilities pursuant to the Lease.

4.4 Villa Pizza, LLC may exercise said option by sending the Landlord written notice of its intention to succeed to Tenant's rights under the Lease by certified mail, return receipt requested within thirty (30) days after the expiration or termination of the Franchise Agreement. Said notice shall, without any further action, operate as an Assignment of Tenant's rights under the Lease. Should the Lease be assigned or subleased to, and accepted in writing by, Villa Pizza, LLC (or its Designated Person), then Villa Pizza, LLC will have the further right to assign or sublease the Lease and Premises to another franchisee of Villa Pizza, LLC at any time during the term of the Lease, including any extensions or renewals of the Lease, without first obtaining Landlord's consent. If Villa Pizza, LLC should assign its rights to another franchisee, then Villa Pizza, LLC will be relieved of all liability for any acts, conditions or circumstances arising after the date of that assignment.

4.5 Landlord expressly acknowledges that Villa Pizza, LLC is not a party to the Lease and will have no liability or responsibility under the lease, nor does Villa Pizza, LLC have any obligation or responsibility to assume the Lease or take an assignment of the Lease. Landlord further acknowledges that this Addendum to the Lease does not create any fiduciary relationship or other relationship of trust or confidence between the Tenant and Villa Pizza, LLC.

2. Default and Notice.

(a) If Landlord gives Tenant notice of any default or violation by Tenant under the terms of the Lease, Landlord will also give Villa Pizza, LLC notice of that default or violation promptly after Landlord has given that notice to Tenant.

(b) All notices to Villa Pizza, LLC will be sent by registered or certified mail, postage prepaid, to the following address:

Villa Pizza, LLC
25 Washington Street
Morristown, NJ 097960
Attn: General Counsel

Villa Pizza, LLC may change its address for receiving noticed by giving landlord written notice of its new address. Landlord will notify both Tenant and Villa Pizza, LLC of any changes in Landlord's mailing address to which notices should be sent.

3. Termination or Expiration. On the expiration or termination of either the Lease or the Franchise Agreement, Landlord will allow Villa Pizza, LLC to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, (a) to remove all signs, advertising, logos, and other items identifying the Premises as a Villa Restaurant and (b) to make any other modifications as are reasonable necessary: (i) to protect Villa Pizza, LLC's proprietary marks and the Villa Pizza, LLC system and (ii) to distinguish the Premises from a Villa Restaurant. The obligations of Landlord under this Section 6 are conditioned on (1) Villa Pizza, LLC's giving Landlord prior notice of the modification to be made and the items removed and (2) Villa Pizza, LLC's repairing of any damage Villa Pizza, LLC causes to the

Premises during its removal of the items described above and Villa Pizza, LLC's making of those modifications (if any) to the Premises described above.

4. **No Liability.** Landlord further acknowledges that Tenant is not an agent, partner or employee of Villa Pizza, LLC and that Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind, Villa Pizza, LLC and that Landlord has entered into the Lease and this Addendum creates any duties, obligations or liabilities on or against Villa Pizza, LLC.

5. **Amendments.** No amendment or variation of the terms of this Addendum is valid unless (i) made in writing and signed by Landlord and Tenant and (ii) Villa Pizza, LLC has provided its consent to the amendment.

6. **Reaffirmation of Lease; Governing Terms.** Except as amended or modified in this Addendum, all of the terms, conditions and covenants of the Lease are confirmed and remain in full force and effect. This Addendum is incorporated into, and is made part of, the Lease as if fully rewritten in the Lease. The terms of this Addendum will govern in the case of any conflict or inconsistency between the terms of the Lease and this Addendum.

7. **Enforcement by Villa Pizza, LLC.** It is expressly acknowledged and agreed that Villa Pizza, LLC is a third party beneficiary of the agreements of Landlord set forth in this Addendum. Tenant, Villa Pizza, LLC, or both (*i.e.,* alone or together) shall have the right to enforce Landlord's agreements in this Addendum.

8. **Terms; Captions.** As used in this Addendum, the term "affiliate" means any person or entity (i) that is owned or controlled by Villa Pizza, LLC, (ii) which owns and controls Villa Pizza, LLC, or (iii) which is under common control with Villa Pizza, LLC . All references in this Addendum to any agreement, instrument, or document as the agreement, instrument or document may, from time to time, be modified, amended, renewed, restated, consolidated, extended, or replaced. The captions contained in this Addendum are for referenced purposed only and will not affect or relate to the interpretation of this Addendum. Whenever the word "including" or "includes" is used in this Addendum, those terms are used by way of illustration and not by way of limitation.

IN WITNESS WHEREOF, the parties have signed this Addendum to Lease as of the day, month and year written in the opening paragraph.

_____

By:_____
Title:_____
("Landlord")

_____

By:_____
Title:_____
("Tenant")

EXHIBIT C

to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.

INTENTIONALLY OMITTED

EXHIBIT D
to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.

OWNERS' PERSONAL GUARANTY OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement for Franchisor to enter into the Franchise Agreement the undersigned owners of an interest in Franchisee hereby personally and unconditionally, jointly and severally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and that each and every representation of Franchisee made in connection with the Agreement are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement.

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

Each of the undersigned consents and agrees that: (i) his direct and immediate liability under this guaranty shall be joint and several; (ii) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement.

This guaranty shall be interpreted and construed under the laws of the State of New Jersey. In the event of any conflict of law, the laws of the State of New Jersey shall prevail. Any and all disputes shall be resolved by litigation and brought, maintained and concluded exclusively in either the State Court of New Jersey as hereinafter specified or in Federal Court in the United States District Court, Newark vicinage of New Jersey. If Franchisor initiates litigation in the State Court of New Jersey such litigation may, in Franchisor's sole discretion, be instituted in one of the following counties: Morris County, Essex County, or Union County, New Jersey. If litigation is instituted by any owner of Franchisee in State Court, such litigation shall be instituted maintained and concluded in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark vicinage of New Jersey. The undersigned, waive to the fullest extent permitted by law, any objection that they jointly and severally, now or in the future have to laying of jurisdiction or venue of any litigation,

brought by Franchisor in Federal Court of the United States District Court in the Newark vicinage of New Jersey or if in State Court by Franchisor, in Morris County, Union County or Essex County in New Jersey or if brought by any of the undersigned signatories in State Court, only in Morris County, New Jersey. Each of the undersigned waives any objection to jurisdiction or venue of such court or proceeding brought in such court or that such court is an inconvenient forum. Each of the undersigned further acknowledge that Franchisor may institute legal action against the undersigned jointly and severally, for injunctive relief, including temporary restraining orders and preliminary injunctions in any court of competent jurisdiction, without any bond, against any conduct or threatened conduct for which no adequate remedy at law may be available or which may cause irreparable harm to Franchisor. Franchisor shall be entitled to such relief in addition to such further and other relief as may be available at equity or law and the undersigned's sole remedy in the event of the entry of injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any amendments hereto. If Guarantor(s) deliver(s) a facsimile signature, he/she/they shall also deliver an original counterpart to Franchisor. If Guarantor(s) deliver(s) a facsimile signature, he/she/they is/are not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

Each of the undersigned owners of Franchisee agree that service or process may be made upon each of the undersigned in any proceedings by service upon an agent for service of process in the State of New Jersey, who is approved by Franchisor. Each of the undersigned shall appoint an agent for service of process in the State of New Jersey within 10 days of the date this Guaranty is executed by the undersigned.

IN WITNESS THEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Franchise Agreement was executed.

PERCENTAGE OF OWNERSHIP INTERESTS IN FRANCHISEE	**GUARANTOR(S)**
_____	_____ (Signature) _____ (Print Name)
_____	_____ (Signature) _____ (Print Name)
_____	_____ (Signature) _____ (Print Name)

Subscribed and sworn to before me this _____ day of _____, 20__.

_____
Notary Public
My Commission expires:_____

STATE OF_____)
COUNTY OF _____)

On _____, 20__, personally appeared before me_____**,** who is known to me, and in my presence and in the presence of a witness he/she did execute this Guaranty.

[NOTARY SEAL]

_____
Notary Public

My Commission Expires:_____

STATE OF_____)
COUNTY OF _____)

On _____, 20__, personally appeared before me_____, who is known to me, and in my presence and in the presence of a witness he/she did execute this Guaranty.

[NOTARY SEAL]

_____
Notary Public
My Commission Expires:_____

EXHIBIT D-1

to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.

CORPORATE GUARANTY OF FRANCHISEE'S OBLIGATIONS

In consideration of and as an inducement to, the execution of the Franchise Agreement ("Agreement") by and between Franchisor and the Franchisee, the undersigned hereby unconditionally: (1) guarantees to Franchisor and its respective successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Franchisee made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given; and (2) agrees to be bound by each and every provision in the Agreement (and any amendments) and to be liable for **Franchisee's** breach thereof, including without limitation, Franchisee's indebtedness arising under the Agreement and any amendments.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any third party with respect to the nonperformance of any obligations hereby guaranteed; (d) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (i) his direct and immediate liability under this Guaranty shall be joint and several; (ii) he shall render any performance required under the Agreement upon demand if Franchisee fails or refuses to do so punctually; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and(iv) such liability shall not be diminished, relieved or otherwise, affected by any extension of time, credit other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable until satisfied in full.

Any and all disputes shall be resolved by litigation and brought, maintained and concluded exclusively in either the State Court of New Jersey as hereinafter specified or in Federal Court in the United States District Court, Newark vicinage of New Jersey. If Franchisor initiates litigation in the State Court of New Jersey such litigation may, in Franchisor's sole discretion, be instituted in one of the following counties: Morris County, Essex County, or Union County, New Jersey. If litigation is instituted by the undersigned in State Court, such litigation shall be instituted maintained and concluded in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark vicinage of New Jersey. The undersigned, waive to the fullest extent permitted by law, any objection that it, now or in the future has to laying of jurisdiction or venue of any litigation, brought by Franchisor in Federal Court of the United States District Court in the Newark vicinage of New Jersey or if in State Court by Franchisor, in Morris County, Union County or Essex County in New Jersey or if brought by the undersigned signatory in State Court, only in Morris County, New Jersey. The undersigned waives any objection to jurisdiction or venue of such court or proceeding brought in such court or that such court is an inconvenient forum. The undersigned further acknowledge that Franchisor may institute legal action against the undersigned jointly and severally, for injunctive relief, including temporary restraining orders and preliminary injunctions in any court

of competent jurisdiction, without any bond, against any conduct or threatened conduct for which no adequate remedy at law may be available or which may cause irreparable harm to Franchisor. Franchisor shall be entitled to such relief in addition to such further and other relief as may be available at equity or law and the undersigned's sole remedy in the event of the entry of injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature ("Facsimile Signature"), is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and Amendments hereto. Any signatory who delivers a Facsimile Signature shall also deliver an original counterpart to Franchisor. If a signatory other than the Franchisor delivers a Facsimile Signature it is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

GUARANTOR

_____ (Entity Name)

By: _____ (Officer's signature)

Name: _____

Title: _____

STATE OF_____)

COUNTY OF _____)

On this ____ day of _____, 20__, personally appeared before me _____, who is known to me, and represented to me that as _____ (title) he has the authority to enter into this agreement on behalf of the signatory entity, and in my presence he did execute this Guaranty.

[NOTARY SEAL]

_____
Notary Public

My Commission Expires:_____

EXHIBIT E

to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.

SBA ADDENDUM TO FRANCHISE AGREEMENT

SBA ADDENDUM

to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20__, by and between Villa Pizza, LLC ("Franchisor"), located at 25 Washington Street, Morristown, NJ 07960, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20__ (such Agreement, together with any amendments, the "Franchise Agreement").Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U.S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

In consideration of the mutual promises below and for good and valuable consideration the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of Franchisor:

By: _____

Print Name: _____

Title: _____

Authorized Representative of Franchisee:

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.

EXHIBIT F

to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.

BANK DRAFT AUTHORIZATION FOR PRE-AUTHORIZED PAYMENT

ACH Debit Authorization
(Variable Amounts)

AUTHORIZATION FORM FOR DIRECT PAYMENT ACH DEBITS

Company Name _____Company ID Number: _____

I (we) hereby authorized Villa Pizza, LLC ("Franchisor"), hereinafter called COMPANY, to initiate debit entries for Royalty and Advertising fees equivalent to what is contained in the Franchise Agreement with Franchisor (the "Franchise Agreement") to my (our) account indicated below and the financial institution named below, hereinafter called FINANCIAL INSTITUTION, to debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Company may debit my account for amounts becoming due by me on a weekly basis and/or what is required in the Franchise Agreement, according to the due date on my account and any fees associated with any returned items.

Financial Institution Name:	Branch:
Address:	Type of Account (check one below):
City/State:	Checking:
ZIP:	Savings:

Account Name:
Routing Number:
Acct Number:

This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and manner as to afford COMPANY and FINANCIAL INSTITUTION a reasonable opportunity to act on it.

Corporate Legal Name:
Customer Account Number:
Signature: Date:
Email address:

PLEASE ATTACH COPY OF VOIDED CHECK TO THIS FORM!

EXHIBIT G
To Franchise Agreement

Applicable State Addendum(s) (indicated with check mark).

___ California

_X_ Illinois

___ Indiana

___ Maryland

___ Michigan

___ Minnesota

___ New York

___ North Dakota

___ Rhode Island None

___ South Dakota

___ Virginia

___ Washington

___ Wisconsin

ILLINOIS

ADDENDUM TO
VILLA PIZZA, LLC FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement is agreed to by and between Villa Pizza and the Franchisee identified below, to amend and revise said Franchise Agreement as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Rider, understands and consents to be bound by all of its terms, and agrees it shall become effective the ___ day of _____, 20__.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title:_____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

EXHIBIT H
To Disclosure Document

DEPOSIT AGREEMENT (Franchise Agreement)

VILLA PIZZA, LLC

DEPOSIT AGREEMENT (Franchise Agreement)

The enclosed check, in the amount of $_____ Dollars shall act as a deposit toward the payment of the Initial Franchise Fee of $_____ if box 1 is checked or the Purchase Price of the Villa Pizza company owned restaurant for the purchase price of $_____ if box 2 is checked.

Check the appropriate box in either 1 or 2 below:

1. ☐ $12,500 payable to Villa Pizza, LLC for a deposit toward the purchase of a Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen or Tony + Benny's Franchise

2. ☐ $_____ (10% of the Purchase Price) payable to Villa Pizza, LLC shall act as a deposit toward the purchase of the Villa Pizza company restaurant at the address set out below.

We understand that the above deposit, when accepted by Villa Pizza, LLC will allow us for a 3 month period to purchase a Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen, or Tony + Benny's Franchise for the Initial Franchise Fee specified above or when box 2 is checked we understand our deposit shall be applied to the purchase of a company restaurant at the location set out below.

We agree when box 1 is checked if we sign a Franchise Agreement within 3 months from the date our deposit is received the total deposit will be applied as a credit to the initial franchise fee. We further agree that when box 2 is checked we must complete the purchase by executing all closing agreements with in 3 months from the date our deposit is received and if we do the total deposit will be applied as a credit to the Purchase Price. If we do not sign a Franchise Agreement or complete the purchase of the Villa Pizza company restaurant in 3 months we agree that Villa Pizza, LLC may retain 50% of our deposit and shall refund the balance of our deposit within 10 days after the expiration of the 3 month period.

We understand and agree that neither our deposit nor any rights associated with it are assignable without the prior written consent of Villa Pizza, LLC, which consent may be withheld by Villa Pizza, LLC at its sole and absolute discretion.

This deposit and other payments shall be made payable to "VILLA PIZZA, LLC".

Facsimile Signatures: A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Deposit Agreement and all Riders and any amendments hereto. If Franchisee delivers a facsimile signature, Franchisee shall also deliver an original counterpart to Franchisor. If Franchisee delivers a facsimile signature, Franchisee is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

By our signature below, we accept and hereby acknowledge receipt of a completed copy of this Deposit Agreement and agree to the terms herein this the __ day of _____, 20__.

Agreed: (Prospective Franchisee(s)):

Signature: _____

Name: _____

Address: _____

Signature: _____

Name: _____

Address: _____

Signature: _____

Name: _____

Address: _____

Signature: _____

Name: _____

Address: _____

STORE LOCATION:

Address: _____

PROPOSED FRANCHISE LOCATION:

Address: _____

Accepted: **VILLA PIZZA, LLC**

BY: _____ DATE: _____

EXHIBIT B-3 (B)
To Disclosure Document
DEPOSIT AGREEMENT (Area Development Agreement)

VILLA PIZZA, LLC
DEPOSIT AGREEMENT (Area Development Agreement)

The enclosed check, in the amount of $ _____ Dollars shall act as a deposit toward the payment of the Development Fee of $ _____ for the Development Rights and obligations of _____ restaurants as set forth and described in the Area Development Agreement which is required to be signed by you within ____ months from the date your deposit is received.

You understand that the above deposit when accepted by Villa Pizza, LLC ("Franchisor") will allow you for a ___ month period to enter into an Area Development Agreement for a Development Area described as _____ _____ _____ to develop the number of Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen, or Tony + Benny's Franchised restaurants specified hereinabove.

If you fail to sign an Area Development Agreement within ___ months of the date of your deposit and acceptance by Villa Pizza, LLC, Franchisor may retain 50% of your deposit and refund the balance of your deposit within 10 days after the expiration of the period set forth above to sign the Area Development Agreement. If you sign the Area Development Agreement within ___ months from the date you deposit is received by Franchisor, the total deposit will be applied as a credit to the Development Fee specified hereinabove.

The undersigned acknowledges and agrees that neither their deposit nor any rights associated with this Deposit Agreement are assignable without the prior written consent of Villa Pizza, LLC which consent may be withheld by Villa Pizza, LLC at its sole and absolute discretion.

This deposit and any other payments shall be made payable to "VILLA PIZZA, LLC."

Facsimile Signatures: A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Deposit Agreement and all Riders and any amendments hereto. If Franchisee delivers a facsimile signature, Franchisee shall also deliver an original counterpart to Franchisor. If Franchisee delivers a facsimile signature, Franchisee is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

By our signatures below, we accept and hereby acknowledge receipt of a completed copy of this Deposit Agreement and agree to the terms herein, on this the ___ day of _____, 20__.

Agreed (Prospective Area Developer(s):

Name: _____

Address: _____

Signature: _____

Name: _____

Address: _____

Signature: _____

Name: _____

Address: _____

Signature: _____

Accepted: VILLA PIZZA, LLC
By: _____
Date: _____

EXHIBIT B-4
TO THE DISCLOSURE DOCUMENT
AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

Effective Date: _____

Name of Developer: _____

Address of Developer: _____
_____
_____

Development Area: _____
_____
_____

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AREA DEVELOPMENT AGREEMENT SUMMARY PAGE

Franchisor: Villa Pizza, LLC

A. State of Formation: Delaware
B. Address: 25 Washington Street, Morristown, NJ 097960

Developer: _____

A. State of Formation: _____
B. Address: _____
C. Designated Agent in New Jersey
Name/Address: _____
_____

Guarantors:

A. Name & Address: _____
_____
B. Name & Address: _____
_____
C. Name & Address: _____

Licensed Mark (Individually or Collectively "Mark" of "Marks"): _____
_____

Development Fee: $_____

Development Area: _____
_____

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is effective on _____ __, 20___ (the "**Agreement Date**"). The parties to this agreement are, **VILLA PIZZA, LLC, a Delaware** limited liability company, with our principal office located at 25 Washington Street, New Jersey 07960, (referred to in this Agreement as "Franchisor" or sometimes "**we**," "**us**" or "**our**") and the Developer identified on the Summary Page (hereinafter referred to as "Developer" or sometimes "you" or "your").

1. INTRODUCTION.

1.1 **Our System.** Franchisor and our affiliates have expended considerable time and effort in developing a comprehensive system for the establishment and operation of Villa Fresh Italian Kitchen restaurants, Villa Italian Kitchen restaurants, Villa Pizza restaurants, and Tony + Benny's, (individually and collectively, "Villa Restaurant (s)" or "Restaurant(s)") featuring, among other things, pizza, pasta and various Italian specialties and under distinctive exterior and interior design, décor, color scheme and furnishings; uniform standards, specifications and procedures for operations; quality and uniformity of products and services offered, procedures for management and inventory control; training and assistance and advertising and promotional programs (collectively, "the System"), all of which may be changed, improved and further developed by us from time to time.

Franchisor uses, promotes and licenses certain trademarks, service marks and other commercial symbols in the operation of Villa Restaurants, including the trade and service marks "**Villa Fresh Italian Kitchen**", "Villa Italian Kitchen", "**Villa Pizza,**" "**Tony + Benny's**" and other associated designs, artwork and trade dress, which have gained and continue to gain public acceptance and goodwill, and may create, use and license additional trademarks, service marks and commercial symbols in conjunction with the operation of Villa Restaurants (collectively, the "**Marks**"). We grant to persons who meet our qualifications and are willing to undertake the investment and effort, the right to develop and operate multiple Villa Restaurants located within a defined geographic area.

1.2 **Representations.** Developer represents and warrants to Franchisor that Developer:

(a) has read this Agreement and our Franchise Disclosure Document;

(b) understands that Franchisor may modify its current form of franchise agreement from time to time; however, any modifications during the term of this Agreement will not vary the amount of Franchise Fees or royalty fees to be paid by you;

(c) understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's high standards of quality service and the uniformity of those standards at all Villa Restaurants in order to protect and preserve the goodwill of the Marks;

(d) has conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by Villa Restaurants may evolve and change over time.

(e) that an investment in Villa Restaurants involves business risks and that the success of the venture is largely dependent upon your business abilities and efforts;

(f) as an inducement to Franchisor's entry into this Agreement, Developer has made no misrepresentations in obtaining the development rights granted in this Agreement;

(g) Franchisor has provided to you a copy of our Franchise Disclosure Document and an executable copy of the Franchise Agreement at least 14 calendar days prior to the execution of the Franchise Agreement or Franchisor's receipt of any consideration from Developer;

1.3 **Acknowledgments.** Franchisor expressly disclaims the making of, and Developer acknowledges that Developer has not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of the business venture contemplated by this Agreement or the extent to which Franchisor will continue to develop and expand the network of Villa Restaurants. Developer acknowledges that:

(a) any statement regarding the potential or probable revenues, sales or profits of the business venture are made solely in the Franchise Disclosure Document delivered to Developer prior to signing this Agreement;

(b) any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing Villa Restaurant owned by Franchisor or our affiliates that is not contained in our Franchise Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately; and

(c) Developer has not received or relied on any representations about Franchisor or our franchising program or policies made by Franchisor, or our officers, directors, employees or agents that are contrary to the statements made in Franchisor's Franchise Disclosure Document or to the terms of this Agreement. If there are any exceptions to any of the foregoing Developer agrees to: (i) immediately notify Franchisor's chief executive officer; and (ii) note such exceptions by attaching a statement of exceptions to this Agreement prior to signing it.

1.4 **Business Organization.** If Developer is at any time a business organization ("Business Entity") (like a corporation, limited liability company or partnership) Developer agrees and represents that:

(a) Developer has the authority to execute, deliver and perform your obligations under this Agreement and is duly organized or formed and validly existing in good standing under the laws of the state of incorporation or formation;

(b) Developer's organizational or governing documents will recite that the issuance and transfer of any ownership interests in Developer is restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in Developer will bear a legend referring to the restrictions of this Agreement;

(c) the Principal Owners Statement will completely and accurately describe all of Developer's Owners and their interests in Developer. A copy of Franchisor's current form of Principal Owners Statement is attached to this Agreement as Exhibit 1 and made a part hereof;

(d) Developer and its Owners agree to revise the Principal Owners Statement as may be necessary to reflect any ownership changes and to furnish such other information about Developer's organization or formation as we may request (no ownership changes of 51% or more may be made without our approval);

(e) each of Developer's Owners during the term of this Agreement will sign and deliver to Franchisor our standard form of Principal Owner's Guaranty undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between Developer and Franchisor. A copy of Franchisor's current form of Owners Personal Guaranty of Developers Obligations and Corporate Guaranty of Developer's Obligations attached hereto as Exhibits 2A and 2B respectively and both made a part hereof;

(f) at Franchisor's request, Developer will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of Developer's Owners and agents (like articles of incorporation or organization, and partnership, operating or shareholder agreements).

2. **TERM AND SUCCESSION.**

2.1 **Term of Agreement.** Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted to Developer hereunder shall expire on the Opening Deadline date listed in the Development Schedule. This Agreement may be terminated before it expires in accordance with Section 9 of this Agreement. Upon expiration or termination of this Agreement, Developer will not have any further rights to acquire franchises to operate Villa Restaurants; but Developer may continue to develop, own and operate all Villa Restaurants subject to the franchise agreements (the "Franchise Agreement(s)") with Franchisor in accordance with their terms. On expiration of this Agreement Franchisor may grant Developer successor development rights as described below.

2.2 **Successor Rights and Conditions**.

(a) At the expiration of the term of this Agreement, if Developer and Franchisor both determine that additional Villa Restaurants should be developed in the Development Area, Franchisor will offer Developer the right to enter into a successor area development agreement (a "**Successor Agreement**") if Developer meets all of the following conditions:

(i) Developer agrees to further develop the Development Area in accordance with the Development Schedule that Developer and Franchisor agree upon and is established in the Successor Agreement;

(ii) Developer (or any affiliate) is not in default of any provision of this Agreement, any Franchise Agreement, or any other agreement Developer (or an affiliate) has entered into with Franchisor;

(iii) Developer signs and delivers to Franchisor the Successor Agreement (which will be our then-current form of Area Development Agreement), which may include different fees and performance criteria and schedules;

(iv) Developer pays to Franchisor the Development Fee required by the Successor Agreement;

(v) Developer signs and delivers to us the General Release then used by us and which form and content shall be attached to the then current form of Franchisor's disclosure document, of any and all claims against Franchisor and our officers, directors, employees, agents, affiliates, successors and assigns; and

(vi) Developer has provided Franchisor with the most recent financial statements. Such financial statements present fairly the financial position of Developer at the dates indicated therein and the results of Developer's cash flow for the year then ended. Developer agrees to maintain at all times, during the term of the Successor Agreement sufficient working capital to fulfill all Developer's obligations under the Successor Agreement. Developer's financial statement has been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in applicable notice, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the Successor Agreement, whether accrued, unliquidated absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements and your financial statements are acceptable to us, in our absolute sole discretion.

(b) After initially deciding that that the Development Area does not warrant additional Villa Restaurants, if Franchisor later decides otherwise, Franchisor may offer you the right to enter into a Successor Agreement (on the conditions described in Section 2.2(a)) if Developer continues to be the only operator of Villa Restaurants in the Development Area.

2.3 **Timing and Method.** Not less than 6 months nor more than 12 months prior to the expiration of this Agreement, Developer will notify Franchisor that Developer wishes to enter into a Successor Agreement with

Franchisor. After receiving that notice, Franchisor will either deliver to Developer the form of Successor Agreement, including the proposed Development Schedule to be used in the Successor Agreement or our written notice that we have determined that no additional Villa Restaurants may be developed in the Development Area. Developer and Franchisor must both sign and deliver to each other the Successor Agreement (with a completed Successor Development Schedule) at least 30 days prior to the expiration of the term of this Agreement. If Developer does not sign and deliver to us the Successor Agreement, and pay the Development Fee required under the Successor Agreement within 30 days prior to the expiration of this Agreement, Developer will be deemed to have elected not to enter into a Successor Agreement with Franchisor. If Developer does not meet the requirements described in Section 2.2, this Agreement will expire when indicated in Section 2.1.

2.4 **Rights on Expiration.** Upon expiration of this agreement and when Franchisor determines that the Development Area is large enough for further development unless Developer signs a Successor Agreement with Franchisor, Franchisor may then operate or grant other persons franchises to operate Villa Restaurants within the Development Area. Developer may continue to own and operate all Villa Restaurants then in operation under Franchise Agreements with Franchisor.

3. **DEVELOPMENT RIGHTS AND OBLIGATIONS.**

3.1 **Development Rights.** If Developer is in full compliance with all of the provisions of this Agreement and all of the Franchise Agreements, then during the term of this Agreement, Franchisor will:

(a) grant to Developer (and affiliates) franchises for ownership and operation of Villa Restaurants to be located within the following geographic area (the "**Development Area"**): _____
_____

(b) unless otherwise specified in Paragraph 3.1 (a), Developer has no exclusive rights in or to the Development Area, and, in addition to those rights specified in Section 3.2, Paragraphs 3.2 (a), (b), (c), (d) and (e), Franchisor may establish, sell, license others to open or operate Villa Restaurants anywhere within the Development Area. If Paragraph 3.1 (a) specifies the Development Area is exclusive, then, while this Agreement is in effect provided that Developer opens and operates the Villa Restaurants in accordance with the Development Obligations set forth in Paragraph 3.3, sub-paragraphs 3.3 (a) and 3.3 (b), and that the minimum number of Villa Restaurants Developer has operating in the Development Area at any given time is not less than the minimum required pursuant to the Minimum Development Quota (Development Schedule), Franchisor will not operate, or license any person other than Developer to operate, a Villa Restaurant under the Marks and the System within the Development Area. Any exclusive area you are granted will exclude non-traditional venues, including airports, university and college campuses, hospitals and medical centers, sports or entertainment venues and military or other government owned facilities within the Development Area.

3.2 **Rights Retained.** Franchisor retains the right in its sole control to:

(a) establish and grant to other franchisees the right to establish Villa Restaurants anywhere outside the Development Area, on such terms and conditions as Franchisor deems appropriate (even immediately outside the border of the Development Area, but not the location specified in the Franchise Agreement for any Villa Restaurant Developer operates under this Agreement and continue to operate);

(b) operate and grant franchises to others to operate businesses, whether inside or outside the Development Area, specializing in the sale of products or provision of services, other than a Competitive Business or a Villa Restaurant, using certain of the Marks and pursuant to such terms and conditions as Franchisor deems appropriate;

(c) operate and grant franchises to others to operate businesses, or provide other services, whether inside or outside the Development Area, that do not use any of the Marks;

(d) except as otherwise expressly provided in Paragraph 3.1 (b) above, Franchisor and our affiliates have the right to engage in any business activities or in any business whatsoever, including, the right to (i) market and sell inside and outside of the Development Area, through channels of distribution other than set forth in the Franchise Agreement (like internet, e-commerce, mail order or grocery, retail or convenience stores) or through special purpose sites including sites at which access to the general public is limited (like airports, university and college campuses, hospitals and medical centers, sports and entertainment venues, military and other government facilities, stadiums, theme parks, grocery stores, etc.), goods and services competitive with goods and services offered by Villa Restaurants, under the Marks or under trade names, service marks or trademarks other than the Marks, without any compensation to you;

(e) purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity Franchisor may operate, franchise or license those other businesses and/or facilities under any names or marks other than, while this Agreement is in effect, the Marks, regardless of the location of these businesses and/or facilities, which may be within the Development Area or immediately outside its border.

3.3 **Development Obligations.** During the term of the Agreement, Developer will at all times faithfully, honestly and diligently perform Developer's obligations and continuously exert Developer's best efforts to promote and enhance the development of Villa Restaurants within the Development Area. Without limiting the forgoing obligations, Developer agrees to:

(a) obtain locations and premises for Villa Restaurants (the "**Sites**" accepted by us; and

(b) commence construction of, develop and open a total of _____ Villa Restaurants within the time periods ("**Development Periods**) mandated by the following schedule (the "**Development Schedule**"):

Minimum Development Quota			
Development Period	**Number of Villa Fresh Italian Kitchen or Villa Italian Kitchen or Villa Pizza locations to be opened during Development Period**	**Number of Tony + Benny's locations to be opened during Development Period**	**Cumulative # of Villa Restaurants to be Opened Through End of Development Period**
1.			
2.			
3.			
4.			
5.			

Villa Restaurants will not count towards meeting the Minimum Development Quota for any Development Period until they have been fully constructed, developed and have opened operations in accordance with their respective franchise agreements with Franchisor. Franchisor will determine if any Villa Restaurant has opened for purposes of meeting the Development Schedule and any Minimum Development Quota for any Development Period. If a Villa Restaurant

is permanently closed after having been opened, Developer agrees to develop and open a substitute Villa Restaurant within 1 year from the date of its permanent closing separate and apart from the Development Schedule.

3.4 **Effect of Failure.** Strict Compliance with the Development Schedule is the essence of this Agreement. If Developer does not timely meet the Minimum Development Quota as of the end of any Development Period shown on the Development Schedule, Developer will be in default of Developer's obligations under this Agreement. If such a default occurs, it will constitute a material breach of this Agreement and Franchisor may then, in its sole discretion, elect to:

(a) terminate this Agreement;

(b) have the right to operate (directly or through affiliates) or grant franchises for the operation of Villa Restaurants within the Development Area;

(c) grant Developer an extension under the Development Schedule for such time period as Franchisor may specify at its sole option for a non-refundable extension fee equal to the balance of the Franchise Fees for the number of Villa Restaurants that are to be opened and operated under the Development Schedule but are not yet open; or

(d) reduce the Development Area and the Development Schedule to a size and magnitude that Franchisor estimates Developer's capable of operating otherwise in accordance with this Agreement.

4. DEVELOPMENT FEE.

4.1 **Amount and Consideration.** When Developer executes this Area Development Agreement, Developer agrees to pay Franchisor one-half of the development fee (the "Development Fee"). The Development Fee equals $25,000 ($35,000 if located outside the Continental U.S. [Alaska, Hawaii and U.S. Territories]) times the number of Villa Restaurants required to be developed under Developer's Development Schedule. For example, if the Development Schedule requires the minimum of two Villa Restaurants to be developed, the Development Fee outside the Continental U.S. [Alaska, Hawaii and U.S. Territories] is $70,000 and one-half of the Development Fee must be paid when the Area Development Agreement is executed, or $35,000. The balance of the Development Fee is paid pursuant to Paragraph 4.2 below. The Development Fee payment constitutes payment only for the rights we grant Developer under this Area Development Agreement. The Development Fee is non-refundable and is fully earned by us upon receipt.

4.2 **Payment of Balance of Development Fee.** At the time of executing the franchise agreement for each Villa Restaurant required under this Area Development Agreement you are required to pay the unpaid balance of the Development Fee by paying one-half of the initial franchise fee for each franchise agreement required to be executed for each Villa Restaurant set forth in the Development Schedule. Thus, using the example in Paragraph 4.1 above, after paying the initial Development Fee of $35,000 USD, the initial franchise fee to be paid for each of the two franchise agreements required would be $17,500. These fees are non-refundable and are dully earned by us upon receipt.

5. SITE SELECTION/FRANCHISES.

Subject to the provisions of this Agreement, Franchisor will grant franchises to Developer for the operation of Villa Restaurants to be located within the Development Area on the following conditions:

5.1 **Site Reports.** Developer agrees to submit to Franchisor a complete report (containing such information and collateral materials as Franchisor requires from time to time) for each Site at which Developer proposes to establish and operate a Villa Restaurant, before Developer acquires any interest in it (by lease or purchase). A complete site report should contain demographic, commercial and market feasibility studies, a site plan, photographs and such other information as Franchisor determines appropriate periodically. Each Site Developer submits must be

based on Developer's belief that it conforms to the site criteria Franchisor establishes from time to time.

5.2 **Site Evaluation.** Franchisor will evaluate all proposed Sites and all Sites are subject to Franchisor's prior written acceptance. In evaluating a Site that Developer proposes, Franchisor will consider such matters as demographic characteristics of the proposed site, traffic patterns, land use and zoning, licensing and regulatory concerns, residential and recreational quality, parking, character of the neighborhood, renovation and construction concerns, competition from other facilities in the area, the proximity to other facilities, the nature of other businesses and Villa Restaurants in proximity to the Site and other commercial and residential characteristics (including the purchase price, rental obligations and other lease or acquisition terms for the proposed Site), and the size, appearance and other physical characteristics of the Site. Developer agrees to obtain Franchisor's prior written consent to the Site before Developer signs any lease for, or a binding purchase agreement for, the proposed Site.

5.3 **Site Acceptance.** Franchisor may withhold consent to a Site for any reason Franchisor deems to be based on its good faith business judgment. Franchisor will, by delivery of written notice to Developer, accepts or rejects each Site proposed by you for the operation of a Villa Restaurant. Franchisor agrees to exert commercially reasonable efforts to notify you within 30 days after Franchisor has received the complete site report and other materials we have requested.

5.4 **Effect of Acceptance.** Franchisor's acceptance of the Site (including its location, appearance and size) indicates only that Franchisor believes it falls within the acceptable criteria Franchisor has established at that time. Developer acknowledges and agrees that:

(a) Franchisor's acceptance of the Site does not imply, assure, guaranty, warrant or predict profitability or success, express or implied;

(b) application of criteria that have been effective with respect to other Sites may not be predictive of the potential for all Sites and that, subsequent to Franchisor's acceptance of a Site, demographic and/or economic factors included in, or excluding from, Franchisor's criteria could change, thereby altering the potential of a Site;

(c) the uncertainty and instability of such criteria are beyond Franchisor's control and Franchisor is not responsible for the failure of a Site approved by Franchisor to meet expectations as to potential revenue or operational criteria; and

(d) Developer's acceptance of a franchise for the operation of a Villa Restaurant at a site Developer proposes is based upon your own independent investigation of the suitability of that location and that Site even though we may provide guidance and assistance to you in selecting the Site for your Villa Restaurant.

5.5 **Franchise Agreement.** If Franchisor has accepted, and Developer has obtained lawful possession of or a formal commitment for the Site, Franchisor will offer Developer a franchise to operate a Villa Restaurant at the proposed Site by delivering to Developer a Franchise Agreement in a form ready for signing by Developer (or an affiliate). Franchisee understands and agrees that we may modify the Franchise Agreement from time to time; however, any modifications during the term of this Agreement will not vary the amount of the Franchise Fee, royalty fees or other fees to be paid to Franchisor. Developer (or an affiliate) must sign and deliver such Franchise Agreement to Franchisor within 30-days after our delivery of the Franchise Agreement to Developer, along with Developer's payment of the applicable Franchise Fee. If Developer (or your affiliate) do not timely sign and return such Franchise Agreement and tender payment of the Franchise Fee Franchisor may revoke Franchisor's offer to grant Developer a franchise to operate a Villa Restaurant at such proposed Site. Contemporaneously with the signing of the Franchise Agreement, each of Developer's direct or indirect Owners must sign and deliver to Franchisor an Owner's Personal Guaranty in the form attached to the Franchise Agreement.

6. **MANAGEMENT OF BUSINESS.**

6.1 **Management.** Developer (or, if Developer is a Business Entity a person having management rights and powers (e.g., officers, managers, partners, etc.) (the "**Operating Partner(s)**") agree to:

(a) supervise the development and operation of Villa Restaurants franchised pursuant to this Agreement;

(b) attend such training programs, meetings and conventions which we may offer during the term of this Agreement; and

(c) pay and bear all expenses incurred by Developer and Developer's Operating Partners(s) in attending such meetings, programs or conventions.

6.2 **Management Personnel.**

(a) **Ownership Interest:** As a developer of multiple Villa Restaurants, Developer will not be in a position to have direct, personal day-to-day management responsibility for the Villa Restaurants that Developer will own and operate. However, Developer understands and acknowledges that each of the Villa Restaurants that Developer (or your affiliates) own and operate must be under the oversight, supervision and direction of an Operating Partner who has a direct economic ownership interest (at least 10 %) in such Villa Restaurant (or the Business Entity that owns and operates it). Accordingly, Developer agrees that each Villa Restaurant will be under the oversight and direction of an Operating Partner who meets all the following qualifications and conditions:

(i) Has ownership interest of at least 10% of the economic interest in such Villa Restaurant or Business Entity;

(ii) Has a sufficient amount of experience in managing and operating restaurants in terms of duration, operational responsibilities and previous training and who has satisfactorily completed Franchisor's training programs so that such person can demonstrate to our satisfaction that he or she is capable of overseeing the operations of a Villa Restaurant;

(iii) Has oversight responsibility and authority over the Villa Restaurant on a day-to-day basis;

(iv) Is bound by Franchisor's then-current form of confidentiality and non-competition agreement (or other form of contract satisfactory to Franchisor); and

(v) Satisfactorily completes Franchisor's initial training program, certification and any other training programs we request from time to time.

Developer will provide to Franchisor a copy of the organizational and governing documents for the Business Entity(ies) that demonstrates that the Operating Partner has the requisite ownership interest.

6.3 **Joint and Several.** If two or more persons are at any time the Developer under this Agreement, their obligations to Franchisor are joint and several and the term "Developer" refers to all of them.

7. **CONFIDENTIAL INFORMATION/EXCLUSIVE RELATIONSHIP.**

7.1 **Types of Confidential Information.** Franchisor possesses certain confidential information relating to the development and operation of Villa Restaurants, which includes but is not limited to the following (collectively, the "Confidential Information"):

(a) the System and the know-how related to its use;

(b) plans, specifications, size and physical characteristics of Villa Restaurants;

(c) site selection criteria, land use and zoning techniques and criteria;

(d) sources, design and methods of use of equipment, furniture, forms, materials, supplies, Internet or Intranet, "business to business" or "business to customer" networks or communities and other e-commerce methods of business;

(e) marketing, advertising and promotional programs for Villa Restaurants;

(f) staffing and delivery methods and techniques for personal services;

(g) the selection, testing and training of managers and other employees for Villa Restaurants;

(h) the recruitment, qualification and investigation methods to secure employment for employment candidates;

(i) the approved Computer software we make available or recommend for Villa Restaurants;

(j) methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation and franchising of Villa Restaurants;

(k) knowledge of specifications for and identities of and suppliers of certain products, materials, supplies, furniture, furnishings and equipment;

(l) recipes, formulas, preparation methods and serving techniques; and

(m) knowledge of operating results and financial performance of Villa Restaurants other than those operated by you (or your affiliates);

(n) pricing, purchase agreements and contracts.

We will disclose certain Confidential Information to Developer through various manuals and in providing training, guidance and assistance to you from time to time.

7.2 **Nondisclosure Agreement.** Developer acknowledges and agrees that:

(a) Developer will not acquire any interest in the Confidential Information, other than the right to utilize it in the development and operation of Villa Restaurants under the Franchise Agreements during the term of this Agreement, and that the duplication or use of the Confidential Information in any other business would constitute an unfair method of competition; and

(b) the Confidential Information is proprietary, may involve our trade secrets and is disclosed to you solely on the condition that you agree that Developer:

(i) will not use the Confidential Information in any other business or capacity;

(ii) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;

(iii) will not make unauthorized copies of any portion of the Confidential Information disclosed via electronic medium, in written form or in other tangible form, including, for example, the Manuals; and

(iv) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information including, restrictions on disclosure to your employees and the use of nondisclosure and noncompetition agreements Franchisor may prescribe for employees or others who have access to the Confidential Information.

7.3 **Competitive Restrictions.** Developer agrees and acknowledges that Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Villa Restaurants if owners of franchised Villa Restaurants were permitted to hold any interest in any business or facility owning, operating, managing franchising or licensing, any restaurant featuring, among other things, pizza, pasta and various Italian specialties, catering service or food service facility that features a variety of Italian foods and other goods as any of its menu items (other than a Villa Restaurant under a franchise agreement with us) (a "**Competitive Business").** Developer also acknowledges that Franchisor has entered into this Agreement with Developer in part in consideration of and in reliance on Developer's agreement to deal exclusively with Franchisor. Therefore, you agree as follows:

(a) **Noncompetition and Non-solicitation**: During the term of this Agreement neither Developer nor any of Developer's Owners if Developer is a Business Entity (a "**Restricted Person**") will:

(i) engage in a Competitive Business or perform services for a Competitive Business, directly or indirectly, as a director, owner, proprietor, officer, manager, employee, consultant, representative, agent, independent contractor or otherwise, except under a franchise agreement with Franchisor or Franchisor's affiliates;

(ii) have any direct or indirect interest, as a disclosed or beneficial owner, in a Competitive Business, except under franchise agreements with Franchisor or Franchisor's affiliates;

(iii) have any direct or indirect interest, as a disclosed or beneficial owner, in any entity which is granted or is granting franchises or licenses to others to operate any Competitive Business, except Villa Restaurants under franchise agreements with Franchisor or Franchisor's affiliates; or

(iv) directly or indirectly, on behalf of Developer or any other person, or as an employee, proprietor, owner, consultant, agent, contractor, employer, affiliate, partner, officer, director or associate, or stockholder of any other person or entity, or in any other capacity, solicit, divert, take away, or interfere with any of the business, customers, clients, contractors, referral sources, trade or patronage of Franchisor's, Franchisor's affiliate or Franchisor's franchisees as such may exist throughout the term of this Agreement.

(b) **Public Companies**: Notwithstanding the foregoing, any aggregate ownership of 5% or less of the issued and outstanding shares of any class of stock of a publicly traded company is not prohibited by the provisions of this Section.

(c) **Confidentiality, Non-solicitation and Noncompetition Agreement**: You must require and obtain, at your expense, execution and delivery to Franchisor of restrictive covenants, in the form of a Confidentiality, Non-solicitation and Non-competition Agreement attached hereto as Exhibit "3" and made a part hereof from all of Developer's Owners, and any person employed by or under an independent contractor relationship with Developer whom receives or will receive any training by Franchisor or you which is directly or indirectly related to the System or involves any of the Confidential Information no later than ten days following the effective date of this Agreement (or, if any individual or entity attains such status after the effective date of this Agreement, within ten days following such individual or entity's attaining such status).

8. **MARKS AND INTERNET.**

8.1 **Ownership and Goodwill of Marks.** Developer's right to use the Marks is derived solely from this Agreement and the Franchise Agreements and limited to Developer's operation of the Villa Restaurant at the Sites pursuant to and in compliance with the Franchise Agreements and all System Standards Franchisor prescribes from time to time during term of the Franchise Agreements. Developer's unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. Developer acknowledges and agrees that Developer's usage of the Marks and any goodwill established by such use will be exclusively for Franchisor's benefit and that neither this Agreement nor the Franchise Agreements confer any goodwill or other interests in the Marks upon Developer (other than the right to operate the Villa Restaurant in compliance with the Franchise Agreements). All provisions of this Agreement and the Franchise Agreements applicable to the Marks apply to any additional proprietary trade and service marks and commercial symbols we authorize to use.

8.2 **Limitations on Your Use of Marks.** Developer agrees to use the Marks authorized by Franchisor as the sole identification of the Villa Restaurant, except that Developer agrees to identify Developer as the independent owner in the manner we prescribe in the Manual or otherwise. Franchisor may place or require you to place a conspicuous notice at a place Franchisor designates in each of Developer's Villa Restaurants identifying Developer as its independent owner and operator. Developer agrees not to remove, destroy, cover or alter that notice without our prior consent. If Developer does not do so, Franchisor may accomplish the notice or identification as we see fit, and Developer agrees to reimburse Franchisor for doing so. Developer may not use any Mark as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you), or in any modified form, nor may Developer use any Mark in connection with any social media networking, including but not limited to, any postings on a social media site or social media network sites nor with the performance or sale of any unauthorized services or products or in any other manner Franchisor has not expressly authorized in writing. No Mark may be used in any advertising concerning the transfer, sale or other disposition of any Villa Restaurant or an ownership interest in Developer. Developer agrees to display the Marks prominently in the manner Franchisor prescribes at the Villa Restaurant, on supplies or materials Franchisor designates and in connection with forms and advertising and marketing materials. Developer agrees to give such notices of trade and service mark registrations as Franchisor specifies and to obtain any fictitious or assumed name registrations required under applicable law.

8.3 **Notification of Infringements and Claims.** Developer agrees to notify Franchisor immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and Developer agrees not to communicate with any person other than Franchisor, Franchisor's attorneys and Developer's attorneys in connection with any such infringement, challenge or claim. Franchisor has sole discretion to take such action as Franchisor deems appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. Developer agrees to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of Franchisor's attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise protect and maintain our interests in the Marks.

8.4 **Discontinuance of Use of Marks.** If it becomes advisable at any time in Franchisor's sole discretion for Franchisor and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, Developer agrees to comply with Franchisor's directions within a reasonable time after receiving notice. Franchisor will not be obligated to reimburse Developer for any direct or indirect loss, including loss of revenue attributable to any modified or discontinued Mark or for any expenditure Developer makes to promote a modified or substitute trademark or service mark.

8.5 **Signage.** Developer's signage must comply with all state and local laws and ordinances. The signage must also incorporate the specific letter style, curvature, approved colors and trademark associated with our logo. Developer must not use a sign that deviates from the standard logo unless and until Developer has submitted a request for such deviation to Franchisor in writing with drawings and Franchisor has approved such deviation in

writing. If Developer employs any signage that does not comply with this Agreement, Developer will be in material breach of this Agreement.

8.6 **Internet.** Developer may not maintain a World Wide Web site or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with any Villa Restaurant without Franchisor's prior written approval, which Franchisor may withhold for any reason or no reason and in Franchisor's sole discretion. Developer agrees to submit to Franchisor for our approval before use true and correct printouts of all Web site pages Developer proposes to use in Developer's Web site connection with the business. Developer understands and agrees that Franchisor's right of approval of all such Web materials is necessitated by the fact that such Web materials will include and be inextricable lined with the Marks. Developer may only use material which Franchisor has approved. Should Franchisor grant Developer the right to establish a Website in connection with the business authorized by this agreement, the Web site must conform to all of Franchisor's Web site requirements, whether set forth in its Manual or otherwise. Developer agrees to provide all hyperlinks or other links that Franchisor requires. If Franchisor grants approval for a Web site, Developer may not use any of the Proprietary Information at the site except as Franchisor expressly permits. You may not post any of our proprietary, confidential or copyrighted material or information on its Web site without Franchisor's prior written permission. If Developer wishes to modify an approved site, all proposed modifications must also receive Franchisor's prior written approval. Developer explicitly understands that Developer may not post on the Web site any material which any third party has any direct or indirect ownership interest in (including, without limitation, video clips, photographs, sound bites, copyrights, trademarks or service marks, or any other test or image which any third party may claim intellectual property ownership interests in). Developer agrees to list on the Web site, should Franchisor ever grant Developer the right to have a Web site in connection with any aspect of this Agreement, any Web site maintained by Franchisor, and any other information Franchisor requires in the manner Franchisor dictates. Developer agrees to obtain Franchisor's prior written approval for any Internet domain name and/or home page address. The requirement for Franchisor's prior approval set forth in this Paragraph will apply to all activities on the Internet or other communications network to be conducted by Developer, except that Developer may maintain one or more E-mail addresses and may conduct individual E-mail communications with Franchisor's prior written approval. Developer agrees to obtain our prior approval as provided above if Developer proposes to send advertising to multiple addresses via E-mail.

9. **TERMINATION.**

9.1 **Termination Upon Notice.** Franchisor may terminate this Agreement, effective on delivery of notice of termination to Developer, if:

(a) Developer fails to meet Developer's obligations in accordance with the Development Schedule (unless Franchisor exercises other remedies under Paragraph 3.3 "**Development Obligations**");

(b) Developer (or, if Developer is a Business Entity, any Operating Partner or any Owner) make an unauthorized assignment or transfer of this Agreement, an ownership interest in Developer or any interest in any affiliate's Villa Restaurant or Franchise Agreement granted pursuant to this Agreement;

(c) Developer (or, if Developer is a Business Entity, any Operating Partner or any Owner) have made any material misrepresentation or omission in Developer's application for the development rights conferred by this Agreement;

(d) Developer (or, if Developer is a Business Entity, any Operating Partner or any Owner) are or have been convicted of, or plead, or have pleaded no contest, or guilty, to a felony or other serious crime or offense that is likely to adversely affect Developer's reputation, our reputation or the reputation of any other Villa Restaurant;

(e) Developer (or, if Developer is a Business Entity, any Operating Partner or any Owner) make any unauthorized use of the Marks, fail to comply with Franchisor's Internet restrictions or any unauthorized use or disclosure of the Confidential Information;

(f) Developer fails to make payments of any amounts due to Franchisor or Franchisor's affiliates under this Agreement or any other agreement that Developer has with Franchisor (including any Franchise Agreement), and does not correct such failure within 10 days after written notice of such failure is delivered to Developer;

(g) Developer fails to perform or observe any provision of any lease or sublease for any Site, any financing document for any Site or any lease or financing document for any of the approved Operating Assets and does not correct such failure within the applicable cure period;

(h) Developer does not enter into a franchise agreement within 15 days after Developer has obtained lawful possession of a lease for or a contract to purchase a Site;

(i) Developer, or one of Developer's principal Owners, make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay Developer's debts generally as they become due; consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; Developer's business, or a principal Owner's business, is attached, seized, subjected to a warrant or levied upon, unless such attachment, seizure, warrant or levy is vacated within 30 days; or any order appointing a receiver, trustee or liquidator of Developer, or a principal Owner, or the business of any of them is not vacated within 30 days following the entry of such order (Developer must notify Franchisor in writing within 10 days of any of the events listed in this Section in Paragraph 9.2);

(j) Developer, or any of Developer's principal Owners, engage in any dishonest or unethical conduct which may adversely affect the reputation of Villa Restaurants or the goodwill associated with the Marks;

(k) Developer fails to comply with any other provision of the Agreement, including Section 6.2 hereof or any provision of any other agreement Developer has with Franchisor (including any Franchise Agreement), after Franchisor has notified Developer of the failure whether or not such failures to comply are corrected after notice of the failure is delivered to Developer;

(l) Developer fails on 2 or more separate occasions within any 12 consecutive month period or on 3 occasions during the term of this Agreement to comply with this Agreement or any other agreement Developer has with Franchisor (including any Franchise Agreement), after Franchisor has notified Developer of the failure whether or not such failures to comply are corrected after notice of the failure is delivered to Developer; or

(m) Developer has delivered to Developer (or an affiliate) a notice of termination of a Franchise Agreement in accordance with its terms and conditions or Developer (or your affiliates) has terminated a Franchise Agreement.

9.2 **Cross-Default.** Any default or breach by Developer, Developer's affiliates and/or any guarantor of Developer's of any other agreement between Franchisor or Franchisor's affiliates and Developer and/or such other parties will be deemed a default under this Agreement, and any default or breach of this Agreement by Developer and/or such other parties will be deemed a default or breach under any and all such other agreements between Franchisor or Franchisor's affiliates and Developer, Developer's affiliates and/or any guarantor of Developer's. If the nature of the default under any other agreement would have permitted Franchisor (or our affiliate) to terminate this Agreement if the default had occurred under this Agreement, then Franchisor will have the right to terminate all such other agreements in the same manner provided for in this Agreement for termination hereof. Developer's "affiliates" means any persons or entities controlling, controlled by or under common control with Developer.

10. EFFECT OF TERMINATION AND EXPIRATION.

10.1 **Continuing Obligations.** All of the obligations under this Agreement which expressly or by

their nature survive the expiration or termination of this Agreement continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, until they are satisfied in full or by their nature expire. Within 5 days immediately following termination or expiration of this Agreement for any reason, Developer must pay to us all fees or other amounts due us under this Agreement, or any other agreement, note, or obligation between Developer and Franchisor.

10.2 **Post-Term Competitive Restrictions.** Upon termination or expiration of this Agreement for any reason, Developer and Developer's Owners and guarantors agree that, for a period of 2 years commencing on the effective date of termination or expiration, no Restricted Person will have any direct or indirect interest (e.g. through a spouse, child, or other family member) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, manager, representative or agent or in any other capacity in any Competitive Business operating:

(a) at any Site or within the Development Area;

(b) within 5 miles of any Site or the Development Area; or

(c) within 5 miles of any other Villa Restaurant, planned, in operation or under construction on the later of the effective date of the termination or expiration.

If any Restricted Person refuses voluntarily to comply with the foregoing obligations, the 2-year period will commence on the effective date of termination or expiration. Each Restricted Person expressly acknowledges that he or she possesses skills and abilities of a general nature and has other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive Developer of Developer's personal goodwill or ability to earn a living. You acknowledge and agree that the time and geographic restrictions contained in this Section are reasonable and necessary to protect our interests and investments and do not and will not unduly burden Developer or deprive Developer of Developer's ability to earn a living. Developer acknowledges and agrees that any claim Developer has, or may have arising from this Agreement, or otherwise have or may have against Franchisor will not constitute a defense to Franchisor's enforcement of the restrictive covenants contained in this Agreement.

10.3 **Grant of Franchises.** Upon termination or expiration of this Agreement for any reason, Developer's rights under this Agreement will terminate and Developer agrees to immediately and permanently cease Developer's development activities. Franchisor will then have no further obligation to grant Franchisor additional franchises for Villa Restaurants.

10.4 **Marks and Confidential Information.** Except in connection with Villa Restaurants, Developer is then operating under Franchise Agreements, or with respect to which a Franchise Agreement has been signed, Developer agrees to immediately and permanently cease use, by advertising or in any manner whatsoever, the Marks and the Confidential Information; slogan, trademarks, trade names, service marks, designs, trade dress or logos which are similar in nature to the Marks; or any equipment, materials, forms, confidential methods, procedures, recipes and techniques associated with or similar to the System or which display the Marks or any other distinctive forms, slogans, signs, symbols, trade dress or devices associated with or belonging to Franchisor.

11. TRANSFERS.

11.1 **By Franchisor.** This Agreement is fully transferable by Franchisor and inures to the benefit of any assignee or other legal successor to Franchisor's interest, as long as such assignee or successor agrees to be bound by, and assumes all of Franchisor's continuing obligations under it.

11.2 **By Developer.** Developer understands and acknowledges that the rights and duties created by this Agreement are personal to you (or, if you are a corporation, limited liability company or partnership, your Owners) and that Franchisor has granted this Agreement in reliance upon Franchisor's perceptions of the individual

or collective character, skill, aptitude, attitude, business ability and financial capacity of Developer (or, if you are a Business Entity, Developer's Owners). Therefore, neither this Agreement (or any interest therein) nor any part or all of the ownership of Developer may be transferred by Developer or Developer's Owners without our prior written approval. Any such transfer without Franchisor's prior written approval constitutes a breach of this Agreement and will convey no rights, or interests in, this Agreement. As used in this Agreement, the term "transfer" includes Developer's (or your Owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) this Agreement; (b) Developer; or (c) any of the Franchise Agreements.

11.3 **Transfer to a Business Entity.** Notwithstanding Paragraph 11.2 of this Section, if Developer is in full compliance with this Agreement, Developer may transfer this Agreement to a Business Entity that conducts no business other than Developer's Villa Restaurant businesses and so long as each shareholder, member, partner or any other ownership interest, shall jointly and severally guarantee the performance and full payment of the obligations under this Agreement. Furthermore, Developer may not transfer any ownership interests to anyone who does not meet Franchisor's approval. The organizational or governing documents of the business organization must recite that the issuance and transfer of any ownership interests in the business organization are restricted by the terms of this Agreement, are subject to Franchisor's approval, and all certificates or other documents representing ownership interests in the business organization must bear a legend referring to the restriction of this Agreement.

11.4 **Conditions for Approval of Transfer.**

(a) **Application**: If Developer (or, if Developer is a Business Entity, Developer's Owners) are in full compliance with this Agreement and all of the Franchise Agreements, Franchisor will not unreasonably withhold its approval of a transfer that meets all the applicable requirements of this Section. The proposed transferee and its owners must be individuals of good moral character and otherwise meet our then applicable standards for developers of Villa Restaurants.

(b) **Development Rights**: If the transfer of the development rights granted under this Agreement or a controlling interest in the Developer, or if the transfer is one of a series of transfers which in the aggregate constitute the transfer of the development rights granted under this Agreement or a controlling interest in the Developer, all of the following conditions must be met prior to or concurrently with the effective date of the transfer:

(i) the transferee must have sufficient business experience, aptitude and financial resources to operate Developer's business and develop the Development Area, and must either already own a Villa Restaurant or is acquiring one or more of them in association with the transfer;

(ii) Developer agrees to pay Franchisor all amounts owed to Franchisor or Franchisor's affiliates, if any, which are then due and unpaid and submit all required reports and statements which have not yet been submitted, under this Agreement, any Franchise Agreement or any other agreement between Developer (or an affiliate) and Franchisor (or our affiliates);

(iii) the transferee and/or the transferee's personnel must agree to complete Franchisor's initial training program to Franchisor's satisfaction;

(iv) the transferee must meet Franchisor's current owner criteria and agree to be bound by and expressly assume all of the terms and conditions of this Agreement for the remainder of its term;

(v) if permitted by applicable law, Developer (and Developer's Owners) shall execute a general release, under seal, in the form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, employees and agents;

(vi) Franchisor must approve the material terms and conditions of such transfer including, without limitation, that the price and terms of payment are not so burdensome as to affect adversely the future development of the Development Area and the operation of Villa Restaurants in it;

(vii) if the transferee finances any part of the sale price of the transferred interest, Developer (and Developer's Owners) must agree that all obligations of the transferee under or pursuant to any promissory notes, agreements or security interests reserved by Developer (or Developer's Owners) must be subordinate to transferee's obligations to us to comply with this Agreement or Franchise Agreements executed by the transferee;

(viii) all Restricted Persons must sign and deliver to Franchisor an agreement in which they will comply with the competitive restrictions contained in Paragraph 10.2 of Section 10 of this Agreement for 2 years commencing on the effective date of the transfer; and

(ix) the transferee must pay us a fee equal to 50% of the remainder of the Franchise Fees for the Villa Restaurants that are required to be opened under the Development schedule that are not yet open.

In connection with any transfer permitted under this Section, Developer agrees to provide Franchisor with all documents to be signed by Developer and the proposed assignee or transferee at least 30 business days prior to signing.

11.5 **First Refusal.** If Developer (or Developer's Owners) at any time determine to transfer this Agreement (as defined above) Developer will obtain a bona fide, signed written offer, an earnest money deposit (in the amount of 5% of more of the offering price) from a responsible and fully disclosed purchaser and submit an exact copy of such offer to Franchisor. The offer must apply only to an interest in this Agreement or Developer. It must not include the purchase of any other property or rights of Developer (or Developer's Owners). The offer must completely describe the purchase price, payment terms, terms of the assumption of liabilities and all other material terms of the transfer (including all exhibits and other information so that Franchisor may readily determine the foregoing). Within 30 days from the date Franchisor receives the copy of such offer, Franchisor may purchase Developer's rights under this Agreement and the assets of Developer's business on the terms and conditions contained in the offer provided to Franchisor, except that:

(a) Franchisor may substitute cash for any form of payment proposed in the offer (with a discounted amount if an interest rate will be charged on any deferred payments);

(b) Franchisor's credit will be deemed equal to the credit of any proposed purchaser;

(c) Franchisor will have no less than 90 days to prepare for a closing; and

(d) Franchisor is entitled to receive, and Developer and Developer's Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or with the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:

(i) ownership and condition of and title to stock or other forms of ownership interests and/or assets;

(ii) liens and encumbrances relating to the stock or other ownership interests and/or assets; and

(iii) validity of contracts and the liabilities contingent or otherwise of the corporation whose stock is being purchased.

The 30 day period will not commence until Developer has delivered to Franchisor full and complete documentation to enable Franchisor to fully evaluate the offer.

If Franchisor exercises Franchisor's right of first refusal, Developer and Developer's selling Owner(s) agree that, for a period of 2 years commencing on the date of the closing, Developer and they will be bound by the competitive restrictions contained in Paragraph 10.2 of Section 10 of this Agreement.

If Franchisor does not exercise Franchisor's right of first refusal, Developer or Developer's Owners may complete the transfer on the terms contained in the offer, subject to Franchisor's approval of the transfer as described in this Section of this Agreement. If the transfer as described in the offer is not completed within 90 days after delivery of the offer to Franchisor, or if there is a material change in the terms of the offer, Developer must notify Franchisor and Franchisor will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the 30 day period following Developer's notification of the expiration of the 90 day period or the material change to the terms of the offer.

11.6 **Death or Permanent Disability.** Upon Developer's death or permanent disability or that of one of Developer's Owners, the executor, administrator, conservator or other personal representative of such person must transfer his or her interest within a reasonable time, not to exceed 6 months from the date of death or permanent disability, to a third party approved by Franchisor. Such transfer, including, without limitation, transfer by devise or inheritance, is subject to all the conditions for transfers contained in Paragraph 11.4 of Section 11 and unless transferred by gift, devise or inheritance, subject to the terms of Paragraph 11.5 of Section 11. Failure to dispose of such interest within that time period constitutes a breach of this Agreement. Franchisor consent to a transfer of any interest subject to the restrictions of this Section does not constitute a waiver of any claims Franchisor may have against the assignor; nor will it be deemed a waiver of Franchisor's right to demand the assignee's exact compliance with any of the terms or conditions of this Agreement or any Franchise Agreements.

11.7 **Public Offerings of Securities.** Notwithstanding any other provisions of this Agreement, Developer agrees not to, without our prior written consent, sell or offer to sell any of your securities if such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, and the rules and regulations pursuant thereto, or the securities laws of any other state or territory of the United States of America or of any other jurisdiction. All advertisements or promotional materials must be previously approved by us. You may not use any advertising or promotional materials that we have disapproved.

11.8 **Franchise Transfers.** A transfer of any Villa Restaurant developed pursuant to this Agreement may be made only in connection with the transfer of the Franchise Agreement for such Villa Restaurant, and a transfer of the Franchise Agreement for any such Villa Restaurant may be made only in connection with the transfer of all interests of Developer in such Villa Restaurant (or the affiliate that owns such Villa Restaurant). A transfer must comply with all of the requirements for a transfer set forth in the Franchise Agreement.

12. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

12.1 **Independent Contractors.** Developer and Franchisor understand and agree that this Agreement does not create a fiduciary relationship between the parties. Franchisor and Developer are independent contractors. Nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose. Developer agrees to conspicuously identify Developer in all dealings as the owner of development rights granted under an Area Development Agreement with Franchisor in the ways Franchisor specifies for doing so. Developer agrees to place notices of independent ownership on such forms, business cards, stationary, advertising and other materials as we may require from time to time.

12.2 **No Liability for Acts of Other Party.** Franchisor agrees not to employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in our liability for any of your indebtedness or obligations. Developer agrees to not use the Marks in any way not expressly authorized by this Agreement or the Franchise Agreements. Except as expressly authorized in writing, neither Developer nor Franchisor

will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other or be obligated by or have any liability under any agreements or representation made by the other. Franchisor will not be obligated for any damages to any person or property directly or indirectly arising out of the operations of Developer's business authorized by or conducted pursuant to this Agreement.

12.3 **Taxes.** Franchisor will have no liability for any sales, use, service, occupation, excise, gross receipts, income, payroll property or other taxes, whether levied upon Developer or Developer's assets or upon Franchisor, arising in connection with the business conducted by Developer pursuant to this Agreement or any Franchise Agreement. Payment of all such taxes is solely Developer's responsibility. In the event of a bona fide dispute as to Developer's liability for taxes, Developer may contest liability in accordance with applicable law. In no event will Developer permit a tax sale, seizure, or attachment to occur against any of Developer's assets, including this Agreement.

12.4 **Indemnification.** Developer agrees to indemnify, defend and hold Franchisor, Developer's affiliates and Franchisor's respective members, shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") harmless from and against and to reimburse them for all claims, obligations and damages described in this Section, any and all taxes described in Paragraph 12.3 of Section 12 of this Agreement and any and all claims and liabilities directly or indirectly arising out of the operation of Developer's business (even if Franchisor's negligence is alleged, but not proven), Developer's breach of this Agreement or Developer's use of the Marks in any manner not in accordance with this Agreement. For purposes of this indemnification, "claims" means and includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties including, without limitation, reasonable costs, other expenses of litigation, attorney fees, arbitration or alternative dispute resolution and travel and living expenses. The Indemnified Parties have the right to defend any such claim against them in such manner as they deem appropriate or desirable in their sole discretion. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will Franchisor or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or Developer's losses and expenses, in order to maintain and recover fully a claim against Developer. Developer agrees that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts Franchisor or another Indemnified Party may recover from Developer.

13. ENFORCEMENT.

13.1 **Severability; Substitution of Valid Provisions.** Except as otherwise stated in this Agreement, each provision of this Agreement, and any portion of any provision, are severable. The remainder of this Agreement will continue in full force and effect. To the extent that any provision restricting your competitive activities is deemed unenforceable, Developer and Franchisor agree that such provisions will be enforced to the fullest extent permissible under governing law. This Agreement will be deemed automatically modified to comply with such governing law if any applicable law requires: (a) a greater prior notice of the termination of or refusal to renew this Agreement; or (b) the taking of some other action not described in this Agreement; or (c) if any System Standard is invalid or unenforceable. Franchisor may modify such invalid or unenforceable provision to the extent required to be valid and enforceable. In such event, Developer will be bound by the modified provisions.

13.2 **Waivers.** Developer and Franchisor may by written instrument unilaterally waive or reduce any obligation of the other under this Agreement. Any waiver granted by Franchisor shall be without prejudice to any other rights Franchisor may have, will be subject to continuing review by Franchisor and may be revoked, in Franchisor's sole discretion, at any time and for any reason, effective upon deliver to Developer of 10 days' prior notice. Developer and Franchisor shall not be deemed to have waived any right reserved by this Agreement by virtue of any custom or practice of the parties at variance with it; any failure, refusal or neglect by Developer or Franchisor to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by Franchisor to exercise any right, whether of the same, similar or different nature, with respect to other Villa Restaurants; or the acceptance by Franchisor of any payments due from Developer after any breach of this Agreement.

13.3 **Limitation of Liability.** Neither Franchisor nor Developer will be liable for loss or damage or deemed to be in breach of this Agreement if failure to perform obligations results from:

(a) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any department or agency thereof;

(b) acts of God, terror, war or similar events;

(c) acts or omissions of a similar event or cause.

However, such events or delays do not excuse payments of amounts owed at any time.

13.4 **Approval and Consents.** Whenever this Agreement requires our advance approval, agreement or consent, Developer agrees to make a timely written request for it. Franchisor's approval or consent will not be valid unless it is in writing. If Franchisor provides to you any waiver, approval, consent, or suggestion, or if Franchisor neglects or delays Franchisor's response or deny any request for any of those, Franchisor will not be deemed to have made any warranties or guarantees which Developer may rely on, and will not assume any liability or obligation to Developer.

13.5 **Miscellaneous.**

(a) Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq*.), this Agreement and the relationship of Franchisor and Developer shall be governed by the laws of New Jersey. However if any provision of this Agreement would not be enforceable under New Jersey law, and if any of the Development Area is located outside of New Jersey and such provision would be enforceable under the laws of the state in which the Development Area is located, then such provisions shall be constituted under the laws of that state. Nothing in this Paragraph is intended to subject this Agreement to any franchise or similar law, rule or regulation of the state of New Jersey to which it otherwise would not be subject.

Except as otherwise stated herein, any and all controversies, claims or disputes among Franchisor, Developer and any or all of their respective owners, affiliates, officers, directors, shareholders, members, employees and agents shall be resolved by litigation and brought, maintained and concluded exclusively in either the State Courts of New Jersey as hereinafter specified or in Federal Court the United States District Court, in the Newark New Jersey vicinage. If Franchisor initiates litigation in the State Courts of New Jersey such litigation may, in Franchisor's sole discretion, be instituted in one of the following counties: Morris County, Essex County or Union County New Jersey. If litigation is instituted by Developer, its owners or any party hereto other than Franchisor, in State Court, such litigation shall be instituted maintained and concluded only in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark New Jersey vicinage. Developer and each owner, waive to the fullest extent permitted by law, any objection that Developer and each owner, may now or in the future have to the laying of jurisdiction or venue of any litigation arising out of or in connection with this Agreement brought by Franchisor in Federal Court, United States District State Court in the Newark vicinage or in State Court by Franchisor in Morris County, Essex County, or Union County in New Jersey or if brought by Franchisee and/or any owner thereof in the State Court in Morris County, New Jersey. Developer and any owner thereof or any party hereto, waives any objection as to jurisdiction or venue of any action or proceeding brought in such court or that such court is an inconvenient forum. The Developer or any owner or any party hereto, further acknowledge and agrees that Franchisor may institute legal action for injunctive relief, including temporary restraining order and preliminary injunction pursuant to Section 13.5 (b) below.

You agree that service of process may be made upon you in any proceeding relating to or arising out of this Agreement or any provision of this Agreement or the relationship created by this Agreement as follows:

(i) by any means allowed by New Jersey law or Federal law or the law of the jurisdiction

in which the Development Area is located; and

(ii) service upon any employee who is over the age of 18; or

(iii) service upon an agent for service of process in the State of New Jersey, who is approved by Franchisor. Developer shall appoint an agent for service of process in the state of New Jersey within 10 days of the date this Agreement is executed by Developer; or

(iv) as otherwise agreed by the parties in writing.

(b) Injunctive Relief**.** Franchisor may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. Franchisor may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and Developer's sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). Developer and each of Developer's owners acknowledges that any violation of Section 8,9,10,11 and 13 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Accordingly, Developer and each of its owners consent to the issuance of an injunction prohibiting any conduct in violation of any of those Sections and agrees that the existence of any claim Developer or any of its owners may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

(c) Costs of Enforcement. If Franchisor asserts a claim or defense against a claim or files a counter-claim or cross claim in a judicial or other proceeding for amounts Developer or any of Developer's owners owe Franchisor or any of Franchisor's affiliates, or if Franchisor enforces this Agreement or any provision in this Agreement in a judicial or other proceeding, Developer agrees to pay Franchisor for all of Franchisor's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees (which shall include reasonable compensation for time spent by any in-house counsel or outside counsel on retainer). If Franchisor is required to engage legal counsel in connection with Developer's failure to comply with this Agreement or any provision of this Agreement, Developer must pay us for any attorneys' fees Franchisor incur.

(d) Successors and Assigns. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

(e) Limitations on Legal Actions. Except with respect to Developer's obligations regarding use of the Marks and the Confidential Information, Developer and each of Developer's Owners each waive, to the fullest extent permitted by law, any right to or claim for any punitive, special or exemplary damages against the Franchisor. Developer and each of Developer's owners waive to the fullest extent permitted by applicable law, the right to recover consequential damages for any claim directly or indirectly arising from or relating to this Agreement.

Developer agrees that, for Franchisor's franchise system to function properly, Franchisor should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between Developer (and Developer's owners) and Franchisor shall be considered unique as to its facts and shall not be brought as a class action, and Developer (and each of Developer's owners) waives any right to proceed against Franchisor and any of Franchisor's affiliates, owners, officers, directors, employees, agents, successors and assigns by way of class action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving Franchisor and any other developer, and each party waives the right to claim that a prior disposition of the same or similar issues preclude such independent determination.

DEVELOPER WAIVES ANY AND ALL RIGHTS, ACTIONS OR CLAIMS UNDER THE FEDERAL ACT ENTITLED "RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS," 18 U.S.C §1961 *et seq*.

(f) Waiver of Jury Trial. THE PARTIES AGREE THAT ANY LEGAL ACTION IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, AND ALL PARTIES HERETO WAIVE ANY RIGHT TO HAVE ANY ACTION TRIED BY JURY.

(g) Release of Existing Liability. You hereby release Franchisor and Franchisor's affiliates, and their respective officers, directors, shareholders, employees, agents and assigns from and against any and all liability existing as of the date of this Agreement arising in connection with or relating to any agreements, whether written or oral, existing between Franchisor or Franchisor's affiliates and Developer as of the date of this Agreement.

(h) Construction. The language of this Agreement shall be construed according to its fair meaning and not strictly against any party. The introduction, personal guarantees, exhibits and riders (if any) to this Agreement, as well as the Confidential Operations & Training Manual, are a part of this Agreement, which constitutes the entire agreement of the parties. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement that either party may or does rely on or that will have any force or effect. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. Nothing in this Agreement shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. This Agreement shall not be modified, except by written agreement signed by both parties, except that the Confidential Operations & Training Manual may be modified by Franchisor in accordance with the provisions of this Agreement.

The headings of this section are for convenience only and do not limit or construe their contents. The word "including" shall be construed to include the words "without limitation." The term "Developer," "you," or "your" is applicable to one or more persons, a corporation, limited liability company or a partnership or legal entity and its owners, as the case may be. If two or more persons are at any time Developer hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to Franchisor shall be joint and several. The term "affiliate" shall mean any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

(i) Approvals and Consents. Whenever this Agreement requires the approval or consent of either party, the other party shall make written request therefore, and such approval or consent shall be obtained in writing.

(j) Notices and Consents. Whenever this Agreement requires the approval or consent of either party, the other party shall make written request therefore, and such approval or consent shall be obtained in writing.

(k) Notices and Payments. All notices, requests and reports permitted or required to be delivered by this Agreement shall be deemed delivered: (i) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (ii) on the same day of the transmission by facsimile, telegraph or other reasonably reliable electronic communication system; (iii) 1 business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (iv) 5 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to

be notified at its most current principal business address of which the notifying party has been notified in writing. All payments and reports required by this Agreement shall be sent to Franchisor at the address identified in this Agreement unless and until a different address has been designated by written notice. No restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind Franchisor, and our acceptance of any such payment shall not constitute an accord and satisfaction.

(l) Patent Errors and Blanks. Franchisor may correct any and all patent errors and fill in all blanks in this Agreement or in any Collateral Schedule or Exhibit, consistent with the agreement of the parties.

Developer waives any and all rights, actions or claims for relief under the Federal Act entitled "Racketeer Influenced And Corrupt Organizations", 18 U.S.C. Section 1961 *et seq*.

(m) Privacy. Developer shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("Privacy"), and shall comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between Franchisor's standards and policies pertaining to Privacy and applicable law, Developer shall: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice promptly of such conflict; and (c) and fully cooperate with Franchisor and Franchisor's counsel as Franchisor may request to assist Franchisor in Franchisor's determination regarding the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy within the bounds of applicable law.

(n) Facsimile Signatures. A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any amendments hereto. If Developer delivers a facsimile signature, it shall also deliver an original counterpart to Franchisor. If Developer delivers a facsimile signature, it is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

14. MERGER, ACQUISITION OR AFFILIATION.

Developer agrees that Franchisor has the right, now, or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "Villa Restaurants" operating under the Marks or any marks or any of their marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which Developer acknowledges may be within its "Development Area", proximate thereto, or proximate to any of the Villa Restaurants).

Franchisor will have the right to assign this Agreement, and all of Franchisor's rights and privileges under this Agreement, to any person, firm, corporation or other entity.

Developer agrees and affirms that Franchisor may sell ourselves, our assets, name and Marks or other proprietary marks and/or Franchisor's system to a third party; may go public; may engage in a private placement of some or all of Franchisor's securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, Developer expressly and specifically waives any claim, demand, or damages arising from or related to the loss of our name, and Marks, proprietary marks (or any variation thereof) and system and/or the loss of association with or identification of Villa Restaurants under this Agreement. Developer specifically releases any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the restaurant business or any business which Franchisor now conducts or to offer to sell any food items, products or services to Developer or any franchised Villa Restaurant.

15. ANTI-TERRORISM COMPLIANCE

Developer agrees to comply with, and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with, Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war (the "**Anti-Terrorism Laws**"). In connection with such compliance you certify, represent and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Developer is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Developer or Developer's employees or any "blocking" of Developer's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Developer has entered into with Franchisor or any of our affiliates.

[Signatures on pages that follow.]

The parties to this Agreement now sign and deliver this Agreement in 2 counterparts effective as of the date shown on page 1, regardless of the actual date of signature.

ATTEST:

_____

VILLA PIZZA, LLC

By: _____

_____
(Printed Name)

Title: _____

DEVELOPER:

INDIVIDUALS:

_____ _____
Witness (Signature)

_____ _____
Witness (Printed Name)

_____ _____
Witness (Signature)

_____ _____
Witness (Printed Name)

STATE OF _____)

COUNTY OF _____)

On this ____ day of _____, 20__, before me appeared _____, known to me to be the Developer herein with authority to execute this Agreement, and in my presence and in the presence of a witness he did execute same.

[NOTARY SEAL]

_____
Notary Public

My Commission Expires: _____

[OR]

ATTEST:

_____

Witness

CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY

_____(Name of Entity)

By: _____

_____
(Printed Name)

Its: _____

Date: _____

STATE OF _____)

COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that _____ _____, who is named as _____, (position in entity) of _____ (name of entity) a _____(state where formed and type of entity) is signed to the foregoing Agreement, and who is known to me, acknowledge before me on this day, that being informed of the contents of said Agreement, he (she), as _____(position in entity), and with full authority, executed the same voluntarily for and as the act of said legal entity.

Given under my hand and official seal this _____ day of _____, 20___.

[NOTARY SEAL]

_____
Notary Public_____

My Commission Expires: _____

EXHIBIT 1
to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.

PRINCIPAL OWNERS STATEMENT

This form must be completed by Developer if Developer has multiple owners or if Developer's business, is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Area Development to you.

1. **Form of Owner.** Developer is a (check one):

   (a) General Partnership □

   (b) Corporation □

   (c) Limited Partnership □

   (d) Limited Liability Company □

   (e) Other □

   Specify: _____

   Developer was formed under the laws of _____.

   (State)

2. **Business Entity.** Developer was incorporated or formed on _____, 20___, under the laws of the State of _____. Developer has not conducted business under any name other than your corporate name, limited liability company or partnership name and _____ _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.)

Name of Person	Positions Held

3. **Owners.** The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owners Name and Address	Description of Interest

4. **Governing Documents.** Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, operating agreement, partnership or shareholder agreements, etc.)

This Statement of Principal Owners is current and complete as of _____, 20___.

OWNER

INDIVIDUALS

_____

(Signature)

_____

(Print Name)

_____

(Signature)

_____

(Print Name)

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

_____

(Name)

By: _____

Title: _____

EXHIBIT 2A
to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.

OWNERS' PERSONAL GUARANTY OF DEVELOPER'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Villa Pizza, LLC Area Development Agreement (the "Agreement") by and between VILLA PIZZA, LLC ("Villa"), and _____ ("Developer"), each of the undersigned owners of an interest in Developer hereby personally and unconditionally: (1) guarantees to Villa and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and that each and every representation of Developer made in connection with the Agreement is true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Villa of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that: (i) his or her direct and immediate liability under this guaranty shall be joint and several; (ii) he or she shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by Villa of any remedies against Developer or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Villa may from time to time grant to Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the agreement.

This guaranty shall be interpreted and construed under the laws of the State of New Jersey. In the event of any conflict of law, the laws of the State of New Jersey shall prevail. Any and all disputes shall be resolved by litigation and brought, maintained and concluded exclusively in either the State Courts of New Jersey as hereinafter specified or in Federal Court in the United States District Court in the Newark vicinage of New Jersey. If Villa initiates litigation in the State Courts of New Jersey such litigation may in Villa's sole discretion, be instituted in Morris County, Essex County or Union County, New Jersey. If litigation is instituted by any owner of Developer in State Court, such litigation shall be instituted, maintained and concluded only in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark vicinage of New Jersey. The undersigned, waive to the fullest extent permitted by law, any objection that they jointly and severally, now or in the future have to laying of jurisdiction or venue of any litigation brought by Villa in the Federal Court of the United States District Court in the Newark vicinage of New Jersey or in the State Court by Villa in either Morris County, Union County or Essex County in New Jersey

or if brought by any or all of the undersigned signatories in State Court only in Morris County, New Jersey. Each of the undersigned signatories waive any objection as to jurisdiction or venue of any action or proceeding brought in such court or that such court is an inconvenient forum. Each of the undersigned further acknowledge that Franchisor may institute legal actions against the undersigned, jointly and severally for injunctive relief, including temporary restraining orders and preliminary injunctions in any court of competent jurisdiction without any bond. Legal action for injunctive relief may be commenced against any conduct or threatened conduct for which no adequate remedy at law may be available or which may cause irreparable harm to Franchisor. Franchisor shall be entitled to such relief in addition to such further and other relief as may be available at equity or law and the undersigned's sole remedy in the event of the entry of injunction shall be the dissolution, if warranted, upon hearing duly had (all claims for damages of the entry of injunction, shall be its dissolution. If warranted upon hearing duly had all claims for damages by reason, of the wrongful issuance of any such injunction being expressly waived).

Each of the undersigned owners of Developer agree that service of process upon each of the undersigned may be made upon each of the undersigned in any proceeding by service upon an agent for service of process in the State of New Jersey, who is approved by Villa. Each of the undersigned shall appoint an agent for service of process in New Jersey within 10 days of the date this Guaranty is executed by the undersigned.

Facsimile Signatures: A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any amendments hereto. If Guarantor(s) delivers a facsimile signature, each Guarantor shall also deliver an original counterpart to Franchisor. If any Guarantor delivers a facsimile signature, said Guarantor is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

IN WITNESS THEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

PERCENTAGE OF OWNERSHIP INTERESTS IN DEVELOPER	**GUARANTOR(S)**
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)
_____	_____ (Signature)
	_____ (Print Name)

_____ _____

(Signature)

_____

(Print Name)

_____ _____

(Signature)

_____

(Print Name)

DATE:_____, 20__

Subscribed and sworn to before me this _____ day of _____, 20__.

Notary Public: _____

My Commission expires:_____

EXHIBIT 2B

to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.

CORPORATE GUARANTY OF DEVELOPER'S OBLIGATIONS

In consideration of and as an inducement to, the execution of the Area Development Agreement ("Agreement") by and between Franchisor and the Developer, the undersigned hereby unconditionally: (1) guarantees to Franchisor and its respective successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Developer shall punctually perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Developer made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given; and (2) agrees to be bound by each and every provision in the Agreement (and any amendments) and to be liable for Developer's breach thereof, including without limitation, Developer's indebtedness arising under the Agreement and any amendments.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any third party with respect to the nonperformance of any obligations hereby guaranteed; (d) any right he may have to require that an action be brought against Developer or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (i) the undersigned's direct and immediate liability under this Guaranty shall be joint and several; (ii) the undersigned shall render any performance required under the Agreement upon demand if Developer fails or refuses to do so punctually; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and(iv) such liability shall not be diminished, relieved or otherwise, affected by any extension of time, credit other indulgence which Franchisor may from time to time grant to Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable until satisfied in full.

This guaranty shall be interpreted and construed under the laws of the State of New Jersey. In the event of any conflict of law, the laws of the State of New Jersey shall prevail. Any and all disputes shall be resolved by litigation and brought, maintained and concluded exclusively in the State Court of New Jersey as hereinafter specified or in Federal Court in the United States District Court, Newark vicinage of New Jersey. If Franchisor initiates litigation in the State Court of New Jersey litigation may, in Franchisor's sole discretion, be instituted in Morris County, Essex County, or Union County, New Jersey. If litigation is instituted by any of the undersigned in State Court, such litigation shall be instituted maintained and concluded only in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark vicinage of New Jersey. The undersigned, waive to the fullest extent permitted by law, any objection that they jointly and severally, now or in the future have, to laying of jurisdiction or venue of any litigation, brought by Franchisor in Federal Court in United States District Court in the Newark vicinage of New Jersey or in a State Court by Franchisor, in Morris County, Union County or Essex County in New Jersey or if brought by any of the undersigned signatories in State Court, only in Morris County, New Jersey. Each of the undersigned waives any objection to jurisdiction or venue of such court or proceeding brought in such court or that such court is an inconvenient forum. Each of the undersigned further acknowledge that Franchisor may institute legal action

against the undersigned, jointly and severally, for injunctive relief, including temporary restraining orders and preliminary injunctions in any court of competent jurisdiction, without any bond. Legal action for injunction relief may be commenced against any conduct or threatened conduct for which no adequate remedy at law may be available or which may cause irreparable harm to Franchisor. Franchisor shall be entitled to such relief in addition to such further and other relief as may be available at equity or law and the undersigned's sole remedy in the event of the entry of injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature ("Facsimile Signature"), is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and Amendments hereto. Any signatory who delivers a Facsimile Signature shall also deliver an original counterpart to Franchisor. If a signatory other than the Franchisor delivers a Facsimile Signature it is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

GUARANTOR:
Entity Name:

_____
Name:
Title:

STATE OF_____)

COUNTY OF_____)

On _____, 20__, personally appeared before me _____, who is known to me, and represented to me that as _____(title) he/she has the authority to enter into this agreement on behalf of the Guarantor entity, and in my presence he/she did execute this Guaranty.

[NOTARY SEAL]

_____
Notary Public

My Commission Expires:_____

EXHIBIT 3

to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.

VILLA PIZZA
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

THIS AGREEMENT, made as of the ___ day of _____, 20__, by and between _____ (hereinafter referred to as "Developer") with offices at _____ and _____ (hereinafter referred to as "Officer/Employee");

WHEREAS, Villa Pizza, LLC ("Villa") is the possessor of drawings, plans, specifications, experiences, technical knowledge recipes and know-how in the field of the construction and operation of restaurants offering food products primarily of Italian style or origin in general, and in particular, with respect to the preparation of various food products that it considers to be confidential or proprietary information of value (hereinafter referred to as "Confidential Information");

WHEREAS, Villa has granted a license to use the Confidential Information in connection with the contemplated ownership and/or operation of Villa Pizza or Villa Fresh Italian Kitchen or Villa Italian Kitchen or Tony + Benny's locations to be located within the Development Area of_____ _____ (hereinafter referred to as the "Project") that shall necessitate the release of Confidential Information, which information may be in oral, written or pictorial form; and

WHEREAS, we are willing to make certain confidential information available to you, the extent thereof to be determined solely by Villa, and for the purpose of the Project only, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the premises and mutual promises, the parties hereto agree as follows:

1. That Officer/Employee shall hold confidential all information transmitted to it by Developer, relating to the Project, whether in oral, written or pictorial form;

2. That all written and pictorial embodiments of all of the Confidential Information received by Officer/Employee, including copies thereof, are and shall remain the property of Villa and shall be surrendered to Developer upon the termination of Officer/Employee's employment or earlier, as directed by Villa;

3. That Officer/Employee shall not reproduce, copy or photograph in any manner or form, any documents, drawings or memoranda embodying the Confidential Information without the express consent of Developer, and then only for the purpose of carrying on the purposes of the Project;

4. That no Confidential Information imparted to Officer/Employee, and no technical data acquired by it by virtue of the utilization of Villa's services as aforesaid, shall be used by it during or subsequent Officer/Employee's employment with Developer for benefit of any other person, firm or corporation other than for Developer and/or Villa, in connection with the Project, unless it shall have first secured the written consent of an officer of Developer to such use;

5. That Officer/Employee shall limit dissemination of the Confidential Information of Villa, made available hereunder to the extent reasonably necessary for the performance of the aforesaid services on the Project;

6. That in the event of a breach or threatened breach of any of the terms and conditions of this Agreement by Officer/Employee, Villa shall be entitled to an injunction restraining said party about to commit any breach thereof, from committing same without first proving or showing any actual damages;

7. That Officer/Employee shall not, alone or with others, directly or indirectly, represent or accept employment by any other person, firm, association, partnership or corporation for compensation, nor shall they maintain any interest as owner, stockholder, partner, investor, consultant, officer, employee, director, lender or otherwise, directly or indirectly, in any business or enterprise whatsoever, that is in competition with Villa's principal business then being carried on without the prior written consent of Villa;

8. That the obligation of confidentiality shall survive the termination of employment by Developer, and shall continue indefinitely until the Confidential Information has been voluntarily disclosed to the public by Villa, independently developed and disclosed by others, or otherwise enters the public domain through lawful means;

9. This Agreement supersedes and replaces any and all prior confidentiality agreements, written or oral, between the parties hereto relating to the Confidential Information covered by this Agreement. No waiver of any provisions of this Agreement or any right hereunder, or any modification hereof, and no authorization of any act not in conformity herewith shall be deemed to amend or supersede this Agreement, in whole or in part, unless such waiver or authorization in writing, specifically so provides;

10. This Agreement is governed by the laws of the State in which the Project is located.

11. Facsimile Signatures: A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any amendments hereto. If Developer or officer/employee delivers a facsimile signature, said party shall also deliver an original counterpart to Franchisor. If Developer or officer/employee delivers a facsimile signature, said party is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below. Upon execution and delivery by both parties, the effective date of this Agreement shall be deemed to be the day and year first above written

OFFICER/EMPLOYEE:	**DEVELOPER: _____**
_____	
By:_____	By: _____
Title:_____	Title: _____
Date:_____	Date: _____

EXHIBIT 4
to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.

VILLA PIZZA

STATE ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT

ILLINOIS

ADDENDUM TO
VILLA PIZZA, LLC AREA DEVELOPMENT AGREEMENT

This Addendum to the Area Development Agreement is agreed to by and between Villa Pizza and the Franchisee identified below, to amend and revise said Area Development Agreement as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in an area development agreement that designates jurisdiction or venue outside the State of Illinois is void. However, an area development agreement may provide for arbitration outside of Illinois.

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

Your rights upon termination and non-renewal of an area development agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Rider, understands and consents to be bound by all of its terms, and agrees it shall become effective the ___ day of _____, 20__.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title:_____

DEVELOPER

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

WASHINGTON

ADDENDUM TO THE VILLA PIZZA, LLC

AREA DEVELOPMENT AGREEMENT

This Addendum to the Area Development Agreement by and between Villa Pizza, LLC and Franchisee is dated _____, 20__.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum concurrently with the execution of the Franchise Agreement on _____, 20___.

VILLA PIZZA, LLC
A Delaware limited liability company

By: _____

Title: _____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

EXHIBIT C
to Disclosure Document

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT

Sublessor ("Sublessor"): _____
Address: _____
State of Formation: _____

Sublessee ("Sublessee"): _____
Address: _____
State of Formation: _____

Sublease Agreement date: _____

Lease ("Lease"):_____
Dated: _____
Tenant ("Tenant"): _____
Landlord ("Landlord"): _____
Premises ("Demised Premises"): as described in the Lease.

Guarantor: _____

This **Sublease Agreement** is made this _____ day of _____, 20__, by and between Villa Pizza, LLC, having an address at 25 Washington Street, Morristown, New Jersey 07960 ("Sublessor") and _____, having an address at _____, ("Sublessee").

WHEREAS, Sublessor is the Tenant under the Lease Agreement described hereinabove, the terms and provisions of which are incorporated as if fully set out herein; and; and

WHEREAS, Sublessee acknowledges and agrees that they are in receipt of a copy of the Lease; and

WHEREAS, Sublessor has agreed with the Sublessee to grant a Sublease of the Demised Premises to Sublessee subject to the terms of this Sublease; and

WHEREAS, Villa Pizza, LLC and Sublessee have previously executed the current Franchise Agreement (the "Franchise Agreement") between the Villa Pizza, LLC as Franchisor, and the Sublessee, as Franchisee, under which the Sublessee will operate a Villa Pizza, Villa Fresh Italian Kitchen, Villa Italian Kitchen, or Tony's + Benny's franchise as the term is defined in the Franchise Agreement and subject to the terms of the Franchise Agreement and this Sublease; and Sublessee acknowledges that Landlord may

unilaterally modify the Lease for the Demised Premises in which case this Sublease Agreement may be amended unilaterally by Sublessor to comport to the modification made by Landlord.

NOW, THEREFORE, in consideration of the rents reserved under the Sublease, the mutual covenants contained herein and for other good and valuable consideration, the parties agree as follows:

1. The Sublessor hereby sub-leases the Demised Premises to the Sublessee for a term equal to the original term of the Lease less one (1) day, commencing on the date Sublessee takes possession of the Demised Premises. Possession shall be defined as the date the Sublessee takes actual possession of the Demised Premises, but in no event shall it be later than sixty (60~) days after Sublessee's graduation from the Franchisor's initial training course.

2. It is expressly agreed between the parties that in the event the Sublessor is unable to obtain the written consent of the Landlord to this Sublease (should such consent be required by the provisions of the Lease) this Sublease will be null and void and of no further effect and the Sublessee acknowledges and agrees that the Sublessor shall not be responsible for any loss or damage occasioned to the Sublessee by virtue of the refusal of the said Landlord to consent to this Sublease.

3. The Sublessee acknowledges and confirms all of the provisions of the Lease and agrees to be bound by the Lease as if all of the covenants of the Sublessor as Tenant contained therein had been fully incorporated into the Sublease as covenants of the Sublessee (with the exception of the Term), including but not limited to the obligation to carry insurance pursuant to the Lease. Sublessee further acknowledges and agrees that Sublessor has the absolute right to modify and amend this Sublease whenever and as often as Landlord amends or modifies the Lease so that this Sublease Agreement reflects all modifications or amendments made to the Lease. Sublessee acknowledges it may incur increased cost to comply with the modifications. In the event of any amended or modification to the Lease by Lessor then in that event, Sublessor shall give Sublessee notice in writing of the modification and such modification shall operate as an amendment to this Sublease Agreement without the need for further documentation. Sublessee recognizes Sublessor’s absolute right to make such modifications at Sublessee’s expense and Sublessee agrees to accept and implement any such modifications at Sublessee’s expense as if such modification of the original Lease were part of this Sublease Agreement at the time of execution hereof. Sublessee shall make such changes and modifications in the manner and time which Sublessor directs in writing.

4. Sublessee hereby acknowledges and agrees that: the Lease is fully negotiated. it has not been charged for said negotiations, it did not rely on the negotiations, it had its own counsel review the Sublease and Sublessor and its attorneys, officers, representatives, general counsel and employees represented only Sublessor and not Sublessee in the negotiations. Sublessee hereby further agrees and acknowledges that it is accepting the Lease "as is", and that, consistent with paragraph 15 of this Sublease, neither Sublessor, nor any of its officers, employees, representatives, general counsel

or attorneys have made any representations or promises upon which Sublessee has relied in connection with the Lease and this Sublease.

5. Sublessee shall supply the Landlord and the Sublessor with copies of the required Certificate of Insurance.

6. Where used in this Sublease any word or term that is specifically defined in the Lease shall have the same meaning as that ascribed to it in the Lease.

7. The Sublessee will pay any and all rents and other charges due and owing under the Lease directly to the Landlord, pursuant to the terms and conditions of the Lease. The fees due under the Franchise Agreement will be paid to Franchisor pursuant to the terms of the Franchise Agreement.

8. Sublessee acknowledges that Sublessor and/or its affiliates has/have a long- standing relationship with the Landlord under the Lease. If, as a result of said relationship, Sublessor achieves a rent credit or other savings under the Lease, Sublessor will retain the benefit of said credit and/or savings, and Sublessee will continue to pay Landlord the amounts due and owing on the attached Lease.

9. The Sublessee covenants with the Sublessor to perform as follows:

   (a) Pay rent as aforesaid; and
   (b) Perform and observe all of the covenants on the part of the Sublessor as tenant under the provisions of the Lease and to keep the Sublessor fully and completely indemnified against all actions, claims, expenses and demands in respect to each and every of such covenants;
   (c) Not assign, sublet or part with possession of all or any part of the Demised Premises without the prior consent in writing of the Sublessor, which consent may be unreasonably withheld, or if granted, may be granted by the Sublessor upon such terms and conditions as the Sublessor may see fit; subject always to the prior consent of the Landlord in accordance with, and subject to, the terms of the Lease;
   (d) Pay when due all continuing franchise fees and advertising contributions as required by Sublessee's Franchise Agreement; such payments being characterized as additional rent under this Sublease Agreement; and
   (e) Perform all of the covenants contained in the Franchise Agreement.

10. Sublessor shall have no liability to Sublessee with respect to any of the affirmative obligations of the Landlord under the Lease; but Sublessor shall, upon request of Sublessee and if required to do so by any applicable laws, codes or ordinances, bring any action or proceeding against the Landlord in Sublessee's name upon satisfactory proof to Sublessor's attorney from Sublessee that an action or proceeding must be taken in the name of Sublessor to cure or obtain any other relief on account of any breaches of the Lease on the part of the Landlord. Sublessee shall cooperate with Sublessor in any such action or proceeding. If not precluded from so doing by applicable law, Sublessor may

include Sublessee as a party to any such action or proceeding, or may bring any such action or proceeding solely in the name of the Sublessee.

Sublessee may bring any such action or proceeding in its own name and on its own behalf provided Sublessee shall have first requested Sublessor to bring such action or proceeding and Sublessor shall not have, within thirty (30) days of such request, commenced such action or proceeding.

Sublessee agrees to indemnify Sublessor and hold Sublessor harmless and, immediately upon demand, to reimburse Sublessor for all attorneys fees and other charges and expenses Sublessor incurs as a result of any such action or proceeding brought by Sublessee or by Sublessor on behalf of the Sublessee. If Sublessor brings such action or proceeding as provided above, Sublessor may require that Sublessee pay in advance for the anticipated attorneys fees and other charges and expenses to be incurred.

11. In the event that the Sublessor's affiliate terminates the Franchise Agreement for any reason whatsoever, this Sublease shall be deemed to have been terminated on the same day as the date of termination of the Franchise Agreement. In addition, failure by the Sublessee to make payments to the Sublessor's affiliate as Franchisor. of any- and all franchise fees, advertising contributions and other required payments, shall constitute a default under this Sublease Agreement.

12. Proviso is made for re-entry by the Sublessor on non-payment of rent or non-performance of the covenants or agreements, which right of re-entry may be exercised immediately upon default, having occurred and without prior notice to the Sublessee. The Sublessor shall in addition to such right of re-entry, have all the same rights as the Landlord under the Lease in the event of Default or non-performance by the Sublessee of this provision of this Sublease, all of which and all remedies available to the Landlord shall be considered to be incorporated in the Sublease by reference.

13. Any notice in writing which either party may desire to give to the other may be validly effectually given by mailing the same by prepaid registered mail, return receipt requested, or by a reputable overnight delivery service, addressed, if intended for the Sublessee to the Demised Premises, and if intended for the Sublessor to:

25 Washington Street
Morristown, NJ 07960
Phone No.: (973) 285-4800
Fax No.: (973) 285-5252

or to such other addresses as either party may notify the other by notice in writing.

Every such notice shall be considered to have been received on the third (3rd) business day following the date of which it was so mailed.

14. Where there is more than one Sublessee, covenants and agreements of the Sublessee shall be considered joint and several covenants and agreements. The provisions of this Sublease shall be

read with all the grammatical changes required if there is more than one (1) Sublessee or if the Sublessee is male, female or a corporation.

15. It is understood that there are no oral agreements between the parties hereto affecting this Sublease, and this Sublease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Sublessor to Sublessee with respect to the subject thereof, and none thereof shall be used to interpret or construe this Sublease. This Sublease is and shall be considered to be the only Sublease agreement relative to the Premises between the parties hereto and their respective representatives and agents as of the date hereof. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein, and no modification of this Sublease shall be effective unless the same shall be in writing and be signed by the parties hereto or, as the case may be their respective successors or assigns.

16. Sublessee shall not modify or seek to modify the Lease without Sublessor's prior written consent, which consent may be withheld in its sole discretion.

17. This Agreement may be signed in any number of counterparts, all of which when taken together shall form one valid and effective agreement. Electronic and facsimile signatures are acceptable and shall be binding and enforceable.

18. The individuals signing this Agreement on behalf of each of the parties represent that they have the authority to enter into this Agreement and to bind the respective parties.

19. This Sublease shall be governed and construed in accordance with the law of the state in which the Demised Premises is located, without regard to such state's conflict of laws principles.

20. Sublessor may correct any patent errors and fill in all blanks in this Agreement or any Collateral Schedule or Exhibit, consistent with the agreement of the parties.

21. Facsimile Signatures: A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any amendments hereto. If Sublessee delivers a facsimile signature, Sublessee shall also deliver an original counterpart to Franchisor. If Sublessee delivers a facsimile signature, Sublessee is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

22. Sub-Lessee hereby agrees that service of process upon sublessee(s) may be made upon Sublessee in any proceeding by service upon an agent for service of process in the State of New Jersey, who is approved by Sublessor. Sub-Lessee(s) shall appoint an agent for service of process in the State of New Jersey within 10 days of the date of this Sublease Agreement is executed by Sublessee(s).

23. Sublessee understands and acknowledges that the rights and duties set forth in this Sublease Agreement are personal to Sublessee, and that Sublessor has granted this Sublease Agreement in reliance on Sublessee's business skills and financial capacity. Accordingly, neither Sublessee nor any immediate or remote successor to any party of Sublessee's interest in this Sub-Lease, including any trustee in bankruptcy, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this franchise without the prior written consent of Sublessor

and provided that Sublessee shall first have complied with the conditions for transfer set forth in this Sublease Agreement to Sublessor's satisfaction. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Sublessor shall be null and void and shall constitute a material breach of this a Agreement, for which Sublessor may then terminate without opportunity to cure.

Sublessor shall not unreasonably withhold its consent to a transfer of any interest in this sublease; provided, however, that prior to the time of transfer, including transfer by a trustee in bankruptcy, Sublessee shall pay Sublessor, prior to approval by Sublessor, a transfer fee of $10,000.00.

IN WITNESS WHEREOF, this Sub-Lease has been executed the date and year above written.

Witnessed by:

_____

SUB-LESSOR:

By: _____

Name: _____

Title: _____

Witnessed by:

_____

SUBLESSEE:

By: _____

Name: _____

Title: _____

Witnessed by:

_____

Or if Individuals

_____ (Signature)

_____ (Signature)

Witnessed by:

_____

_____ (Signature)

_____ (Signature)

OWNERS' PERSONAL GUARANTY OF
SUBLESSEE'S OBLIGATIONS

Sublessor: _____("Sublessor")

Sublessee: _____ ("Sublessee")

Sublease Agreement between Sublessor and Sublessee dated: _____ ("Sublease Agreement")

In consideration of, and as an inducement for Sublessor to enter into the Sublease Agreement, the undersigned owners of an interest in Sublessee hereby jointly, severally and unconditionally : (1) guarantees to Sublessor and its successors and assigns, for the term of the Sublease Agreement and thereafter as provided in the Sublease Agreement, that Sublessee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Sublease Agreement and that each and every representation of Sublessee made in connection with the Sublease Agreement is true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Sublease Agreement.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Sublessor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he/she may have to require that an action be brought against Sublessee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he/she may be entitled.

Each of the undersigned consents and agrees that: (i) his/her direct and immediate liability under this guaranty shall be joint and several; (ii) he/she shall render any payment or performance required under the Sublease Agreement upon demand if Sublessee fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by Sublessor of any remedies against Sublessee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Sublessor may from time to time grant to Sublessee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Sublease Agreement.

This guaranty shall be interpreted and construed under the laws of the state in which the Demised Premises are located, without regard to such state's conflict of law principles.

Facsimile Signatures: A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any amendments hereto. If Guarantor(s) deliver(s) a facsimile signature, he/she/they shall also deliver an original counterpart to Sublessor. If Guarantor(s) deliver(s) a facsimile signature, he/she/they is/are not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

Each of the undersigned owners of Sublessee agree that service or process may be made upon each of the undersigned in any proceedings by service upon an agent for service of process in the State of New Jersey, who is approved by Sublessor. Each of the undersigned shall appoint an agent for service of process in the State of New Jersey within 10 days of the date this Guaranty is executed by the undersigned.

IN WITNESS THEREOF, each of the undersigned has hereunto affixed his/her signature, under seal, on the same day and year as the Agreement was executed.

Percentage of ownership interests in Sublessee	**GUARANTOR(S)**
_____	_____ (Signature) _____ (Print Name)
_____	_____ (Signature) _____ (Print Name)
_____	_____ (Signature) _____ (Print Name)
_____	_____ (Signature) _____ (Print Name)
_____	_____ (Signature) _____ (Print Name)

DATE:_____, 20__

EXHIBIT D
to Disclosure Document

TABLE OF CONTENTS OF OPERATIONS & TRAINING MANUAL

Key Learning and Discussion Outline

This is an outline of discussion topics that the Training Manager and Operations Consultant will be referring to throughout the course of your training and on-going development. These points will strengthen your understanding of Villa operations and underline the importance your role as the leader in your own restaurant. Each of these topics relates to our commitment and principles of delivering world class service, superior food in sparkling clean restaurants and to the profitability of our restaurants.

Discussion Topics	**Key Points**
● **Ambiance of the restaurant**	Understanding how merchandising, lighting, and hospitality influences purchasing.
●**Dough Management**	Quality identifiers, shelf life, storage and troubleshooting.
●**Employee scheduling**	Sales forecasting and scheduling. Staggering their times in? The impact of the schedule on the ability to provide world class Service to each customer – and build sales. Motivating employees to be productive during their shift.
●**Food Cost (PCA)**	Impact of sales mix on profitability Merchandising to influence purchasing decisions.
●**Food Orders**	Using par levels and on-hand counts
●**Customer Relations**	Being the mayor of your restaurant Owning the food court.
●**HAACP/Swisher**	Arranging a visit from Swisher – they can assist you with Material Safety Data Sheets, to create your in-store binder
●**Health Inspector**	How to work with the inspector and respond to requests/and concerns the inspector might have. Review the last Health Inspector, common write-ups. Servesafe.
●**Inventory Practices**	Dating and receiving inventory. Waste, weekly inventories, and indications of theft.

●**Line Checks**	Quality identifiers, importance of performing through checks daily in your Black book.
●**Marketing**	Competitive analysis, planning and implementation of strategies to increase guest count.
●**Minor Food Cost Items**	How significant are the items to the food cost – waste and over-prepping can add major cost over a month to a year.
●**Orientations**	Setting expectations.
●**POS, Revention**	Understanding management functions and back office.
●**Prep Sheets**	Shelf life, productivity, product quality and preparing for the volume periods.
●**Product Mix**	Using the report to impact merchandising and sales decisions.
●**Productivity**	An overview – how many hours a job should take? Is the Staff productive while the line is slow? Multi-tasking.
●**Profit and Loss Statement**	Understanding each category and how daily decisions affect the bottom-line.
●**Receiving Orders**	Checking orders in – quality, temperature, weight, specs and the impact of delivery times to sales.
●**Shelf Life, Day Dots**	How this impacts high quality food and can increase productivity with the use of Day Dots
●**Storage Organization**	Stock levels, prep amounts, dating, rotation and shelf life – impact on productivity, and food cost.
●**Weekly Sales**	Report previous weekly sales to your FOC on Tuesday at 11 am, and Royalties on Tuesday to the accounting department.

Total Number of Pages: 93

EXHIBIT E
to Disclosure Document

LIST OF CURRENT FRANCHISEES

EXHIBIT E-1

LIST OF CURRENT VILLA PIZZA, VILLA FRESH ITALIAN KITCHEN, AND VILLA ITALIAN KITCHEN FRANCHISEES
Current as of December 31, 2020

FRANCHISEE	ADDRESS	PHONE
California		
Orion Zemene	Great Mall of the Bay Area 611 Great Mall Drive, Space FC11 Milpitas, CA 95035	(408) 946-8382
Dean Puett	Northridge Fashion Center 9301 Tampa Ave., Ste. FC4 Northridge, CA 91324	(661) 803-6812
Orion Zemene	Eastridge Mall 2200 Eastridge Loop, Ste. 9201 San Jose, CA 95122	(408)531-9605
Colorado		
Mike Albano / Bob Koenig	Denver International Airport 9100 Pena Blvd. Concourse C Denver, CO 80249	(303) 342-0256
Jeremy Lai / Song Du	Pueblo Mall 3237 Dillon Drive Pueblo, CO 1008	(719) 544-0999
Florida		
Areas USA FLTP, LLC	Port St. Lucie Florida Turnpike Mile Marker 144 Fort Pierce, FL 34954	(772) 878-3838
Global Miami	Miami International Airport 4200 N.W. 21st Street Terminal D, 2nd Floor Miami, FL 33122	(305) 869-4616
Global Miami	Miami International Airport 4200 N.W. 21st Street Departure Level - Terminal D PO Box 260296 Miami, FL 33122	(305) 869-4616
Global Miami	Miami International Airport, Terminal G 4200 North West 21st Street Miami, FL 13359	(305) 446-4916
Sunrise Dadeland, LLC	Dadeland Mall 7535 S.W. 88TH Street Miami, FL 33156	(305) 665-9170

FRANCHISEE	ADDRESS	PHONE
Walker Pizza Company, LLC	Coastland Mall 1900 Tamiami Trail N., Space FC10 Naples, FL 34102	(239) 263-7230
Areas USA FLTP, LLC	Turkey Lake Florida Turnpike Milepost 263 Ocoee, FL 34761	(407) 780-7896
Areas USA FLTP, LLC	Fort Drum Florida Turnpike Mile Marker 184 Okeechobee, FL 34974	(863) 763-4302
Orlando Food Hall, LLC	Orlando International Airport Airside 2 1 Jeff Fuqua Blvd. Orlando, FL 32827	(407) 825-3860
Italogy Cuisine, LLC	Sawgrass Mills 12801 W. Sunrise Blvd. Room F233 Sunrise, FL 33323	(305) 876-0630
Areas USA FLTP, LLC	Canoe Creek Florida Turnpike Mile Marker 229 St. Cloud, FL 34769	(305) 322-1147
Georgia		
Hojeij Branded Foods, Inc.	Hartsfield-Jackson Atlanta Int'l. Airport 12700 Spine Road – Concourse E-F6 Atlanta, GA 30320	(404) 762-5237
Louisiana		
Roys Operating Group, LLC	Outlet Collection of Riverwalk Port of New Orleans, Space 230 New Orleans, LA	(504) 872-0045
Maryland		
Peppino Tripodi	Harford Mall US Rt. 1 & State Rd. #24 Bel Air, MD 21014	(410) 420-7135
Giampaola, Inc. (Giuseppe Tripodi)	White Marsh Mall 8200 Perry Hall Blvd, Ste. 2450 Baltimore, MD 21236	(410) 931-7101
Michigan		
Giggles and Chuckles Pizza, LLC	Rivertown Crossings 3700 Rivertown Parkway, Space 2152 Grandville, MI 49418	(616) 538-6506

FRANCHISEE	ADDRESS	PHONE
Mississippi		
MSE Branded Foods	Gulfport Premium Outlets, Sp. FC40 10000 Factory Shops Blvd. Gulfport, MS 39503	(228) 871-6020
Missouri		
RR World, LLC	St. Louis Premium Outlets 18511 Outlet Blvd., Sp. #806 Chesterfield, MO 63005	(636) 767-1426
Nevada		
The Grove, Inc.	McCarran International Airport Concourse C 5757 Wayne Newton Blvd. Las Vegas, NV 89119	(702) 261-3131
John & Donna Botti	3385 South Durango Drive Las Vegas, NV 89117	(702) 878-7889
PZSO, Inc.	Las Vegas Premium Outlets - South 7400 Las Vegas Blvd., Space FC30 Las Vegas, NV 89123	(702) 431-8225
PZSO, Inc.	Las Vegas Premium Outlets - North 875 South Grand Central Parkway, Space 1485 Las Vegas, NV 89123	(702) 366-0101
New Hampshire		
Merrimack Food Systems LLC	Merrimack Premium Outlets 80 Premium Outlets Blvd., Suite 697 Merrimack, NH 03054	(978) 973-0294
New Jersey		
Legends	1st Location at Prudential Center 165 Mulberry Street Newark, NJ 07102	(973) 757-6210
Legends	2nd Location at Prudential Center 165 Mulberry Street Newark, NJ 07102	(973) 757-6210
Legends	3rd Location at Prudential Center 165 Mulberry Street Newark, NJ 07102	(973) 757-6210
Legends	4th Location at Prudential Center 165 Mulberry Street Newark, NJ 07102	(973) 757-6210
Abe Dortheimer	Newark Liberty International Airport Terminal A Newark, NJ 07114	(973) 623-2717

FRANCHISEE	ADDRESS	PHONE
New York		
John Kass & Craig Westenfeld	Clifton Country Mall 422 Clifton Country Road Clifton Park, NY 12065	(518) 371-0194
Ohio		
Papa Bungi, LLC	Great Lakes Mall 7850 Mentor Avenue, Space 862 Mentor, OH 44060	(440) 205-0577
Papa Bungi, LLC	Great Northern Mall 4954 Great Northern Blvd., Space FC7 North Olmsted, OH 44070	(440) 777-0330
Pennsylvania		
AMEX FOODS, LLC	Ross Park Mall 1000 Ross Park Mall Drive, Space VC-05 Pittsburgh, PA 15237	(412) 358-9921
South Hills Pizza LLC	South Hills Village 301 South Hills Village, Space FC11A Pittsburgh, PA 15241	(412) 833-4270
Tennessee		
Nashville Food Systems, LLC	Opry Mills 439 Opry Mills Drive, Space FC-9 Nashville, TN 37214	(615) 549-0431
Texas		
George Puricelli	North East Mall 1101 Melbourne Street, Suite 2308 Hurst, TX 76053	(817) 284-2888
ZARS LLC	Round Rock Premium Outlets 4401 North Interstate Hwy 35, Suite 897 Round Rock, TX 78664	(512) 864-7174
Virginia		
Marco Metry	Spotsylvania Towne Centre 8010 Spotsylvania Towne Centre Fredericksburg, VA 22407	(540) 548-9021
Wisconsin		
Pleasant Prairie Pizza, Inc.	Pleasant Prairie Premium Outlets 11211 120th Ave., Unit FC104 Pleasant Prairie, WI 53158	(262) 857-3165
VERNELLI'S, LLC	Mayfair Mall 2500 N Mayfair Road, Space 0703 Wauwatosa, WI 53226	(414) 258-2380

FRANCHISEE	ADDRESS	PHONE
Azerbaijan		
TAP, LLC	Metropark Shopping & Entertainment Center Tabriz Str. 44, Narimanov District Baku, Azerbaijan AZ1001	
TAP, LLC	28 May Shopping Mall Azadlig Ave. & Fuzuli Street Baku, Azerbaijan AZ1000	
TAP, LLC	Ganjlik Mall Ataturk Prospekti Baku, Azerbaijan	
Italy		
Alessandro Pascarella	Galleria Auchan Porte di Catania Bicocca, Italy	
Francesco Bianco	Etnapolis Contrada Valcorente 95032 Belpasso, Catania, Italy	
SPE SRL	Centro Sicilia Localita la Tenutella Strada Provinciale 54 Catania, Sicily Italy	
Ernesto Coppola / Vincenzo Della Monica / Gaetano Chiantese	Centro Commerciale Auchan Via S. Fran.A Patria Ang. Via S. Ma 80014 Giugliano Campania, Naples	
Ernesto Coppola/Enzo Della Monica	Centro La Birreria Piazza Madonna Dell'Arco 13 Naples, Italy 80145	
Nola Food, SRL	Villa Pizza/Coffeeland c/o Centro Commerciale “Vulcano Buono” Auchan Unita C26 Nola 80035 Naples, Italy	39-81-8269588
Alessandro Pascarella	Villa Pizza/Coffeeland Napoli Fuorigrotta-Napoli (The Space Cinema) Via Giochi Del Mediterraneo 34 U 80125 Napoli, Italy	39- 081- 2397508
Francesco Bianco	Centro Commerciale San Martino 2 Novara, Italy 28100	

FRANCHISEE	ADDRESS	PHONE
Palermo Food S.r.l.	Conca D'oro Centro Commerciale via Lanza di Scalea, 1963 Palermo, Italy 90100	
Mexico		
Arturo Escalona	Centro Las Americas, FC-01 Avenida Central, Equina 10. De Mayo Conjunto Urbano Las Amreicas Ecatepec de Morelos, MX 55075	
Mario Alberto Garza Corona	Esfera City Center Carr. Nacional KM 268 Monterrey, Mexico 64984	01-81-1306-2880
Operadora de Franquicias Miomau, S.A. de C.V.	Plaza Citadina, Local 29 Carretera San Luis - Matehuala 3600 Soledad de Graciano Sanchez San Luis Potosi, SLP Mexico 78430	011-52-14441650717
QF MTY Restaurantes S.A. DE C.V.	Paseo La Fe FC 10, Nivel 2 Avenida Miguel Aleman #200 Talaverna, 66470 San Nicolas de lo Garza, NL, Mexico	
Sal's Place S.A. de C.V.	Valle Oriente Los Lazaro Cardenas 1000 Local 2139 San Pedro Garza Garcia Monterrey, Mexico	011-52-81-8486-0526

EXHIBIT E-2
LIST OF CURRENT TONY + BENNY'S
Current as of December 31, 2020

FRANCHISEE	ADDRESS	PHONE
Maryland		
MSE Branded Foods of Maryland	BWI Airport - Concourse A - #A-5A Baltimore, MD 21240	(440) 553-4346
K. Thompson Enterprise, LLC	Towson Town Center 825 Dulaney Valley Road Towson, MD 21204	(410) 296-1925
New Jersey		
Villa Newark B, LLC	Newark Liberty International Airport Terminal B Newark, NJ 07114	(973) 648-6810
New York		
	LaGuardia Airport - Terminal B Headhouse - Food Court Flushing, NY 11371	

EXHIBIT F
to Disclosure Document

LIST OF FORMER FRANCHISEES

EXHIBIT F-1
LIST OF FORMER VILLA PIZZA, VILLA FRESH ITALIAN KITCHEN, AND VILLA ITALIAN KITCHEN FRANCHISEES
Current as of December 31, 2020

FRANCHISEE	ADDRESS	PHONE
Alabama		
Ahmed Nadeem	Riverchase Galleria 2000 Riverchase Galleria, Ste. 162G Hoover, AL 35244	(205) 290-5516
Alaska		
Tok Goode	5th Avenue Mall Anchorage, AK 99501	(907) 279-0456
Colorado		
JSD II, LLC	Colorado Mills 14500 W. Colfax Ave., Ste. FC01 Lakewood, CO 80401	(303) 590-1546
Illinois		
Tony Doleh	Market Place Shopping Center 2000 N. Neil St, Ste. 708 Champaign, IL 61820	(217) 419-2987
Indiana		
Purdue University	Purdue University Purdue Memorial Union West Lafayette, IN 47906	(765) 494-8939
Maryland		
Vince Fascelli	Town Mall at Westminster Route 140 & Cranberry Road Westminster, MD 21157	(410) 848-9535
Nevada		
PZLV, Inc.	Fashion Outlets of Las Vegas 32100 Las Vegas Blvd. South Primm, NV 89019	(702) 874-1151
New York		
Servat Ibrahim	Tanger Outlet Center 1314 Tanger Mall Drive Riverhead, NY 11901	(631) 369-3226
Delaware North Companies	NYS Thruway Pembroke 8319 Indian Falls Rd. Corfu, NY 14036	(585) 334-0475
Delaware North Companies	NYS Thruway Seneca 7029 Aldridge Rd. Victor, NY 14564	(585) 924-3636
Delaware North Companies	Buffalo Niagara International Airport 42 Genesee Street Cheektowaga, NY 14225	(716) 633-0382

Abe Dortheimer	LaGuardia Airport Central Food Court, Lower Level Flushing, NY 11371	(718) 779-4477
Abe Dortheimer	LaGuardia Airport Central Food Court Upper Level Flushing, NY 11371	(718) 779-4845
Oregon		
Phil Odekirk	Rogue Valley Mall 1600 N. Riverside Medford, OR 97501	(541) 772-8634
Texas		
George Puricelli	Ridgmar Mall 1902 Green Oaks Fort Worth, TX 76116	(817) 731-8882
Utah		
Steve Price & Phil Odekirk	Provo Towne Center 1200 Provo Town Center Blvd., #208 Provo, UT 84601	(801) 852-3125
Phil Odekirk (JSD II, LLC)	University Mall 575 East University Parkway Orem, UT 84097	(801) 225-7347
Washington		
Phil Odekirk (JSD II, LLC)	Northtown Mall 4750 North Division, Ste. 2162 Spokane, WA 99207	(509) 484-7159
Phil Odekirk	Spokane Valley Mall 14700 E. Indiana Avenue Space #200 Spokane Valley, WA 99216	(509) 927-4092
Egypt		
Passion For Restaurants	Mall of Arabia Juhaynah Square, 6th October City Cairo, Egypt	20-112-685-4444
Passion For Restaurants	City Stars Heliopolis Nasr City Cairo Governorate, Egypt	20-112-685-4444
Mexico		
Sal's Place S.A. de C.V.	Plaza Fiesta Anahuac Ave. Manuel L. Barragan 325 Norte Colonia Residencial Anahuac Nuevo Leon, Mexico	011-52-811-631-8283
Sal's Place S.A. de C.V.	San Agustin Mall Local 1380 Battallon Patrieio #1000 Residencial San Pedro Garza Garcia Nuevo Leon, Mexico	011-52-8114-781-195

AREAS	Ixtapa Mexico Airport Desvlacion del aeropuerto s/n ambulantaje planta baja local 10 edif terminal Zihuatanejo, Guerrero Mexico 40800	011-52-17555536053

EXHIBIT F-2

LIST OF FORMER TONY + BENNY'S
Current as of December 31, 2020

FRANCHISEE	ADDRESS	PHONE
None.		

EXHIBIT G
to Disclosure Document

FINANCIAL STATEMENTS

VILLA PIZZA, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 27, 2020, DECEMBER 29, 2019, AND DECEMBER 30, 2018

VILLA PIZZA, LLC
(A Limited Liability Company)
FOR THE YEARS ENDED DECEMBER 27, 2020, DECEMBER 29, 2019, AND DECEMBER 30, 2018

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CITRINCOOPERMAN®
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Members
Villa Pizza, LLC
Morristown, New Jersey

We have audited the accompanying financial statements of Villa Pizza, LLC (a limited liability company), which comprise the balance sheets as of December 27, 2020 and December 29, 2019, and the related statements of operations, changes in members' equity (deficit) and cash flows for each of the three-years in the period ended December 27, 2020, December 29, 2019, and December 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CITRINCOOPERMAN®
Accountants and Advisors

Restatement of Prior Year Financial Statements

As discussed in Note 2 to the financial statements, the 2019 financial statements have been restated. Our opinion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Villa Pizza, LLC as of December 27, 2020 and December 29, 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 27, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, during 2020, the World Health Organization declared COVID-19 to constitute a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Livingston, New Jersey
April 12, 2021

VILLA PIZZA, LLC
(A Limited Liability Company)
BALANCE SHEETS
DECEMBER 27, 2020 AND DECEMBER 29, 2019

	2020	2019 (As Restated)
ASSETS		
Current assets:		
Cash	$ 162,804	$ 402,490
Royalties receivable, net	140,224	364,255
Franchise fees receivable	7,444	61,168
Prepaid expenses and other current assets	34,760	46,923
TOTAL ASSETS	$ 345,232	$ 874,836
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 50,293	$ 111,977
Deferred revenue, current (opened)	64,620	78,411
Due to affiliates	33,833	15,333
Total current liabilities	148,746	205,721
Long-term liabilities:		
Deferred revenue, net of current (opened)	149,549	231,684
Deferred revenue, net of current (unopened)	52,500	52,500
Total long-term liabilities	202,049	284,184
Total liabilities	350,795	489,905
Commitments and contingencies (Notes 4, 6 and 8)		
Members' equity (deficit)	(5,563)	384,931
TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	$ 345,232	$ 874,836

See accompanying notes to financial statements.

VILLA PIZZA, LLC
(A Limited Liability Company)
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 27, 2020, DECEMBER 29, 2019, AND DECEMBER 30, 2018

	2020	2019	2018
Revenues:			
Royalties	$ 1,043,775	$ 2,656,818	$ 2,840,566
Franchise fees	95,926	179,145	48,750
Other income	27,290	434,419	14,646
Total revenues	1,166,991	3,270,382	2,903,962
Operating expenses:			
Administration and management fees	650,945	1,756,495	1,595,284
Bad debt expense (recovery)	230,507	(13,963)	81,406
Rent	206,167	184,000	184,000
Professional and consulting fees	98,557	228,195	141,550
Advertising expense	77,009	255,546	355,618
Other operating expenses	13,739	9,169	11,225
Settlement expense	-	60,000	-
Franchise acquisition expenses	-	3,576	-
Convention expense	-	231,113	-
Total operating expenses	1,276,924	2,714,131	2,369,083
Income (loss) from operations	(109,933)	556,251	534,879
Other income (expenses):			
Gain (loss) on foreign currency exchange	19,548	(6,455)	(3,578)
NET INCOME (LOSS)	$ (90,385)	$ 549,796	$ 531,301

See accompanying notes to financial statements.

VILLA PIZZA, LLC
(A Limited Liability Company)
STATEMENTS OF CHANGES IN MEMBERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 27, 2020, DECEMBER 29, 2019, AND DECEMBER 30, 2018

	2020	2019	2018
Members' equity - beginning	$ 384,931	$ 1,678,528	$ 1,402,324
Cumulative effect of change in accounting principle (see Note 4)	-	(541,740)	-
Net income (loss)	(90,385)	549,796	531,301
Distributions	(300,109)	(1,301,653)	(255,097)
MEMBERS' EQUITY (DEFICIT) - ENDING	$ (5,563)	$ 384,931	$ 1,678,528

See accompanying notes to financial statements.

VILLA PIZZA, LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 27, 2020, DECEMBER 29, 2019, AND DECEMBER 30, 2018

	2020	2019	2018
Cash flows from operating activities:			
Net income (loss)	$ (90,385)	$ 549,796	$ 531,301
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Bad debt expense (recovery)	230,507	(13,963)	81,406
Foreign exchange loss (gain)	(19,548)	6,455	3,578
Changes in assets and liabilities:			
Royalties receivable	(6,476)	45,273	(90,608)
Franchise fees receivable	53,724	35,000	7,722
Prepaid expenses and other current assets	12,163	56,263	(94,398)
Other assets	-	-	5,000
Due to affiliates	18,500	(98,180)	113,513
Accounts payable and accrued expenses	(61,684)	11,974	(25,114)
Deferred revenue	(95,926)	(179,145)	(7,500)
Net cash provided by operating activities	40,875	413,473	524,900
Cash used in financing activities:			
Distributions	(300,109)	(1,301,653)	(255,097)
Effect of exchange rate changes on cash	19,548	(6,455)	(3,578)
Net increase (decrease) in cash	(239,686)	(894,635)	266,225
Cash - beginning	402,490	1,297,125	1,030,900
CASH - ENDING	$ 162,804	$ 402,490	$ 1,297,125

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Villa Pizza, LLC (the "Company") was organized on January 7, 1999, as a Delaware limited liability company. The Company offers and sells franchises for restaurants generally known as Villa Pizza under a non-exclusive license agreement with an entity affiliated with the Company by common control. Franchisees specialize in establishing and operating quick-service restaurants featuring pizza, pasta, and other Italian menu items generally under the "Villa" name. The Company primarily operates in the United States of America, Italy, Mexico and the Middle East.

As a limited liability company, the members are not liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort, or otherwise, unless a member has signed a specified guarantee.

Basis of presentation

The accompanying financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Fiscal year

The Company's fiscal year ends on the last Sunday in December. The periods ended December 27, 2020, December 29, 2019 and December 30, 2018, each consisted of 52 weeks.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue recognition

The Company adopted Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("Topic 606") on December 31, 2018. The Company derives its revenues from royalties, franchise fees, and transfer fees.

Franchise fees and royalties

Contract consideration from franchising primarily consists of initial or renewal franchise fees, sales-based royalties, fixed royalty fees and transfer fees payable by a franchisee for the transfer of a franchise unit to another franchisee. The Company also enters into multi-unit franchise agreements ("MUOAs") and area development agreements ("ADAs") which grant a franchisee the right to develop two or more franchise units. The Company collects upfront fees for the grant of such rights. The initial franchise fees are nonrefundable and collected when the underlying franchise agreement or ADA is signed by the franchisee. Sales-based royalties and fixed fee royalties are payable weekly or monthly. Renewal fees are payable when an existing franchisee renews the

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Franchise fees and royalties (continued)

franchise agreement for an additional term or when a transfer to a third party occurs.

The Company's primary performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including site selection, training and other such activities commonly referred to collectively as "pre-opening activities." The Company has determined that a certain portion of its training provided to the franchisee is not brand specific and provides the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of training services provided that is not brand specific is deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated or interdependent to the access of the Company's intellectual property and therefore is accounted for as a separate distinct performance obligation. All other pre-opening activities have been determined to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access the intellectual property over the term of each franchise agreement.

The Company estimates the standalone selling price of training services that are not brand specific using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific are recognized ratably as the training services are rendered.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. MUOAs and ADAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees.

Royalties can be earned based on a percentage of franchisee gross revenues or a predetermined fixed fee. Franchise royalties are related entirely to the use of the Company's intellectual property. Sales derived are recognized as franchisee sales occur and the royalty is deemed collectible, while fixed priced royalties are estimated and amortized over the life of the franchise agreement.

Transfer fees paid in lieu of franchise fees are recognized on a straight-line basis over the term of the franchise agreement. Transfer fees paid in addition to a franchise fee are recognized when fees are charged.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Franchise fees and royalties (continued)

Termination fees are recognized upon the termination date.

All other fees are recognized as services are rendered or when payment is received.

Revenue recognition through December 30, 2018

Franchise fees

Initial franchise fees were deferred until the Company had performed substantially all of the initial services pursuant to the franchise agreement, which generally occurred when the franchised restaurant commenced operations.

Royalties and franchise fees receivable

Royalties receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its franchisees to make required payments. Management considers the following factors when determining the collectibility of specific franchisees' accounts: franchisee creditworthiness, past transaction history with the franchisee, current economic industry trends, and changes in franchisee payment terms. If the financial conditions of the Company's franchisees were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Accounts are written off as uncollectible on a case-by-case basis.

Income taxes

As a limited liability company, the Company is treated as a partnership for federal and substantially all state income tax purposes. Accordingly, no provision has been made for income taxes in the accompanying financial statements, since all items of income or loss are required to be reported on the income tax returns of the members, who are responsible for any taxes thereon. The Company files income tax returns in the U.S. federal jurisdiction and in various states.

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") ASC 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period, including the technical merits of those positions. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as incurred. Advertising costs aggregated $77,009, $255,546 and $355,618 for the years ended December 27, 2020, December 29, 2019 and December 30, 2018, respectively.

Reclassification

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year presentation. These reclassification adjustments had no effect on the Company's previously reported net loss.

Foreign currency transaction gains and losses

In accordance with FASB ASC 830, *Foreign Currency Matters*, the assets and liabilities denominated in a foreign currency are translated into United States dollars at the rate of exchange existing at year end and revenues and expenses are translated at the exchange rate effective on the date of the transaction.

Foreign currency transaction gains and losses are included in results of operations and are primarily the result of remeasuring assets and liabilities denominated in a currency other than the functional currency. These foreign currency transactions resulted in income (loss) of $19,548, $(6,455), and $(3,578) for the years ended December 27, 2020, December 29, 2019, and December 30, 2018, respectively.

Recently issued but not yet effective accounting pronouncements

In February 2016, FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("ASU 2016-02"), which among other items, requires an entity to recognize lease assets and lease liabilities in the Company's balance sheets and to disclose key information about leasing transactions. In June 2020, FASB issued ASU No. 2020-05, *Effective Dates For Certain Entities* ("ASU No. 2020-05"), which defers the effective date for annual reporting periods beginning after December 15, 2021. The Company is evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures.

In January 2021, FASB issued ASU No. 2021-02, *Franchisors - Revenue from Contracts with Customers (Subtopic 952-606)* ("ASU 2021-02"), which permits franchisors, that are not public business entities, to elect a practical expedient to account for pre-opening services provided to its franchisees as distinct from the franchise license if the services are consistent with those included in ASU 2021-02. This accounting policy election would recognize all of those pre-opening services as a single performance obligation. This standard is effective in interim and annual periods beginning after December 15, 2020, with early adoption permitted. The standard requires a full retrospective transition to the date Topic 606 was adopted. The Company is evaluating the effect that ASU 2021-02 may have on its financial statements and related disclosures to determine if the Company will elect to adopt the practical expedient.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently issued but not yet effective accounting pronouncement (continued)

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). The amendments in this update require a new topic to be added (Topic 326) to the ASC and removes the thresholds that entities apply to measure credit losses on financial instruments measured at amortized cost, such as loans, trade receivables, reinsurance recoverables, and off-balance-sheet credit exposures, and held-to-maturity securities. Under current U.S. GAAP, entities generally recognize credit losses when it is probable that the loss has been incurred. The guidance under ASU 2016-13 will remove all current recognition thresholds and will require entities under the new current expected credit loss ("CECL") model to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and the amount of amortized cost that an entity expects to collect over the instrument's contractual life. The new CECL model is based upon expected losses rather than incurred losses. Additionally, the credit loss recognition guidance for available-for-sale securities is amended and will require that credit losses on such debt securities should be recognized as an allowance for credit losses rather than a direct write down of amortized cost balance. The ASU is effective for fiscal years beginning after December 15, 2022. The Company is evaluating the effect that ASU 2016-13 will have on its financial statements and related disclosures.

Recently adopted accounting pronouncements

There were no new accounting standards adopted by the Company during the current year that had a material impact on the Company's financial condition, results of operations or cash flows.

Targeted improvements to related-party guidance for variable interest entities

In October 2018, FASB issued ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements. This standard is effective for fiscal years ending after December 15, 2020, and was early-adopted by the Company for the year ended December 29, 2019.

Co-borrow arrangement

The Company is a co-borrower along with several other commonly-owned affiliates on a credit facility. Proceeds from this facility were received and payable by the Company's affiliates.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 12, 2021, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 2. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

During 2020, management re-evaluated its presentation of the contract assets and liabilities representing fixed royalties, that are expected to be received over the term of the contract. Management determined that the contract assets should only have been recorded for those goods or services that the Company had transferred to the franchisee in exchange for those fixed royalties, and contract liabilities should only have been recorded for those respective payments received from the franchisee before the Company transferred its goods or services to the franchisee. The 2019 financial statements have been restated to reduce contract assets and contract liabilities previously presented for fixed royalties at December 29, 2019. This change had no impact on either net loss, members' equity (deficit) or cash flows from operating activities for the year ended December 29, 2019.

The following tables summarize the impact of this restatement on the financial statements:

Balance sheet as of December 29, 2019	Previously reported	Adjustments due to restatement - decrease		As Restated
Current assets:				
Cash	$ 402,490	$ -		$ 402,490
Royalties receivable, net	364,255	-		364,255
Franchise fees receivable	61,168	-		61,168
Prepaid expenses	46,923	-		46,923
Contract asset, current	24,000	(24,000)	(1)	-
Total current assets	898,836	(24,000)		874,836
Other assets:				
Contract asset, net of current	61,467	(61,467)	(1)	-
TOTAL ASSETS	$ 960,303	$ (85,467)		$ 874,836

NOTE 2. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS (CONTINUED)

Balance sheet as of December 29, 2019	Previously reported	Adjustments due to restatement - decrease		As Restated
Current liabilities:				
Accounts payable and accrued expenses	$ 111,977	$ -		$ 111,977
Deferred revenue, current (opened)	78,411	-		78,411
Due to affiliates	15,333	-		15,333
Contract liability, current	24,000	(24,000)	(1)	-
Total current liabilities	229,721	(24,000)		205,721
Long-term liability:				
Deferred revenue, net of current (opened)	232,184	-		232,184
Deferred revenue, net of current (unopened)	52,000	-		52,000
Contract liability, net of current	61,467	(61,467)	(1)	-
Total long-term liabilities	345,651	(61,467)		284,184
Total liabilities	575,372	(85,467)		489,905
Commitments and contingencies				
Members' equity	384,931	-		384,931
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 960,303	$ (85,467)		$ 874,836

Restatement of prior year

(1) Revised presentation of contract assets and contract liabilities related to fixed royalty fees.

NOTE 3. ROYALTIES AND FRANCHISE FEES RECEIVABLE

Royalties receivable

Royalties receivable consisted of the following at December 27, 2020 and December 29, 2019:

	2020	2019
Royalties receivable	$ 301,712	$ 384,158
Allowance for doubtful accounts	(161,488)	(19,903)
Royalties receivable, net	$ 140,224	$ 364,255

Franchise fees receivable

Franchise fees receivable amounted to $7,444 at December 27, 2020, and $61,168 at December 29, 2019. There was no allowance for doubtful accounts related to franchise fees receivable at December 27, 2020 and December 29, 2019.

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES

In May 2014, FASB issued Topic 606, with several clarifying updates issued subsequently. In conjunction with Topic 606, a new subtopic, ASC 340-40, *Other Assets and Deferred Costs – Contracts with Customers*, was also issued. The updated standard replaces most existing revenue recognition and certain cost standards under U.S. GAAP, including industry-specific standards. Collectively, Topic 606 and Subtopic 340-40 are referred to as "ASC 606." ASC 606 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company adopted ASC 606 effective January 1, 2019, using the modified retrospective transition method. The cumulative effect of initially applying ASC 606 for all contracts not yet completed or substantially completed as of January 1, 2019, resulted in an adjustment to members' equity (deficit) of $(541,740). The adjustment primarily resulted from the change in recognition of franchise fees upon the adoption of ASC 606.

Disaggregated Revenues

The Company derives its revenues from franchisees located throughout the United States, as well as internationally. The economic risks of the Company's revenues is dependent on the strength of the economy in the United States, along with the other countries in which franchisees are located in, and its ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by geographic region and timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenues by geographic region were as follows:

	2020	2019
Domestic	$ 958,951	$ 2,778,381
International	208,040	492,001
Total	$ 1,166,991	$ 3,270,382

Revenues by timing of recognition were as follows:

	2020	2019
Point in time:		
Franchise fees	$ -	$ -
Franchise royalties	1,043,775	2,656,818
Other income	27,290	434,419
Total point in time	1,071,065	3,091,237
Over time:		
Franchise fees	95,926	179,145
Total revenues	$ 1,166,991	$ 3,270,382

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" on the accompanying balance sheets. A summary of significant changes in deferred revenue as of December 27, 2020, is as follows:

	2020	2019
Deferred revenue at beginning of period	$ 362,595	$ 541,740
Additions for initial/renewal franchise fees received	-	-
Revenue recognized during the period	(95,926)	(179,145)
Deferred revenue at end of period	$ 266,669	$ 362,595

Deferred revenue is expected to be recognized as revenue over the remaining term of the associated franchise agreement as follows:

Year ending:	Amount
2021	$ 64,620
2022	52,685
2023	44,654
2024	29,534
2025	10,868
Thereafter	64,308
Total	$ 266,669

NOTE 5. CONCENTRATIONS OF CREDIT RISK

Cash

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with high credit quality financial institutions.

Franchise fees and royalties receivable

As of December 27, 2020, one franchisee accounted for 14% of the Company's net royalties receivable, and as of December 29, 2019, two franchisees accounted for 25% of the Company's net royalties receivable.

As of December 27, 2020, one franchisees accounted for 100% of the Company's franchise fees receivable and as of December 29, 2019, three franchisees accounted for 92% of the Company's franchise fees receivable.

Revenues

In 2020, one franchisee accounted for 12% of the Company's total revenues. No such concentration existed during the years ended December 29, 2019 and December 30, 2018.

NOTE 5. CONCENTRATIONS OF CREDIT RISK (CONTINUED)

Foreign operations

As of December 27, 2020 and December 29, 2019, net royalties receivable from foreign franchisees amounted to $21,114 and $140,231, respectively.

As of December 27, 2020 and December 29, 2019, franchise fees receivable from foreign franchisees amounted to $5,907 and $59,875, respectively.

For the years ended December 27, 2020, December 29, 2019, and December 30, 2018, royalties recognized from foreign franchisees amounted to $165,725, $389,159, and $370,452, respectively.

For the years ended December 27, 2020 and December 29, 2019, franchise fees recognized from foreign franchisees amounted to $42,316, and $102,842, respectively. No franchise fees were recognized from foreign franchisees during the year ended December 30, 2018.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Litigation

The Company is subject to various proceedings arising during the ordinary course of operations. Management believes that the ultimate resolution of these matters will not have a material adverse effect on the Company's financial condition.

NOTE 7. LICENSE AGREEMENTS

On March 19, 2001, the Company entered into a non-exclusive indefinite license agreement with a commonly-owned affiliate (the "Licensor) for the use of various registered names (collectively referred to as the "Marks"), in connection with the development, expansion, advertisement and administration of a franchise system of businesses operating quick-service restaurants that operate under the Marks. The license agreement is in effect until either party provides the other party of its intention to terminate the agreement with at least 60 days' notice.

NOTE 8. RELATED-PARTY TRANSACTIONS

The Company pays administration and management fees to Villa Enterprise Management Ltd. ("Villa Enterprises"), a commonly-owned affiliate of the Company. Villa Enterprises provides administrative, management and accounting services for the Company. The existence of the Company's relationship with Villa Enterprises could result in operating results significantly different from those that would have been obtained if the entities were autonomous.

The total administration and management fees charged to operations for the years ended December 27, 2020, December 29, 2019, and December 30, 2018, amounted to $650,945, $1,756,495, and $1,595,284, respectively.

Due to/from affiliates consists of occasional receipts and disbursements in the normal course of business on behalf of the Company's commonly-owned affiliates. These balances are unsecured, noninterest-bearing, and have no specified repayment terms.

NOTE 8. RELATED-PARTY TRANSACTIONS (CONTINUED)

The Company paid rent as part of a month-to-month lease arrangement to a commonly-owned affiliate of $206,167, $184,000, and $184,000 for the years ended December 27, 2020, December 29, 2019, and December 30, 2018, respectively.

The Company recognized royalties from affiliate-owned franchises for the years ended December 27, 2020, December 29, 2019 and December 30, 2018, amounting to $44,376, $90,491 and $96,734, respectively.

NOTE 9. CORONAVIRUS (COVID-19) PANDEMIC

During the 2020 calendar year, the World Health Organization declared COVID-19 to constitute a "Public Health Emergency of International Concern." Disruptions to business operations have occurred as a result of quarantines of employees, customers, and vendors. Specifically, the food and beverage industry has faced more obstacles than many other industries on account of heightened restrictions. This does not prohibit the Company from selling or operating franchises; however, the uncertainty of the situation, duration or scope of the business and financial impact cannot be reasonably estimated at this time.

EXHIBIT H
to Disclosure Document

State Disclosure Addenda

California
Illinois
Indiana
Maryland
Michigan
Minnesota
New York
North Dakota
Rhode Island
South Dakota
Virginia
Washington
Wisconsin

CALIFORNIA

ADDENDUM TO
VILLA PIZZA, LLC
DISCLOSURE DOCUMENT

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

2. In Item 2 of the FDD neither the Franchisor nor any person in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

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

5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

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

7. The franchise agreement requires application of the laws of New Jersey. This provision may not be enforceable under California law.

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

9. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

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

ILLINOIS

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

This Addendum to the Franchise Disclosure Document is agreed to by and between Villa Pizza, LLC ("Franchisor") and the Franchisee identified below, to amend and revise said Franchise Disclosure Document as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the ____ day of _____, 20___.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title:_____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

INDIANA

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Villa Pizza Disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana.

1. Pursuant to Indiana Code 23-2-2.5-12, payment of the initial franchise fee is deferred until the completion of all the Franchisor's pre-opening obligations.

2. Item 8 is revised as follows:

   Indiana Code §23-2-2.7-1(4) states that franchisors are prohibited from obtaining money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

   Indiana Code §23-2-2.7-1(6) states that franchisors are prohibited from allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification.

3. Item 12 is modified by the addition of the following language at the end of the last paragraph:

   Indiana Code §23-2-2.7-1(2) and Indiana Code §23-2-2.7-2(4) prohibit the franchisor from operating a substantially identical business to that of the franchisee within the franchisee's territory regardless of trade name.

4. The Summary Column of Items 17(c) and 17(m) are modified by the addition of the following language at the end of the paragraph:

   The release does not waive any claims arising under the Indiana Deceptive Franchise Practice Act, Indiana Code §23-2-2.7.

5. Item 17(r) is modified by the addition of the following language at the end of the paragraph:

   The post-termination covenant not to compete may not be enforceable under Indiana Code §23-2-2.7-1(9).

INDIANA

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT
(continued)

6. Item 17 (t) Summary Column is revised as follows:

   Only the disclosure document, terms of the Franchise Agreement and executed amendments to the Franchise Agreement are binding (subject to state law). Any other agreements, whether oral or written, are not enforceable.

7. Item 17(w) Summary Column is revised as follows:

   Indiana's franchise laws will govern franchises granted to Indiana residents as well as franchises located within the State of Indiana.

MARYLAND

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

Anything to the contrary in the Villa Pizza disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Maryland:

Item 5 and Item 7 are revised as follows:

In Items 5 and 7 the requirement that you sign a general release to received 20% to 100% of the initial franchise fee if within nine months after signing the franchise agreement the necessary lease documents are not signed or if you fail to open the restaurant within 29x months after taking possession of the site, shall not apply to a general release of any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 is revised as follows:

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.

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

Any clause(s) referencing choice of forum is not applicable to claims arising under the Maryland Franchise Registration and Disclosure Law.

Maryland Franchise Registration and Disclosure Law prohibits us from requiring prospective franchisees to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Our Franchise Agreement requires franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law in order to purchase your franchise. Therefore, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

MICHIGAN

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

THIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT OF VILLA PIZZA REFLECTS CERTAIN REQUIREMENTS OF THE STATE OF MICHIGAN. IT IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION, AND SHOULD BE REVIEWED IN CONJUNCTION WITH THE FRANCHISE DISCLOSURE DOCUMENT, OF WHICH THIS IS MADE A PART.

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to the franchise:

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

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

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchisor or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

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

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

(i) The failure of the proposed transferee to meet the franchisors then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(ii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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

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

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

MICHIGAN

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT
(continued)

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.
Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Agency
Attention: Franchise
525 West Ottawa Street, Suite 670
Lansing, MI 48913
Telephone Number: (517) 373-7117

MINNESOTA

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

Minnesota law provides franchisees with certain rights regarding termination and nonrenewal of their franchises. As in effect in November 1990, Minn. Stat. Ann. Sec. 80.C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of a franchise agreement.

The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Under Minn. Rule 2860.4400J, (1) a franchisee cannot waive any rights, (2) the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief, and (3) a franchisee cannot be required to consent to waiver of a jury trial. In addition, a court will determine whether a bond is required.

Minn. Stat. §80C.21 and Minn. Rule 2860.440J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Under Minn. Rule 2860.4400D, we are prohibited from requiring you to sign a general release.

Item 5 is revised by the addition of the following paragraph at the conclusion of the Item:

> If you are a Minnesota resident or if your Villa Pizza or Tony + Benny's restaurant will be in Minnesota, however, the initial franchise fee will be in an amount as described above, but the payment of the initial franchise fee (as well as other initial fees or payments, including the lease deposit, if any, that would otherwise be due and payable to us prior to your restaurant's opening) will be deferred until you open your restaurant for business.

NEW YORK

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

For franchises and franchisees subject to the New York General Business Law B Article 33, statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Villa Pizza, LLC New York Franchise Offering Prospectus.

1. Item 3 is amended by adding the following language at the end of this Item:

Other than as stated above, neither we, our predecessors, nor any person identified in Item 2 of this Disclosure document:

(i) Has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against them alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations;

(ii) Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge, or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations;

(iii) Is subject to any currently effective injunctive or restrictive order or decree relating to the Franchise or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

2. Item 4 is amended by adding the following language at the end of this item:

Other than as stated above, neither the franchisor nor our affiliate or any predecessor, officer or general partner of the franchisor has during the 15-year period immediately preceding the date of this disclosure document:

(a) Filed as Debtor (or has filed against it) a petition to start an action under the U.S. Bankruptcy Code;

(b) obtained a discharge of its debts under the Bankruptcy Code; or

(c) was a principal officer of a company or general partner in a partnership that either filed as a debtor (or has filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner has held this position in the company or partnership.

3. Item 7 shall be supplemented as follows:

THERE ARE NO OTHER DIRECT OR INDIRECT PAYMENTS TO VILLA PIZZA IN CONJUNCTION WITH THE PURCHASE OF THE FRANCHISE.

4. Item 11, under the subheading "Operations & Training Manual" shall be supplemented as follows:

No changes to the Operations & Training Manual will be made which would impose an unreasonable economic burden on you or unreasonably increase your obligations.

5. The section labeled "Assignment by Villa Pizza" in Item 17 shall be supplemented as follows:

However, no assignment shall be made except to an assignee who, in the good faith judgment of Villa Pizza, is willing and able to assume Villa Pizza's obligations under the Franchise Agreement.

6. Item 17 shall be supplemented as follows with respect to your execution of a general release:

Provided, however, that all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder remain in force; it being the intent of this proviso that the non-waiver provisions of the GBL Sections 687.4 and 687.5 be satisfied.

ADDITIONAL RISK FACTORS:

The franchisor may, if it chooses, negotiate with you about items covered in the disclosure document. However, the franchisor cannot use the negotiating process to prevail upon a

prospective franchisee to accept terms which are less favorable than those set forth in this disclosure document.

Franchisor's registered agent in this state authorized to receive service of process:

Secretary of State
State of New York
162 Washington Avenue
Albany, NY 12231

THE FRANCHISOR REPRESENTS THAT THIS NEW YORK DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

NORTH DAKOTA

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

Covenants not to compete such as those mentioned in the Disclosure document are generally considered unenforceable in the State of North Dakota Century Code Section 9-08-06.

Section 44.08 of the Franchise Agreement and Items 9 and 17 of the Disclosure document (1) requires you to waive any right to demand or have a trial by jury in any action relating to the Franchise Agreement in which the company is a party. This provision is not enforceable under North Dakota Century Code 51-19-09.

Section 43(h) of the Franchise Agreement and Item 9 of the Disclosure document require you consent to a waiver of exemplary and punitive damages. This provision is not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

Item 17(c) is amended by the addition of the following language:

> Pursuant to the North Dakota Franchise Investment Law Section 51-19-09, we are prohibited from requiring you to sign a general release.

The following paragraph is hereby added to Item 17(v) and 17(w):

> The Choice of Law and venue provisions, applying law of any state other than North Dakota or requiring a franchise to litigate any cause of action outside of North Dakota, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

RHODE ISLAND

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that

"A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this State or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

SOUTH DAKOTA

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

Pursuant to SDCL 37-5B, any condition, stipulation or provision purporting to waive compliance with any provision of this chapter or any rule or order thereunder is void. Any acknowledgment provision, disclaimer or integration clause or a provision having a smaller effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter.

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the applications, construction, enforcement and interpretation under the governing law of New Jersey.

Neither Franchisor nor any person identified in Item 2 has any material arbitration proceeding pending, or has during the ten year period immediately preceding the date of the Disclosure document been a party to any concluded material arbitration proceedings.

Any provision in a Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue, in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota.

Any provisions providing for the parties to waive their right to a jury trial may not be enforceable under South Dakota law.

Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, or consequential damages may not be enforceable under South Dakota law.

Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota.

To the extent that such termination of the Franchise Agreement is due to Franchisee's failure to make royalty payments, the Franchisee shall receive 30 days written notice of Franchisor's intent to terminate the Franchise Agreement and an opportunity to cure such default prior to termination.

VIRGINIA

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

In Item 8 of the Disclosure document, when you make a written request to us to use an alternate supplier, we will notify you of approval within nine (9) months.

Section 24(b) (xi) shall contain the following statement:

> By statute, under § 13.1-564 of the Virginia Retail Franchising Act, it shall be unlawful for franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given to him by any provision contained in the franchise.
>
> "In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Villa Pizza, LLC for use in the Commonwealth of Virginia shall be amended as follows:
>
> Section 17.h shall contain the following statement:
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

Further: The Federal Trade Commission cover page is amended for Virginia and attached hereto. The Item 23 Receipt pages for Virginia are attached hereto.

WASHINGTON

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your Franchise. There also may be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your Franchise.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 10.100 RCW shall prevail.

A release or waiver of rights executed by a Franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a rights to a jury trial may not be enforceable.

For Washington franchisees, the site of mediation or arbitration shall be determined by the mediator or arbitrator at the time of mediation or arbitration.

For Washington franchisees, the site of mediation or arbitration shall be determined by the mediator or arbitrator at the time of mediation or arbitration.

WISCONSIN

ADDENDUM TO THE VILLA PIZZA DISCLOSURE DOCUMENT

REGISTRATION OF THIS FRANCHISE IN WISCONSIN DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

The conditions under which the Franchise Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.

EXHIBIT I
to Disclosure Document

Rider to State Franchise Agreement

California
Illinois
Indiana
Maryland
Michigan
Minnesota
New York
North Dakota
Rhode Island
South Dakota
Virginia
Washington
Wisconsin

CALIFORNIA
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

None

ILLINOIS

ADDENDUM TO THE VILLA PIZZA FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement is agreed to by and between Villa Pizza, LLC ("Franchisor") and the Franchisee identified below, to amend and revise said Franchise Agreement as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective the ____ day of _____, 20___.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title:_____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

INDIANA
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

This Rider to the Franchise Agreement by and between Villa Pizza and Franchisee is dated _____, 20__.

A. The following are modifications to the Franchise Agreement:

1. Pursuant to Ind. Code 23-2-2.5-12, payment of the initial franchise fee is deferred until the completion of all of the Franchisor's pre-opening obligations.

2. Section 1 of the Franchise Agreement is modified by the inclusion of the following language:

Indiana Code §§ 23-2-2.7-1(2) and 23-2-2.7-2(4) prohibits the Franchisor to operate a substantially identical business to that of the franchisee's within the franchisee's territory regardless of trade name.

3. Section 22 of the Standard Franchise Agreement is modified by the inclusion of the following language:

Indiana Code § 23-2-2.7-1(4) states that franchisors are prohibited from obtaining money, good, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

Indiana Code § 23-2-2.7-1(6) states that franchisors are prohibited from allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification.

4. Section 27(a) of the Standard Franchise Agreement is modified by the inclusion of the following language:

The post-termination covenant not to compete may not be enforceable under Indiana Code § 23-2-2.7-1(9).

5. Section 28.02(b)(5) of the Standard Franchise Agreement is modified by the inclusion of the following language:

Any general release is exclusive of any claims arising under the Indiana Deceptive Franchise Practices Act, Indiana Code § 23-2-2.7.

6. Section 31 of the Standard Franchise Agreement is modified by the inclusion of the following language:

INDIANA
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT
(continued)

Provided, however, that the liability is not caused by the Franchisee's proper reliance on or use of procedures or materials provided by the Franchisor.

7. Section 34(f) of the Franchise Agreement is modified by the inclusion of the following language:

The choice of law is subject to the superseding provisions of Indiana Franchises Acts, IC 23-2-2.5 and IC 23-2-2.7.

8. Sections 34(d), 34(f), 34(h) and 34(i) of the Franchise Agreement are modified by the inclusion of the following language:

Indiana Code § 23-2-2.7-1(10) prohibits (1) the reservation of the right to injunctive relief or any specified remedy, (2) the limitation of remedies available to either party, and (3) stipulations as to appropriate forum or venue.

9. Section 34(j) of the Standard Franchise Agreement is modified by the inclusion of the following language:

Any general release is exclusive of any claims arising under the Indiana Deceptive Franchise Practices Act.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the agreements shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Agreements on the day and year first above written.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title:_____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

MARYLAND
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

This Rider to the Franchise Agreement by and between Villa Pizza and Franchisee is dated _____, 20__.

1. Section 34(f) of the Standard Franchise Agreement is modified by the inclusion of the following language:

> Any clause(s) referencing choice of forum is not applicable to claims arising under the Maryland Franchise Registration and Disclosure Law. Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The following language shall be added to 34(j) of the Standard Franchise Agreement:

> Any general release, estoppel or waiver of liability required as a condition of purchase, renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
>
> Maryland Franchise Registration and Disclosure Law prohibits us from requiring prospective franchisees to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Our Franchise Agreement requires franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law in order to purchase your franchise. Therefore, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the agreements shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title: _____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

MARYLAND
RIDER TO AREA DEVELOPMENT AGREEMENT

This Rider to the Area Development Agreement by and between Villa Pizza L.L.C. and Developer is dated _____, 20___.

1. Section 13.5 is modified by the inclusion of the following language:

   Any clause(s) referencing choice of forum is not applicable to claims arising under the Maryland Franchise Registration and Disclosure Law. Developer may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The appropriate Section(s) of the Area Development Agreement are amended to include the following:

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

   Maryland Franchise and Disclosure Law prohibits us from requiring prospective franchisees to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Our Franchise Agreement requires franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law in order to purchase your franchise. Therefore, such representations are not intended to nor shall they act a s a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the agreements shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

VILLA PIZZA, LLC
A Delaware limited liability company

By: _____

Title: _____

DEVELOPER:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

MICHIGAN
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

None

MINNESOTA
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

This Rider to the Franchise Agreement by and between Villa Pizza and Franchisee is dated _____, 20__.

1. Section 17 of the Standard Franchise Agreement is amended by the inclusion of the following:

   The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

2. Section 24(b) of the Standard Franchise Agreement is amended by the inclusion of the following:

   With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C, 14 Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

3. Section 34(f) of the Standard Franchise Agreement is amended by the inclusion of the following:

   Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. Section 34(d) of the Standard Franchise Agreement is amended by the inclusion of the following:

   Under Minn. Rule 2860.4400J, a franchisee cannot waive any rights, the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief and a franchisee cannot be required to consent to waiver of a jury trial. In addition, a court will determine if a bind is required.

5. Section 34(j) of the Standard Franchise Agreement is amended by the inclusion of the following:

   Under Minn. Rule 2860.4400D, we are prohibited from requiring you to sign a general release.

MINNESOTA
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT
(continued)

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title:_____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

NEW YORK
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

This Rider to the Franchise Agreement by and between Villa Pizza and Franchisee is dated _____, 20__.

1. Notwithstanding anything to the contrary, the following language shall be added to Section 34(j) of the Standard Franchise Agreement:

> Provided, however, that all rights enjoyed by the Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, section 687.4 and 687.5 be satisfied.

2. The following language shall be added to Section 28 of the Standard Franchise Agreement:

> However, no assignment shall be made except to an Assignee who in the good faith judgment of Franchisor, is willing and able to assume Franchisor's obligations under this Agreement.

3. The first line in Section 34(d) of the Standard Franchise Agreement shall be amended to read as follows:

> "Injunctive Relief. Villa may seek to obtain in any court of competent jurisdiction ..."

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title:_____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

NORTH DAKOTA
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

This Rider to the Villa Pizza Franchise Agreement by and between Villa Pizza and Franchisee is dated _____, 20__.

1. Covenants not to compete are generally considered unenforceable in the State of North Dakota under the North Dakota Century Code Section 9-08-06.

2. Section 34(i) of the Standard Franchise Agreement and Items 9 and 17 of the Disclosure document; (1) require you to waive any right to demand or have a trial by jury in any action relating the Franchise Agreement in which the company is a party. This provision is not enforceable under North Dakota Franchise Investment Law §51-19-09.

   Section 34(h) of the Standard Franchise Agreement and Item 9 of the Disclosure document require you to consent to a waiver of exemplary and punitive damages. This provision is not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

3. Section 2 of the Standard Franchise Agreement is amended by the inclusion of the following language:

   Under North Dakota Franchise Investment Law §51-19-09, we are prohibited from requiring you to sign a general release.

4. Section 34(h) of the Standard Franchise Agreement requires the franchisee to consent to liquidated damages. Pursuant to §51-19-09 of the North Dakota Franchise Investment Law, this provision is deleted.

5. Section 34(e) of the Standard Franchise Agreement is amended by the addition of the following language:

   The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

6. Section 34(f) of the Standard Franchise Agreement is amended by the inclusion of the following paragraph:

   The Choice of Law and venue provisions, applying law of any state other than North Dakota or requiring a franchisee to litigate any cause of action outside of North Dakota, may not be enforceable under §51-19-09 of the North Dakota Franchise Investment Law.

NORTH DAKOTA
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT
(continued)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title: _____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

RHODE ISLAND
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

None

SOUTH DAKOTA
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

This Rider to the Franchise Agreement by and between Villa Pizza and Franchisee is dated _____, 20__.

1. Section 24(b)(xii) of the Standard Franchise Agreement is amended with the addition of the following language:

   To the extent that such termination of the Franchise Agreement is due to Franchisee's failure to make royalty payments, the Franchisee shall receive 30 days written notice of Franchisor's intent to terminate the Franchise Agreement and an opportunity to cure such default prior to termination.

2. Section 34(f) of the Standard Franchise Agreement is amended with the addition of the following language:

   The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the applications, construction, enforcement and interpretation under the governing law of New Jersey.

3. Section 34(f) of the Standard Franchise Agreement is amended with the addition of the following language:

   Any provision in a franchise agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue, in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota.

4. Section 34(h) of the Standard Franchise Agreement is amended with the addition of the following language:

   Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, or consequential damages may not be enforceable under South Dakota law.

   All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

SOUTH DAKOTA
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT
(continued)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title:_____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

VIRGINIA
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

None

WASHINGTON
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

This Rider to the Franchise Agreement by and between Villa Pizza and Franchisee is dated _____, 20__.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on _____ _____.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title:_____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

WISCONSIN
RIDER TO VILLA PIZZA FRANCHISE AGREEMENT

This Rider to the Franchise Agreement by and between Villa Pizza and Franchisee is dated _____, 20__.

The conditions under which the agreements can be terminated or renewed are set forth in the Wisconsin Fair Dealership Law, Wisc. Stat. 1993-94, Chapter 135, § 135.01 to 135.07.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on _____.

VILLA PIZZA, LLC
A Delaware limited liability company

By:_____

Title:_____

FRANCHISEE

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

EXHIBIT J
To
Disclosure Document

GENERAL RELEASE

ASSIGNMENT AND ASSUMPTION AGREEMENT
AND FRANCHISOR CONSENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made and entered into on this ___ day of _____, 20__, by and among _____, a _____ corporation and _____, an individual, both having an address at _____ (collectively, hereinafter referred to as "Purchaser" or "Assignee"; **Villa Pizza, LLC.**, a Delaware Limited Liability Company, with offices at 25 Washington Street, Morristown, NJ 07960 (hereinafter "Franchisor"); and _____, an individual ("Assignor's Owner"), both with an address at _____ (hereinafter "Assignor").

WHEREAS, a franchise relationship exists between Assignor and Franchisor pursuant to a Franchise Agreement, dated _____, 20__ (hereinafter referred to as the "Franchise Agreement"; and

WHEREAS, the Franchise Agreement grants Assignor the right to operate a Villa Pizza or Villa Fresh Italian Kitchen, Villa Italian Kitchen, and/or Tony + Benny's franchised business at _____ (hereinafter the "Franchised Business"); and

WHEREAS, Assignor wishes to assign to Assignee all of Assignor's right, title and interest in, to and under the Franchise Agreement and Assignee is willing to assume all of the obligations thereunder, all as set forth in a separate Contract of Purchase and Sale of Business, dated _____, between Assignor and Assignee ("Contract of Sale"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Franchise Agreement conditions any transfer of any interest in the Franchised Business on approval by Franchisor of the assignment; and

WHEREAS, Franchisor is willing to approve, in writing, the transfer from Assignor to Assignee upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

1. Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest in, to and under Assignor's Franchise Agreement and Assignee hereby accepts such assignment and assumes all of the liabilities thereunder. Assignor and Assignee acknowledge and agree that, notwithstanding the Contract of Sale to the contrary, Seller does not have the right to sell the trade name for the Franchised Business.

2. Franchisor consents to the within Assignment and Assumption, provided that all parties sign this Agreement and provided that Assignor or Assignee pays Franchisor $_____, via certified funds or a cashier's check, the required Transfer Fee under the Franchise Agreement and any and all Royalties and Ad Fund Fees that are due through the date of Closing between Assignor and Assignee, which are estimated to be $_____.

3. Assignee acknowledges that its decision to enter into the Contract of Sale and this Assignment and Assumption Agreement was based solely on representations made by Assignor, and that Franchisor has not made any representations to Assignee to induce the purchase of the Franchised Business or to enter into this Assignment and Assumption Agreement.

4. Assignee and Assignor acknowledge that Assignor's sale of the Franchised Business is being made to Assignee for Assignee's own account and that the sale is not being effectuated by or through

Franchisor. Assignor and Assignor's owner indemnify and hold Franchisor harmless from any and all claims and/or causes of action resulting from its sale to Assignee, including the payment of any and all attorney's fees.

5. By executing this Assignment and Assumption Agreement, Assignor and Assignee for themselves and their respective successors, represent and warrant that their representations herein are true and correct and that each of them has the right and authority to enter into and to accept the terms and conditions of this Assignment and Assumption Agreement, that the execution, delivery and performance of this Assignment and Assumption Agreement has been duly authorized by all necessary action and this Assignment and Assumption Agreement constitutes the valid and binding agreement of each of them.

6. Assignor and Assignee shall cooperate fully with Franchisor and do all things necessary, including execution of appropriate documents in forms satisfactory in all respects to counsel for Franchisor, to satisfy their obligations under this Assignment and Assumption Agreement.

7. Assignor and Assignor's owner mutually release and forever discharge Franchisor, its heirs, successors, predecessors, representatives, assigns, agents, employees, attorneys, officers, and directors, owners and shareholders, members from any claims, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character, and description, known or unknown, vested or contingent, which each party hereto now owns or holds, or has at any time heretofore owned or held, or may at any time own or hold against the Franchisor, arising pursuant to the Franchise Agreement thereof prior to the date of this Assignment and Assumption Agreement.

8. Assignor and Assignor's owner shall remain jointly and severally liable to Franchisor in the event of any default by Assignee under the Franchise Agreement. If Assignee defaults under the Franchise Agreement, Franchisor will not first have to pursue performance and/or collection from Assignee, but instead may look solely and exclusively to the Assignor and/or Assignor's owner for performance and payment under the Franchise Agreement.

9. Assignor agrees to remain bound by the post-term restrictive covenants contained in the Franchise Agreement, which provisions shall survive Assignor's Assignment hereunder, even if those covenants vary in any way from Assignor's obligations under the Contract of Sale.

10. This Assignment and Assumption Agreement may not be modified except in writing signed by all parties. The provisions of this Assignment and Assumption Agreement are severable, and in the event that any of them is held void and unenforceable as a matter of law the remainder shall continue in full force and effect.

11. This Assignment and Assumption Agreement may be signed in any number of counterparts, all of which when taken together shall form one valid and effective agreement. Facsimile signatures will be valid to bind the parties under this Assignment and Assumption Agreement.

12. The individual signing this Assignment and Assumption Agreement on behalf of each of the parties represents that he/she has the authority to enter into this Assignment and Assumption Agreement and to bind the respective parties.

13. This Agreement shall be governed by the laws of the State of New Jersey and any actions or proceedings brought in connection with this Assignment and Assumption Agreement shall be filed in the Superior Court of New Jersey, Morris County or the United States District Court, District of New Jersey, Newark vicinage. The Parties and each of their respective owners irrevocably submit to the jurisdiction of such courts and waive any objection any of them may have to either the jurisdiction of or venue in such courts.

14. This Assignment and Assumption Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

15. Except as modified by this Agreement, all terms of the Franchise Agreement remain the same and in full force and effect.

16. Facsimile Signatures. A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any amendments hereto. If Assignee and/or Assignor delivers a facsimile signature, Assignee and/or Assignor shall also deliver an original counterpart to Franchisor. If Assignee and/or Assignor delivers a facsimile signature, Assignee and/or Assignor is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

IN WITNESS WHEREOF, intending to be bound hereby, the parties have affixed their signatures and seals on the day and year first above written.

ATTEST:

ASSIGNOR

_____ _____

Witness

ASSIGNEE/PURCHASER

_____ _____

Witness

FRANCHISOR

ATTEST:

VILLA PIZZA, LLC

_____ By:_____

Witness

Its:_____

EXHIBIT K
to Disclosure Document

RECEIPT

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
California	Pending
Hawaii	
Illinois	04/28/20
Indiana	06/03/20
Maryland	07/30/20
Michigan	06/18/20
Minnesota	06/19/20
New York	08/28/20
North Dakota	04/29/20
Rhode Island	05/04/20
South Dakota	07/30/20
Virginia	05/01/20
Washington	08/05/20
Wisconsin	05/07/20

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 OF DISCLOSURE DOCUMENT

(Keep this copy for your records)

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

If Villa Pizza, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement for the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is Villa Pizza, LLC, located at 25 Washington Street, Morristown, NJ 07960. Its telephone number is (973) 285-4800.

Issuance Date: April 15, 2021

The franchise seller for this offering is marked below, whose principal business address and telephone number are 25 Washington Street, Morristown, NJ 07960, (973) 285-4800.

[ ] Adam Torine
[ ] Cheryl Kempf
[ ] Christopher McNamee
[ ] Tony Scotti
[ ] Kelly Hernandez

Villa Pizza, LLC authorizes the respective state agencies identified in Exhibit A to receive service of process for it in the particular state.

I received a disclosure document dated April 15, 2021 that included the following Exhibits:

A. LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS
B-1. VILLA PIZZA STANDARD FRANCHISE AGREEMENT
B-2. DEPOSIT AGREEMENT
B-3 (A) DEPOSIT AGREEMENT (FRANCHISE AGREEMENT)
B-3 (B) DEPOSIT AGREEMENT (AREA DEVELOPMENT AGREEMENT)
B-4. AREA DEVELOPMENT AGREEMENT
C. SUB-LEASE AGREEMENT
D. TABLE OF CONTENTS OF OPERATIONS & TRAINING MANUAL
E. LIST OF CURRENT FRANCHISEES
  E-1. LIST OF CURRENT VILLA PIZZA AND VILLA FRESH ITALIAN KITCHEN, FRANCHISEES
  E-2. LIST OF CURRENT TONY + BENNY'S FRANCHISEES
F. LIST OF FORMER FRANCHISEES
  F-1. LIST OF FORMER VILLA PIZZA AND VILLA FRESH ITALIAN KITCHEN FRANCHISEES
  F-2. LIST OF FORMER TONY + BENNY'S FRANCHISEES
G. FINANCIAL STATEMENTS
H. REGISTRATION STATE DISCLOSURE ADDENDA

I. RIDER TO STATE FRANCHISE AGREEMENT
J. GENERAL RELEASE (FORM)
K. RECEIPTS

Complete Below for a Partnership, Corporation OR Limited Liability Company	**Individual Prospective Franchisee**
_____ Date	
Name: _____	Name: _____
Title: _____	Telephone No: _____
Name of Company: _____	Date: _____
Signature: _____	Signature: _____

RECEIPT OF DISCLOSURE DOCUMENT

(Sign, date and return this copy to us)

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